

# FAMILY LEAVE INSURANCE FOR HAWAII



## WHAT IS FAMILY LEAVE INSURANCE?

Family leave insurance allows workers to take paid, job-protected leave for family emergencies, such as the birth or adoption of a baby, elder care, or to care for loved ones with a serious injury or illness.

Although some workers might have access to paid leave through their workplaces, because coverage is a voluntary option for employers, it is usually offered as a perk for only the highest-paid workers, not those who truly need it the most.

Overall, only about 10 percent of all workers have access to paid family leave that includes time off for caregiving.<sup>1</sup>

Too many in our workforce, especially low-income employees, lack access to these forms of paid leave.



	FMLA	TDI	Family Leave Insurance
Offers pay?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Allows for the care of others?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Available to all workers?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## 90% OF WORKERS HAVE NO ACCESS TO PAID FAMILY LEAVE THAT INCLUDES CAREGIVING

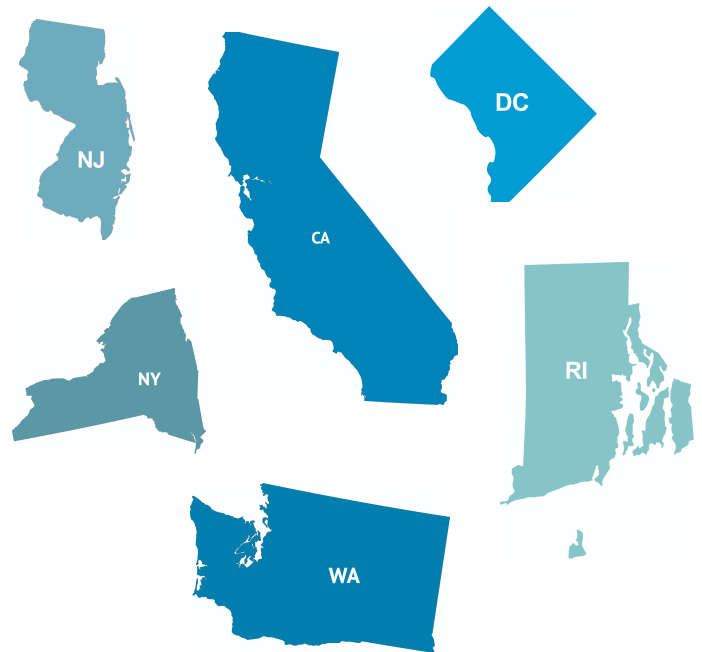
# 5 OTHER STATES AND DC HAVE FAMILY LEAVE INSURANCE PROGRAMS

## HAWAII SHOULD LEAD THE NATION

The United States is the only high-wealth country that does not offer paid leave for the working population.

California, Rhode Island, Washington, New Jersey, New York, and the District of Columbia have successfully implemented or are in the process of implementing family leave insurance programs.

As a state that values 'ohana, Hawaii has the chance to step forward and be next.



## CARING FOR OUR KUPUNA

The population of Hawaii is both older than the US as a whole, and is aging faster.<sup>2</sup> As the number of kupuna increase, so does the demand for caregiving.

It is not uncommon for Generation X families to face the combined pressure of caring for their children and aging parents and relatives.

Many workers experience financial strain as they lose income and risk their jobs to care for an aging parent in a medical crisis.

Family leave insurance allows workers to provide the care their elderly relatives need without having to sacrifice their livelihoods.



## IT KEEPS PARENTS OFF GOVERNMENT AID

Low-wage workers, hourly workers, and Native Hawaiians and Pacific Islanders are less likely to be covered under the existing Family and Medical Leave Act.<sup>3</sup>

Unfortunately, it is often these families who need family leave insurance the most. In many households, working parents cannot take unpaid time off work while still making ends meet.

Studies show that women who receive paid leave after the birth of a child are 39% less likely to rely on public assistance and 40% less likely to rely on food stamps than women who do not take paid leave at all and return to work, and this trend is also present in men.<sup>4</sup>



Women who receive  
paid leave  
after childbirth are

**40%**

**LESS LIKELY  
TO RELY ON  
FOOD STAMPS**

## IT FOSTERS HEALTHIER BABIES

Newborns require roughly 3 months to gain the ability to recognize a caregiver's voice, smell, and face.<sup>5</sup>

During this narrow window of time, it is important for babies to have the chance to bond with *both* parents for healthy development.

