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Employer Attitudes to Paid Family Leave

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The topic of paid family leave receives a lot of attention from the public, employers, and policymakers. Recent polls find that a majority of Americans from both political parties are in favor of some form of paid family leave legislation. Many private sector companies have introduced or extended paid family leave benefits to their employees. At the national level, paid family leave has been introduced through several bills in Congress and in language included in the President's proposed budget.

Recent legislative activity at the state level has been particularly notable. California was the first to introduce a paid family and medical leave policy in 2004. New Jersey followed in 2009, and Rhode Island in 2014. New York passed legislation in 2016 to go into effect incrementally starting in 2018, and Washington D.C. did so in 2017 to take effect in 2020. Most recently, Washington State passed legislation in June 2017 to go into effect in 2020. Several other states are also currently considering enacting paid leave programs.

While a substantial amount of research examines the impacts of paid family leave for employees and their families, we know much less about the perspectives of employers. Are most employers in favor or opposed to paid family leave legislation? And is there variation in these attitudes across firms of different sizes or types? The answers to these questions are especially unknown for small employers, who are typically not included in surveys on these topics, but who might be the most affected by paid family leave policies.

To answer some of these questions, in the fall of 2016 we surveyed a random sample of 2,419 small and medium-size employers in two states with paid family and medical leave laws either in effect or on the books. New Jersey has the nation's second oldest paid family leave (PFL) law, enacted in 2009, as well as a long-standing temporary disability insurance (TDI) program that provides paid leave to birth mothers to prepare for and recover from childbirth). New York has a newly enacted PFL law, which will go into effect in January 2018 (in addition to its TDI program). These surveys built on our experience with a smaller-scale survey in early 2015 of 223 small and medium-sized food service and manufacturing employers in Rhode Island, asking about their attitudes to their state's law, which had come into effect one year earlier (in January 2014).

The surveys

The survey was administered in September through December 2016 to a sample of 2,419 small and medium-size employers (i.e., with 10 to 99 employees) from across a range of industries in New Jersey and New York. We surveyed approximately equal numbers of employers in each state (1,210 in NJ and 1,209 in NY). About 400 surveyed employers per state had 10-19 employees, 400 had 20-49 employees, and 400 had 50-99 employees. The survey was approved by the Institutional Review Board (IRB) at Columbia University and conducted by the Office for Survey Research (OSR) at Michigan State University (whose IRB also approved). We identified a random sample of employers in each state based on data from Survey Sampling Inc. Stratified samples (by number of employees and North American Industry Classification System (NAICS)

codes) were drawn to ensure sufficient numbers of interviews could be completed within size and industry sector cells. All of our analyses use survey weights to account for differential non-response and to provide results representative for all employers in the state having 10-99 employees.¹

The initial contact was made by mail, with follow-ups by mail and phone. The survey was intended to be completed by a manager in each firm, who would be knowledgeable about the availability and use of employee benefits. Our goal was to obtain a response rate of 40 to 50% and we achieved that in both states – 45.8% in NJ and 45.6% in NY (see Appendix Table 1). Moreover, the characteristics of employers in the resulting sample were quite similar across the two states (see Appendix Table 2).

How do employers view paid family leave?

As part of the survey, we asked employers in New Jersey and New York for their view about their state's paid family leave laws. In New Jersey, the question was: "As you may know, New Jersey has a Family Leave Insurance program that provides a period of partially paid family leave for employees who have or adopt a child or have a seriously ill family member, funded by employee contributions. What is your view about this law?" Possible answers were: "Very Supportive", "Somewhat Supportive", "Neither Supportive or Opposed", "Somewhat Opposed" and "Very Opposed". In New York, the question was: "As you may know, New York will be implementing a Paid Family Leave program, starting in 2018 that will provide a period of partially paid family leave for employees who have or adopt a child or have a seriously ill family member, funded by employee contributions. What is your view about this law?" Answer categories were the same as in New Jersey.

