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**COSTS TO WOMEN AND THEIR FAMILIES  
OF  
CHILDBIRTH AND LACK OF PARENTAL LEAVE**

**Testimony Relevant to S. 249  
Parental and Medical Leave Act  
October 29, 1987**

**Before the  
Subcommittee on Children, Families, Drugs and Alcoholism  
Committee on Labor and Human Resources  
United States Senate**

**by**

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**and**

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**NOTE: Please see the attached Research-In-Brief for updated figures on the costs of not having family and medical leave. These updated figures are taken from IWPR's final report on this issue, released in April 1990, entitled, Unnecessary Losses: Costs to Americans of the Lack of Family and Medical Leave.**

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COSTS TO WOMEN AND THEIR FAMILIES  
OF  
CHILDBIRTH AND LACK OF PARENTAL LEAVE

I am pleased to testify today about the costs to women and their families of childbirth and of the lack of parental leave. I will present today the first provisional findings to be released from a recent study conducted by the Institute for Women's Policy Research. The Institute for Women's Policy Research is a recently established, non-profit think tank that focuses on issues of special concern to women. I am the Institute's Director and am an economist specializing in women's employment. With me is Dr. Roberta Spalter-Roth, a Professor of Women's Studies and Sociology at George Washington University, who had primary responsibility for this research and who is available to respond to questions.

We believe the terms and criteria used to evaluate S. 249 have become narrow and one sided. The preponderance of the discussion has concerned the projected costs to business and especially to small business of the requirements of the bill. Two major assumptions underlie much of the current discussion: (1) that business or employers are the only group that bear the costs of family and medical leave; and (2) that there are no costs to the current situation. Because of the lack of a national family and medical leave policy, the current

situation is characterized by a haphazard set of vastly different business practices.

The purpose of our testimony today is to show that there are costs, very high costs, of the current haphazard situation-- costs borne by working women, working men, their families, employers, taxpayers, and society as a whole. Our research shows that having the right to return to their jobs will reduce unemployment and minimize wage loss for women when they return to work after childbirth. Further the proposed legislation will not only reduce the costs to women and their families of having children, it will also reduce the productivity lost to the economy. Our research also shows that wage loss and productivity loss will be reduced if ill workers have the right to return to their jobs.

#### CONCEPTS AND METHOD

When a person leaves employment temporarily because of the arrival of a child, illness of a family member, or his or her own illness, there are economic costs for three groups: the employer, parents and workers, and society.

#### EMPLOYER COSTS

First, the employer must replace the worker either temporarily or permanently, or arrange for the work to be done in another way. Although recruiting, hiring and training a new

replacement worker costs something, these are costs whether or not there is a parental or medical leave requirement. We contend that most of the costs to business that have been discussed as pertaining to parental and medical leave actually pertain to the unavoidable costs of having babies or being ill. Given that women will continue to have babies and that workers will continue to get ill, employers must deal with their absence from work. Only the potential additional cost to employers of replacing temporarily rather than permanently is due to the requirements of leave legislation. Since many employers do not replace missing workers, but cover for them in other ways, this potential cost may often not materialize. When it does, temporary replacements may involve additional costs because temporary workers may be less productive than permanent replacements and because there may be some administrative costs involved in letting temporary workers go and taking back former workers. Hiring a temporary, rather than a permanent replacement might be less costly, however, as suggested by the rapidly growing temporary help industry. Employers probably also save by replacing temporarily, because, when their former workers return, their productivity is likely to be higher than that of any replacement.

It is worth noting that many employers already provide sick leave, for both sick and pregnant workers, and guarantee them the right to return to their former jobs (or similar jobs). Obviously, there are economic benefits from taking back former workers, such as reduced turnover, and productivity gains from

the skills, experience, and institutional knowledge these workers have accumulated.

#### PARENT AND WORKER COSTS

Second, there are costs to parents and workers of the arrival of a child or of illness of workers or family members. Some, such as the medical costs of birth (or illness) and wage loss are not addressed by proposed legislation (though the cost of health insurance is). Other costs which workers now bear, such as the increased length of time a returning worker is unemployed or the lower wage at which she or he is reemployed elsewhere, when there is no right to return to a job, are addressed by the proposed legislation.

