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**Statement of Lorelei Salas, Commissioner of the New York City Department of  
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**Submitted to the United States Senate Committee on Finance, Subcommittee  
on Social Security, Pensions and Families**

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**Hearing on “Examining the Importance of Paid Family Leave for American  
Working Families,” July 11, 2018**

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The New York City Department of Consumer Affairs (“DCA”) strongly urges Congress to create a comprehensive national program that makes paid leave affordable for employers of all sizes and available for workers to care for a new child upon their birth or adoption, a family member with a serious health condition, or themselves if they have a serious health condition. The Family and Medical Insurance Leave (FAMILY) Act (S. 337/H.R. 947), sponsored by Representative Rosa DeLauro and Senator Kirsten Gillibrand does just that, and would create a baseline right that may be supplemented by greater protections provided by state and local governments.

DCA, particularly its Office of Labor Policy and Standards (“OLPS”), has first-hand knowledge of how local government’s role in labor law enforcement is essential to promoting individual financial security and improving family and public health without sacrificing a vigorous and growing economy.<sup>1</sup> OLPS is charged with implementing and enforcing New York City’s workplace laws, developing innovative policies to raise job standards, and providing a central resource to help working New Yorkers assert their rights under local, state, and federal law.

Through DCA’s enforcement of the City’s Paid Safe and Sick Leave Law (PSSL), we have witnessed the necessity of paid leave for the health of workers, their families, and the City’s economy. PSSL guarantees almost all workers in New York City, regardless of immigration status and whether they are full-time, part-time, or contingent, a strand of basic human dignity—up to forty hours of paid time off to care for themselves or their loved ones when they are ill or to seek medical treatment, without fear of penalty or retribution from their employer. Evidence of PSSL’s success since its adoption in 2014 are the recent amendments to it that passed without controversy. These amendments expanded the Law’s definition of family member to include “chosen family” and its uses to those related to taking safety measures from domestic violence, human trafficking, stalking or sexual assault.

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<sup>1</sup> NEW YORK CITY, OFFICE OF THE MAYOR, “TWO YEARS AFTER MAYOR DE BLASIO EXPANDS PAID SICK LEAVE TO ONE MILLION NEW YORKERS, CITY’S ECONOMY STRONGER THAN EVER,” April 1, 2016, *available at* <http://www1.nyc.gov/office-of-the-mayor/news/318-16/two-years-after-mayor-de-blasio-expands-paid-sick-leave-one-million-new-yorkers-city-s-economy>.

## **Paid Family Leave is Especially Critical for the Long-term Economic Security of Women and Low-income Workers**

DCA welcomed New York State's implementation of a family and medical leave insurance program in 2108. By joining California, New Jersey and Rhode Island, workers in New York City and across the State will have increased protections when confronted with the most consuming of life events that require workers to temporarily devote their full time and attention to the care of a loved one—whether a new baby or family member battling a long-term illness—or to recover from their own serious illness or injury.<sup>2</sup> Approximately 85% of American workers lack paid family leave through their jobs.<sup>3</sup> Paid family leave is especially critical for some of the most vulnerable workers—women and those who earn the lowest wages.<sup>4</sup> Women shoulder most unpaid caregiving responsibilities, of children, the elderly and the disabled: two-thirds of unpaid caregivers are women.<sup>5</sup> Women are more likely than men to leave their jobs to meet caregiving obligations and this has a direct impact on women's economic security and stability and the lifetime earnings gap between men and women.<sup>6</sup> Paid family leave enables women to remain in their jobs, acquire seniority, increase their earnings and, subsequently, their retirement savings.<sup>7</sup>

A lack of paid family leave makes the ability to provide long-term temporary care to a family member particularly elusive for low-wage workers, who cannot afford to take unpaid time off from work, even if they might be entitled to it under the Family Medical Leave Act (FMLA) or an employer's policy. Low-income workers often lack a financial cushion or safety net on which to rely while absent from work.<sup>8</sup> Losing income while taking care of their own or a family member's health condition has a compounding effect on family finances that is particularly acute for low-income workers, creating a risk that they will fall into poverty. Many of the reasons for which employees would be eligible to use family leave bring new expenses, like the cost of diapers, child care, or prescription medications,<sup>9</sup> in addition to costs associated

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<sup>2</sup> Washington State and the District of Columbia will join the growing list of jurisdictions with paid family leave programs in 2020.

<sup>3</sup> FAMILY Act Coalition Letter, July 11, 2018, available at <http://www.nationalpartnership.org/research-library/work-family/coalition/family-act-coalition-letter.pdf>.

