



## **Gillibrand claim ignores the cost of a paid leave program**

Dan Clark

June 23, 2017

A national paid leave program "would potentially put into the economy \$21 billion annually."

U.S. Sen. Kirsten Gillibrand, D-N.Y., May 16 in a speech at a conference

### The ruling

President Donald Trump and the Democrats want a national paid leave program. Sen. Kirsten Gillibrand says such a program would boost the economy.

"If we had a national paid leave plan, it would potentially put into the economy \$21 billion annually," Gillibrand said at a conference hosted by the Center for American Progress, a progressive public policy and advocacy organization.

Gillibrand has sponsored a bill that would provide up to 12 weeks of paid leave annually through a weekly payroll deduction. Trump's plan provides six weeks of paid leave by expanding unemployment insurance funds. Both plans would allow paid time off work after the birth of a child. Gillibrand's plan would also allow paid leave for a temporary disability or to care for a relative.

Both proposals face an uphill climb in Congress because many Republicans oppose a national paid leave program. Gillibrand hopes her claim of an economic benefit persuades other senators to support her bill.

But is she right?

Gillibrand cites a 2016 report from the Center for American Progress.

The report found people who take unpaid or partially paid leave lose \$20.6 billion in wages each year. Researchers used federal data on the number of people who take unpaid or partially paid leave and their median wage to come up with the number.

"I was trying to figure out how much these people are losing ... because they have to take unpaid and partially paid leave while they're out either because of caregiving responsibilities or

temporary disability," said Sarah Jane Glynn, former director of women's economic policy at the Center for American Progress and a co-author of the report.

The cost of a national paid leave program is not included in the report. Glynn said that was intentional.

"Until we come to a consensus on what this program should look like it's kind of difficult to say what it's going to cost to taxpayers," Glynn said.

Gillibrand touts a \$21 billion boost to the economy, but that's not what the report says.

"That paper did not say including paid family leave would increase the economy by \$21 billion. It said it would give workers \$21 billion more and that's a key distinction," said Ben Gitis, director of labor market policy from American Action Forum, a center-right policy research organization.

"It sounds like they kind of looked at one side of the coin," said Vanessa Brown Calder, a policy analyst at the Cato Institute, a libertarian public policy research foundation. "There's also some consequences and costs to instituting paid parental leave policies."

Any plan would be paid for with tax dollars or a payroll deduction. The Institute for Women's Policy Research, a nonpartisan research group focused on women's issues, released a report earlier this year that said close to \$33 billion would need to be raised each year to fund Gillibrand's plan.

"There was some flippage in the language," said Jeff Hayes, program director for job quality and income security at the institute, of Gillibrand's claim. "An economist might tell you that just the uncompensated wages don't actually grow the economy."

Hayes did not dispute the Center for American Progress report's estimate of lost wages. The number may even be higher, he said.

So Gillibrand's claim ignores the money that would be taken out of the economy to pay for the program.

We rate it Mostly False.