Paid Family Leave:

State-Level Access and Innovation

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CENTER FOR PUBLIC JUSTICE

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Executive Summary

A healthy society depends upon the work of families. Families nurture the young; support the next generation of students, workers, and citizens; they take care of their members at all stages of life.

In the United States, the idea of paid family leave is popular and consistent with family-centric values. But paid family leave is not widely available. As of 2023, 27 percent of the workforce has access to paid family leave, with working-class and financially vulnerable families least likely to have access.

The Center for Public Justice examined paid family leave policy efforts in three states: Kentucky, Tennessee, and Washington state. Each state represents a different type of progress towards making paid family leave widely available. Kentucky is one of several states that has authorized the provision of paid family leave as a private insurance benefit. Tennessee guarantees paid parental leave to its entire state government workforce. Washington state provides paid family and medical leave through a comprehensive, state-administered program.

An assessment of these state programs reveals strengths and limitations of each approach. Washington state's comprehensive program delivers paid family leave to many more families than the other states' programs. In 2023, the program enabled over 60,000 new parents to take paid leave to care for a new child and/or address medical needs around pregnancy and birth. However, Washington's program also requires significantly more revenue and administrative capacity than the other states' interventions.

Kentucky's incremental expansion of paid family leave builds upon the existing short-term disability insurance market. This approach requires only light involvement from the government but is likely to produce uneven access to paid family leave. Less than half of working-class employees have access to short-term disability insurance, compared to 68 percent of the highest-earning employees. When paid family leave insurance becomes available for purchase, the access patterns are likely to mirror those of short-term disability insurance (STDI).

Tennessee's decision to guarantee paid parental leave for all state employees offers a model of equal access across the wage spectrum. Tennessee's approach may encourage other large employers to provide paid family leave in order to compete with the state for talent. Small businesses, nonprofits, and faith-based organizations, however, may struggle to provide comparable paid family leave benefits to their workforces.

Federal and state leaders should continue to learn from and build upon state paid family leave innovation. State efforts could be complemented in several ways. Federal policy-makers could establish a standard, minimum benefit for new parents and family caregivers at end-of-life so that no family falls through the cracks of a patchwork system. States could also choose to direct more financial support to vulnerable new parents and caregivers. Finally, leaders could innovate new vehicles for delivering paid family leave benefits such as through unions and other worker-led organizations.

Terms used in this report

Parental leave refers to pay provided to mothers and fathers in relation to a child's birth or adoption. Parental leave may be provided in relation to pregnancy, childbirth, and physical recovery from childbirth, as well as bonding and caregiving undertaken by mothers and fathers after welcoming a child.

Paid family leave refers to pay provided during discrete periods of family caregiving such as care for a new child, an ill or aging family member, and end-of-life care.

Paid family and medical leave refers to pay covering parental leave and family leave, as well as medical leave for one's own disability or serious illness.

1 Introduction

Over three million children are born in the United States each year. It is easy to imagine a world in which all of these infants are nursed by mothers, calmed in the middle of the night by parents and grandparents throughout their first few months of life. But this is not the case for all families. Parents rush back to work even as they try to heal from labor and delivery. Families lose income and dip into savings or go into debt just as a new child is born.

Many Americans would like the reality to be otherwise.[1] They would like the U.S. to join other industrialized nations in guaranteeing paid maternity or paternity leave.[2] They want the United States to be the kind of nation that invests in families.

Achieving paid family leave for all requires more than an act of imagination. Paid family leave for all is a careful design and construction project that takes place within and alongside existing institutions—workplaces and public administrative systems, as well as families. Public policy can play a variety of roles in this project, from modeling best practices to providing a paid family leave infrastructure that operates across employers.

This report examines how three states are tackling the question of paid family leave in different ways. A new Kentucky law seeks to spur innovation in the private insurance market. Tennessee has made a commitment to providing paid parental leave to the state government's workforce. In Washington state, the Employment Security Department administers a paid leave benefit that serves much of the state's working population. In describing each state's policies, this report pays special attention to the known or likely effects of the policy on families who are working-class or financially vulnerable.