<sup>4</sup> JASMINE TUCKER AND KAYLA PATRICK, NATIONAL WOMEN'S LAW CENTER, WOMEN IN LOW-WAGE JOBS MAY NOT BE WHO YOU EXPECT, (August 30, 2017), <https://nwlc.org/resources/women-in-low-wage-jobs-may-not-be-who-you-expect/>.

<sup>5</sup> WOMEN AND CAREGIVING: FACTS AND FIGURES, (December 31, 2003), <https://www.caregiver.org/women-and-caregiving-facts-and-figures>.

<sup>6</sup> Women's Bureau Report, U.S. Department of Labor, 2,3, (February 2015), available at [https://www.dol.gov/wb/resources/older\\_women\\_economic\\_security.pdf](https://www.dol.gov/wb/resources/older_women_economic_security.pdf);

<sup>7</sup> Claire Cain Miller, *Paid Leave Encourages Female Employees to Stay*, N.Y. Times, July 28, 2014, <https://www.nytimes.com/2014/07/29/upshot/how-paid-leave-helps-female-employees-stay.html>

<sup>8</sup> NATIONAL WOMEN'S LAW CENTER, SET UP TO FAIL: WHEN LOW-WAGE WORK JEOPARDIZES PARENTS' AND CHILDREN'S SUCCESS, 4, 2016, <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2016/01/FINAL-Executive-Summary-Set-Up-to-Fail.pdf>; BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, REPORT ON THE ECONOMIC WELL-BEING OF U.S. HOUSEHOLDS IN 2016, 1, 2, (May 2017), <https://www.federalreserve.gov/publications/files/2016-report-economic-well-being-us-households-201705.pdf>

<sup>9</sup> NANCY RANKIN AND MARGARET MARK, THE COMMUNITY SERVICE SOCIETY OF NEW YORK, A NECESSITY, NOT A BENEFIT, 9, (May 2015), available at <http://www.cssny.org/publications/entry/a-necessity-not-a-benefit>.

with lost wages.<sup>10</sup> An analysis of FMLA found that nearly 1 in 10 employees went on public assistance program (such as food stamps or welfare) when on leave.<sup>11</sup> When paid leave is offered, those with paid leave are 39% less likely to access public assistance than those not offered the benefit.<sup>12</sup> Additionally, among families who receive public assistance in the year after birth, new mothers who were offered paid leave report \$413 less in public assistance than those mothers who were not offered paid leave.<sup>13</sup> Thus, implementing paid leave programs appears to reduce the need for public assistance, which can also free up government spending to invest in other activities supportive of economic growth.<sup>14</sup> Paid family leave would begin to break the cycle in which economic deprivation leads to hazards, including poor health, which in turn perpetuate poverty.

### **Paid Family Leave is Associated with Improved Health Outcomes and Lower Healthcare Costs**

Paid family leave would help meet the growing health needs of the population and has the potential to improve public health.<sup>15</sup> The United States has a growing aged population,<sup>16</sup> and “within just a couple decades, older people are projected to outnumber children for the first time in U.S. history.” At the same time, “the number of Americans who are providing unpaid care to people who are older, disabled, or otherwise in need of assistance is expected to increase from 40 million to nearly 45 million unpaid caregivers by 2020.”<sup>17</sup> Further, over 1 in 7 Americans are simultaneously raising a child and caring for a parent.<sup>18</sup>

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<sup>10</sup> PATRICIA STODDARD-DARE ET. AL., HOW DOES PAID SICK LEAVE RELATE TO HEALTH CARE AFFORDABILITY AND POVERTY AMONG US WORKERS?, 2018, SOCIAL WORK IN HEALTH CARE, 57:5, 376-392, <https://www.tandfonline.com/doi/full/10.1080/00981389.2018.1447532>.

<sup>11</sup> Id. at 377.

<sup>12</sup> PATRICIA STODDARD-DARE ET. AL., HOW DOES PAID SICK LEAVE RELATE TO HEALTH CARE AFFORDABILITY AND POVERTY AMONG US WORKERS?, 2018, SOCIAL WORK IN HEALTH CARE, 57:5, 376-392, <https://www.tandfonline.com/doi/full/10.1080/00981389.2018.1447532>.

<sup>13</sup> GAULT, BARBARA ET AL., PAID PARENTAL LEAVE IN THE UNITED STATES, 13, March 2014, [https://www.dol.gov/wb/resources/paid\\_parental\\_leave\\_in\\_the\\_united\\_states.pdf](https://www.dol.gov/wb/resources/paid_parental_leave_in_the_united_states.pdf)

<sup>14</sup> Id.

