Appelbaum, Eileen; Milkman, Ruth

Article

Time for Change? US Work-Family Policy in the Age of Obama

CESifo DICE Report

Provided in Cooperation with:
Ifo Institute – Leibniz Institute for Economic Research at the University of Munich

Suggested Citation: Appelbaum, Eileen; Milkman, Ruth (2009) : Time for Change? US Work-Family Policy in the Age of Obama, CESifo DICE Report, ISSN 1613-6373, ifo Institut für Wirtschaftsforschung an der Universität München, München, Vol. 07, Iss. 4, pp. 12-15

This Version is available at:
https://hdl.handle.net/10419/166979

Time for Change? US Work-Family Policy in the Age of Obama[1]

Eileen Appelbaum* and Ruth Milkman**

Barack Obama may be the first US president who genuinely understands working women's issues, as the chapter on "Family" in his book, The Audacity of Hope (Obama 2006, chapter 9), makes clear. Perhaps that is one of the reasons why women – especially women of color – voted for him in record numbers last November. Notwithstanding Sarah Palin's presence on the Republican ticket, 56 percent of women, compared to 49 percent of men, voted for Obama, according to exit polls. In addition, women turned out to vote in greater numbers than men in 2008, making up 53 percent of all voters (Institute for Women's Policy Research 2008).

Their confidence was not misplaced. As president, Obama immediately signaled his commitment to improving the lives of working women, signing the Lilly Ledbetter Fair Pay Act, which provides redress for sex discrimination in pay, just days after taking office. His commitment to helping working families also became apparent early on. During the presidential campaign, Obama promised to make family and medical leave more accessible and more affordable, and to set a new minimum standard of paid sick days. During his first weeks in office, he established the White House Task Force on Middle Class Families, which has improving work-life balance as one of its five goals, as well as the White House Council on Women and Girls. Michele Obama's First Lady's Office and the White House Domestic Policy Office have also signaled a strong interest in women's issues.[2] In addition, Obama promised to reinvigorate the Department of Labor's Women's Bureau.

The United States is one of only a handful of nations in the world that does not guarantee access to paid maternity leave and stands alone among high-income countries in not providing paid time off from work for an employee's own illness or to care for a sick child (Heymann 2007). The 1993 federal Family and Medical Leave Act (FMLA) provides only unpaid leaves for childbirth or bonding with a new child or to recover from one's own illness or care for a seriously ill family member. Many working families cannot afford to take unpaid leave, and FMLA coverage is far from universal, since smaller firms are exempt and workers whose tenure with their current employer is limited are often ineligible. Nearly half of all female employees are not covered by the FMLA provisions for pregnancy, childbirth and parental leave.[3] In addition, about two-fifths of all US workers lack paid sick days, and even fewer have access to paid parental or eldercare leave. Low-wage workers are the least likely to have access to paid time off, and are regularly forced to make wrenching choices between a day's pay and the welfare of their children and families.

Although working women have many unmet needs, including affordable child care and pay equity, the current policy agenda focuses on paid family leave and paid sick days. Polling data suggest that women today are more concerned about these issues than any others. In a November 2008 poll, for example, 35 percent of women indicated that Obama would best meet the needs of women if he addressed "family and work-life balance" issues, whereas only 22 percent chose the economy as their top concern (although unemployment had not yet risen to its current high level), and 10 percent chose pay equity (Woman Trend/Lake Research Partners 2009). Moreover, policy in-

* Professor at Rudgers, the State University of New Jersey.
** Professor of Sociology at UCLA and at the CUNY Graduate Center.
[1] An earlier version of this article appeared in the Fall 2009 issue of New Labor Forum.

