

- ▶ IMPAQ International (IMPAQ)



- ▶ Institute for Women's Policy Research (IWPR)



- ▶ Lake Research Partners (LRP)



- ▶ University of Vermont's Center for Rural Studies (CRS)

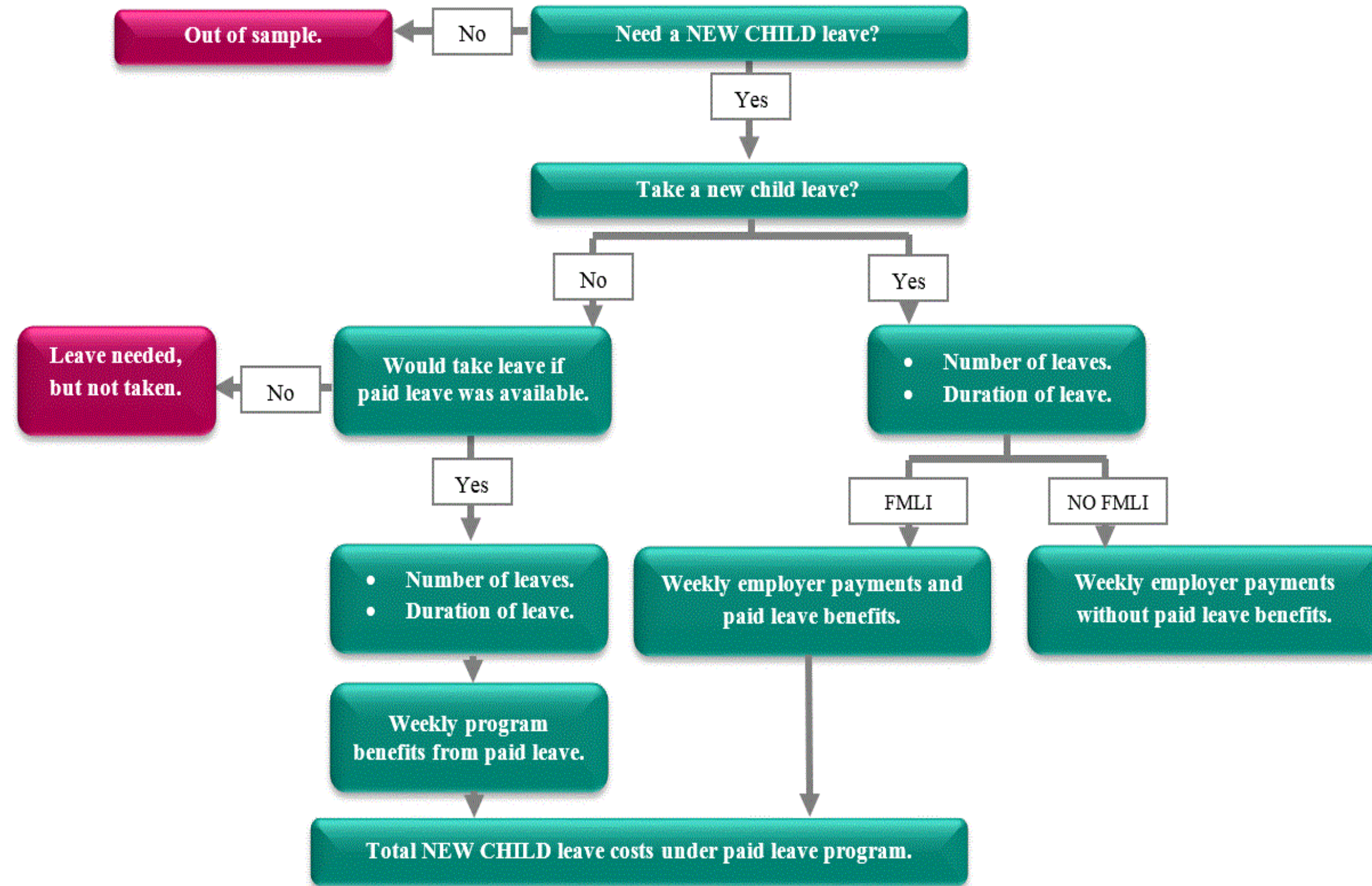


- ▶ The study utilized a multi-method approach to assess the feasibility of implementing a PFML program that meets the needs of employers & employees:
- ▶ **Cost-Benefit Analysis**
 - ▶ Conducted simulations to estimate leave coverage, cost, and use
- ▶ **Implementation Feasibility Analysis**
 - ▶ Research on possible implementation models
 - ▶ Public opinion survey of 500 adult Vermonters
- ▶ **Economic-Impact Analysis**
 - ▶ Estimation of impacts of implementing PFML program
 - ▶ 5 family profiles
- ▶ **Education, Outreach, and Marketing Analysis**
 - ▶ Statewide survey of 427 Vermont business owners & leaders
 - ▶ 4 focus groups with business owners & leaders

COST-BENEFIT ANALYSIS

COST-BENEFIT ANALYSIS

- ▶ Methodology: Simulation models used to estimate leave coverage, cost, and use
- ▶ Leave-taking behavior simulated onto individual employees using data from the *American Community Survey & Family Medical Leave Act Survey*
- ▶ Includes probability of needing a leave, taking a leave, getting paid for a leave, & extending leave



- ▶ Assumptions:
 - ▶ Workers choose compensation that is most advantageous
 - ▶ Eligible workers compare weekly benefit amounts to “next best option”
 - ▶ Take-up occurs when qualifying leave is utilized
 - ▶ Program’s effect on leave length

FINDINGS: COST-BENEFIT ANALYSIS

- ▶ Current take-up rate is 50,000 paid & unpaid leaves annually
- ▶ Estimated overall leave-taking per year would increase by 5.9% to 6.6%
- ▶ Number of workers to receive paid leave benefits ranges from 13,286 to 13,465
- ▶ Average weekly benefits range from \$623 to \$730 per worker
- ▶ Implementing a PFML program would reduce inequality in paid leave access across social & demographic groups
 - ▶ Workers with family incomes near the poverty threshold (38% increase in leaves) compared to workers in higher income families (9% increase)
 - ▶ Low-income workers (20%) compared to higher earners (9%)
 - ▶ Workers in smaller businesses (24%) compared to workers in larger businesses (15%)