#### SOCIETAL COSTS

Third, there are costs to society. Because workers experience more unemployment and wage loss without parental and medical leave, productivity is lost to the economy. Even if the employer were to find an equally productive employee to replace an absent one, and so minimize her or his individual loss, society still loses productivity because the former trained and skilled workers will have to find new jobs. They are often unemployed longer or employed at jobs below their capability. Thus the employer's action in terminating an ill or pregnant worker can be viewed as creating a cost to be borne by all of us, the same way we all pay the price for one factory's pollution.

The economic costs to women and their families, employers, and society are identified in Table 1.

Our analysis is drawn from the Institute for Social Research at the University of Michigan's Panel Study of Income Dynamics. The nearly 7,000 families in the study are interviewed each year about their labor force participation, employment and unemployment status, hours on and off the job, earnings, and other sources of income including public transfer programs, as well as family size and other demographic information. In 1984-respondents were asked questions about their employee benefits including a question about whether, if the person had a baby, she (or he) would get any leave beyond vacation time.

To evaluate the costs of parenting, we compared women under 41 with a serious attachment to the workforce who had (or adopted) a baby with those who did not. We were also able to compare, for women who had (or adopted) babies, those who reported that they had some form of leave with those who had no such leave. We also compared women who had babies to men who had babies.

To evaluate the costs of illness, we compared workers (both women and men) under age 55 with a serious attachment to the workforce who experienced illness that required 50 or more hours absence from work with those who did not experience such illness. (Fifty hours is slightly above the average hours of work absence from illness in this sample.) All comparisons were carried out

for a three or four year period.

For example, if the differences show that women who had a baby are significantly worse off during the years following a birth or adoption, compared to the year prior to the birth, when compared to women who did not have babies, the differences are interpreted as the costs to the women of having (or adopting) a baby. We looked at several indicators to explore what "worse off" might mean, including annual work hours, unemployment hours, housework hours, out-of-labor force hours, hourly wage, annual earnings, and income from public transfer programs. To provide estimates for all women or workers in the United States we assumed the experience of all workers was similar to those in the PSID sample, since the sample is representative of the U.S. population.

## FINDINGS

Some of the costs we estimate, such as differences in annual earnings, are borne and felt primarily by individual women and their families. Others, such as the differences in the money value of income from public transfer programs, even when calculated on an individual basis, are financial costs to taxpayers. Still others, such as hours of unemployment, while experienced as individual suffering, are also costs to employers and costs to society of the lost productivity of trained workers.



## HAVING A BABY

What do the data show? Before the birth, women who had babies had earnings profiles very similar to women who didn't. After the birth, their hours of work and hourly wage rate fall significantly, and their receipt of public transfer income increases. Annual earnings losses for these women are substantial in the birth year averaging \$2858 per woman, and even larger the year after the birth when they almost doubled to \$5620 (losses are less in the birth year, because the birth may have occurred at any time during the year; many women will have worked at their former hours and wages most of the birth year). The second year after the birth, women's earnings recover somewhat, but they are still substantially below the pre-birth earnings. The earnings losses continue beyond the second year, though we were unable to estimate those future losses. As Chart 1 shows, summed over the first three years, then, the losses in earnings to American working women who had babies in 1985 total over 28 billion dollars.

Chart 2 compares women who had babies to men who had babies (or more biologically, though not socially correct, whose wives had babies). We have chosen two indicators, hourly wages and hours of housework (which here do not include hours spent on childcare) to illustrate that women bear a disproportional share of the costs of having children. While the differences between women and men are substantial in the year before the birth, they are greatly magnified subsequent to a birth (or adoption). By



two years after the birth, women's wages relative to men's have declined by 60 percent (in constant dollars) and their housework hours have increased 22 percent. Thus, as a result of having a baby, economic equity between the sexes declines, and women become increasingly burdened with unpaid work. Other researchers have shown that this uneven exchange will go on to have negative consequences for women's lifetime earnings and even for their retirement income and economic status in old age.

#### EFFECTS OF PARENTAL LEAVE

Data from the 1984 interview of the Panel Study on Income Dynamics, as shown in Table 2, indicate that more than seven out of ten employed women report having some form of leave besides vacation leave to have a baby, and about one out of three report that this leave is paid. (It is not clear whether this is sick leave, disability leave, additional parental leave, or some combination.)

