In Support of H.196, Family & Medical Leave Insurance

Ashley Moore, Main Street Alliance of Vermont
General, Housing and Military Affairs
March 15, 2016

Vermont business owners and Vermonters share the same goals. We want to grow our local economy, keep Vermonters here in state, attract more families to move here, strengthen the workforce, and keep our communities thriving.

The success of small, local, main street businesses is inextricably tied to the health and well-being of the communities they serve. As real-life experts on the economy and the challenges and opportunities of running a business, **small business owners have important perspectives on how to shape public policies to support strong local economies.**

The creation of a family and medical leave insurance program in Vermont is a prime example of a policy that supports small businesses and employees and strengthens Vermont's economy.

Provide Support to Small Businesses:

Vermont is a small business state and we have the opportunity to craft legislation that reflects this reality by **shifting to a shared responsibility model** where businesses and workers contribute and the state handles administration.

This program will **help level the playing field** and reduce the competitive divide between small employers and large employers, who are more likely to be able to offer such a benefit.

Employers with a parental or medical leave policy in place would **no longer be the sole contributor to an employee's wages during the time of leave**, and employers without such a policy in place would have the ability to help contribute to this benefit for their employees.

For employees who provide this benefit and hire a temporary worker, they are paying for both employees' wages during this time. If this program were implemented, employees on leave would receive wages from the program, not the employer, which makes it **easier for employers to hire a temporary worker should they need one.**

Attract & Retain Young Professionals and Families:

A commonly cited economic development goal for our state is to **attract and retain young and mid-career professionals and families to live and work here.** As a small business state, it can be challenging to compete with other cities and states that have more opportunities for higher-wage work.

Smart social investments, such as this, provide direct support to the Vermont workforce, families, and the business community. In turn, this makes Vermont an attractive place to live and work.

Strengthen the Workforce:

The workforce has changed significantly. Access to parental and medical leave wasn't always as critical as it is today, but **major economic shifts have occurred over the past 50 years,** creating conditions that make it challenging to balance work and family needs.

The share of children living in a married household with a breadwinning father decreased between 1960 and 2012 from 65 percent to 22 percent[1]. And, **more women are in the workforce than ever before.** Between 1967 and 2012, the share of mothers who are the primary or co-breadwinners increased from 27.5 percent to 63.3 percent.[2]

Many people are sandwiched between providing care for their children and their aging family members. Notably, **the share of adult children providing care to aging parents has tripled over the past 15 years.**[3]

This program will strengthen Vermont's workforce by allowing those who would otherwise leave their jobs to tend to caregiving responsibilities to take necessary time off and **remain in the workforce.**

---

[1] Philip Cohen, *Family Diversity Is the New Normal for America's Children* (Council on Contemporary Families, September 4, 2014).

[2] Eileen Appelbaum, Heather Boushey, and John Schmitt, *The Economic Importance of Women's Rising Hours of Work* (CEPR and Center for American Progress, April 2014).

[3] MetLife Mature Market Institute, *The MetLife Study of Caregiving Costs to Working Caregivers: Double Jeopardy for Baby Boomers Caring for Their Parents* (Westport, CT: MetLife Mature Market Institute, June 2011).