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FAMLI Family and Medical Leave Insurance Program (HB18-1001)

Testimony to the Senate State, Veterans, and Military Affairs Committee
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Thank you for the opportunity to submit this testimony.

I'm Natalie Wood, a senior policy analyst at the Bell Policy Center. The Bell Policy Center provides policymakers, advocates, and the public with reliable resources to create a practical policy agenda that promotes economic mobility for every Coloradan.

The Bell supports HB 18-1001, which creates the Colorado Family and Medical Leave Insurance (FAMLI) insurance program in the Colorado Department of Labor and Employment. Under the plan, paid family and medical leave would be available to nearly all workers. After making premium payments through income deductions, workers could receive partial wage-replacement benefits to take leave from work for caregiving or for a serious health condition.

A state-sponsored paid leave policy would improve economic mobility in Colorado as we face rapidly changing demographics. Colorado's population is growing older. Every eight seconds, someone celebrates a 65th birthday, and by 2030, 1 in 5 Coloradans will be over age 65.ⁱ As we highlight in our report on economic mobility in Colorado, most workplace policies are not keeping up with what this means for today's workforce.ⁱⁱ More workers will need paid time off to care for themselves and for others.

Because of shifting demographics and the ripple effects of the Great Recession, older adults are remaining in the workforce past the traditional age of retirement. In fact, workers over age 55 comprise the fastest growing segment of the labor force.ⁱⁱⁱ Older adults are more likely to have chronic diseases or disabilities, and thus may need time off for their own serious health needs.^{iv} A recent analysis of FMLA data finds older workers take more leave than younger workers, particularly for self-care. If that leave is unpaid, which is disproportionately the case for workers with lower levels of income and education, it sets them up for economic distress just as they prepare for retirement.

An increasing aging population places greater demands on unpaid caregivers. At least half a million Coloradans are acting as an unpaid caregiver to someone aged 50 or older.^v The majority of these Coloradans are also in the workforce. Population trends show the ratio of family caregivers to older adults is shrinking.^{vi} As sources of family support dwindle, caregivers will depend on support from the workplace.

Unfortunately, a lack of paid leave policies is taking a toll on these Coloradans and their workplaces: Analysis from the Colorado Health Institute shows those caring for older adults shouldered \$3.7 billion in workplace-related costs in 2015.^{vii} Caregivers' future financial stability is also at risk because they cannot save for retirement, per a study by MetLife.^{viii} They face health costs, as they are more likely to have chronic diseases, substance use disorders, and depression. Colorado employers also shoulder costs as well, due to absenteeism, presenteeism, turnover, and increased health costs for their workers — costs that are projected to rise to \$1.1 billion by 2030.

Informal caregivers generate value to the people they care for, to the economy,^{ix} and to the state budget. They enable their loved ones to retain independence, remain in their homes and communities, and even lend them financial help.^x Without them, many older Coloradans would rely on the Medicaid program, which covers nursing home and home-based care for seniors. One study finds those over the age of 70 who are cared for at home by a family member are less likely to need nursing home care.^{xi} By 2030, the Colorado Futures Center projects one in five Medicaid dollars will be spent on adults aged 65 and older. It's no surprise polls find strong public support for paid leave as a strategy to help buffer the costs of long-term care.^{xii}

Colorado families face less of a balance and more of a balancing act when it comes to work and caregiving. The benefits of a policy like FAMLI are wide-ranging, enabling greater economic mobility, improving workplace productivity, and leading to better health outcomes for workers and their families.

We urge a yes vote on HB18-1001. Thank you for the opportunity to be here today and thank you for Senator Donovan and Senator Fields for sponsoring this bill. I'm happy to answer any questions.

ⁱ"Colorado Strategic Action Plan on Aging." November 2016.

ⁱⁱ"Guide to Economic Mobility in Colorado." Bell Policy Center. January 2018.

ⁱⁱⁱ"Family and Medical Leave Taking Among Older Workers." Institute for Women's Policy Research. January 2017.

^{iv}"Healthy Aging in Colorado Infographic." Colorado Department of Public Health and Environment. Undated.

^v"Putting a Price on Informal Caregiving in Colorado: Research for the Strategic Action Planning Group on Aging." Colorado Health Institute. August 2016.

^{vi}Garner, E. Colorado Population Trends on Aging. State Demography Office. 2015.

^{vii}"Putting a Price on Informal Caregiving in Colorado: Research for the Strategic Action Planning Group on Aging." Colorado Health Institute. August 2016.

^{viii}The MetLife Study of Caregiving Costs to Working Caregivers. Double Jeopardy for Baby Boomers Caring for Their Parents. National Alliance for Caregiving, Met Life Mature Market Institute, Center for Long Term Care Research and Policy. June 2011.

^{ix}Valuing the Invaluable. AARP Policy Institute. July 2015.

^xAumann, K, Galinsky, E, Sakai, K, Brown, M, and Bond, J. The Eldercare Study: Everyday Realities and Wishes for Change. Families and Work Institute. 2008.

^{xi}Lo Sasso, A. and Johnson, R. Does Informal Care from Adult Children Reduce Nursing Home Admissions for the Elderly? *Inquiry* 39: 279–297 (Fall 2002).

^{xii}Associated Press/NORC Center for Public Affairs Research. "Poll shows strong support for paid family leave programs." May 2016.