USAGE AND COST OF PARENTAL AND FAMILY CARE LEAVE IN HAWAII

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INSTITUTE FOR WOMEN'S POLICY RESEARCH

SUMMARY OF FOUR ALTERNATIVE PAID PARENTAL AND FAMILY CARE LEAVE POLICY SCENARIOS IN HAWAII

	12 weeks, benefits similar to TDI	16 weeks, benefits similar to TDI	12 weeks, benefits higher for low-wage workers	16 weeks, benefits higher for low-wage workers
Eligibility	Workers must have been employed for 14 weeks for at least 20 hours per week and earned a minimum of $400 in the year before the family event. The 14 weeks need not be consecutive nor with only one employer.			
Workers covered	Workers for private employers, state government, and local governments are included. Self-employed individuals are not included in cost model estimates.			
Waiting period	There is a one week waiting period.			
Weekly benefit calculation	58 percent of usual weekly wages up to a maximum weekly benefit amount. (In 2017, Hawaii's maximum benefit amount is $594.)		90 percent of usual weekly wages up to half Hawaii's average weekly wage, 75 percent of usual weekly wages between half and 100 percent of Hawaii's average weekly wage, and 50 percent of usual weekly wages above Hawaii's up to a maximum weekly benefit of $1,000.	
Maximum annual weeks benefits may be received	12 weeks	16 weeks	12 weeks	16 weeks

IWPR/ACM FML2 SIMULATION MODEL

▸ Original model developed in mid-2000s by IWPR with Randy Albelda and Alan Clayton Matthews, economists from Massachusetts (FML).

▸ Model updated in 2014-2016 (with funding from DOL's WB and CEO), with new data from

  ▸ the 2012 FMLA Survey, a nationally-representative survey of employees and employers behaviors and attitudes around the federal leave policy.

  ▸ 2011-2015 American Community Survey for state labor force estimates.

▸ Further refinements

HOW THE SIMULATION MODEL WORKS

▸ Behavioral parameters are set using research from the 2012 FMLA and other sources including existing state programs.

▸ Parameters of the generosity of each program to be simulated are entered to reflect the policy designs (benefit level, eligibility, etc.).

▸ The simulation model runs all workers in the ACS through each program model and produces a simulated outcome file for each program model.

SIMULATION MODEL OVERVIEW

Simplified Flow Chart of New Child Leaves Simulation Model:
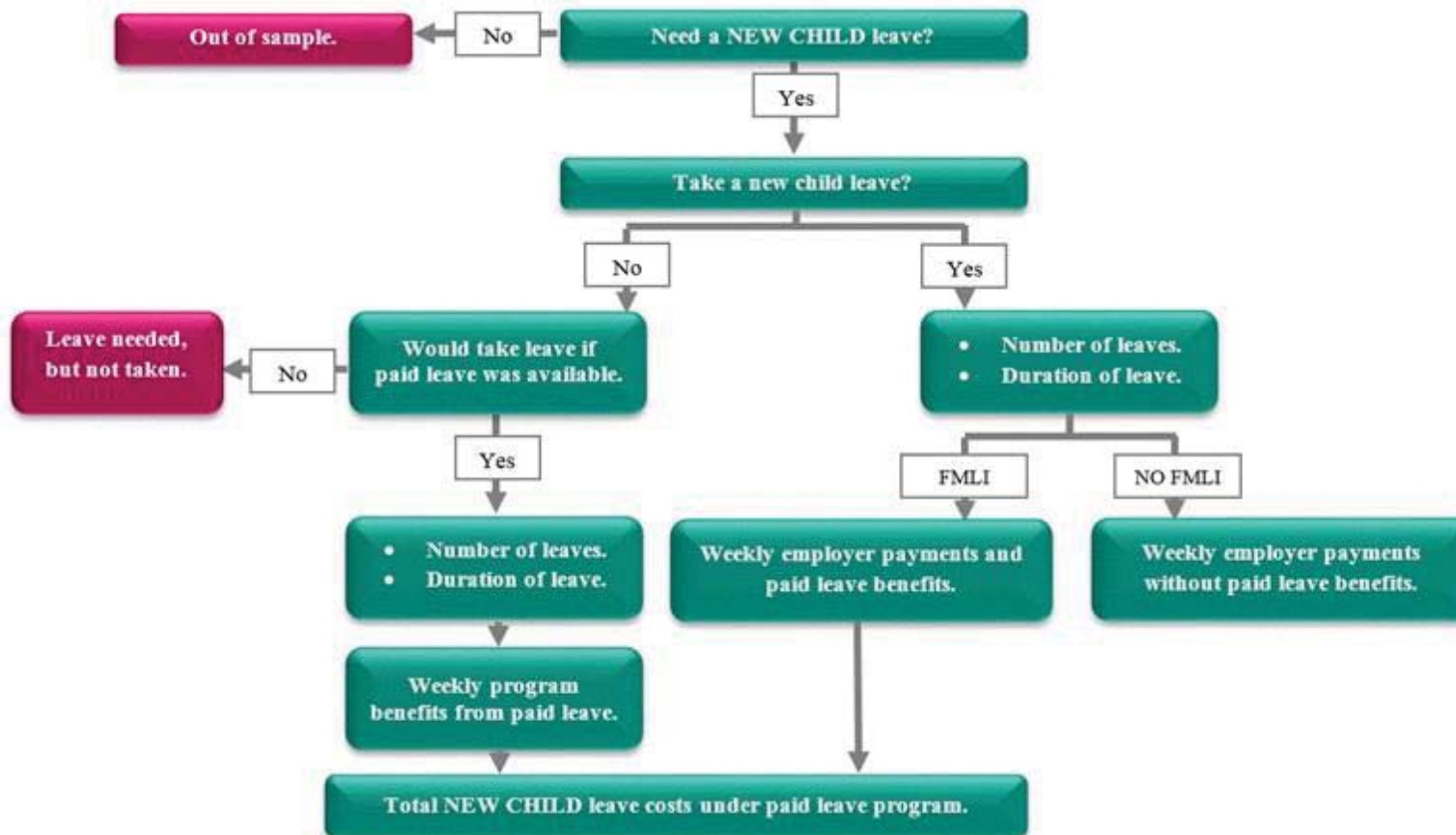
- ▸ Figure shows the flow of worker leave taking decisions within the simulation model

