



Comprehensive Paid Family and Medical Leave for Today's Families and Workplaces

Crafting a System that Builds on the Experience of Existing Federal and State Programs

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Introduction and summary

“Our idea of what constitutes social good has advanced with the procession of the ages, from those desperate times when just to keep body and soul together was an achievement, to the great present when “good” includes an agreeable, stable civilization accessible to all, the opportunity of each to develop his particular genius and the privilege of mutual usefulness.”

— Frances Perkins, *People at Work*, 1934.

Frances Perkins, the first woman cabinet secretary in U.S. history and the prime mover of the New Deal as secretary of labor under President Franklin D. Roosevelt, understood how the American society and economy were changing during the Great Depression and how the federal government needed to respond. The Social Security Act of 1935 aimed to provide income support to families when a breadwinner could not work. The new law established benefit programs for older workers, the unemployed, and the poor children of widows. As originally passed, the law’s provisions were grounded in a series of assumptions about how families were structured and whose work “counted”: Men were breadwinners, women were caretakers, disability was not a covered condition, and African Americans were largely excluded.

But in the spirit of Perkins’s observation that “‘good’ includes an agreeable, stable civilization accessible to all,” the Social Security system has changed over time, in many ways updated to reflect the new realities of American family life and work over the ensuing decades. Yet glaring omissions remain. In the 1930s it might have been reasonable to assume that workers were not also their family’s caregivers, although many workers—especially women, women of color, and immigrants—often played both roles. In 2012 this is no longer a reasonable assumption.

Most workers today are also caregivers at some point. In nearly two-thirds of families with children, a mother brings home at least a quarter of the family’s earnings and, with an aging baby boomer population, more and more workers are caring for

an elderly parent or an aging relative.¹ Further, medical advancements and equal employment opportunity laws have allowed seriously ill and disabled workers to stay in the workforce, and while some are provided unpaid, job-protected time off to deal with their medical conditions, there is no national short-term disability policy.

More than three decades ago, our nation began to recognize that employees need time away from work to provide care for a child or ailing loved one. The Pregnancy Discrimination Act of 1978 was a first step that protected some new mothers from being fired and provided them with access to some benefits, depending on the policies of their employer. The Family and Medical Leave Act of 1993 expanded on this by providing both men and women job-protected, unpaid leave to recover from an illness, care for an ill family member, or bond with a new child.² The Family and Medical Leave Act was an enormous accomplishment because it was the first federal legislation giving workers access to time off to provide care, following the footsteps of the 34 states that had already implemented some type of family leave legislation.³

Yet the Family and Medical Leave Act today only covers about half of the U.S. workforce due to requirements regarding job tenure and employer size. And it is unpaid, making it inaccessible to millions of workers who simply cannot afford to take time off due to their financial situations.⁴ Recognizing the need for paid family leave that is available to all workers, two states, California and New Jersey, have put in place such programs over the past decade, which were built on longstanding, state temporary disability insurance programs.

In this paper and in three companion papers, the Center for American Progress proposes to build on the tradition of modernizing Social Security as socioeconomic conditions change through a program we call “Social Security Cares,” which will follow the footsteps of the Family and Medical Leave Act and these leading states by implementing paid family and medical leave insurance.⁵ The proposed program builds on the kind of qualifying conditions recognized by the 1993 Family and Medical Leave Act to help workers who need time out of the labor force to provide care for a seriously ill family member, to recover from a personal illness, or to bond and care for a new child. Our proposal builds on the dynamic history of Social Security reform to meet the American workforce’s changing needs as well as the recent state efforts to make sure that the program includes all workers who need access to such benefits.

Based on the analysis in this report, we propose that the Social Security Cares program use the same work history eligibility criteria as the Social Security Disability Insurance program. These work-history eligibility requirements look back over

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an individual's entire work history, while taking their current age into account. In this way, workers who have a lengthy work history but changed jobs in the last year because they were laid off or conversely did so to raise their income do not automatically lose their eligibility. This is especially important for paid family and medical leave insurance because the program needs to cover young workers and those with disabilities. Further, these rules do not unnecessarily exclude employees in small businesses.

This modernization of Social Security would tap into a traditional American value: If you work hard and pay into the system, you will be able to receive something when you need it. This core value of the American work ethic is part of the reason why Social Security has one of the highest levels of public support of any government program. More than 60 percent of adults have consistently rated Social Security as one of the most important government programs for the last quarter century, and more than 80 percent of adults believe that everyone who pays into Social Security should be able to receive benefits, reflecting basic American values of fairness and that hard work should be rewarded.⁶

Indeed, adding paid family and medical leave to Social Security would help workers with care responsibilities keep their jobs by modernizing Social Security to reflect the realities of today's workers. The program is structured to support and encourage continued labor force participation as outlined in one of our companion reports, "The Effects of Paid Family and Medical Leave on Employment Stability and Economic Security."⁷ But to help support those who are full-time, stay-at-home caregivers, we also encourage the adoption of what we call "caregiver credits," which allow Social Security to deem time taken off from work to provide care as paid for the purposes of receiving credit toward Social Security benefits.⁸ This proposal is outlined in another companion report "Protecting Workers and Their Families with Paid Family Leave and Caregiving Credits: Why Social Security Should Guard Against 21st Century Economic Insecurities."⁹

This paper first explores the purpose of the Social Security Act and how it has been modernized to meet the needs of America's changing families over the past three-quarters of a century. Next, we examine how the rules can be crafted to make sure that paid family and medical leave reaches the workers who need it most. And we estimate the levels of coverage that would result from different sets of eligibility rules. The details are presented in the main pages of this report, but briefly we call for paid federal family and medical leave to use an inclusive work history criteria, such as the kind of rules laid out in the existing Social Security

Disability Insurance program, rather than the job tenure and firm size eligibility criteria embedded in the rules governing unpaid leave under the federal Family and Medical Leave Act.

This will ensure that workers who need the benefits—particularly groups of workers who are the least likely to have access to employer-provided family and medical leave as well as those who are least likely to be able to afford to outsource caregiving to paid professionals—are included in the program. Crafting a program such as this to support employment of all workers with care responsibilities is the next step for modernizing our nation’s most important social insurance program, fulfilling the promise of Social Security’s mission. Enacting this reform would be true to the spirit of Frances Perkins’s ambition seven decades ago amid another trying economic era: “The opportunity of each to develop his particular genius and the privilege of mutual usefulness.”

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