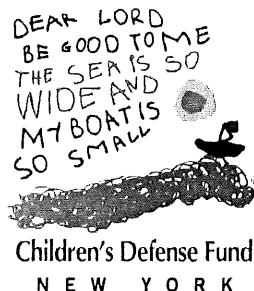


Testimony of

Patti Banghart
Director of Research,
The Children's Defense Fund - New York



Testimony to:
WORKFORCE DEVELOPMENT BUDGET HEARING

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Testimony Regarding
New York State's Paid Family Leave Proposal

Contact Information:
Children's Defense Fund – New York
15 Maiden Lane, Suite 1200, New York, NY 10038
pbanghart@childrensdefense.org
212-697-0920

Members of the Workforce Development Joint Budget Hearing, thank you for this opportunity to testify. My name is Patti Banghart and I am the Director of Research at the Children's Defense Fund- New York (CDF-NY). The Children's Defense Fund (CDF) is a national, non-profit child advocacy organization that has worked relentlessly for 40 years to ensure a level playing field for all children. Our mission is to ensure every child has a Healthy Start, a Head Start, a Fair Start, a Safe Start and a Moral Start in life and successful passage to adulthood with the help of caring families and communities.

CDF-NY is a member of the New York State Paid Family Leave Campaign, the Winning Beginning New York coalition of early childhood advocates, and a member of the New York State Early Childhood Advisory Council.

CDF-NY thanks the Assembly and those in the Senate who have championed paid family leave and conducted thoughtful hearings. And we are very pleased that Governor Cuomo has made paid family leave a priority in his executive budget.

We urge the State to enact a comprehensive paid family leave policy in New York. The Children's Defense Fund has long advocated that every child deserves a healthy start. During the first few months of life, early relationships—especially with parents—shape the architecture of the developing brain.¹ This critical time in a child's life is a unique opportunity for parents to attend to infant's physical needs and to the time-sensitive developmental tasks of bonding, attunement, and attachment. This formation of secure relationships requires care, consistency, and, above all, time. Research shows that dedicated time at home with a new infant gives parents the time they need for breastfeeding, to attend well-child medical visits, and to receive needed immunizations. These practices contribute to more positive child development, lower infant mortality rates, and reduces the occurrence and length of childhood illnesses.²

A strong paid family leave program would ensure that when workers need to be with their families to bond with a new child or care for a seriously ill family member they will be able to meet these health and family responsibilities without putting their jobs and financial stability at risk. Adequate wage replacement is important to protect low wage workers who live paycheck to paycheck and do not have savings to fall back on. Studies indicate that nearly one quarter of all poverty spells result from the birth of a child.³ A quarter of all children under the age of 6 in New York (346,565) are poor⁴, more than any other age group of children in the State. We

¹ National Scientific Council on the Developing Child, The Timing and Quality of Early Experiences Combine to Shape Brain Architecture: Working Paper No. 5. National Scientific Council on the Developing Child, 2007, <http://www.developingchild.harvard.edu>.

² Sheila B. Kamerman, "Parental Leave Policies: The Impact on Child Well-Being." In Peter Moss and Margaret O'Brien, eds., *International Review of Leave Policies and Related Research*, 2006, 16–21. London, UK: Department of Trade and Industry, 2006, <http://www.berr.gov.uk>.

³ Waldfogel, Jane. *International Policies Toward Parental Leave and Child Care*, The Future of Children, Vol. 11, No. 1 Spring/Summer 2001, available at <http://futureofchildren.org/publications/journals/article/index.xml?journalid=44&articleid=191>

simply cannot afford to let this continue to happen.

A strong paid family leave program will:

- Cover all workers
- Provide up to twelve weeks of leave
- Provide two-thirds wage replacement when a worker is on leave
- Provide job protection to workers who take leave
- Raise the benefit under Temporary Disability Insurance

Paid family leave must cover all workers. A program that does not apply to smaller businesses will exclude millions of workers. There is no financial penalty for any business under the Paid Family Leave program in the budget because it is an insurance program – workers are paid by the insurance provider when on leave, not by the employer. The employer can use the worker's salary to pay for any costs associated with the leave, such as increasing hours or replacements. An insurance program where everyone participates is what makes the benefit affordable to all employers and employees. No social insurance program excludes businesses based on size.

Workers need up to twelve weeks of leave. According to physicians, twelve weeks of leave is the minimal time parents need to bond and care for newborns, with lasting impacts for healthy child development. This twelve week period is also critical for breastfeeding, which provides major health benefits to both mothers and babies. Experience in the states that have paid family leave programs – California, New Jersey, and Rhode Island – show that workers take only the time they need. Many will not take the full twelve weeks.

A sufficient wage replacement rate (the percentage of a worker's income the worker receives while on leave) is critical to ensure that workers receive enough income to afford to take leave. Low-wage workers generally have little or no savings. Receiving only half their wages while on leave is insufficient to allow them to take time off. Under a proposal of 50% wage replacement a minimum wage worker would get just \$180/week. Low-wage workers will not be able to take this leave, even though they have paid for it. A wage replacement rate of two-thirds will provide low-wage workers with the opportunity to access more of their wages while on leave, which will enable them to take the leave.

Workers will be unwilling to risk their jobs to take paid family leave benefits without job protection. When workers aren't able to take leave and then return to their job they end up on public assistance, costing taxpayers money. Job-protected leave is especially important for

⁴ Children's Defense Fund (2015). *Children in the States*. Washington, DC: Children's Defense Fund. Available at <http://www.childrensdefense.org/library/data/state-data-repository/cits/2015/2015-children-in-the-states-complete.pdf>

keeping mothers attached to the workforce and reducing the income hit women take when they become mothers. Analysis of the Rhode Island paid leave program shows that 40% of workers would not have taken the paid family leave benefit without the job protection that the Rhode Island program guarantees.

The benefit for Temporary Disability Insurance has been at \$170 a week since 1989, this benefit is too low to protect workers from financial difficulty when they utilize it. A meaningful increase ensures that workers can avoid financial hardship, provides parity for workers dealing with their own disability and those caring for a family member, and provides an adequate benefit for women who experience complications during pregnancy. This benefit needs to be raised to provide the families of today access to financial stability when utilizing Temporary Disability Insurance.

The time is now for New York to establish a strong Paid Family Leave insurance program and we have the opportunity to do so through the FY 2016-17 budget. CDF-NY urges you to enact a program that covers all workers, provides 12 weeks of leave, provides two-thirds wage replacement, provides job protection, and raises the Temporary Disability Insurance benefit. CDF-NY strongly supports a Paid Family Leave policy with these components which will encourage the positive development of all young children and protect low-income families from falling into poverty due to the loss of wages or their job.

For questions and further information, please contact Patti Banghart, Director of Research at CDF-NY at 212-697-0920 or pbanghart@childrensdefense.org