IMPLEMENTATION FEASIBILITY ANALYSIS

IMPLEMENTATION FEASIBILITY ANALYSIS⁸

- ▶ Combined research on implementation models with a public opinion survey of 500 Vermont adults
- ▶ *Implementation Models Analysis*
 - ▶ Methodology: Analysis builds upon the simulation model findings to examine the feasibility of implementing a PFML program, including:
 - ▶ Staffing and administrative costs
 - ▶ Program cash flows during PFML program implementation
 - ▶ Program administration
 - ▶ Private administration
 - ▶ Assumptions:
 - ▶ Utilizes Vermont Study Committee's recommendation that 7.5% of benefits be allocated for administrative costs
 - ▶ Utilizes data & information from other states with PFML programs
 - ▶ Washington State's 2016 Fiscal Note on costs of a PFML program

- ▶ Costs of administering a program (at a rate of 7.5% of total benefits) estimated to be \$5.5 million
- ▶ The Vermont Study Committee's 2014 report concluded that a PFML program should be likely administered by the Department of Labor
 - ▶ Analysis found that other states & local governments with PFML programs have come to similar conclusions
 - ▶ Majority administer PFML programs through departments that administer other benefit programs
- ▶ Mandating employers to provide coverage through a private plan may be more expensive
 - ▶ As a share of total compensation, costs to cover all workers would be:
 - ▶ Over 2% in firms with fewer than 10 employees
 - ▶ 1.4% in firms with 10-19 employees

IMPLEMENTATION FEASIBILITY ANALYSIS¹⁰

- ▶ *Public Opinion Survey of 500 Vermont Adults*
 - ▶ Methodology: Statewide survey administered by phone using professional interviewers
 - ▶ Survey was conducted September 13-19 until 500 adults were reached
 - ▶ Phone numbers were drawn from a listed sample of Vermont adults
 - ▶ Margin of error for the sample is +/- 4.4%
 - ▶ Survey data was weighted by gender, age, education, and household income to reflect the attributes of the population
 - ▶ Assumptions: Survey participants are representative of the population of adult Vermonters

FINDINGS: PUBLIC OPINION SURVEY

- ▶ Most respondents believed it was very important for Vermont to establish a PFML program
 - ▶ 80% favored without contextual explanation
 - ▶ 71% favored with contextual explanation

