

Commonwealth Forum: Would Mandated Paid Leave Be a Competitive Disadvantage for Pennsylvania?

YES

Businesses in Pennsylvania do not need more regulations from the state dictating what benefits they give their employees. Currently, the state's unemployment rate is 0.7 percentage points above the national average. In 2016, Pennsylvania ranked fourteenth from the bottom in terms of job creation. Forcing businesses to spend more on employee benefits will not attract more firms to Pennsylvania or encourage citizens to start up their own businesses with prohibitive employee costs. Implementing another layer of cost on employers when nearby states do not do so will likely cost the state jobs and revenue as businesses flee across the border.

One of the ways firms attract top talent is through offering the benefits such talent desires. While not every business in Pennsylvania offers paid family and medical leave, some do. Not everyone desires paid family and medical leave as a benefit, yet such a program would mandate that businesses offer such a program. Maybe some employees would prefer to have these benefits offered in wages? For example, what about late-middle-age employees whose children are raised and parents deceased? What benefit is mandated paid leave to them? Employers and employees should have the option to implement the type and amount of benefits they would prefer as part of free and open labor contract negotiations. If some people are working for businesses that do not offer such benefits at all, yet the employee would like to have that benefit, it can only serve as an incentive to work harder toward a career within a more competitive labor market.

NO

Federal government statistics show that a majority of Americans with children under age six are employed. As of 2016, both parents were employed in 56.3 percent of married households, while 66.8 percent of women and 83.8 percent of men in single-parent households had jobs. These families rely on their earnings to put a roof over their heads and provide food and clothing to their children. Changes in social mores and the transition to a postindustrial economy have made the prospect of a parent staying at home to raise children an antiquated concept for most families.

Paid family medical leave in Pennsylvania would encourage one or both parents to stay home with their children in the early months of their lives. Adopting paid family medical leave would not harm business fortunes in the Commonwealth. In fact, it would actually benefit business competitiveness and the bottom line while helping families. After California adopted a paid leave law, 90 percent of employers surveyed reported that they suffered either no financial losses or actually increased profitability as a consequence of the law. Paid family leave reduces turnover, meaning that firms spend less on recruiting, hiring, and training new employees. It also results in more women returning to their jobs after childbirth, which is a plus, because they have the skill sets and institutional knowledge to hit the ground running after leave. Among firms that adopt paid family leave, morale and worker productivity has been shown to increase. All of these things lead to a better-trained workforce without any negative side effects for business. Adopting paid family medical leave is a perfect way to attract good talent to Pennsylvania and increase the strength of the Commonwealth's workforce.

For More Information

The **Wage and Hour Division of the U.S. Department of Labor** (<https://www.dol.gov/whd/fmla/>) provides guides and fact sheets for employees and employers explaining the details of the federal Family and Medical Leave Act.

The **National Conference of State Legislatures** (www.ncsl.org/research/labor-and-employment/employee-leave.aspx) keeps track of the states' family and medical leave laws including coverage and eligibility, the provisions (paid or unpaid), and for whom the leave is providing care. Some states also provide mandated school-related parental leave.

“Paid Family Medical Leave: An Issue Whose Time Has Come” (https://www.brookings.edu/wp-content/uploads/2017/06/es_20170606_paidfamilyleave.pdf) is the 2017 joint publication of a group of scholars from the free-market-leaning American Enterprise Institute and the center-left Brookings Institution. The work includes data on family medical leave policies in the United States and countries in the Organization for Economic Cooperation and Development.

The **Independent Women's Forum** (<http://www.iwf.org/>) is a libertarian organization that provides a number of reports and opinion pieces opposing government-mandated paid medical leave.

From *Pennsylvania Politics and Policy: A Commonwealth Reader, Volume 1*. Edited by Michelle J. Atherton and J. Wesley Leckrone (Philadelphia, Temple University Press, 2018).