

## Paid Leave Policy Must Recognize Trade-Offs

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Survey questions, like public policy, rarely require citizens to make realistic trade-offs. In real life, every benefit comes with a cost. This cost is seldom reflected upon by survey respondents in the comfort of their living rooms, but in real life, costs come into play. We all know life demands trade-offs, but that's easy to forget when it's not made explicit. Demand for expanded family and medical leave isn't going away, but we need to create policy solutions that build in those trade-offs, and avoid most of the downsides so that Americans are able to take leave if they should need it.

Independent Women's Forum (IWF) commissioned *Evolving Strategies* in 2016 to test demand and support for paid leave proposals, and [the findings](#) point toward some realistic policy solutions, like Personal Care Accounts and Social Security Earned Leave, that have a few things in common — built-in trade-offs, targeting, and flexibility — all of which blanket paid-leave mandates lack.

Government-mandated, paid family leave is extremely popular when the trade-offs and downsides aren't made explicit — nearly 75 percent of respondents in a recent [Cato Institute's survey](#) support it. Not surprisingly, when survey respondents are informed of the likely costs — such as reduced wages and benefits — support plummets as low as 21 percent and opposition tops out at 76 percent.

But expanded family and medical leave options are a serious voter demand, and something Americans are willing to sacrifice in order to secure. In fact, a majority of citizens are willing to pay more in increased taxes to get paid leave (+\$200/year) than to [reduce global warming](#) (+\$177/year).

Everything comes with a trade-off. IWF's randomized-controlled conjoint [research](#) demonstrates that general job *flexibility* is highly valued by women; offering a combination of flexible schedules, telecommuting, and reduced hours is about equivalent to offering 10 paid vacation and sick days or between \$5,000 to \$10,000 in extra salary.

But not all women want or make the same trade-offs, which is why flexibility in policy is so important, and a big reason why paid-leave mandates are so misguided. Paid family and medical leave is a relatively small concern to women overall, but mothers with young children value workplace flexibility and paid sick and vacation days much more than non-mothers. Women without young children, on the other hand, value salary and raises far more than do mothers.

One proposal that meets this demand for flexibility, targeting, and personal trade-offs is "[Personal Care Accounts](#)." With a PCA, you can save money — tax free — for when you need to take time off beyond your sick and vacation days. Employers can add money to Personal Care

Accounts too. Employers have a good reason to help you out — they get a tax credit for adding money to your PCA. This is a great alternative for small businesses that can't afford generous paid leave benefits. In addition to businesses, even charities can help fund these accounts.

It's like an IRA retirement account, but for family emergencies instead of retirement. You have cash to spend when you need time off, for what you need at the time. It puts you in control, protects you, and gives you flexibility. And they are popular — when the trade-offs are made explicit, voters choose Personal Care Accounts over universal, government mandated paid-leave proposal by 58 percent to 42 percent.

IWF recently advanced the template for yet another innovative solution — a proposal called Social Security Earned Leave. The proposal, which has now been turned into legislation introduced by Sen. Rubio and Rep. Wagner, allows workers to take their first three months of Social Security retirement benefits early, after they've had or adopted a baby, in exchange for a brief delay in their eligibility for retirement benefits.

It won't change how much money government spends on Social Security over the long term, but it does give people greater flexibility and control over the timing of their benefits, and builds in an explicit trade-off for the person who gets the benefit — trade-offs, targeting, and flexibility.

Both Social Security Earned Leave and Personal Care Accounts will reduce the likelihood that workers have to rely on taxpayer-financed welfare programs, which low-income workers often access when they lack paid leave. And these policies will make our public safety net more flexible and efficient, so that people can decide for themselves when they most need benefits and internalize the tradeoffs that are a part of all public policies.

There are good options for meeting the demand for expanded family and medical leave while avoiding the massive downsides of blanket government mandates. We need to think creatively and put forward positive proposals like Social Security Earned Leave and Personal Care Accounts that meet the key criteria for public policy — trade-offs, targeting, and flexibility.