

Written Testimony on HB 18-1001: Family And Medical Leave Insurance Program (FAMLI Act)

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Colorado House Committee on Business Affairs and Labor, 6 February 2018

Madam Chairwoman and distinguished members of this committee, thank you very much for the opportunity to speak with you today about HB 1001. My name is Jennifer Greenfield and I'm an assistant professor at the University of Denver's Graduate School of Social Work. My research focuses on the economic and health effects of caregiving across the life course, and therefore the bill before you today is of great interest to me. As a researcher, a social worker, and a mother of twin preschoolers, I have seen firsthand how important access to paid leave is to families.

Prevalence of Caregiving

AARP estimates that 40 million people in the US serve as a caregiver for an adult family member each year (Fox, Duggan & Purcell, 2013). Another 10% of Americans care for a child with a serious short- or long-term illness or disability. Often these caregiving episodes are of relatively short length, lasting a few weeks at a time. But even when caregiving is a more long-term responsibility, the intensity of the experience can vary; many caregivers don't need to leave the workforce entirely, but they may need to take a few weeks off when the person they care for becomes more seriously ill, undergoes surgery, or reaches the end of life.

The figures above describe the US as a whole, but of course, Coloradans do their fair share of the caregiving. For instance, the Colorado Health Institute recently estimated that 500,000 Coloradans—12% of our adult population—serves as a family caregiver for someone aged 50 and above (CHI, 2016). And while we don't have good estimates of the number of times children and other family members are hospitalized or face serious illnesses that require caregiving, we know that these kinds of episodes of care are not uncommon. For instance:

- There are roughly 25,000 new diagnoses of cancer in Colorado each year (American Cancer Society, 2015).
- 8% of all babies born in Colorado, or 6,000 babies each year, are born preterm or have low birth weight (Colorado Department of Public Health and Environment, 2015).
- Children's Hospital Colorado had over 17,000 inpatient admissions in 2015 (Children's Hospital Colorado, 2016).
- There are roughly 75,000 children who receive disability services through our public education system (U.S. Department of Education, 2013).

Although it's difficult to quantify the impacts that caregiving for seriously ill or disabled children and young adults can have on a family, we do know that parental involvement is often critically important. For instance, many preterm or low birth weight infants require hospitalization in a neonatal intensive care unit (NICU) for a few days or weeks before going home. My research team has a study underway in which we are interviewing mothers of preterm infants in several Denver-area NICUs. Half of the mothers we've interviewed so far work full-time, with another 16% working at least two part-time jobs to make ends meet. The working mothers in our study report an average of just TWO WEEKS of paid leave—and yet they have medically fragile, preterm babies in the hospital. These moms face the brutal choice of caring for their hospitalized babies, or working to make ends meet.

This is especially concerning because we know that the more time parents spend holding and caring for their preterm infants, the better off those infants are in terms of health, development, and even timely discharge from the hospital. In fact, research finds that infant mortality is reduced when parents have access to paid leave (Patton, Costich, & Lidströmer, 2016). Rates of breastfeeding also increase with access to paid leave, and mothers have lower rates of post-partum depression. Thus, parents' lack of paid leave when a child is born early may actually increase the state's healthcare spending and may be costing Colorado children their lives (Greenfield & Klawetter, 2015).

The bottom line is that caregiving, whether it's for a child, a spouse, or an aging parent, is a responsibility that can fall to any of us at any time, and the care family members provide has tremendous value, not just in terms of the emotional importance of connecting with family in a time of illness, but also in terms of the real health benefits family care can have.

It's important to note that more than half of all caregivers work outside the home. Roughly 46% of caregivers are employed full-time, with another 14% employed part-time (Fox, Duggan & Purcell, 2013), and yet only 12% of Colorado workers have access to paid family leave. As a result, most of Colorado's working caregivers have no ability to take paid time off when their loved ones need them—and cannot take time off to tend to their own health needs either.

How Lack of Access to Paid Leave Affects Caregivers

This gap in coverage means that a significant number of caregivers leave the workforce, reduce working hours, or forego promotions and raises in order to balance work and family responsibilities (Feinberg & Choula, 2012). In fact, in a study my research team is conducting right now, we find that among our sample of Colorado caregivers, 31% have left the workforce or reduced their hours because of caregiving responsibilities (Greenfield, Hasche, Bell, & Johnson, under review).