- ▸ Worker behaviors or leave characteristics are modeled using the FMLA 2012 data.

COSTS ESTIMATES FOR FOUR ALTERNATIVE PAID PARENTAL AND FAMILY CARE LEAVE POLICY SCENARIOS IN HAWAII

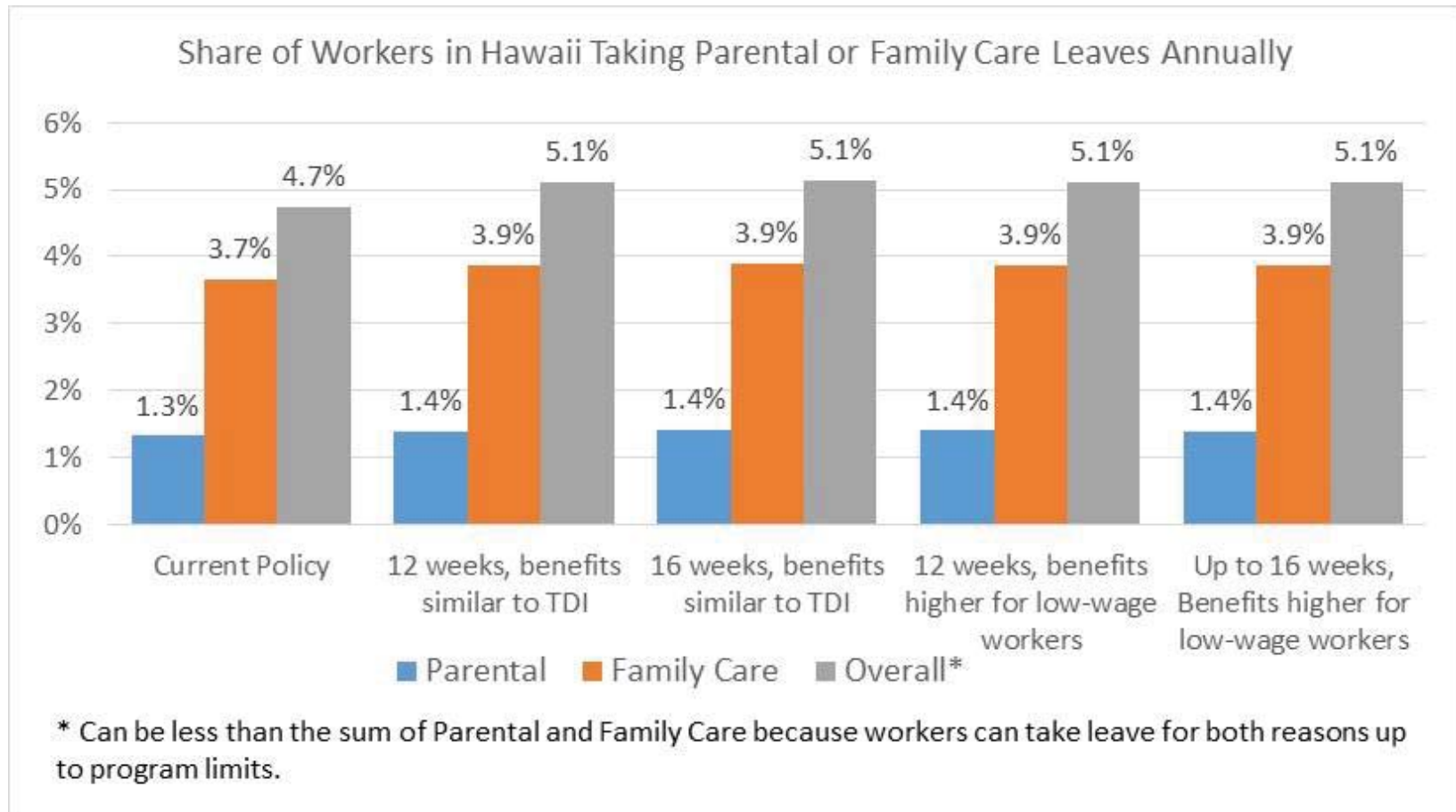|	12 weeks, benefits similar to TDI	16 weeks, benefits similar to TDI	12 weeks, benefits higher for low-wage workers	16 weeks, benefits higher for low-wage workers
Number of Leaves Taken and Receiving FMLI Benefits				
Parental/Bonding	5,319	5,404	5,485	5,447
Family Care	2,290	2,276	2,296	2,313
Total	7,609	7,679	7,781	7,760
Weeks Receiving Program Benefits				
Parental/Bonding	6.9	8.1	7.3	8.2
Family Care	3.3	3.6	3.4	3.6
Overall	5.8	6.7	6.1	6.8
Average Weekly Benefit	$405	$407	$608	$608
Benefit Cost ($millions)				
Parental/Bonding	$14.8	$17.5	$24.2	$27.1
Family Care	$2.5	$2.7	$3.8	$4.0
Total Benefit Cost ($millions)	$17.3	$20.3	$28.0	$31.2
Administrative (5.5 percent, $millions)	$1.0	$1.1	$1.5	$1.7
Total Cost ($millions)	$18.3	$21.4	$29.5	$32.9
QCEW Earnings ($millions)	$27,455.8	$27,455.8	$27,455.8	$27,455.8
Cost as a Percent of QCEW Earnings	0.07%	0.08%	0.11%	0.12%

Source: Estimates based on IWPR-ACM Family Medical Leave Simulation Model based on 2011-2015 American Community Survey and 2012 FMLA Employees survey. (26 June 2017)