[2] Top staff include Jared Bernstein, White House Task Force on Middle Class Families; Tina Tchen and Jenny Yaeger, White House Council on Women and Girls; Jocelyn Frye, the First Lady's Office; and Martha Coven, the White House Domestic Policy Office.
[3] To be eligible, one must have worked for the employer for at least 12 months and for at least 1250 hours during the 12 months preceding the leave. See http://www.dol.gov/esa/whd/regs/compliance/whdfs28.pdf

terventions on these issues enjoy broad public support, among both women and men, and across party lines (Lake Research Partners and the National Partnership for Women and Families 2007). Even workers who do not have children themselves, some of whom may occasionally complain about picking up the slack for co-workers who do, are likely to support family leave programs, especially in view of the growing need for leaves from work to care for aging parents and other seriously ill family members.

In addition, in the US context, paid leave and paid sick days are essential to social inclusion of low-paid employees and to rebuilding the middle class. Most families now rely on the paychecks of all available adults, and their economic security depends on maintaining those income streams during bouts of illness or when caring for a new child or an ill family member. Those covered by FMLA have access to unpaid leaves, but many workers are not covered at all, and those who are often cannot afford to take the unpaid leaves the act permits. Indeed, for working-class women, having a baby is strongly associated with poverty spells. Lack of access to family leave for caregivers also lengthens recovery periods for the elderly and forces many into expensive nursing homes, rather than allowing them to remain at home. Lack of access to paid time off to bond with a new child, recover from an illness, or look after a seriously ill family member is extremely stressful for workers, who may have no option but to quit their jobs in order to care for their families in a crisis. Even routine illnesses – a cold or stomach virus – can create insurmountable problems for the two-fifths of US workers whose employers provide no paid sick days.

With or without access to paid sick days or family leave, workers must find ways to care for themselves and their families. Absence from work can mean a loss of income and often disciplinary action – including being fired. The lack of protection for workers who miss work because of family demands creates impediments to job retention and economic stability for workers (especially but by no means exclusively women), raises turnover costs for employers, accelerates the spread of colds and flu, and adds to the high cost of health care.

To address these issues, broad coalitions of advocates representing the elderly, the disabled, children, low-income families, minority and immigrant communities, and working women have formed in many parts of the US. They have been successful in a few states in recent years, and are currently mobilizing at the federal level. On their own, however, these groups generally lack the political clout to pass paid sick days or paid family leave legislation. The opposition of organizations that lobby on behalf of business – Chambers of Commerce, the National Federation of Independent Business, the National Association of Manufacturers, and many others – to the passage of laws to remedy this situation is consistently fierce. Work-family advocates have been most successful when they work in coalition with organized labor to address the needs of working families – and, especially, women workers. Such coalition-based advocacy efforts have begun to alter the political landscape on this issue by promoting the idea of a paid family leave program that offers universal coverage as well as securing paid sick days for all employed Americans.

One model is the pioneering paid family leave insurance program that took effect in California five years ago – with labor doing much of the political heavy lifting. It provides partial wage replacement (55 percent of earnings and up to USD 959 per week) not only for bonding leaves for parents to care for new babies but also for leaves to care for seriously ill family members, including domestic partners (Milkman and Appelbaum 2004). Two other states – Washington and New Jersey – have also passed paid leave legislation, and several others are considering doing so. Federal action to provide incentives to states to establish such programs, or even to require them to do so, is now politically feasible. Paid leave programs are relatively inexpensive, since at any given point in time, relatively few workers take advantage of them – leave-triggering events being spread over the life cycle.

Requiring employers to provide paid sick days as a minimum employment standard also enjoys broad public support. A 2007 national poll found that 89 percent of voters – 83 percent of Republicans and 94 percent of Democrats – favor paid sick days (National Partnership for Women and Families 2007). It is easy to understand this high level of support across the political spectrum. In addition to the loss of wages when an employee misses work, unapproved absences may also be punished with suspensions or even with job loss (Dodson, Manuel and Bravo 2002). In the 2007 poll, 1 in 8 voters reported that they or a worker in their family had been fired or penalized for taking time off from work to care for a sick family member.

