

**Senate Finance Subcommittee on Social Security, Pensions, and Family Policy
“Examining the Importance of Paid Family Leave for American Working Families”**

**Wednesday, July 11, 2018, 3:00PM
215 Dirksen Senate Office Building**

Chairman Bill Cassidy, M.D. (R-LA) Opening Remarks
(As prepared for delivery)

Working families are at the core of our social fabric and economic success. American workers increasingly feel good about their prospects – a recent poll shows economic optimism at a 13-year high. Yet some families have been left behind. For nearly a decade, wages and growth were stagnant. Health care and education costs skyrocketed. American families expect more.

Over the past two years, I have worked to help families get more money in their pocketbooks and better benefits to navigate the ebbs and flows of life. Many families in my home state of Louisiana are seeing last year’s tax cut reflected in their paychecks, and I continue to work on lowering health care costs for families. To consider another thing which may help, today we will examine a paid leave benefit for working families.

A 2017 Pew poll shows overwhelming majorities of Americans support paid sick leave and paid maternity leave. Paternity leave and family leave also have strong public support. Yet views on the structure and funding of a paid leave program vary.

By way of background—Family & Medical Leave Act of 1993 provides most U.S. workers with up to 12 weeks of job-protected leave—to care for a new child or to address an illness. However, it does not cover all workers—such as some small business and part-time employees. And, the guarantee is for *unpaid leave*. Many workers can’t afford to take time off.

Most employees receive some type of paid time off—for holidays, vacation, or illness. Yet the Pew study indicates fewer workers have access to defined paid family leave versus other types of leave. And paid family leave is rare in low-income households.

There are several reasons to support paid leave for workers, I will mention three:

1. Improving health outcomes. As a doctor, I am concerned about infant and maternal health. At 6 per 1,000 live births, infant mortality is higher in the United States than in 25 of 28 other developed countries. A recent study reports that if a new mother takes paid leave, readmittance rates for her and her infant decrease by 50%. (February 2018, *Maternal & Child Health Journal*.)
2. Helping families manage work and home responsibilities, particularly for lower-income workers. Pew reports, among individuals taking family or medical leave, only 38% in families with income less than \$30,000 received any pay. For families with higher incomes, the figure is 74%.
3. Creating incentives to stay in the workforce, which supports productivity and economic growth. Long-run economic growth is a function of workforce participation and labor productivity. With an aging population, it is essential that our workforce remains strong.

2012 Rutgers study—women who work 20+ hours per week before childbirth and who take paid leave afterward—they are 93% more likely to be working 9 months postpartum, versus a woman who doesn't take leave.

AEI-Brookings study—work hours for mothers who took paid leave were 10-17% higher than before paid leave was instituted.

With last year's tax cuts bill, we see workers getting some help. First, the bill included a two-year pilot program authored by Senators Fischer and King: a tax credit to employers who offer low- and moderate-income employees at least 2 weeks of paid leave. Numerous companies announced new or expanded paid leave programs after the tax bill—including Starbucks, Walmart, and Lowe's.

As we will see today, there is bipartisan interest in expanding paid maternal, family, and medical leave. I am pleased to convene this initial conversation – to consider policy options and trade-offs.

Preserving the retirement benefits promised to American workers is paramount. Any proposal that relies on Social Security cannot weaken Social Security. The 2018 Trustees Report projects that Social Security will go bankrupt by 2034, and that in order to close the shortfall, benefits *today* would have to be cut by 17% for all beneficiaries, *including those already collecting*. I am committed to addressing this looming crisis, because we cannot let that happen. Doing nothing is not an option.

Another Social Security priority is the Windfall Elimination Provision, which impacts many civil servants. Although not directly related to today's topic, WEP must be included in the discussion of preserving Social Security benefits.

Again, I'm pleased to convene these panels of experts to consider policies that help working families, and create incentives for Americans to stay in the workforce and help build the greatest economy in the world.

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