Note: Total Quarterly Census of Employment and Wages (QCEW) Wages based on BLS Databases for Private, State, and Local government workers.
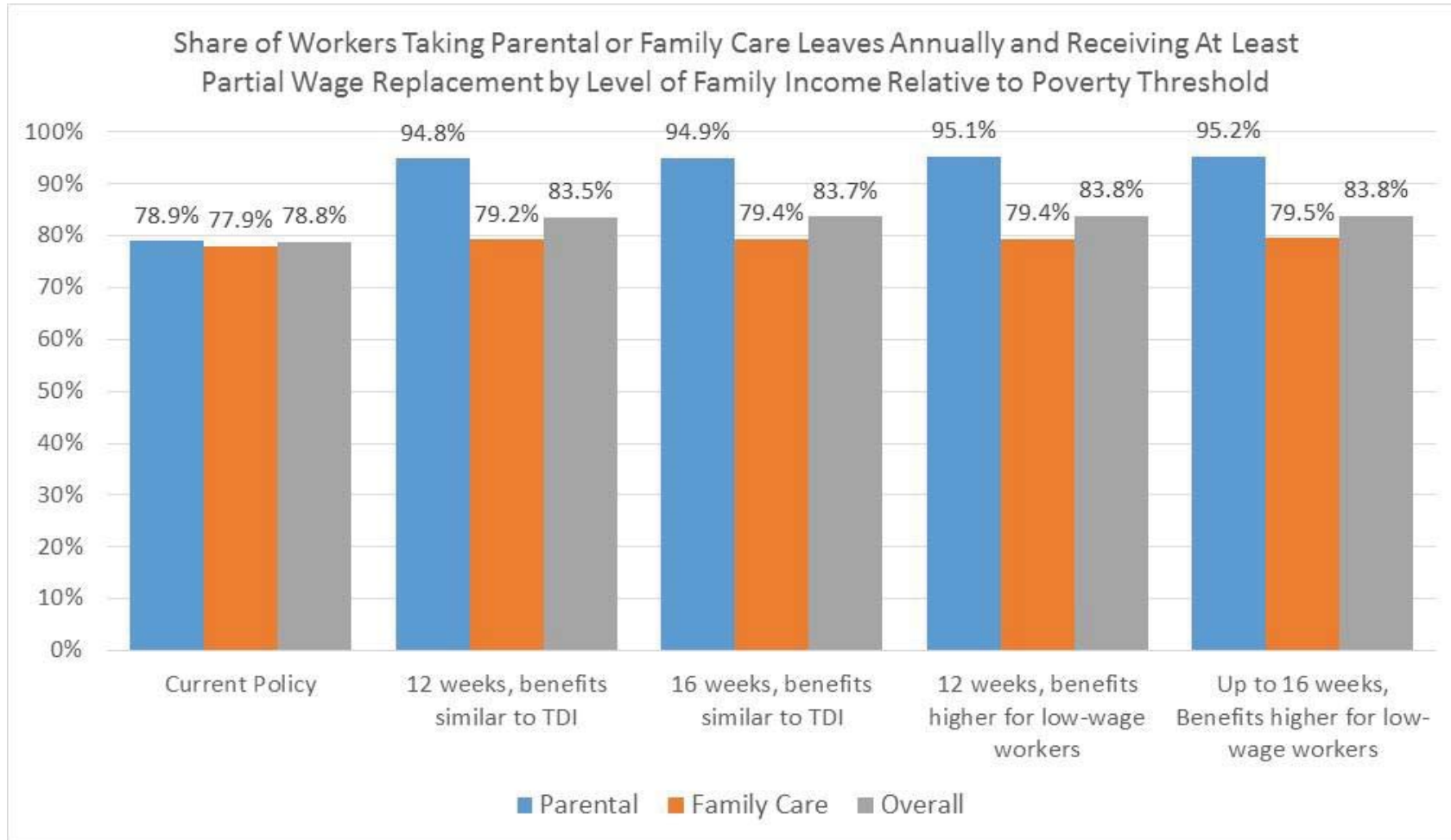
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EXAMPLES OF PARENTAL AND FAMILY CARE LEAVE PROGRAM COSTS FOR WORKERS AT DIFFERENT WAGE LEVELS BASED ON PROGRAM COST AS PERCENTAGE OF TOTAL EARNINGS

Estimated Weekly Cost per Worker	Minimum wage, 40 hours	$15 wage for 40 hours	Average Weekly Wage ($927 in 2016 QCEW)
12 weeks, benefits similar to TDI	$0.25	$0.40	$0.62
16 weeks, benefits similar to TDI	$0.29	$0.47	$0.72
12 weeks, benefits higher for low-wage workers	$0.40	$0.65	$1.00
16 weeks, benefits higher for low-wage workers	$0.44	$0.72	$1.11
Estimated Annual Cost per Worker	Minimum wage, 40 hours & 52 weeks	$15 wage for 40 hours & 52 weeks	Average Annual Wage ($48,184 in 2016 QCEW)
12 weeks, benefits similar to TDI	$12.82	$20.78	$32.10
16 weeks, benefits similar to TDI	$15.00	$24.32	$37.56
12 weeks, benefits higher for low-wage workers	$20.69	$33.55	$51.81
16 weeks, benefits higher for low-wage workers	$23.06	$37.40	$57.76

INCREASES IN SHARE OF WORKERS TAKING LEAVE IN A GIVEN YEAR FOR COVERED REASONS ARE RELATIVELY SMALL

Share of Workers in Hawaii Taking Parental or Family Care Leaves Annually

* Can be less than the sum of Parental and Family Care because workers can take leave for both reasons up to program limits.