As shown in Chart 3A, women who had babies, but who had no leave, show a net relative earnings loss of 76 cents per hour in the birth year, followed by smaller losses in subsequent years. Women without leave also experience more unemployment, particularly in the year after the birth (no doubt reflecting the need for job search), and more hidden unemployment (hours out of the labor force). When their hours and wage experiences are combined, each woman without leave lost \$457 more over the two years subsequent to the birth than those with leave. Across all

women without leave, this loss amounts to nearly 255 million dollars. We emphasize that although women and their families bore these costs personally, employers and society also suffered from the additional productivity lost because these women had no leave.

Part of the financial cost of not having parental leave is borne by taxpayers. As shown in Chart 3B, women without any form of maternity or parental leave receive more transfer payments over the three-year period (birth year plus two subsequent years) than those women who do have some leave. The estimated cost to society, in transfer payments to women without leave who had or adopted a baby in 1985 is nearly 108 million dollars.

#### COSTS OF ILLNESS

Thus far we have examined the costs of childbirth. Now let us turn to the costs of illness. As with childbirth, we will look at the costs of the current situation.

The data in Table 3 show that in survey year 1984, workers in the PSID sample under age 55 were off the job due to illness for an average of 4 days. In addition, the average worker is off the job for an extra work day as a result of someone else's illness. Clearly, U.S. workers do not, on the average, take very much sick leave regardless of its availability.

Even when workers are not seriously ill there are costs. As the length of illness increases so do the costs. To estimate

these costs we compared employed women or men under age 55 who experienced 50 or more hours off the job due to illness to those who experienced less illness. The most striking finding shown in Chart 4 is that workers with more than 50 hours off the job due to illness in a single year not only have large initial losses in wages and hours worked, but these increase in each of the next two years. Unemployment and time out of the labor force also increase. Whereas women's earnings losses from child bearing and rearing seem to decline over time, losses from illness seem to increase.

The decline in wage rates may appear to be small at the individual level, but when generalized to the entire population of U.S. workers under age 55, (see Chart 5) we estimate the loss in income for the illness year at 13 billion dollars and the year following the illness at 27 billion dollars (in constant 1986 dollars). Over 3 years, the cost of illness in lost earnings was 100 billion dollars. These lost dollars represent the loss to productivity that occurs because trained and experienced workers are not at work.

That a large part of this lost productivity may be caused by workers' lack of rights to return to their jobs after an illness is suggested by the increased unemployment experienced by both women and men. Women and men who had absences due to illness experienced more than ten times the unemployment of those who did not have absences. These workers are looking for work and unable to find it, and their skills and abilities are going unused.

Clearly both employers and society as well as the individuals involved lose from their unemployment.

The estimated financial cost to tax payers is shown in Chart 6; the estimate is based on the additional transfer income from public programs received by workers who have experienced illness that caused them to be off work more than 50 hours. Again assuming the PSID sample is roughly representative of all workers, we estimate that the cost of illness in one year to American taxpayers over the next three years was nearly 8 billion dollars.

#### A NOTE ON COSTS TO EMPLOYERS

Historically, the most common practice regarding childbirth has been for employers to terminate a woman's paid employment and to let her bear the costs of subsequent unemployment and of finding a new job. The Pregnancy Discrimination Act of 1978 made such a policy illegal if firms provided medical or disability leave for male employees. Except where regulated by the states, an employer is free to provide no sick leave or temporary disability and to terminate pregnant or sick workers at will. Most workers do not choose to become ill, and while childbirth is often regarded as a personal choice, it too is a necessity if our society is to survive.

The proposed bill requires employers to compensate workers for some of their current costs of illness and parenting, by maintaining their health insurance (if they carry it) and by

holding their jobs for them. This cost is a new financial cost to employers imposed by the bill, but it is not a new economic cost to society. Some parents and ill workers are paying their own insurance premiums now, and where insurance lapses, the cost of health care is nevertheless paid. And when jobs are not held for former workers, society pays through lost income and lost productivity. Taxpayers partially compensate workers for their losses through the public transfer system. One effect of the bill's requirements is to ensure that employers will not create additional economic costs by terminating ill or pregnant workers, thus adding to the inevitable costs of illness and child bearing.

What is at issue in S. 249 is whether it is reasonable as a matter of public policy to require employers to compensate workers for some of their costs and to refrain from creating new costs. We judge that it is reasonable for at least three reasons.

First, many employers provide some form of leave for illness, often including the right to return to a former job. With respect to parental leave, many employers are themselves aware of the benefits of providing it. According to the 1985 U.S. Chamber of Commerce Employee Benefits Survey, of the 50 percent of survey respondents who reported that their firms had some type of formal parental leave plan (most often integrated into sick and annual leave policies), 61 percent say they have it because it improves their ability to recruit and retain workers (only 11 percent said they have it because of union bargaining).