<sup>15</sup> NEW YORK CITY, OFFICE OF THE MAYOR, “TWO YEARS AFTER MAYOR DE BLASIO EXPANDS PAID SICK LEAVE TO ONE MILLION NEW YORKERS, CITY’S ECONOMY STRONGER THAN EVER,” April 1, 2016, *available at* <http://www1.nyc.gov/office-of-the-mayor/news/318-16/two-years-after-mayor-de-blasio-expands-paid-sick-leave-one-million-new-yorkers-city-s-economy>.

<sup>16</sup> U.S. CENSUS BUREAU, “OLDER PEOPLE PROJECTED TO OUTNUMBER CHILDREN FOR FIRST TIME IN U.S. HISTORY,” MARCH 13, 2018, *available at* [www.census.gov/newsroom/press-releases/2018/cb18-41-population-projections.html](http://www.census.gov/newsroom/press-releases/2018/cb18-41-population-projections.html).

<sup>17</sup> AMERICAN ASSOCIATION OF RETIRED PERSONS, “AARP REPORT FINDS CAREGIVING MARKET WILL GROW 13% TO BECOME \$279 BILLION DISRUPTIVE OPPORTUNITY 2016-2020,” January 12, 2016, *available at* <https://press.aarp.org/2016-01-12-AARP-Report-Finds-Caregiving-Market-Will-Grow-13-To-Become-279-Billion-Disruptive-Opportunity-2016-2020>

<sup>18</sup> KIM PARKER AND EILEEN PATTEN, THE SANDWICH GENERATION: RISING FINANCIAL BURDENS FOR MIDDLE-AGED AMERICANS, January 30, 2013, <http://www.pewsocialtrends.org/2013/01/30/the-sandwich-generation/>.

Access to paid sick and family medical leave may reduce a family's total medical care expenses.<sup>19</sup> Elderly patients cared for by family members have significantly shorter hospital stays and recover faster from illness.<sup>20</sup> And, in addition to the importance of postpartum leave for maternal and newborn health, research has also shown the benefits of other types of paid family leave. For example, when parents take longer work leaves to care for their seriously ill children, child physical and emotional health is positively impacted.<sup>21</sup>

### **Programs Like the FAMILY Act are Proven to Strengthen Business**

Evidence from existing state programs shows that family leave programs can be financially sound, self-sustaining, and strengthen business. A study conducted when California's program had been in effect for over six years found that most employers reported that the paid family leave program has either a positive effect or no noticeable effect on productivity, profitability, turnover, and employee morale.<sup>22</sup> Additionally, small businesses were less likely than larger businesses to report negative effects.<sup>23</sup> And 91 percent of employers responded "no" when asked if they were aware of instances of employees abusing the program.<sup>24</sup> Early studies about the effect on business of Rhode Island's paid family leave program are leading to a similar conclusion: the effect on business is neutral or positive.<sup>25</sup>

### **The Path to National Family Leave Must Leave Room for Local Governments to Create Additional Protections and Not Take Away from Other Important Benefits**

As Congress, and this Committee, in particular, continue to study workplace policies it should recognize that the federal government has an important role to play in supporting local enforcement needs and should not consider policies that would dilute or repeal progressive local labor laws, or exacerbate the power imbalance between employers and employees such as by denying employees their ability to control their work schedules and time off. One piece of legislation being debated in

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<sup>19</sup> PATRICIA STODDARD-DARE ET AL., HOW DOES PAID SICK LEAVE RELATE TO HEALTH CARE AFFORDABILITY AND POVERTY AMONG US WORKERS?, 2018, SOCIAL WORK IN HEALTH CARE, 57:5, 376-392, <https://www.tandfonline.com/doi/full/10.1080/00981389.2018.1447532>.

<sup>20</sup> COURTNEY VAN HOUTVEN AND EDWARD C. NORTON. INFORMAL CARE AND HEALTH CARE USE OF OLDER ADULTS. JOURNAL OF HEALTH ECONOMICS, 2004:23 (6):1159.

<sup>21</sup> SCHUSTER MA, CHUNG PJ, ELLIOTT MN, GARFIELD CF, VESTAL KD, KLEIN DJ. PERCEIVED EFFECTS OF LEAVE FROM WORK AND THE ROLE OF PAID LEAVE AMONG PARENTS OF CHILDREN WITH SPECIAL HEALTH CARE NEEDS. AM J PUBLIC HEALTH, 698-705, (2009), <https://doi.org/10.1080/00981389.2018.1447532>.