Babies whose parents are able to take leave from work are also more likely to receive regular medical checkups, vaccinations, and breastfeeding.<sup>6</sup>

Time-off periods after childbirth also reduce the risk of postpartum depression in new mothers,<sup>10</sup> allowing them to best care for their newborns.

## ADAM'S STORY

---

*Adam, a father of two, was only able to take two vacation days after each of his sons were born.*

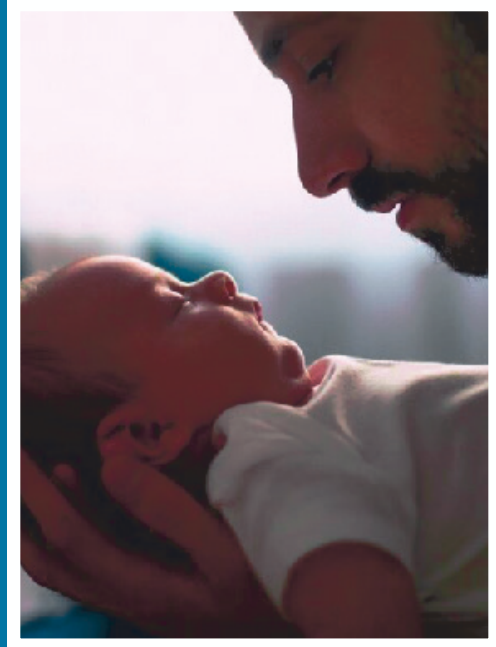
*His wife had a C-Section for both births and needed to physically recover from the delivery, so Adam had to step in to do all of the things his wife could not do.*

*Adam's wife also developed postpartum depression in the weeks after giving birth to their second son, and the emotional stress compounded the family's struggle.*

*For Adam, juggling family and full-time work was especially difficult with his wife having to physically recover from her surgery for the first few weeks after birth.*

*Many fathers feel that our culture is biased against men being equal caregivers, and that many industries are not supportive or understanding of paid family leave. "Fathers are just as important to their babies as mothers are," said Adam.*

*He says his family would have fared much better if his company had allowed him to stay home for the first few weeks while his wife recovered, and if they had had family leave insurance to cover some of their basic needs in the early postpartum stages.*



**"FATHERS  
ARE JUST AS  
IMPORTANT TO  
THEIR BABIES AS  
MOTHERS ARE."**

## CATHERINE'S STORY



### IT KEEPS WOMEN IN THE WORKFORCE

Women make up roughly half of the labor force in Hawaii, and over a quarter of children live in single-parent households.<sup>7</sup>

National data consistently shows that access to parental leave makes women more likely to return to work after giving birth.<sup>8</sup>

After California became the first state to offer paid parental leave, research showed that one to three years later, mothers of small children were working more hours and at higher average incomes.<sup>9</sup>

The option to take job-protected, paid leave provides job continuity, so women are less likely to leave the labor force altogether. This option is particularly important for low-income mothers and caregivers.

*When Catherine gave birth to her son, she had to make the tough and life-changing decision to separate herself from her job with the Navy because she was only offered six weeks of leave to recover, bond with her newborn, and get adjusted to the new demands of motherhood.*

*Although the decision was hers, she felt miserable that she had to leave her hard-earned, honorable position, as well as guilty that she could not financially support her newborn.*

*Like many mothers in the workforce, Catherine felt that she was letting herself, and her child, down. Looking back, she feels that things would have turned out differently if her job had been more supportive of her during that transitional period.*

Women who are  
able to take paid leave are

**93%**  
**MORE LIKELY  
TO BE IN  
THE WORKFORCE**

9 to 12 months after a child's birth,  
compared to women who take no leave.<sup>11</sup>



## POLICY RECOMMENDATIONS

Hawaii needs a family leave insurance program that allows all workers to take up to 16 weeks of paid, job-protected leave to care for sick or aging relatives, adjust to the birth, adoption, or placement of a child, or attend to other family emergencies.