Thus many employers already find that these policies are economically sound for their individual businesses.

Second, when workers are ill or have babies they must be replaced either temporarily or permanently or covered for, as they are now. There is not much reason to believe that requiring employers to replace them temporarily rather than permanently adds to their costs. If requiring them to return former experienced or trained workers to the job improves the firm's productivity in the long run, as seems likely, then the bill reduces rather than increases their costs.

Third, even if an individual employer can make a productive permanent replacement, by terminating the former employee, the employer creates a substantial "external cost" which now falls on society at large. The longer period of unemployment and lower wages that we have shown returning workers experience when they do not have leave is an additional social cost of lost productivity (on top of that which already exists because of illness or child bearing).

For these reasons, we believe there is a public purpose--enhancing productivity--that is well served by requiring employers to provide unpaid leave for illness and child bearing and to provide returning workers with their former (or similar) jobs.

In addition to the public purpose of enhanced productivity is the public purpose of improved well being for employees and their families. Finally is the public purpose of decreasing

unjustified inequities between women and men and between parents and non-parents.

In Chart 7, we estimate that if S. 249 is passed as written, an additional 35.7 percent of the U.S. workforce who are not now covered by state temporary disability leave policies or by voluntary disability leave plans developed by employers, and who work in firms with more than 15 employees, would be covered. In Chart 8, we show that only 2.4 percent of U.S. employees are affected by state laws that require parental leave. An unknown proportion of the rest are covered by voluntary employer policies. Consequently a very large number of workers would benefit directly from the proposed legislation.

#### CONCLUSION

S. 249 is a bill that will be good for American women, American families, and the American economy. It pays attention to the long-term productivity needs of our nation. It seeks to prevent and ameliorate lost productivity that is not necessarily measured or noted by employers, a productivity loss which is borne by society generally. Given our nation's long term economic problems and the anticipated shortage of workers, especially trained and experienced workers, that will befall us as this century comes to a close, these are losses that our nation can ill afford to sustain. We cannot afford capriciously to lose the skills, training, and the knowledge of experienced



workers because they lack the right to return to their jobs after illness or child bearing.

The proposed Family and Medical Leave Act is also important because it acknowledges that women are committed workers as well as mothers or caregivers. It further acknowledges that workers of both genders are caregivers and that they cannot and must not be forced to choose between these two life-sustaining activities. We must find ways for American families to combine both activities.

Finally, S. 249 is important because it can be one small step in reducing inequity between the sexes. As we have shown, it is women who do the primary work of caring for new born babies and of caring for ill family members. Women not only do the extra housework involved in these activities, but also bear the brunt of the losses of annual income that such caretaking entails. By mandating leave for men as well as women, S. 249 encourages men to take on some of the personal costs of raising the next generation. And by mandating a right to their former jobs, the bill ensures that the losses women experience when they return to work will be substantially reduced. Women's long term earnings capacities will be improved, with positive benefits for their income after retirement as well as during their active work lives.

In sum it is our view that the Family and Medical Leave Act will distribute the costs of illness and child bearing more equitably and reasonably. It will also reduce the additional

losses of child bearing and illness that now occur because of the absence of a coherent national policy.

TABLE 1

TRUE ECONOMIC COSTS OF BIRTHS AND PARENTAL LEAVE

<u>Having a Baby</u>		<u>Not Having Parental Leave</u> (guaranteed right to return to job)		<u>Having Parental Leave</u> (guaranteed right to return to job)		
To Parents:	Mother's time spent recovering from work and caring for baby*	Mother's wage loss on return to work**		(Benefits: Mother's wage loss on return to work is reduced by parental leave)	(Benefits: Mother's time spent unemployed and out of labor force is reduced by parental leave)	
	Father's time spent caring for baby	Mother's time spent unemployed and out of labor force when would prefer to work**				
To Employers:	Mother's time away from job	productivity lost from undesired turnover and loss of experienced worker		Productivity lost from having a temporary rather than permanent replacement (May be offset by productivity gains after return of former worker)		
	Lost productivity of mother	Additional lost productivity because mothers without leave experience lower wages and more unemployment when they return to work		Resources used to arrange for temporary replacements (e.g. temporary agencies) (May be offset by productivity gains after return of former worker)		
To Society:	Health care resources used in pregnancy and childbirth					
 *Transfers from employers in terms of sick leave, disability leave, etc., ameliorate the resulting income losses for some workers.						
**Transfer payments (unemployment insurance, welfare, etc.) ameliorate these income losses for some workers.						