In 2014, only 13 percent of the national workforce had access to paid parental leave.[3] Since then, the federal government has extended paid parental leave to its workforce, and several states have initiated or expanded paid family and medical leave programs.[4] As of early 2023, 27 percent of the workforce has access to such leave.[5] For those in working-class and lower-paid jobs, paid family leave remains quite rare. Only 13 percent of those in the lowest wage quartile have access to paid family leave. The benefit is available to only 5 percent of those earning at or near minimum wage.[6]

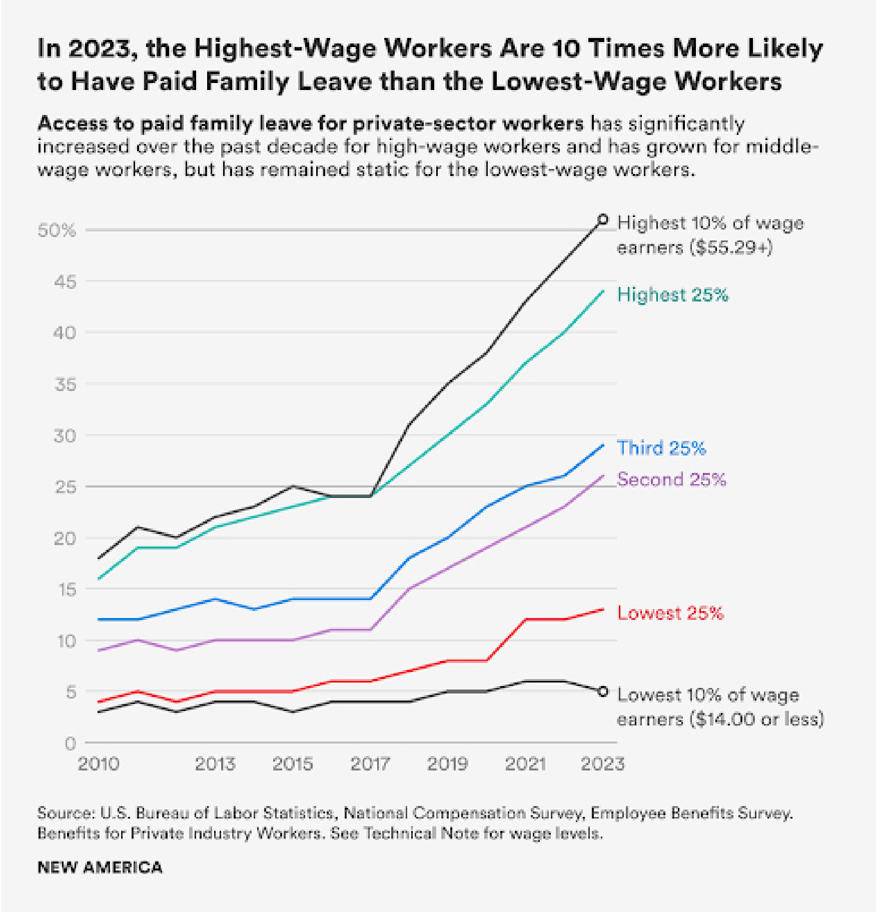
Paid family leave remains far from the society-wide benefit that residents of many other countries enjoy. Paid family leave for all is still under construction. At the same time, state-by-state efforts are addressing the absence of paid family leave through incremental steps that could potentially change workplaces, regional economies, and—importantly—family life.

2 Paid Family Leave for Working-Class and Financially Vulnerable Families

Paid family leave in the United States is sometimes described as a "patchwork quilt." Families piece together short-term disability insurance, vacation time, and sick leave for when a child is born or a family member needs care.

