

Testimony to the U.S. House of Representatives
Subcommittee on Health, Employment, Labor, and Pensions
Committee on Education and the Workforce
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Chairman Walberg and Ranking Member Sablan, thank you for the opportunity to be here and talk about this important issue.

Today, I'm representing Independent Women's Forum, a nonprofit dedicated to developing and advancing policies that enhance people's freedom, choices, and opportunities.

IWF employs nearly 20 workers, almost all of whom are women. As the person responsible for overseeing the budget, I know first-hand the impact that leave benefits have on a small business or organization like ours. Like most employers, IWF works hard to support our employees who need time off for personal reasons like, the birth of a child or another family issue, as well as those employees who don't need extended leave.

I am also the mother of five children, so I know the importance of being able to take time away from work for outside obligations.

As you consider potential reforms related to paid leave, I would encourage you to keep the following in mind.

The Needs of Women and Businesses Are Diverse

Our workplaces and our workforce are increasingly diverse. Growing numbers of workers are participating in the "gig economy," which means they are working for themselves or as a contractor rather than for a traditional employer. A growing number of workers are also telecommuting. Families are changing, too, as more women become sole or primary breadwinners, and more people are remaining childless.

These trends should caution us against creating a one-size-fits-all leave policy that ignores that a worker without children working in a traditional business is likely to have very different preferences for leave benefits than a self-employed

single parent. We also need to consider that businesses able to offer telecommuting options can provide different benefits than a restaurant or hospital that needs sufficient in-person staff.

The Cost of One-Size-Fits-All Government Solutions

Ignoring these differences and creating a mandate or government entitlement program will impose real costs on workers in the form of reduced workplace flexibility, less hiring, and in particular, less opportunities for women of childbearing age.

These are not just theoretical risks. As I saw first-hand while living in Europe for seven years, while these countries offer extensive paid-leave, women pay a considerable price in terms of workplace opportunities. The National Bureau of Economic Research (NBER) found that EU countries have boosted their female labor force participation rate, but women there were mostly working in part time and lower paid positions. While 14 percent of American female workers are managers (compared to 15 percent of men), just 5.9 percent of European female workers are managers (compared to 12.2 percent of European men).

Most Employers Voluntarily Provide Leave and Want to Help

Advocates for sweeping government action often paint a very grim picture of working in the United States, citing a 2015 Department of Labor study that claims only 12 percent of workers have paid family leave benefits.

Unsurprisingly, that's an inaccurate picture of how businesses here function. Just because employers seldom offer specific family leave benefits does not mean that workers generally don't have access to paid time off for family needs.

The Census Bureau studied women having their first child and found that 56 percent of full-time working mothers used paid leave, 42 percent used unpaid leave, 10 percent used disability leave (this adds up to more than 100 percent since some used more than one form of leave). The 2016 National Study of Employers found that 99% of businesses with more than 50 workers offered some form of paid time off to employees.

These numbers suggest that while there are many workers who would appreciate more paid time off, most businesses do voluntarily offer leave benefits, which is a reason to avoid upending the employment contracts of 160

million working Americans.

Consider Policies To Help Workers and Businesses Provide for Leave, Without Sacrificing Flexibility

Policymakers' goal should be to help make it easier for workers to prepare for time away from work and for businesses to provide leave benefits, but without discouraging hiring and innovative work relationships.

For example, the government should consider creating a savings account system, much like 401ks or ESAs, that enable workers to save tax-free for time off from work. Employers and charities could also contribute to these accounts, and the government could consider augmenting savings to encourage participation and particularly to help those with lower incomes.

However, the best way to ensure that workers have the benefits they need is for there to be a growing economy, which offers plentiful job opportunities and rising compensation.

Thank you for your time and I look forward to your questions.