\*Transfers from employers in terms of sick leave, disability leave, etc., ameliorate the resulting income losses for some workers.

\*\*Transfer payments (unemployment insurance, welfare, etc.) ameliorate these income losses for some workers.

TABLE 2

WOULD YOU GET ANY LEAVE (BESIDES REGULAR VACATION TIME)  
FROM YOUR JOB IF YOU HAD A BABY?

(To Nearest Percent)

	Yes	No	Don't Know
White Women (N = 1,421)	70.4	17.6	12.0
Black Women (N = 778)	79.8	14.1	6.2
White Men (N = 2,059)	36.5	42.9	20.6
Black Men (N = 852)	47.0	44.2	8.9

Note: Totals may not add up to 100% due to rounding.

IS THAT LEAVE PAID?

(To Nearest Percent)

	Yes	No	Don't Know
White Women (N = 1,421)	31.5	63.0	5.5
Black Women (N = 778)	36.4	57.9	5.8
White Men (N = 2,059)	21.1	77.4	1.5
Black Men (N = 852)	23.8	75.3	0.9

Note: Totals may not add up to 100% due to rounding.

Source: Special runs from the 1980 - 1984 waves of the Panel Study of  
Income Dynamics, Institute for Social Research, University of Michigan.

TABLE 3

WEEKS LOST DUE TO ILLNESS IN 1983  
By Race and Gender

	Own Illness	Other's Illness
	-----	-----
	Mean	Mean
	-----	-----
White Women (N = 1,421)	0.71 (2.815)	0.23 (0.863)
Black Women (N = 778)	0.94 (2.907)	0.26 (0.972)
White Men (N = 2,059)	0.86 (2.815)	0.20 (1.370)
Black Men (N = 852)	1.64 (5.576)	0.11 (0.036)
TOTAL	0.82 (2.922)	0.21 (1.096)

Source: Special runs from the 1984 wave of the Panel Study of Income Dynamics,  
Institute for Social Research, University of Michigan.

CHART 1

ESTIMATED EARNINGS LOSSES, 1985-1987  
TO EMPLOYED WOMEN WHO GAVE BIRTH OR ADOPTED A BABY IN 1985,  
COMPARED TO EMPLOYED WOMEN WHO DID NOT HAVE A BABY

	Earnings Loss Per Woman	Earnings Loss For All Women
Earnings Lost in Birth Year (1985 earnings less 1984 earnings)	\$ - 2858	\$ - 6,130,410,000
Earnings Lost in First Year After Birth (1986 earnings less 1984 earnings)	- 5620	- 12,054,900,000
Earnings Lost in Second Year After Birth (1987 earnings less 1984 earnings)	- 4831	- 10,364,495,000
	<hr/>	<hr/>
Total over 3 Years	\$ - 13,309	\$ - 28,547,805,000

INTERPRETATION: Over the short run it costs American women \$28 billion in earnings losses to have the next generation of workers and citizens.

Note: All dollar figures are in constant (1986) dollars.

Source: Institute for Women's Policy Research calculations based on special tabulations from the 1979-1984 waves of the Panel Study of Income Dynamics, Institute for Social Research, University of Michigan. Data from U.S. department of Commerce, Bureau of the Census, "Fertility in American Women: June 1985" (Table 4), as adjusted by IWPR, suggest that 2,145,000 employed women had births in 1985. Chart is based on data in Appendix Table 1.

CHART 2

COSTS OF HAVING A BABY:  
COMPARISON OF EMPLOYED WOMEN AND MEN  
WHO HAD A BABY

	(pre-birth year)	(birth year)	(birth year plus 1)	(birth year plus 2)
Difference in wage rate	\$ -3.54	\$ -4.22	\$ -5.41	\$ -5.67
Difference in annual housework hours*	514.0	712.0	715.0	628.0

\*These are preliminary estimates that include all women who were employed for more than 600 hours in the pre-birth year and had a baby in the following year. Some of these women may have dropped out of the labor force subsequently. The final estimates will include only those women who remained employed after having had a baby.

Note: All dollar figure are in constant (1986) dollars.