- ▶ Funding Options:
 - ▶ 75% favored funding the program by contributions from both employees and employers (highest favorability of all options)

ECONOMIC IMPACT ANALYSIS

- ▶ Methodology:
- ▶ Analysis integrates outputs from the Cost-Benefit Analysis simulation models with impact estimates of paid leave obtained from the peer-reviewed literature
 - ▶ The approach yields potential economic savings that can accrue for Vermont
 - ▶ The findings are complemented by a collection of 5 family profiles

FINDINGS: ECONOMIC-IMPACT ANALYSIS¹⁴

- ▶ Implementation of a PFML program could produce \$2.56 million to \$4.01 million in annual savings for Vermont, including:
 - ▶ \$2.04 million to \$3.46 million dollars in childcare cost savings for parents caring for a newborn or sick child
 - ▶ On a per family basis, a PFML program would save families an average of \$1,032 to \$1,747
 - ▶ \$276,965 in savings due to an increased number of newborn infants that are healthy & have normal birthweights
 - ▶ \$244,909 to \$271,754 in savings in reduced public assistance among Vermont's working women with a recent childbirth
 - ▶ 1,800 Vermont workers with improved financial security, keeping them above the state's poverty threshold

FINDINGS: ECONOMIC-IMPACT ANALYSIS¹⁵

- ▶ The family profiles highlighted the economically-driven decisions that families face when considering whether to take paid leave & when to return to work
 - ▶ The stress & economic strain of not receiving a paycheck
 - ▶ The difficulty of finding & affording childcare
 - ▶ The focus on bonding as an opportunity to strengthen families & communities

“I went back to work after 6 weeks because we couldn’t afford to take unpaid time off.”

“My plan was to stay home as long as I could, but we couldn’t afford it. I had abdominal surgery, so I was more limited when I first returned and was restricted from doing any lifting. I basically had to heal really fast, I had no choice.”

“The first years with your child are so important; these are the foundation years when I can teach my child to be a law abiding citizen. I’m building a future employee, and I need to be able to do that.”

“If I had had any paid time off, I think I wouldn’t have felt pressured to go back so soon. It would have made my time at home more enjoyable, less stressful. I had to prepare her so early to be without me.”

EDUCATION, OUTREACH, AND MARKETING ANALYSIS

EDUCATION, OUTREACH, AND MARKETING ANALYSIS

- ▶ This analysis combined a statewide survey of 427 business owners & leaders with 4 focus groups
- ▶ *Business Survey*
 - ▶ Methodology: Online survey of Vermont's business owners & leaders
 - ▶ Survey conducted in September & October, 2016 with a goal of 300 respondents
 - ▶ Nonprobability sample constructed from 2 lists of 20,000 businesses along with distribution via business umbrella organizations
 - ▶ Data deduplication process
- ▶ *Focus Groups*
 - ▶ Methodology: 4 focus groups with Vermont's business owners & leaders
 - ▶ 3 in-person & 1 virtual focus group in August & September, 2016
 - ▶ Participants recruited via direct outreach & coordinated outreach via local business associations
 - ▶ Focus on business views for developing a PFML program that serves the needs of employers & employees

- ▶ 46.9% of surveyed businesses supported a statewide program
- ▶ A combination of employer & employee funding was the financing mechanism most supported
- ▶ long-term paid leave less common
 - ▶ Leave on case-by-case basis (18%), paid maternity leave (16%), paid paternity leave (9%)
- ▶ For over 90% of the businesses that offered paid long-term leave, fewer than 25% of eligible employees utilized the benefit within the past year

- ▶ Business owners & leaders demonstrated a high level of support for a state-administered program
 - ▶ Majority were “supportive” or “strongly supportive”
- ▶ Concerns focused on how Vermont would administer & fund the program
- ▶ Most businesses did not provide PFML to their employees
 - ▶ Many indicated cost was the main factor
 - ▶ A plurality noted their business already provided generous paid leave benefits
- ▶ Participants were asked for recommendations on developing a program
 - ▶ Vermont should examine the impacts on other states & countries with PFML programs
 - ▶ Diverse perspectives (including business & non-business perspectives) should be considered throughout the development of a program