Overall, small and medium-size New Jersey employers were strongly supportive of the existing program. Sixty-three percent of employers said they were either very supportive or somewhat supportive and only 16% were somewhat or very opposed. Moreover, while there were some minor differences in support across firm size categories, these were not statistically significant. Similarly, when we contrasted employers with above and below median percentages of part-time and female employees, respectively, we only found minor and statistically insignificant differences in rates of support and opposition in New Jersey. Table 1 provides additional details.

Interestingly, New York employers were equally supportive of their upcoming program, with 63% either very or somewhat supportive, and 14% either somewhat or very opposed. We found a statistically significant difference in support by firm size, with 69% of the largest employers (50-99) being very supportive or somewhat supportive of the law compared to 59-62% of the smaller employers. However, as in New Jersey, the differences in support and opposition rates across firms with above and below median percentages of female and part-time employees were small and statistically insignificant. Table 2 provides further details.

In sum, the results just presented indicate that small and medium size employers are broadly supportive of paid family and medical leave programs in both New Jersey and New York.

We also conducted a regression analysis for the sample of New Jersey and New York employers where the two binary outcomes, respectively, were equal to one for employers who were very or somewhat supportive of the paid leave programs, and zero otherwise, or very or somewhat

¹ Unweighted results are very similar.

opposed to the programs and zero otherwise. The results, summarized in Appendix Table 3, indicate that companies with 50-99 employees were somewhat more supportive of the laws than their counterparts with 10-49 employees, as were firms with a low female share as compared to those with a high female share. Those offering professional, scientific, technical and other services, wholesale trade and manufacturing were more supportive, while those in the real estate, retail trade and transportation/warehousing sectors were less supportive of them.

We also asked employers in New Jersey and New York about employees who had taken family leave for various types of reasons and how they handled the leave. While other surveys have asked employees about their own leave-taking, we wanted to obtain the employers' perspective on these experiences and in particular to learn whether such leaves had posed any challenges or problems for them.

Employers used a variety of strategies (and multiple strategies) to cover work when employees were out on family leave, but the most commonly used strategy was assigning work to other employees. For example, when it came to covering work when a female employee took leave after childbirth, 84% of employers in New Jersey and 87% in New York covered the work by assigning it to other employees. The share hiring a permanent replacement worker in such situations was very low (7% in New Jersey and 8% in New York), and a solid majority (61% in New Jersey and 56% in New York) said that it was not difficult at all or only a little difficult to cover the employee's work while she was on leave (with 10% in New Jersey and 12% in New York reporting it was difficult or very difficult, and about 29% in New Jersey and 32% in New York saying it was somewhat difficult). Employer responses regarding their experiences with other types of leave were similar.

Evidence from other states

These results from New Jersey and New York are consistent with the generally favorable opinions that small- and medium-size Rhode Island employers have of their paid leave program (known as Temporary Caregiver Insurance). Our 2015 survey of 223 small and medium employers (10-99 workers) in food services and manufacturing in that state revealed that 61% favored or strongly favored the program while 24% opposed or strongly opposed it, and 15% said neither.² Support was again broad-based, although somewhat higher for the larger (50-99) employers (Appendix Table 4).

Although similar data are not available about employer attitudes in California, Eileen Appelbaum and Ruth Milkman found that, after five years of experience with that state's paid family leave law, the vast majority of employers reported that it had minimal impact on their

² Rhode Island employers were asked "Are you in favor or opposed to the Temporary Caregiver Insurance Program?" and could respond "strongly in favor", "somewhat in favor", "neither", "somewhat opposed" or "strongly opposed". Source: Bartel, Ann, Maya Rossin-Slater, Christopher J. Ruhm and Jane Waldfogel "Assessing Rhode Island's Temporary Caregiver Insurance Act: Insights from a Survey of Employers", U.S. Department of Labor, Chief Evaluation Office, January 2016, www.dol.gov/asp/evaluation/completed-studies/AssessingRhodeIslandTemporaryCaregiverInsuranceAct_InsightsFromSurveyOfEmployers.pdf.

business operations. Businesses with less than 100 employees were less likely than larger establishments to report any negative effects.³

Summing up and next steps

These results indicate that a solid majority of employers in a state with a PFL law in effect (New Jersey) or on the horizon (New York) are supportive of that law, and this includes small employers about whom less has been known previously. These results are certainly reassuring and add to previous research that found overall minimal or null effects of PFL laws from the point of view of employers (our work in RI, as well as Appelbaum and Milkman’s study in California).