Source: Institute for Women's Policy Research calculations based upon special tabulations from the 1979-1984 waves of the Panel Study on Income Dynamics, Institute for Social Research, University of Michigan. Chart is based on data in Appendix Table 2.



# CHART 3A

## ESTIMATED ADDITIONAL LOSSES OF NOT HAVING LEAVE TO EMPLOYED WOMEN WHO HAD BABIES

### LOSSES TO WOMEN WITH LEAVE BEYOND VACATION WHO HAD BABIES COMPARED TO THOSE WITH NO LEAVE

	birth year	birth year plus 1	birth year plus 2
WAGE RATE			
Difference in wage rate per woman	\$ -.76	\$ -.25	\$ -.17
HOURS LOST			
Difference in unemployment hours per woman	-12.6	85.1	31.7
Difference in out-of-labor- force hours per woman	<u>25.0</u>	<u>84.4</u>	<u>-15.7</u>
Total Hours Lost	12.4	169.5	16.0
EARNINGS LOST			
Loss in annual earnings per woman without maternity or parental leave		\$ - 218	\$ - 239
Earnings losses for all women without maternity or parental leave	\$ - 121,467,000	\$ - 133,513,000	
Total Earnings Lost to Employed U.S. Women Without Maternity or Parental Leave		\$ - 254,980,000	

INTERPRETATION: Employed women who gave birth in 1985 who did not have a maternity or parental leave lost nearly 255 million dollars in additional income in the two years following the birth or adoption of a child, compared to those women who had babies who did have maternity or parental leave.

Note: All dollar figures are in constant (1986) dollars.

Source: Institute for Women's Policy Research calculations based on special tabulations from the 1979-1984 waves of the Panel Study of Income Dynamics, Institute for Social Research, University of Michigan. PSID data and the U.S. Department of Commerce, Bureau of the Census, "Fertility of American Women: June 1985" (Table 4), as adjusted by IWPR, suggests that 557,700 women who gave birth in 1985 did not have maternity or parental leave. Chart based on data in Appendix Table 3.

CHART 3B

ESTIMATED FINANCIAL COST TO TAXPAYERS  
OF NOT HAVING MATERNITY OR PARENTAL LEAVE  
FOR EMPLOYED WOMEN WHO HAD BABIES

	Difference in transfer payments per woman without leave	Difference in transfer payments payments for all women without lea
Transfer Payments in Birth Year	\$ - 80.75	\$ - 45,034,000
Transfer Payments in First Year After Birth	237.48	132,443,000
Transfer Payments in Second Year After Birth	36.26	20,222,000
	<hr/>	<hr/>
Total over 3 years	\$ 192.99	\$ 107,631,000

INTERPRETATION: Employed women who gave birth in 1985 who did not have any maternity or parental leave cost American taxpayers over \$107,631,000 in additional transfer payments over three years compared to women who had no leave.

Note: All dollar figures are in constant (1986) dollars.

Source: Institute for Women's Policy Research calculations based on special tabulations from the 1979-1984 waves of the panel Study of Income Dynamics, Institute for Social Research, University of Michigan. PSID data and United States Department of Commerce, Bureau of the Census "Fertility of American Women: June 1985" (Table 4) adjusted by IWPR, suggest that 557,700 employed women who gave birth in 1985 did not have maternity or parental leave.

CHART 4

COSTS PER WORKER  
OF ILLNESS TO EMPLOYED MEN AND WOMEN  
UNDER AGE 55 WHO WERE OFF THE JOB FOR MORE  
THAN 50 HOURS COMPARED TO THOSE WHO WERE NOT

	pre-illness year	illness year	illness year plus 1	illness year plus 2
WAGE RATE				
Difference in wage rate for women	\$ -0.26	\$ 0.19	\$ -0.39	\$ -0.86
Difference in wage rate for men	\$ -0.64	\$ -0.37	\$ -1.30	\$ -1.72
HOURS LOST				
Difference in unemployment hours for women	5.2	-33.7	10.4	52.7
Difference in out of labor force hours for women	9.1	3.1	36.5	87.5
Total	14.3	-30.6	46.9	140.2
Difference in unemployment hours for men	4.1	-8.1	19.4	91.9
Difference in out of labor force hours for men	3.8	-2.6	76.6	125.4
Total	7.9	-10.7	96.0	217.3

Note: All dollar figures are in constant (1986) dollars.

Source: Institute for Women's Policy Research, based upon special runs from the 1979-1984 waves of the Panel Study of Income Dynamics, Institute for Social Research, University of Michigan.