For many working-class families and households who are financially vulnerable, even this patchwork quilt does not provide sufficient coverage. Among those earning in the lowest income quartile, only 13 percent have access to paid family leave (see Figure 1). Likewise, these workers are the least likely to have access to other benefits that might approximate paid family leave, such as paid sick leave or short-term disability insurance.[7] By comparison, workers in the highest income quartile—often those holding professional and management-related jobs—are most likely to have access to paid family leave (44 percent).

FIGURE 1.
Access to Paid Family Leave by Income (Courtesy, A Better Life Lab, New America)



The caregiving opportunity gap between lower- and higher-income households is even more pronounced when considering the role of stay-at-home parents. Families with a very-high-earning breadwinner are more likely than any other group to have one parent in a stay-at-home role. A 2017 analysis of married couples with children by the Institute for Families Studies found that nearly half of all households in which fathers earned $250,000 annually or more had mothers out of the labor force—a higher portion than any other income group.[8] A family arrangement with a stay-at-home mother does not erase the value of family leave for all parents. A father's ability to care for a new child and a newly postpartum mother has deep implications for child and maternal health, as well as for father-child relationships well beyond infancy.[9] Nevertheless, the clustering of leave around higher-earning occupations leads to some households having many options for caring for a new child: employer-provided paid family leave, savings to cover an unpaid family leave, or an already at-home parent. Working-class households often must choose among less favorable options: taking unpaid leave, using other limited benefits such as paid sick days and vacation, getting by on a single modest income while a parent stays home, or placing an infant in child care in order to keep their job.

New parents and other caregivers may find themselves in financially vulnerable situations for other reasons. Younger parents may still be in school pursuing a degree or license when they become pregnant. Some have yet to establish stable employment or work in jobs that offer part-time hours, varying schedules, or few to no benefits. These circumstances are challenging but not uncommon. One in seven children in the United States are born into families in or near poverty.[10]

With paid family leave access currently concentrated among high earners and those in management and professional occupations, public policies guiding paid leave need to pay special attention to the circumstances of working-class and financially vulnerable families.

TABLE 1. Average Hourly Wage at Select Percentiles

Quartile	Average Hourly Wage
10 percent	$14.00
25 percent	$17.00
50 percent	$22.57
75 Percent	$35.64
90 Percent	$55.29

Source: U.S. Bureau of Labor Statistics, Employee Benefits Survey, March 2023.

3 Paid Family Leave Innovation in States

State-level paid family and medical leave programs have contributed significantly to the expansion of paid family leave access in the United States. California kicked off this movement with the passage of a statewide paid family and medical leave act in 2002.[11] Since then, many other states have gotten involved in paid family leave policy including Kentucky, Tennessee, and Washington.

TABLE 2. Comparison of Paid Family Leave Program and Leave Types by State

State	**Kentucky**	**Tennessee**	**Washington**
Year enacted by legislature	2024	2023	2017
Program type	Authorize private insurers to issue paid family leave policies	Provide paid parental leave to state employees	Create state paid family and medical leave fund
Type of leave addressed	Parental, Caregiving	Parental	Parental, Caregiving, Pregnancy-related, Medical

3.1 Kentucky: Authorizing Private Insurers to Offer Family Leave Coverage

Samra Heavrin, a Western Kentucky representative, has played a key role in her state's progress on paid family leave. Heavrin, who describes herself as pro-life and pro-family, recognized paid family leave as way to "support working families and to promote motherhood and fatherhood in the state."[12] Working with a bipartisan task force of business and faith leaders and child advocates, Heavrin introduced a measure to expand paid family leave through the private insurance market.