As the US considers whether and how to expand paid family leave coverage, this information offers timely and policy-relevant new evidence on employer attitudes, which may be useful to policymakers as they engage in and shape the national discourse regarding paid leave legislation.

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³ Source: Appelbaum, Eileen and Ruth Milkman, “Leaves That Pay: Employer and Worker Experiences with Paid Family Leave in California”, Center for Economic and Policy Research, January 2011.

Table 1: Attitudes of New Jersey Employers to the New Jersey Family Leave Insurance Program

	All	By Firm Size			By Part-Time Share		By Female Share	
		10-19	20-49	50-99	Low	High	Low	High
Very Supportive	32	31	30	35	32	32	30	35
Somewhat Supportive	31	31	32	29	32	30	33	29
Neither Supportive or Opposed	21	21	20	23	22	21	23	19
Somewhat Opposed	10	9	14	8	9	12	9	12
Very Opposed	6	7	4	6	6	6	6	5

Notes: This table reports percentages of New Jersey employers giving the specified response to a question on their support for New Jersey's Family Leave Insurance program (n=1,157). Low (high) part-time share employers are those with the share of employees working part-time below (above) the New Jersey median (30%); low (high) female share employers are those with the share of female employees below (above) the New Jersey median (36%). All statistics are weighted by the survey weights.

Table 2: Attitudes of New York Employers to the Future New York Paid Family Leave Program

	All	By Firm Size			By Part-Time Share		By Female Share	
		10-19	20-49	50-99	Low	High	Low	High
Very Supportive	33	31	30	37	31	35	32	33
Somewhat Supportive	31	31	29	32	32	29	31	30
Neither Supportive or Opposed	23	25	24	19	22	23	24	21
Somewhat Opposed	10	10	13	7	11	9	9	11
Very Opposed	4	4	4	5	5	4	3	5

Notes: This table reports percentages of New York employers giving the specified response to a question on their support for the upcoming New York paid family leave program (n=1,146). Low (high) part-time share employers are those with the share of employees working part-time below (above) the New York median (20%); low (high) female share employers are those with the share of female employees below (above) the New York median (40%). All statistics are weighted by the survey weights.

Appendix Table 1: Response Rates in New York and New Jersey

State	Total Interviews	Ineligible	Eligible Non-Interview	Total Sample Used	Response Rate
New York	1,209	370	1,445	3,024	45.6%
New Jersey	1,210	404	1,433	3,047	45.8%

Note: Total interviews include completed and partial interviews. Eligible non-interviews include all eligible non-respondents (including refusals). Ineligible businesses were defined as detailed below.

Response rates for the study were based on the following formula:

$$\frac{\text{Total Interviews}}{\text{Total Interviews} + \text{Eligible Non-Interviews}}$$

Businesses that were determined to be ineligible are not included in the denominator. In this study, a business was determined to be ineligible if was no longer in operation, in the process of closing, not the business named in the sample, or did not meet the study criteria for number of employees (less than ten or more than 99). Businesses correspondence that was returned marked as undeliverable due to the following were not immediately removed from the sample: Attempted - Not Known, Insufficient Address, No Such Number, Not Deliverable as Addressed, or No Mail Receptacle as many businesses do not have mail delivered to the physical address of the business location. If through internet searches or telephone contact it was determined that, the business was no longer in operation; the business was removed from the sample. Correspondence marked as Vacant, Unable to Forward, or Recipient Not at This Address were removed from the sample as ineligible.

