

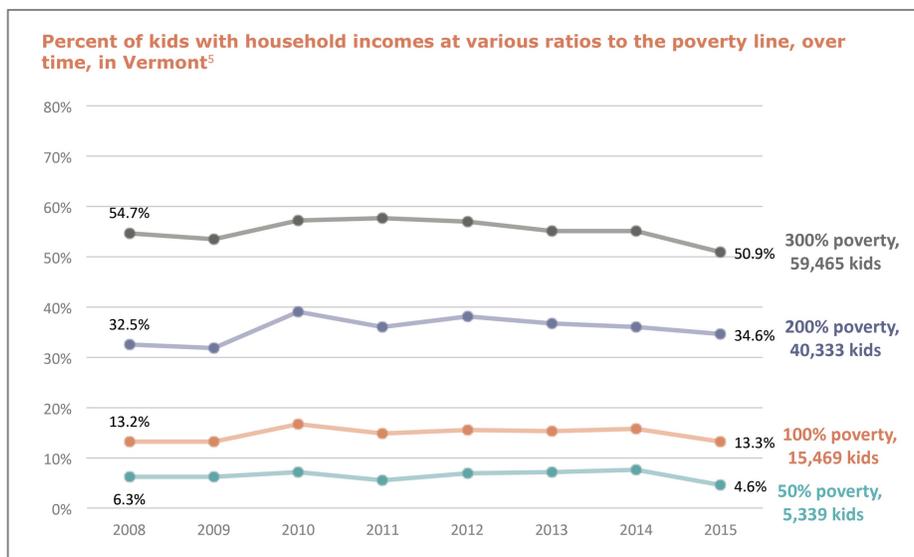


**To:** Representative Ancel and members of House Ways & Means Committee  
**From:** Michelle Fay, MPA | Associate Director  
**Re:** Testimony in support of H.196 – An Act Relating to Paid Family Leave  
**Date:** March 29, 2017

Voices for Vermont's Children promotes public policy that enhances the lives of children and youth, in the domains of Economic Security, Health, Education, and Family & Community. Access to a family and medical leave insurance program touches on all of those domains, because children's wellbeing relies on interconnected systems working to support them and their families.

### The Current Landscape for Vermont Families

Average working families are struggling to achieve financial security, despite having one or two full-time wage earners in the household. Mirroring national trends, Vermont families have seen housing, heating and healthcare costs grow significantly faster than wages. **More than half of kids in Vermont live in households earning 300% or less of the federal poverty level – an income that does not meet a family's basic needs according to the Joint Fiscal Office.** Most Vermont children live in families where all available adults are engaged in the workforce: 70.4% of children birth-5 and 78.5% of kids 6-17. Where these demographics overlap, the concept of saving up for the birth of a child or against the possibility of a serious illness is simply not realistic given the status of our economic system, which relies heavily on low-wage workers and concentrates economic gains at the top.



## **Family Economic Security Matters**

Children raised in poverty experience poor health outcomes in relation to their non-poor peers. They are twice as likely to repeat a grade or be expelled, and more than twice as likely to drop out of high school. Girls raised in poverty are more than three times as likely to have a child as a teen. And poor children are ten times as likely to have experienced food insecurity and hunger in the past year. The impacts of living your childhood in poverty are devastating to both children and our communities. Supporting family economic security must be a priority for Vermont.

Studies of existing family leave policies have repeatedly shown that paid leave supports parents' (especially mothers') attachment to the workforce. This leads to higher earnings in both the short and long term – both of which benefit children. The IMPAQ study conducted for the VT Commission on Women found that:

- An estimated 1,098 to 3,220 workers and their families receive the financial security of **staying above the poverty level due to leave benefits.**
- Implementation of a FMLI program would save Vermont families an estimated average of \$1,032 to \$1,747, primarily from averted child care costs. This translates to \$2.04 to \$3.46 million annually in savings for Vermont parents.

## **Supporting Family Formation Matters**

When parents have access to paid leave to welcome a new child into their family:

- Infants are more likely to be breastfed in the first year of life, more likely to have their full DPT/Polio vaccinations, and more likely to have regular checkups.
- Benefits for infants are strongest when mothers don't return to the workforce in the first 12 weeks.
- Adoptive families, experiencing a time of change and transition, are allowed much needed bonding and relationship-building time.
- Partners' early, shared involvement in the care of children is linked to reduced divorce rates as well as improved cognitive development and educational performance for their children.

## **We All Benefit**

Supporting parents in their dual roles as employees and caregivers yields economic benefits as well. Evidence from states with FMLI show that these programs improve workforce attachment and support economic independence, with the greatest effects seen among the most disadvantaged families. Full wage replacement (capped at twice the livable wage) is a key component of the bill to ensure that those who need it most are able to access the benefit.

Other key economic benefits:

- Studies show that children recover more quickly from illness when cared for by their parents. The presence of parents shortens children’s hospital stays by 31 percent, and active parental involvement in children’s hospital care may head off future health care needs.
- According to the IMPAQ report, Vermont would experience an estimated \$276,965 in savings due to an increased number of Vermont’s newborn infants that are healthy and have normal birthweights. Access to paid family leave has been correlated with:
  - 5% fewer low birthweight babies,
  - 8% fewer preterm births, and
  - 10% fewer child deaths.

### **Vermont Needs Families to Thrive**

The Vermont Dept. of Labor’s forecast through 2024 lists sales, food preparation/service, and office administrative support as the job sectors expected to have the greatest number of job openings. These are the very jobs that generally do not provide paid family and medical leave, offer wages below a livable standard, and are typically held by women.

We need to deal with the reality of our economy. In this building we talk about “structural deficits” and “alligator mouths” a fair amount in relation to the state budget. Vermont’s families are facing an alligator mouth of their own: increased costs of living and stagnant wages, coupled with inadequate public investment in the infrastructure needed for a vibrant economy, including affordable, high-quality child care and health care. Vermont needs families to build and sustain our economy, and those families need policies that make it possible to balance their roles as caregivers with their contributions to the workforce. Establishing a family and medical leave insurance program will help to attract and retain a vibrant workforce, and a healthy and supported population.

Voices for Vermont’s Children strongly supports H.196 in both its previous and current iterations, and urges the committee to pass it with the full, capped wage replacement and 12 weeks of paid, job-protected leave to ensure that the full positive impact of the policy is realized by Vermont’s children and their families.