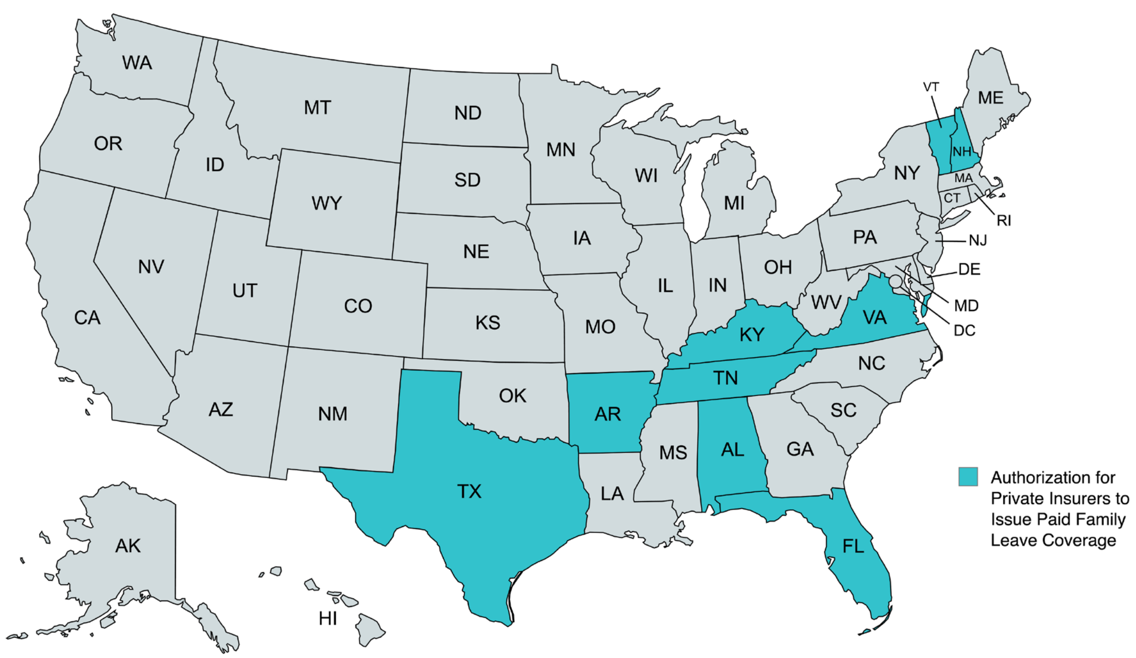
In 2024, Kentucky enacted Heavrin's legislation which authorizes private insurers to issue policies covering leave from work for new parents and family caregivers. Such policies must cover at least two weeks of pay during family leave.[13]

Kentucky's recent policy builds upon a private-sector insurance product: short-term disability insurance, which provides partial wage replacement during a person's medical-related leave from work. As of 2021, 42 percent of private industry workers had access to short-term disability insurance (STDI).[14] Some employers pay short-term disability insurance premiums and offer the benefit to workers as part of an employee benefits package. Other employers split premium costs with their workers or have workers opt into STDI at their own expense.

After a 1978 anti-discrimination law placed pregnancy on par with other disabilities in the workplace, short-term disability insurance policies began covering pregnancy and postpartum conditions just as they did other medical conditions. As a result, STDI became a common source of wage-replacement for new mothers. STDI policies typically offer benefits for pregnancy disability and postpartum healing only— two to four weeks before childbirth and four to eight weeks after.[15] However, paternity leave and time for parent-child bonding are not covered.

New laws in Kentucky and eight other states authorize short-term disability insurance providers to widen the scope of their coverage to all new parents and, in some cases, family caregivers.

FIGURE 2.
Authorization for Private Insurers to Issue Paid Family Leave Coverage



As of this report's writing, short-term disability insurance providers are still evaluating whether or not they will provide family leave insurance in Kentucky. Kentucky employers and families await information about how insurers will design and price paid family leave.

The dynamics of risk-based pricing of insurance may also shape paid family leave access in Kentucky. But current patterns in short-term disability insurance and PFML provide clues to future program impact. Across the income distribution, higher-wage workers are more likely to have to STDI. As insurance companies start offering paid family leave policies, they may first market them as a supplement to STDI coverage. As a result, access to paid family leave would continue to cluster around higher-wage positions rather than working-class jobs.