Some businesses already offer their employees paid sick days. According to the March 2008 National Com-

pensation Survey, 61 percent of private sector workers – 71 percent of full-time and 27 percent of part-time workers – had access to paid sick days.[4] But two-fifths of all private sector workers and nearly three-quarters of part-time employees had no paid sick days at all (Kramer and Zilberman 2008). More than half of the US workforce either has no paid sick days or cannot use them to care for sick children (Galinsky, Bond and Hill 2004). Moreover, access to paid sick days is uneven, with managers and professionals far more likely than lower-paid workers to be able to take paid time off when they are ill. In 2008, only 23 percent of employees in the bottom 10 percent of the income distribution had any paid sick days, compared with 83 percent of employees in the top 10 percent. And although 83 percent of managers and professionals have paid sick days, only 51 percent of production workers, and 42 percent of service workers do (Kramer and Zilberman 2008). As a result, children in low-income families are far less likely than other children to have a parent with paid sick days (Clemans-Cope, Perry, Kenney, Pelletier and Pantell 2008; Earle and Heymann 2002).

Once again, California was at the forefront when San Francisco passed a paid sick days law in November 2006, the first locality in the country to do so. Since then, Washington DC and Milwaukee, Wisconsin have followed suit. Milwaukee's ordinance passed in November 2008 with 69 percent of the vote, but a legal challenge from the city's business lobby is holding up implementation. In addition, two other cities and 13 states have recently introduced paid sick days legislation.[5]

Access to paid time off from work is an area where the inequality among women is especially salient. Many employers of managerial and professional women (and sometimes men), eager to retain their trained and highly skilled staff, provide these high-end workers with paid sick days and paid family leave benefits or the functional equivalent already. But for other employed women – with the notable exception of union members who often obtain such benefits through collective bargaining – paid sick days and paid family leaves are rarely available.

[4] A new definition of paid sick days access was introduced in the March 2008 survey. It now includes previously excluded plans for which no worker had made use of the benefit. As a result, the 2008 data for access to paid sick days are higher than, and not strictly comparable to, earlier data from this source that are widely cited in the literature.

[5] Paid sick days legislation is currently under consideration in New York City and Philadelphia, as well as Alaska, California, Colorado, Connecticut, Illinois, Maine, Massachusetts, Minnesota, Montana, New Hampshire, North Carolina, Pennsylvania and Vermont. For further details see http://www.nationalpartnership.org/site/DocServer/2009_PSDTracking_090309.pdf?docID=1922

Thanks to Obama's electoral victory, along with the continuing economic crisis, the ideological pendulum may be decisively swinging away from the market fundamentalism that has been hegemonic for the past three decades. The renewed legitimacy of government intervention presents a unique political opportunity for labor and other progressive advocates to win legislation requiring paid sick days as a minimum employment standard as well as federal support for the establishment of state insurance programs (similar in design to unemployment insurance) to provide paid family leave. Apart from universal health care, which is at the top of the Obama administration's agenda, this is an urgent priority for working families that deserves immediate attention.

Several bills are, or soon will be, before the US Congress. Although their approaches vary, all address the urgent need for paid time off for workers and suggest the growing political momentum for federal action on this issue.

- The Federal Employees Paid Parental Leave Act of 2009, a version of which passed the House of Representatives in 2008, has been reintroduced in the House by Representative Carolyn Maloney and in the Senate by Senator Jim Webb. It would provide four weeks of paid parental leave, which could be combined with any accrued annual or sick leave, to the 2.7 million workers employed by the federal government. The bill has cleared its first hurdle and passed out of the House Oversight Committee on 25 March 2009.
- Also on 25 March 2009, Representatives Pete Stark, George Miller, Lynn Woolsey and Carolyn Maloney introduced the Family Leave Insurance Act of 2009 to provide up to 12 weeks of paid benefits to workers who need to take time off to care for an ill family member, a new child, or because of their own illness. These leaves would be financed through a new fund to which employers and workers would contribute equally – 0.2 percent of the worker's pay or less than USD 7 a month for the average worker and 0.1 percent for employers of less than 20 workers. Workers earning less than USD 30,000 per year would receive full or near-full salary replacement; those earning USD 30,000 to USD 60,000 would receive 55 percent replacement; and those earning over USD 60,000 would receive 40 to 45 percent, with a cap of about USD 800 per week.
- On 7 May 2009, Congresswoman Lynn Woolsey and 18 co-sponsors introduced the Family Income