Appendix Table 2: Characteristics of Employers in New Jersey and New York

	NJ	NY
Total Number of Employees	34.9	35.3
Percentage of Employees Who Work Part Time	34.9	29.3
Percentage of Employees Who Are Female	39.8	42.9
Employer Size 10-19 Employees	33.6	33.3
Employer Size 20-49 Employees	33.2	33.4
Employer Size 50-99 Employees	33.2	33.3
Industry:		
Accommodation and Food Services	12.1	13.2
Administrative/Support, Waste Management & Remediation	5.4	5.2
Arts, Entertainment and Recreation	2.4	2.8
Construction	7.8	7.5
Finance and Insurance	3.3	4.6
Health Care and Social Assistance	12.5	11.2
Information	2.4	3.5
Management of Companies/Enterprises	0.1	0.2
Manufacturing	11.3	9.5
Mining Quarrying and Oil and Gas Extraction	0.0	0.0
Other Services except Public Administration	6.1	6.7
Professional Scientific and Technical Services	12.3	12.0
Real Estate and Rental and Leasing	3.7	4.3
Retail Trade	8.5	8.7
Transportation and Warehousing	3.8	2.8
Wholesale Trade	8.3	7.7
Observations	1,209	1,207

Notes: This table shows the means of selected variables by state, weighted by survey weights.

Appendix Table 3: Employer Attitudes to Paid Leave in New Jersey and New York

Regressor	Supports	Opposes
New York	0.0038 (0.0224)	-0.0199 (0.0165)
20-49 Employees	-0.0108 (0.0278)	0.0168 (0.0204)
50-99 Employees	0.0532 (0.0324)	-0.0385* (0.0215)
High Part-Time Share	0.0148 (0.0271)	-0.0330* (0.0196)
High Female Share	-0.0224 (0.0284)	0.0411** (0.0195)
Industry		
Administrative/Support, Waste Management & Remediation	0.0230 (0.0630)	-0.0377 (0.0460)
Arts, Entertainment and Recreation	-0.0792 (0.1104)	0.0022 (0.0554)
Construction	-0.0310 (0.0512)	-0.0573 (0.0368)
Finance and Insurance	-0.0015 (0.0615)	0.0072 (0.0492)
Health Care and Social Assistance	0.0410 (0.0422)	-0.0131 (0.0323)
Information	-0.0030 (0.0595)	0.0224 (0.0476)
Management of Companies/Enterprises	-0.2156 (0.1750)	0.0344 (0.1584)
Manufacturing	0.0521 (0.0443)	-0.0875*** (0.0314)
Mining Quarrying and Oil and Gas Extraction	0.0654 (0.1954)	-0.1842*** (0.0322)
Other Services except Public Administration	0.1023* (0.0523)	-0.0829** (0.0356)
Professional Scientific and Technical Services	0.0928** (0.0439)	-0.0339 (0.0330)
Real Estate and Rental and Leasing	-0.1643* (0.0887)	-0.0703 (0.0517)
Retail Trade	-0.0417 (0.0566)	0.0885* (0.0481)
Transportation and Warehousing	-0.2751*** (0.0918)	0.1851** (0.0886)
Wholesale Trade	0.1102** (0.0492)	-0.0801** (0.0353)

Note: This table shows coefficients, with standard errors in parentheses, from linear probability models where the dependent variable in the second column equals 1 if the employer is very or somewhat supportive of existing or upcoming paid family leave program, and 0 otherwise, and the dichotomous outcome in the third column equals 1 if the employer is somewhat or strongly opposed to the paid family leave program, and 0 otherwise. The sample is limited to NJ and NY employers (n=2,273). The excluded reference groups are: New Jersey employers with 10-19 employees, low shares of part-time and female employees and located in the accommodation and food services sector. Regressions are weighted by the survey weights. *** p<0.01, ** p<0.05, * p<0.1

Appendix Table 4: Attitudes of Rhode Island Employers to Rhode Island Temporary Caregiver Insurance Law

	All	By Firm Size		
		10-19	20-49	50-99
Strongly Favor	27	26	22	39
Somewhat Favor	34	30	37	37
Neither	15	22	8	12
Somewhat Opposed	15	10	24	12
Very Opposed	9	13	9	0

Note: This table reports percentages of Rhode Island food service and manufacturing industry employers giving the specified response to a question on their attitude to Rhode Island’s Temporary Caregiver Insurance Law (n=213). All statistics are weighted by the survey weights.