TABLE 3. Access to Short-Term Disability Insurance by Wage Characteristics

Wage Segment	Share With Access to Short-Term Disability Insurance
Highest 25 percent	64 Percent
Third 25 percent	48 Percent
Second 25 percent	42 Percent
Lowest 25 Percent	19 Percent

Source: Access to Short-Term Disability Plans: In Brief, Congressional Research Service, October 28, 2021.

Risk-based pricing of paid family leave insurance may lead to products that are expensive and financially out-of-reach for many workers. Unless specifically prohibited from doing so, insurance companies may consider the age or sex of an employers' workforce when pricing insurance policies. Employers with relatively young workers or predominantly female workforces could be charged higher premiums.[16] If the cost is too high, employers may decline to purchase paid family leave insurance or could pass along the higher prices to their workers, who themselves could decline coverage as too costly.

Paid family leave insurance benefit amounts will also affect access to paid family leave. At issue is the wage replacement rate—the percentage of a workers' typical wage that they receive as a paid leave benefit. Those who receive full wage or near-full wage replacement are better positioned for economic security during family leave. A high wage replacement helps workers maintain all their regular expenses (rent or mortgage payments, food, etc) as well as expenses associated with a new child. If wage replacement is too low, workers may decline to take family leave at all and simply keep working or return to work as soon as possible after having a baby.

States that have authorized paid family leave insurance should continue to monitor and, as necessary, improve their paid family leave programs. State regulations could protect predominantly female-workplaces, for example, from unaffordable insurance prices by limiting what types of employee demographics an insurer can consider. Legislative or regulatory provisions could set the wage replacement rate at one working-class families would be likely to use.

3.2 Tennessee: Providing Paid Family Leave to the State Workforce

In June of 2022, the Supreme Court's decision in *Dobbs v. Jackson Women's Health Organization,* placed the authority to regulate abortion in the hands of state governments and Congress. In Tennessee, Governor Bill Lee argued that *Dobbs* presented the state with "an historic opportunity to support women, children, and strong families."[17] Lee highlighted an agenda of policies that reflected his pro-life convictions about life in the womb such as the extension of the state's Medicaid program to women for a full twelve months postpartum, investments in nonprofit efforts to support families in crisis as well as children in foster-care settings, and other family support. Paid family leave policies soon followed these investments in young families.

In 2023, the state legislature passed and Governor Lee signed into law a bill providing state employees six weeks paid parental leave.[18] The provision, which applies to mothers and fathers equally at the event of a child's birth or placement of a child with a family for adoption, ensures full pay for employees during leave. As expressed in Governor Lee's initial executive order on paid parental leave, Tennessee's approach to paid leave is explicitly pro-family: "[F]amily life is the foundation of society, and promoting strong family bonds promotes stronger communities. Strong family bonds are fostered when families are able to support one another during significant life events, such as the birth of a child, periods of significant illness, and periods of active military duty."[19] An analysis completed prior to implementation of the program estimated that it would be used by approximately 3,500 new parents a year.[20]

> *"[F]amily life is the foundation of society, and promoting strong family bonds promotes stronger communities. Strong family bonds are fostered when families are able to support one another during significant life events, such as the birth of a child, periods of significant illness, and periods of active military duty."*
> *– Tennessee Governor Bill Lee*

The Tennessee state government is the largest employer in the state. Because the parental leave policy applies to all state employees, it affects employees across the wage spectrum—from those in higher paid management positions to those in lower-earning positions such as groundskeeping and food services.

It's difficult to assess how working-class Tennesseans who are not state employees will be affected by the state's new program. A number of other major employers have been rolling out paid family leave programs on their own timelines. FedEx offers employees two weeks of paid parental leave.[21] Dollar General employees receive eight weeks paid leave if they are birth parents; all other parents receive two weeks' paid parental leave.[22] First Tennessee and BlueCross BlueShield of Tennessee are on record as offering paid family leave to some or all employees.[23] Tennessee state government's paid parental leave could reinforce these changes, positioning paid parental leave as a workforce norm and an expression of pro-family values.