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CHART 5

ESTIMATED EARNINGS LOSSES TO EMPLOYEES  
DUE TO ILLNESS

(EMPLOYEES UNDER AGE 55 WHO WERE  
OFF THE JOB FOR MORE THAN 50 HOURS)

	Earnings Loss Per Worker	Earnings Losses for All Workers
Earnings Lost in Year of Illness	\$ - 646	\$ - 13,479,374,000
Earnings Lost in First Year After Illness	- 1311	- 27,372,086,000
Earnings Lost in Second Year After Illness	- 2839	- 59,267,915,000
	<hr/>	<hr/>
Total over 3 years	\$ - 4796	\$ - 100,119,348,000

INTERPRETATION: Workers under age 55 lost \$100 billion in earnings over three years for above average illness in one year.

Note: All dollar figures are in constant (1986) dollars.

Source: Institute for Women's Policy Research calculations based on special tabulations from the 1979-1984 waves of the Panel Study of Income Dynamics, Institute for Social Research, University of Michigan. Based on the experience of the PSID sample, it is estimated that in 1985 20,875,640 U.S. workers were out of the labor force for more than 50 hours due to illness. Chart is based on Appendix Tables 4 & 5.

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CHART 6

ESTIMATED FINANCIAL COST TO TAXPAYERS OF  
TRANSFER PAYMENTS TO ILL WORKERS

(EMPLOYEES UNDER 55 WHO WERE OFF THE  
JOB FOR MORE THAN 50 HOURS)

	Transfer Payments Per Worker	Transfer Payments for All Workers
Transfer Payments in Year of Illness	\$ 17	\$ 354,886,000
Transfer Payments in First Year After Illness	\$ 55	\$ 1,262,988,000
Transfer Payments in Second Year After Illness	\$ <u>288</u>	\$ <u>6,012,288,000</u>
Total over 3 Years	\$ 360	\$ 7,630,172,000

INTERPRETATION: Ill Workers under age 55 who were off the job for more than 50 hours cost U.S. taxpayers \$7.6 billion in transfer payments over three years.

Note: All dollar figures in constant (1986) dollars.

Source: Institute for Women's Policy Research calculations based on special tabulations from the 1979-1984 waves of the Panel Study of Income Dynamics, Institute for Social Research, University of Michigan. Based on the experience of the PSID sample, it is estimated that in 1985, 20,875,643 workers were off the for job more than 50 hours. Chart is based on Appendix Tables 4 & 5.

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# CHART 7

## ESTIMATED PERCENTAGE OF U.S. EMPLOYEES AFFECTED BY FAMILY AND MEDICAL LEAVE ACT'S TEMPORARY DISABILITY COMPONENT

Employees not Affected by Proposed Legislation:

1. Employees of states with mandatory temporary disability.
2. Employees of firms with less than 15 employees.
3. Employees whose firms have voluntary temporary disability.

	Percent -----	Percent -----
All U.S. Employees		100.0
Less employees of states with mandatory temporary disability		- 23.0
		<hr/>
Employees of states without mand. temporary disability		77.0
Less employees of firms with 15 or less employees	24.0	
(77% x 24% = 18.5%)		- 18.5
		<hr/>
Employees of states without mand. temporary disability and working in firms of 15 or more employees		58.5
Less employees of firms with voluntary temporary disability	39.0	
(58.5% x 39%* = 22.8%)		- 22.8
		<hr/>
Estimated percentage of employees with no temporary disability working in firms of 15 or more employees		35.7

\*According to the Chamber of Commerce, "Employee Benefits, 1985,"  
39% of firms provide short-term disability leave to their employees.

# CHART 8

## STATES WITH MANDATORY PARENTAL LEAVE Employee Population as Percent of Total U.S. Employed

	All Employees	Employees Affected by State Laws	Employees Not Affected by State Laws
Minnesota	2,101,000 *	1,506,417	594,583.0
Oregon	1,210,000 **	837,320	372,680.0
Rhode Island	476,000 ***	259,896	216,104.0
Total	3,787,000	2,603,633	1,183,367
As a percentage of U.S. Labor Force	3.5 %	2.4 %	1.1 %

\*Parental leave in Minnesota applies to firms with 21 or more employees.  
 \*\*Parental leave in Oregon applies to firms with 25 or more employees.  
 \*\*\*Parental leave in Rhode Island applies to firms with 50 or more employees.