

# JOTF JOB OPPORTUNITIES TASK FORCE

*Advocating better skills, jobs, and incomes*

**TESTIMONY IN SUPPORT OF SENATE BILL 539:**  
**Labor and Employment - Family and Medical Leave Insurance Program -  
Establishment**

TO: Hon. Delores Kelley, Chair, and Members of the Finance Committee  
FROM: Christopher Dews, Policy Advocate  
DATE: February 27, 2020

The Job Opportunities Task Force (JOTF) is an independent, nonprofit organization that advocates for better jobs, skills training, and wages for low-income workers and job seekers in Maryland. JOTF strongly supports Senate Bill 539 as a means to ensure that hardworking Marylanders can take family and medical leave without having to risk their job, paycheck or financial security.

According to the U.S. Bureau of Labor Statistics, nationally, in 2018, 16% of workers in private-industry businesses had access to paid family leave. Family leave is granted to an employee to care for a family member and includes paid maternity and paternity leave. Low-wage workers or those who worked in small businesses were less likely to receive paid family leave.

The Pew Research Center performed a study on paid family and medical leave based on two nationally representative online surveys conducted in 2016. The study found that 27% of adults employed in the previous two years reported taking parental, family, or medical leave during that period, while 16% said they needed or wanted to take these types of leave during that period but were unable to do so. The Pew Research Center reports blacks and Hispanics, those without a bachelor's degree, and those with annual household incomes of less than \$30,000 are more likely than whites and those with more education or higher incomes to say they were not able to take leave when they needed or wanted to. According to the 2016 survey, employees that received only some pay or no pay when they took family or medical leave did the following: 78% reduced spending; 41% shortened their leave duration; 37% took on debt; 33% delayed paying their bills, and 17% went on public assistance.

This lack of paid family and medical leave drives families below the poverty level. Too often, the pay gap that occurs when a new mother must take unpaid leave after giving birth, combined with the increasing expenses of child care, sets families back for years to come. One study found that a significant share of bankruptcies follow a worker missing two or more weeks of work due to illness, or the illness of a family member. The lack of paid family and medical leave threatens the employment security of millions of workers because it reduces the chances that an individual will stay employed at their current job. The reality is that most workers have caregiving responsibilities at one time or another, but lack the workplace support to balance these obligations with work. The benefits of paid family and medical leave would be largest for those with limited education and lower incomes, as these workers currently have the lowest levels of access to any form of leave, paid or unpaid.

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Paid family leave has been very successful in other states, most notably, California. For workers in low-quality jobs, PFL increased job retention and financial security, and workers reported a positive effect on their ability to care for a new child. Since California's success, eight states plus the District of Columbia have enacted legislation to create state paid family and medical leave insurance programs. It is time for Maryland to join these states.

Senate Bill 539 seeks to do just this, by establishing a Family and Medical Leave Insurance Fund under the supervision of the Secretary of the Division of Unemployment Insurance at MDL. When taking unpaid or partially paid family or medical leave, the fund would provide a weekly benefit of up to 50% of wages (not to exceed \$1,000) for a maximum of 12 weeks per year. The fund would be fully funded by both employee and employer contributions, placing no additional financial burden on employers.

We urge a favorable report of Senate Bill 539, as it would ensure that millions of hard-working Marylanders, in particular low-income workers who are least able to lose even a single paycheck, are able to take necessary time off for family and medical life events without the risk of falling into poverty. This bill brings us one step closer to a more prosperous and vibrant economy in Maryland, where all workers have the necessary workplace supports to thrive and successfully balance work and life.