3.3 Washington: Administering Paid Family and Medical Leave Statewide

Washington state's paid family and medical leave program represents a multi-year, multi-sector effort. In 2017, after years of organizing and negotiation, labor, business, public health leaders and a bipartisan group of policymakers guided paid leave legislation to passage and enactment through a politically divided legislature.

The resulting program, a statewide paid family and medical leave fund broadly available to the state's workforce, represents a comprehensive approach to paid family leave. Through the fund, workers can apply for twelve weeks of family leave to welcome a new child or serve as a family caregiver. Twelve weeks of medical leave benefits for one's own serious health condition are also available. Parents with newborns can combine medical leave for prenatal or postnatal care with family/parental leave for bonding and infant care to enable up to sixteen weeks of paid health and caregiving leave.

Premiums assessed on wages finance Washington's Paid Family and Medical Leave (PFML) fund, as employers withhold and forward a premium of just under 1 percent of gross wages.[24] Employers and employees both pay a share of this total premium. Two groups of employers are exceptions to this premium arrangement. Smaller firms - those with fifty employees and fewer—are not required to pay the employer-share of the premium. Their employees simply pay their share of the premium and access benefits from the state fund on the same terms as all other eligible workers. A second exception from premium payment exists for the approximately 300 firms that operate an approved "Voluntary Plan."[25] For example, Microsoft Corporation, one of the largest employers in the state, operates its own paid family and medical leave benefit program separate from the state fund. To secure a voluntary plan exemption, employers must demonstrate that they offer equivalent or better benefits than the state program.

Washington's paid family leave program operates on a scale that exceeds the other models highlighted in this report. In 2023, the program approved payments for over 60,000 parents—covering an estimated 40 percent of the state's new parents.[26]

> *In 2023, Washington state's Paid Family and Medical Leave program enabled over 60,000 new parents to take paid leave to care for a new child and/or address medical needs around pregnancy and birth. This figure represents approximately 40 percent of the state's new parents.*

The impact of Washington's policy extends beyond the paid leaves distributed by the state through the operation of the Voluntary Plan option. Voluntary plan employers may already offer paid family leave to their staff; or, they may have adopted or enhanced their in-house offerings as a result of Washington state's new law. In either case, the combination of the state fund and voluntary plan insurance means that a sizable portion of the state's new parents now have access to paid parental leave.[27]

Washington's is a comprehensive initiative—one that merges traditional short-term disability insurance with parental and caregiver leaves into a single program. The Washington Paid Family and Medical Leave program has experienced steady growth in usage since the program started administering leave payments.[28] In 2023, over 17,000 workers received payments for family caregiving leave for purposes other than caring for a new child. Workers can also apply for personal medical leave under the program. Paid leave claims for a worker's own serious medical condition (separate from pregnancy and childbirth-related conditions) comprise just over one third of all approved leaves.[29]

In 2023, Washington evaluated over 250,000 paid leave applications and issued $1.4 billion in leave payments. A program of Washington's scale requires exceptional administrative capacity. Department of Employment Services staff work with employers to manage premium claims and administer small business capacity grants and benefit-recipients. The Department typically processes a paid leave claim in just under three weeks - a timeline the agency seeks to shorten by streamlining systems and adding staff.[30]

With such a large-scale benefit program and the incentives created by the Voluntary Plan, Washington's paid family and medical leave program has touched nearly all segments of the labor force. It appears to have had the greatest impact on families in the middle of the income spectrum. The segment of the workforce most likely to utilize the program are those earning between $23 and $59 per hour. This group makes up 40 percent of the state's workforce and 55 percent of the state's PFML recipients. In other words, the majority of paid family and medical leave benefits go to those earning between 70 percent and 220 percent of the median income.[31]