<sup>22</sup> EILEEN APPLEBAUM AND RUTH MILKMAN, LEAVES THAT PAY EMPLOYER AND WORKER EXPERIENCES WITH PAID FAMILY LEAVE IN CALIFORNIA, 4 (2011), <http://cepr.net/documents/publications/paid-family-leave-1-2011.pdf>.

<sup>23</sup> EILEEN APPLEBAUM AND RUTH MILKMAN, LEAVES THAT PAY EMPLOYER AND WORKER EXPERIENCES WITH PAID FAMILY LEAVE IN CALIFORNIA, 4 (2011), <http://cepr.net/documents/publications/paid-family-leave-1-2011.pdf>.

<sup>24</sup> EILEEN APPLEBAUM AND RUTH MILKMAN, LEAVES THAT PAY EMPLOYER AND WORKER EXPERIENCES WITH PAID FAMILY LEAVE IN CALIFORNIA, 4 (2011), <http://cepr.net/documents/publications/paid-family-leave-1-2011.pdf>.

<sup>25</sup> NATIONAL PARTNERSHIP FOR WOMEN & FAMILIES, FIRST IMPRESSIONS: COMPARING STATE PAID FAMILY LEAVE PROGRAMS IN THEIR FIRST YEARS (2015), <http://www.nationalpartnership.org/research-library/work-family/paid-leave/first-impressions-comparing-state-paid-family-leave-programs-in-their-first-years.pdf>; ANN BARTEL ET AL., ASSESSING RHODE ISLAND'S TEMPORARY CAREGIVER INSURANCE ACT: INSIGHTS FROM A SURVEY OF EMPLOYERS (2016), [https://www.dol.gov/asp/evaluation/completed-studies/AssessingRhodeIslandTemporaryCaregiverInsuranceAct\\_InsightsFromSurveyOfEmployers.pdf](https://www.dol.gov/asp/evaluation/completed-studies/AssessingRhodeIslandTemporaryCaregiverInsuranceAct_InsightsFromSurveyOfEmployers.pdf).

Congress that is particularly troubling is H.R. 4219, the “Workflex in the 21<sup>st</sup> Century Act” (“H.R. 4219” or the “bill”). H.R. 4219 undermines local labor standards that are tailored to maintain robust local economies by removing local control that benefits workers and businesses. The bill purports to require paid time off comparable to state and local paid sick leave laws, but in fact replaces meaningful rights to paid time off, which are the product of grassroots democratic processes, with individual employers’ own parameters for when and how employees can use time and what employees will be paid when they use the time. Accordingly, we urge Congress to reject H.R. 4219.<sup>26</sup>

Similarly, efforts to respond to a national bipartisan call for paid family leave by allowing workers to draw from Social Security contributions when on leave from work due to circumstances addressed by the FAMILY Act only exacerbates an existing problem and creates another. Such a proposal does nothing to address the lifetime wage gap between men and women that results from women shouldering most unpaid caregiving responsibilities. Moreover, it will translate into a delayed retirement age, with a disproportionate impact on lower-income workers<sup>27</sup> and, potentially, defund retirement for some workers.

The benefits of paid family leave for workers, business, and society at large are well-documented and well-understood, yet most workers do not have access to this basic, common-sense protection. Any such program providing this protection must be affordable, cost-effective, and sustainably funded with new revenue—not by cutting or reducing benefits from other programs that people rely on. The FAMILY Act is the only national policy proposal that meets these criteria and provides baseline rights making it financially possible for all working people to take leave when they need it most. The United States is long overdue in taking this important step.

Respectfully Submitted,



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Commissioner

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<sup>26</sup> See *House Education and Workforce Committee Subcommittee on Health, Education, Labor and Pensions Hearing on “Workplace Leave Policies: Opportunities and Challenges for Employers and Working Families,”* December 2017 (testimony from Lorelei Salas, Commissioner of the New York City Department of Consumer Affairs) available at <https://www1.nyc.gov/assets/dca/downloads/pdf/partners/Advocacy-WorkplaceLeavePolicies-121917.pdf>

<sup>27</sup> Michael Hiltzik, *Paid Family leave is a great idea, but not if we hit up Social Security for the money*, L.A. Times, Jan. 29, 2018 available at <http://www.latimes.com/business/hiltzik/la-fi-hiltzik-family-leave-20180129-story.html>.