

In July 2016, the Vermont Commission on Women (VCW) received a grant from the U.S. Department of Labor Women’s Bureau to study the feasibility of a paid family and medical leave (PFML) program in Vermont. The study was conducted by IMPAQ International, in partnership with the Institute for Women’s Policy Research, the University of Vermont’s Center for Rural Studies, and Lake Research Partners.

The study employed a multi-method approach, utilizing simulation models, an implementation feasibility analysis, business and public opinion surveys, and focus groups to provide a comprehensive analysis of the potential implementation of a PFML program. Study highlights are below.

THE NEED

Most employer focus group participants indicated that their business did not provide paid family or medical leave to their employees. Many participants indicated that cost was the main factor preventing them from providing paid leave.

Current paid leave practices of businesses surveyed:

- 18% offered PFML on a case-by-case basis
- 16% offered paid maternity leave
- 9% offered paid paternity leave

THE MODELS

Benefit formulas the study analyzed included:

- 1) 12 weeks of leave at 100% of wages, up to a maximum of 2x the livable wage
- 2) 12 weeks of leave at 90% of wages up to the livable wage; 60% for wages between 1 and 2x livable wage; and 50% for wages over twice the livable wage, up to a total maximum benefit of twice the livable wage
- 3) 6 weeks at 100% of wages, up to a maximum of 2x the livable wage
- 4) 6 weeks at 90% of wages up to the livable wage; 60% for wages between 1 and 2x livable wage; and 50% for wages over twice the livable wage, up to a total maximum benefit of twice the livable wage

THE COST

Projected total program costs range between 0.47% of total payroll (for a 6-week leave at 90% wage replacement up to the livable wage; 60% wage replacement for wages between 1 and 2x livable wage; and 50% wage replacement for wages over 2x the livable wage, up to a total maximum benefit of twice the livable wage) and 0.93% of total payroll (for a 12-week leave at 100% weekly earnings, up to twice Vermont’s living wage).

Total program costs include 7.5% administrative costs.

THE BENEFITS

For Employers

- increased likelihood of mothers returning to their pre-childbirth employer
- reduced workplace contagion and contained healthcare costs through increased use of preventative and routine medical care
- improved labor market attachment, especially for new mothers, and increases the number of hours and weeks that new mothers work in the years following the birth of their child
- costs either did not change or decreased after the adoption of the California paid leave policy – 87% of firms reported that costs had not increased, and 9 percent reported a costs savings

For the State's Economy

- an estimated 1,098 – 3,220 Vermont workers with improved financial security, keeping them above the poverty threshold
- workers in families with lower incomes (of 200 percent or less than the federal poverty threshold) would have access to and would take more paid leave (an estimated increase of almost 40 percent), compared to workers earning \$75,000 or more (with an estimated increase of 7 to 9 percent, depending on policy type).
- workers in smaller businesses would benefit more from a PFML program (with an estimated 24% increase in leaves)

For Public Health

- increased likelihood and duration of breastfeeding
- increased likelihood that infants receive immunizations in first 18 months
- decreased number of preterm births and numbers of children born with low birthweights
- increased likelihood of mothers receiving regular medical check-ups and recommended immunizations
- reduced risk for depressive symptoms and parenting stress

THE SAVINGS

The study estimates a paid family and medical leave program would bring annual savings to Vermont's economy:

\$244,909 to \$271,754 in annual savings from reduced public assistance among Vermont's working women with a recent childbirth. In a national study, women who used paid family leave and returned to work after childbirth were 39 percent less likely to depend on public assistance in the year following the child's birth compared to those who returned and did not take any leave.

\$2.04 to \$3.46 million annually in savings for Vermont parents. On a per family basis, implementation of a program would save Vermont families an estimated average of \$1,032 to \$1,747, annually.

\$276,965 in savings due to an increased number of Vermont's newborn infants that are healthy and have normal birthweights.

THE SUPPORT

Most Vermont adults surveyed believed that establishing a program to guarantee access to paid family and medical leave in Vermont is very important. (80 percent favored without a contextual explanation of a PFML program, and 71 percent favored when provided with a contextual explanation).

Almost half (46.9 percent) of surveyed businesses supported a statewide PFML program.

THE PREFERRED ELEMENTS OF A PROGRAM

Among both Vermont adults and employers, a combination of employer and employee funding was the financing mechanism with the most support.

89% of adults favor a program that offers job protection.

The [full report](#) is available on the Vermont Commission on Women's website, and includes details and outcomes of each research modality.