to Respond to Serious Transitions (FIRST) Act, which would allocate USD 1.5 billion in incentives to states to establish family leave insurance programs, as promised by President Obama during the campaign. The FIRST Act provides discretionary grants to states to implement programs that provide partial or full wage replacement for those taking family or medical leave. The funds could also be used by states that already have such programs to support wage replacement for eligible individuals or for outreach and education, administrative costs and incentives to small businesses to provide job protection.

- The Healthy Families Act, first introduced on 18 May 2005, would require employers to provide workers with a minimum number of paid sick days each year. These can be used to care for the worker's own illness or preventative care, or to provide care for a sick family member. Employers with fewer than 15 workers would be exempt. Workers would earn a minimum of one hour of paid sick time for every 30 hours worked, up to seven days per year, unless the employer selects a higher limit.

Advocates have been organizing around these issues for many years now. During the Bush administration that ended in 2008, the focus was on the state and local level. But this year attention has increasingly shifted to Washington. The two key national organizations that bring together advocates from around the nation are ValueFamilies@Work: A Multistate Consortium and the National Partnership for Women and Families.[6] Their efforts to advance a program for "valuing families at work" have been endorsed by many unions as well as by the AFL-CIO.

At this writing, the Obama administration and the US Congress are fully occupied with crafting a fundamental reform of the nation's health care system. There is every indication, however, that once this task is behind them, work-family policy will assume a prominent spot on the US legislative agenda.

[6] See http://www.nationalpartnership.org/site/Page Server and http://www.valuefamiliesatwork.org/

References

Clemans-Cope, L., C. D. Perry, G. M. Kenney, J. E. Pelletier and M. S. Pantell (2008), "Access to and Use of Paid Sick Leave among Low-Income Families with Children", *Pediatrics* 122,480–86.

Dodson, L., T. Manuel and E. Bravo (2002), *Keeping Jobs and Raising Families in Low-IncomeAmerica: It Just Doesn't Work,* Radcliffe Institute for Advanced Study, Cambridge, Mass.

Earle, A. and J. Heymann (2002), "What Causes Job Loss among Former Welfare Recipients: The Role of Family Health Problems", *Journal of the American Medical Women's Association* 57, 5–10.

Galinsky, E., J.T. Bond and E. J. Hill (2004), *A Status Report on Workplace Flexibility: Who Has It? Who Wants It? What Difference Does It Make?* Families and Work Institute, New York.

Heymann, J. (2007), *Forgotten Families: Ending the Growing Crisis Confronting Children and Working Parents in the Global Economy,* Oxford University Press, New York.

Institute for Women's Policy Research (2008), "Women's Vote Clinches Election Victory", press release, 6 November.

Kramer, N. and A. Zilberman (2008), "New Definitions of Employee Access to Paid Sick Leave and Retirement Benefits in the National Compensation Survey", U.S. Department of Labor, Bureau of Labor Statistics. www.bls.gov/opub/cwc/cm20081219ar01p1.htm

Lake Research Partners and the National Partnership for Women and Families (2007), "Key Findings from Nationwide Polling on Paid Family and Medical Leave", http://www.nationalpartnership.org/site/DocServer/Paid_Family_Leave_Poll_Results_2007.pdf?docID=2521

Milkman, R. and E. Appelbaum (2004), "Paid Family Leave in California: New Research Findings", *The State of California Labor 2004,* http://www.irle.ucla.edu/research/scl/pdf04/scl2004ch2.pdf

National Partnership for Women and Families (2007), "Key Findings from National Polling on Paid Sick Days", National Partnership for Women and Families, Washington DC, 25 September.

Obama, B. (2006), *The Audacity of Hope,* Crown, New York.

WomanTrend/Lake Research Partners Polling (2009), reported in *The New York Times Magazine,* 4 January 2009, p. 9.