ACCESS TO PAID PARENTAL LEAVE INCREASES ABOUT 15 PERCENTAGE POINTS

Share of Workers Taking Parental or Family Care Leaves Annually and Receiving At Least Partial Wage Replacement by Level of Family Income Relative to Poverty Threshold

PROGRAM WOULD INCREASE ACCESS TO PAID FAMILY LEAVE AND REDUCE INEQUALITY ACROSS EARNINGS LEVELS

Share of Workers Taking Parental or Family Care Leaves Annually and Receiving At Least Partial Wage Replacement, by Earnings Level
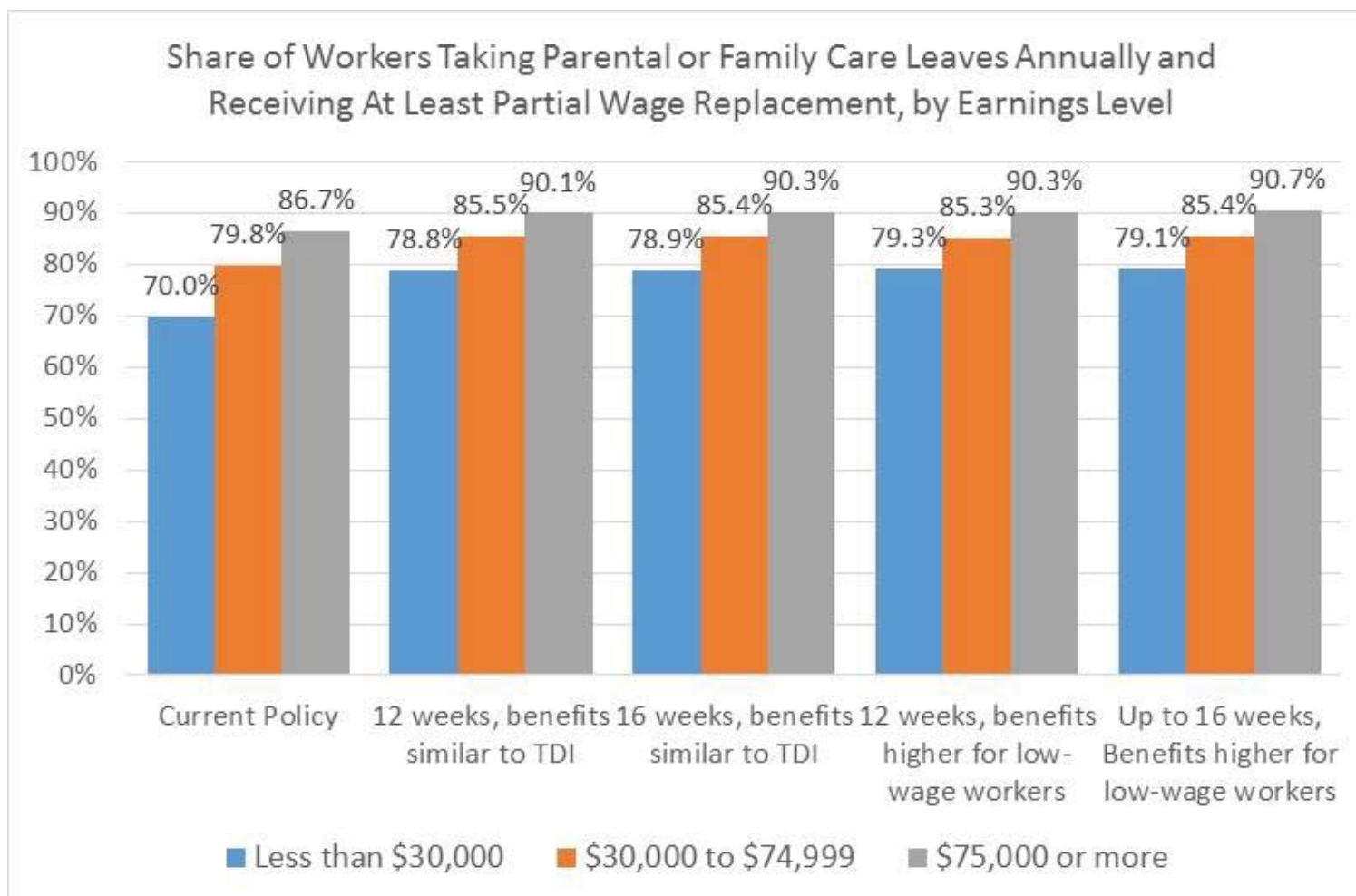
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