It is essential that Hawaii's program be structured to support the low-wage workers who need this benefit the most. Research in Rhode Island has shown that low-wage workers cannot afford to take leave, and therefore do not utilize the program if the percentage of weekly earnings replaced under the program is too low.

Those who earn less than half of the average weekly wage\* should receive 90% of their weekly earnings; those who earn 50 to 100 percent should receive 75%; above average earners should receive 50%, up to a weekly maximum of \$1000.

It is recommended that the employee contribute not more than 50% of the premium to the family leave insurance fund; the rest of the contribution will be funded by the employer.

Employers would not pay any administrative costs of the program.

A family leave insurance program providing up to 16 weeks of leave with a sliding scale wage replacement system would cost around \$57/year to cover the average worker making \$48,184.

Workers in Hawaii should be able to be with the people they love when they need them the most—without risking their economic security. Creating a job-protected, partial wage replacement family leave insurance program allows all workers to bond with a new baby or care for their aging parent while continuing to put food on the table and keep a roof over their head.



**COST TO COVER  
THE AVERAGE  
WORKER:**

**\$1.11**

**PER WEEK**

\*The average weekly wage in 2017 determined by the State of Hawaii Department of Labor and Industrial Relations was \$845.71

## CITATIONS

1. Bureau of Labor Statistics, Table 33. Leave Benefits: Access, Private Industry Workers, National Compensation Survey, March 2017 (Department of Labor, 2017), available at <https://www.bls.gov/ncs/ebs/benefits/2011/ownership/private/table21a.pdf>
2. U.S. Census Bureau. 2016. CP05: Comparative Demographic Estimates, 2011-2015 American Community Survey Selected Population Tables. Washington, DC: U.S. Census Bureau.
3. Glynn, Sarah Jane, Heather Boushey, and Peter Berg. 2016. Who Gets Time Off? Predicting Access to Paid Leave and Workplace Flexibility. Washington, DC: Center for American Progress. <https://cdn.americanprogress.org/wp-content/uploads/2016/04/20131209/WhoGetsTimeOff-report-04.20.16.pdf>.
4. Houser, Linda, and Thomas P. Vartanian. 2012. Pay Matters: The Positive Economic Impacts of Paid Family Leave for Families, Businesses and the Public. New Brunswick, NJ: Rutgers University Center for Women and Work. <http://smlr.rutgers.edu/paymatters-cwwreport-january2012>.
5. Edward Zigler, Susan Muenchow, and Christopher J. Ruhm, Time Off With Baby: The Case for Paid Care Leave. Washington, DC: ZERO TO THREE, 2012.
6. 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. Retrieved from [http://www.leavenetwork.org/fileadmin/Leavenetwork/Annual\\_reviews/2006\\_annual\\_report.pdf](http://www.leavenetwork.org/fileadmin/Leavenetwork/Annual_reviews/2006_annual_report.pdf).
7. U.S. Census Bureau. 2016. S0901: Children Characteristics, 2011-2015 American Community Survey Selected Population Tables. Washington, DC: U.S. Census Bureau.
8. Wen-Jui Han and others, "Public Policies and Women's Employment After Childbearing," National Bureau of Economic Research Working Paper 14660 (2009).
9. Rossin-Slater, Maya, Christopher Ruhm, and Jane Waldfogel. "The Effects of California's Paid Family Leave Program on Mothers' Leave-Taking and Subsequent Labor Market Outcomes." Journal of policy analysis and management: 32.2 (2013): 224–245.
10. Pinka Chatterji and Sara Markowitz, Family Leave After Childbirth and the Health of New Mothers. National Bureau of Economic Research, 2008. Retrieved from <http://www.nber.org/papers/w14156>.
11. Linda Houser, Thomas P. Vartanian, Pay Matters: The Positive Economic Impacts of Paid Family Leave for Families, Businesses and the Public, 2-12. Retrieved from <http://www.nationalpartnership.org/research-library/work-family/other/pay-matters.pdf>.



Hawaii  
**Working Families**  
Coalition