Working-class and financially vulnerable families are underrepresented among recipients of Washington PFML benefits. Those earning $23 per hour or less make up 40 percent of Washington's employed workforce but only 29 percent of all workers approved for leave.[32]

Several factors drive variations in program usage across income: eligibility requirements, lack of information about the program, administrative barriers, informal employer reluctance to allow time away from work. To qualify for paid family and medical leave, Washington workers must meet a threshold number of work hours and have worked for their employer for at least one year. Seasonal work, part-time positions, or jobs with shifting and/or unsuitable work schedules—common circumstances for the working-class and financially vulnerable—can also prevent workers from achieving baseline eligibility for PFML.

These challenges are not unique to Washington state. They have been monitored and researched in other paid family leave early-adopter states such as California, New Jersey, and Rhode Island.[33] Washington sought to overcome some of the barriers to working-class access through program design and implementation. Washington's wage replacement is among the highest in the nation—90 percent of wages up to a benefit cap. A pilot effort, funded by private philanthropy, engaged community sites, immigrant community centers, and faith-based organizations as partners in educating families about Washington PFML.[34]

Although workers in lower-wage jobs are underrepresented among program beneficiaries, the state's policy has made a tangible impact on working-class families. In 2023, an estimated 17,000 working parents in low-wage jobs received parental and/or pregnancy-related benefits through Washington's paid family leave program.[35] Applying lessons from grassroots outreach pilots could also broaden the program's reach.

Modest changes in eligibility could make the program even more effective for those in the working class. Program rules could be changed, for example, so that work hours completed for any employer (rather than only current employers) are counted when determining eligibility. Such a change would render more people eligible for paid family leave. Workers in service occupations—many of which are low-paid —experience shorter job tenures than other workers.[36] They are more likely than others to churn through multiple positions in the year and could benefit from the ability to count all positions held toward leave eligibility.

> *In 2023, Washington's Paid Family and Medical Leave program enabled at least 17,000 parents who work low-wage jobs to receive parental and/or pregnancy-related paid leave, covering 90 percent of the parent's income.*

Spotlight on Employers in the Sacred Sector
Monitoring Impact on Faith-Based Organizations

The sacred sector refers to the wide range of businesses and nonprofit organizations whose work is grounded in diverse religious and spiritual traditions. These organizations conduct community activities, provide goods and services, and serve as houses of worship. They are also the place of work for millions of employees, contract workers, and volunteers.[37]

The sacred sector also offers one vantage point on the employer impact of paid family leave design. Many sacred sector organizations are smaller in size, operate with tight budgets, and operate with less administrative overhead than larger, for-profit organizations.

In surveys conducted in partnership with the Center for Public Justice, sacred sector employers expressed a high regard for families and an intention to create family-friendly work environments.[38] Yet they worried about their capacity to provide paid family leave and to cover gaps in work when employees take leave. Sacred sector employers experience many of the same pressures that small businesses and entrepreneurs do when they seek to compete for workers and create a family-friendly organization. What effect might paid family leave policies have on sacred sector employers? We look at potential effects in each state.

Kentucky

Many sacred sector employers operate with tight budgets with money raised from small donors, tuition, and program fees. The affordability of paid family leave insurance matters a great deal. Consider a religious school or child care program whose workforce includes many teachers who are of childbearing age and/or are predominantly female. If insurers consider age and gender when setting premiums, this price may exceed what the employer can afford.[39] States authorizing private insurance options, like Kentucky does, should monitor the affordability of paid family leave insurance for all workforces—including those with many childbearing-age workers.

Tennessee

Eight percent of Tennessee's private workforce is employed by nonprofit organizations, some of whom are in the sacred sector. Tennessee's public sector paid family leave expansion has no immediate effect on these employers.[40] In order to benefit sacred sector employers and their workforces, Tennessee's state employee program might be paired with parallel programs serving the nonprofit sector.

