



IWPR #B372

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## Estimating the Cost of Paid Family and Medical Leave in Connecticut

The Institute for Women's Policy Research (IWPR) analyzed [Connecticut SB-1](#), An Act Concerning Earned Family and Medical Leave, to estimate its likely annual use and cost. IWPR, together with economists Randy Albelda (University of Massachusetts) and Alan Clayton-Matthews (Northeastern University) developed and updated a simulation model to estimate the usage and costs of family and medical leave. The model simulates specific leave-taking behavior available in a national, comprehensive survey of family and medical leaves, the 2012 FMLA Survey conducted by Abt Associates under contract to the U.S. Department of Labor, onto individual employees working in Connecticut using data from the Census Bureau's 2012-2016 American Community Surveys (ACS). The simulation model estimates several aspects of leave-taking behavior, conditional on demographic characteristics and leave type, including the worker's own health needs, maternity-related disability, new child bonding, and family care for spouse, children, or parents. These include the probability of needing, taking, getting, and extending a leave if some or more pay were received, and so on.

SB-1 would provide eligible private employees in Connecticut with up to 12 weeks of paid family and medical leave each year for qualified conditions or family events, such as serious illness or welcoming a new child into the family. Benefits would provide 100 percent of usual wages up to a maximum weekly benefit of \$1,000. The program would be paid for by a 0.5 percent payroll tax on earnings up to the Social Security taxable maximum.

IWPR estimates that just over 68,000 workers would claim paid family and medical leave benefits per year under the program proposed in SB-1. Approximately 60 percent of claims would be for the worker's own serious health condition; 30 percent for pregnancy, childbirth, and bonding (both fathers and mothers are eligible for bonding leave); and 10 percent for caring for family members with serious health conditions.

Overall, benefits would be received for 7.2 weeks, on average, with longer periods of paid leave for the worker's own health and new children. The average weekly benefit would be just under \$700.

The total cost for paid family and medical leave benefits paid to workers in a year would be \$318.8 million dollars. Estimating administrative costs as five percent of benefits paid adds \$15.9 million on to total program costs of \$334.8 million. As a percentage of Connecticut's private sector employees' earnings taxable under Social Security (\$67.5 billion), the program costs would be 0.495 percent of base earnings.

<b>SB-1 (100% of Earnings up to \$1,000 weekly, 12 weeks)</b>	
<b>Number of Leaves Taken &amp; Receiving Program Benefits</b>	
Own Health	41,118
Maternity & Bonding	19,898
Family Care	7,035
Total	68,051
<b>Average Number of Weeks Receiving Program Benefits</b>	
Own Health	7.4
Maternity & Bonding	8.1
Family Care	3.4
Total	7.2
<b>Average Weekly Benefit</b>	\$698
<b>Benefit Cost (millions)</b>	
Own Health	\$198.5
Maternity & Bonding	\$105.6
Family Care	\$14.7
Total	\$318.8
<b>Administrative (5 percent, millions)</b>	\$15.9
<b>Total Cost (millions)</b>	\$334.8
<b>Cost as a Percent of 2016 ACS Taxable Earnings</b>	0.495

Source: Estimates based on IWPR-ACM Family Medical Leave Simulation Model based on 2012 DOL FMLA Employees' survey and 2012-2016 American Community Survey. (March 16, 2018)  
Costs are in 2016 dollars. The 2016 Social Security taxable maximum is \$118,500.

*This fact sheet was prepared by Jeff Hayes and Heidi Hartmann at the Institute for Women's Policy Research. Financial support was provided by the Annie. E. Casey Foundation and the Ford Foundation.*

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