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## PAID LEAVE BRINGS SUCCESS TO PA FAMILIES & BUSINESSES

New report lays out case for PA to adopt statewide paid leave program

(October 4, 2023) – Setting up a statewide paid leave program would boost Pennsylvania's profile as a great place to live, work, and run a business, according to new research released at a roundtable discussion with business leaders and legislators.

"We want our businesses to thrive and be competitive in small and large ways. We want people to come to Pennsylvania, stay here, and build a career that works for them and their families," said state Representative Dan Miller (D-Allegheny), sponsor of The Family Care Act, who participated in the meeting.

"Establishing a paid family leave program in Pennsylvania will give employees the peace of mind to know that, in times of need, they can take the necessary time off to care for themselves or a loved one without fear of losing their job or having no income," said state Senator Devlin Robinson (R-Allegheny) who also joined the discussion.

Contrary to popular belief, businesses actually make <u>more</u> money when they offer a paid family leave program so it's not just families that benefit.

A new Children First report, <u>Paid Family & Medical Leave: An Essential Investment in Pennsylvania</u>, shows that, in today's tight labor market, employers need every advantage to attract skilled workers and paid leave is a program that pays off:

- The average increase in profit per full-time employee where paid leave is offered was 6.8%.
- Employees with access to paid leave are 22% more likely to recommend their job to a friend than those without, opening up new networks of opportunity to recruit talent.
- On average, turnover costs represent nearly 40% of a position's annual wages, money that is coming directly out of employers' pockets.
- Employees who have access to and used family leave were less likely to quit than those who did not.

Prominent employers, from Google to Aetna, saw substantial decreases in turnover among women after expanding their paid leave policies. The same kind of data prompted the Department of Defense to improve its own leave policy to help attract and retain valued personnel. Tom Lamb, Senior VP of Government Affairs, PNC Financial Services Group, described how PNC expanded its paid maternity leave to 16 weeks, more than most states require. "These programs make PNC more competitive because we're able to keep the talent we recruit and that's a huge advantage."

Even small businesses are clamoring for help with paid leave. "For so many small business employers I've talked to, they're looking for help to do it. Most of them are personally connected to the success of and well-being of their employees, they just need help to make it happen," added Representative Miller.

Despite all the benefits, nearly three-quarters of all private companies doing business in the Commonwealth – employing 3.5 million workers – do not offer paid leave insurance. One excuse is worry over cost.

Employers, however, don't have to fear paid leave programs because other states have paved the way and shown that businesses don't have to take on a big burden. Twelve of the fourteen existing state paid leave laws are structured with state and private options to give employers options; Pennsylvania can do the same.

"The evidence is clear," said Dan O'Brien, Education and Family Stability Policy Manager at Children First. "Statewide paid leave programs bring a competitive edge to employers at a time when businesses have been struggling to recruit and retain talent."

The report can be found online at <u>https://www.childrenfirstpa.org/wp-content/uploads/2023/09/CF-</u> Paid-Family-and-Medical-Leave-92923.pdf.

Children First is a non-profit, non-partisan organization that improves the lives of children in Bucks, Chester, Delaware, Montgomery, and Philadelphia counties by developing initiatives and advocating for quality health care, child care, public education, and family stability. Learn more at <u>www.childrenfirstpa.org</u>, and on Facebook, Twitter, and Instagram @childrenfirstpa.

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