


Paid Family Leave & Business

How does paid family leave benefit businesses in Pennsylvania?



Paid leave can increase profits and doesn't harm business!

- Average increase to bottom-line benefit where paid leave is offered was 6.8%
 - Within paid leave jurisdictions, businesses saw statistically significant increases in productivity compared to others without paid leave laws
 - In both NJ and CA, employers reported few negative impacts in complying with requirements. Small businesses were even less likely to report negative effects
- One study in CA showed reduced labor market exit by 20% and one in NJ showed 46% over 5 years post birth
 - Turnover after leave reduces when paid leave is offered
 - One year after implementation in New York, New Jersey, and Rhode Island saw no adverse effects on employee attendance, commitment, cooperation, productivity, or teamwork
 - From 2019-2022, employees who have access to and used paid leave were less likely to quit than those who did not



Less turnover equals greater savings for the business!

What does this mean?

- ✓ Happy employees = more productive employees
- ✓ Businesses benefit from paid family leave
- ✓ Employee benefits become more competitive for small businesses
- ✓ Large businesses that don't offer paid leave become competitive with companies in border states that currently offer paid leave (NJ, NY, MD, and DE)

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Website

Sources

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- Report: The Impact of Paid Family Leave on Employers: Lessons from New York, National Bureau of Economic Research
- Report: The business impacts of paid leave, American Sustainable Business Council/Panarama
- Report: Leave That Pays, Eileen Appelbaum and Ruth Milkman



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