This forced choice between employment and caregiving has important implications for caregivers, employers, and the state economy. The Colorado Health Institute (CHI) estimates that caregiving for aging adults costs caregivers \$2.9 billion each year in lost wages alone—or an average of \$5,800 per caregiver per year (CHI, 2016). They also forego over \$200 million in lost benefits, which includes lost contributions to retirement savings and to health insurance coverage. The lost wages represent diminished spending power, and the lost benefits mean that caregivers are more likely to rely on public programs, especially in later life. Given the existing and projected pressures on our social programs due to the coming age wave (Semro, 2015), these economic impacts from caregiving could spell disaster for the state.

The enormous financial and emotional toll caregiving can have, along with the often physically demanding work that caregivers must do—such as lifting an aging parent or ill spouse and responding to calls for help at all hours of the day and night—make it unsurprising that caregivers have worse health than the population at large. Numerous studies find that the strong association between caregiving and poor health is due in large part to the stresses of caregiving—some of which might be alleviated by the availability of paid leave when a serious caregiving need arises (Shulz & Sherwood, 2009).

Anyone who has had a child or a spouse hospitalized knows how stressful and disruptive that hospitalization can be. When my then-two year old was hospitalized for a week in 2015, the doctors didn't even ask if I could take time off of work—it was simply assumed I would be bedside with him until he was discharged. I am lucky enough to be among the 12% of Colorado workers with access to paid leave—but without that benefit, I would have had to choose between my job and my child. No parent should face that choice. When New York's Governor Cuomo advocated for that state's paid family leave law last year, he cited the experience of taking time off as his father was dying. Paid leave, he concluded, should be available to everyone because, as he put it, "There are times in life when you should be with family members, because that's what it's all about at the end of the day" (Traister, 2016).

Impact of Caregiving on Employers

I've summarized some of the costs of caregiving, both in terms of caregivers' economic stability and their physical and mental health. But it's important to note that caregiving is not just costly for workers; employers also feel the pinch when caregivers choose family over their jobs. The Colorado Health Institute found that informal caregiving cost Colorado employers a total of \$564 million in 2015 because of productivity loss and replacement costs—and that is just the costs associated with caring for an ill or disabled adult (CHI, 2016). Estimates that included costs to employers when employees need to care for infants and children would be even higher. MetLife has estimated that caregiving costs employers at least **\$3 trillion annually** nationwide (MetLife Mature Market Institute, 2006).

How Would FAMLI Program Help?

The FAMLI Program would directly alleviate much of this burden here in Colorado. Because it would be paid through employee contributions to a new insurance fund, **employer dollars are freed to pay for temporary help** while the caregiving employee is away. And when employees know that they can pay the bills for a few weeks while they help their spouse or parent or child through a serious medical concern, they are likely to feel less stress about their financial situation, which may lead to reduced healthcare costs down the road—a savings that would help employees, employers, and the state. Furthermore, evidence from other states with paid family leave shows that employees are more likely to return to their jobs after their leave, and they are more likely to earn higher wages down the road (Baum & Ruhm, 2014; Rossin-Slater, Ruhn, & Waldfogel, 2013). This is a win for the state, which will see fewer caregivers leaving their jobs and relying on public programs now and in the future.

It is common for business owners to express hesitation about a program that they perceive might encourage employees to take more time off of work, might increase burden among co-workers left to pick up the slack, and might lead to increased costs for their businesses. Fortunately, studies from the states that have implemented paid leave programs find that businesses are not experiencing these adverse effects. In fact, almost 90% of businesses in California (America's longest running state paid leave program) found that having employees take leave cost the business nothing extra or even led to net savings (Appelbaum & Milkman, 2013). A similar number of **employers report that the paid leave program has had either no effect or positive effects overall on their businesses.**

The fact is that nearly all of us will, at some point in our working lives, find ourselves forced to choose between showing up for work or being there for a child, spouse, or parent with a health concern. Some of us will also face a time when our own health requires us to take some time off. Setting aside issues of whether it is “right” for workers to have to choose between their jobs and their families, the evidence suggests that making people choose ends up costing workers, employers, and states—and these costs are not insignificant. Implementing a paid family and medical leave insurance program like the FAMLI program would help families maintain financial stability, would reduce productivity losses and turnover costs for employers, and would reduce costs in public programs like Medicaid. In short, the FAMLI Program would be a financial win for employees, employers, and Colorado. I urge you to pass HB 1001 today.

Thank you.

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