Washington

Washington state's Paid Family and Medical Leave (PFML) program applies to all employers in the state—including sacred sector employers. Sacred sector employers that employ fewer than fifty people are exempt from employer premium, just as all other small employers are. The voluntary plan option is also available to sacred sector employers.

A review of sacred sector employers reveals a variety of relationships to Washington's PFML program. One of the state's largest faith-based employers, World Vision administers its own employee PFML under the voluntary plan option.[41] Other faith-based organizations have found that participating in the state paid family and medical leave fund offered advantages that they could not achieve on their own. One religious organization was relieved by the option of assigning decisions about medical and caregiving leave to the state's PFML program. The alternative, asking a congregation's leaders to evaluate their pastor's medical or family needs, would complicate clergy-community relationships and over-burden a small, volunteer board.[42] Washington's PFML program also makes family caregiving and personal medical leave more accessible to sacred sector employers.

Religious denominations are slowly working toward institution-wide paid parental leave. Programs like Washington's have played a role in helping denominations secure and equalize paid family leave for their workforces. Episcopal and Presbyterian national entities have adopted resolutions favoring paid family leave policies for church employees.[43] A Catholic women's group, FemCatholic, has tracked the prevalence of maternity leave policies in Catholic Dioceses in the U.S. There has been a steady growth in maternity leave access in Catholic institutions. According to FemCatholic, eighty-nine dioceses currently offer fully or partially paid maternity leave.[44] Of these dioceses, approximately twenty percent offer this benefit through their state's comprehensive paid family and medical leave program.[45]

4 Conclusion

Kentucky, Tennessee, and Washington state exhibit three different models for expanding paid family leave, each differing in scale and starting point.

Kentucky's new paid family leave insurance law follows a model provided by the National Conference of Insurance Legislators (NCOIL). Those who are first-in-line to benefit from this law are workers who already have access to short-term disability insurance through their workplace—workers who are also more likely to be well-paid. Further spread of paid family leave will depend on new employers seeking out paid family leave insurance or workers negotiating to bring these benefits to their workplaces - an incremental process of change.

Tennessee's decision to provide paid parental leave to the state workforce signals a value commitment to families backed by tangible support. Approximately 3,500 workers will be able to take paid parental leave each year because of this commitment. Eligibility for paid parental leave spans across the wage spectrum, from clerks and groundskeepers earning an hourly wage to managers and executives receiving six figure salaries.[46]

Washington state's Paid Family and Medical Leave (PFML) policy takes a large-scale approach, effecting the majority of workers in the state either directly (as users of the state PFML program) or indirectly, by incentivizing employers' voluntary plan PFML benefit programs. Hundreds of thousands of workers and families have already received leave through this five-year-old program. A program of this scale requires considerable state capacity in order to align premiums collected with benefits paid out, minimize red tape, and ensure awareness among all intended beneficiaries..

Paid family leave programs across state models reveal significant gaps for working-class and financially vulnerable families. Kentucky's model, which builds on existing short-term disability insurance policies, is likely to benefit higher wage workers. The majority of workers in the top income quartile have access to short-term disability insurance whereas only 19 percent of workers in the lowest income quartile have access to this benefit at work. Paid family leave insurance offers are likely to repeat these patterns.

Washington state's program has been in operation for several years and, therefore, has a track record of program use across income levels. Washington's data reveals proportionally less usage among working-class households. Individuals earning $23 per hour or less make up 40 percent of Washington's employed workforce but only 29 percent of all workers approved for leave.[47] Eligibility requirements, informal discouragement from employers, and lack of awareness may all inhibit working-class parents from taking paid family or medical leave.

TABLE 4. Comparison, Parental Leaves Enabled by State Paid Family and Medical Leave Programs*

State	**Kentucky**	**Tennessee**	**Washington**
Program type	Authorize private insurers to issue paid family leave policies	Provide paid parental leave to state employees	Create state paid family and medical leave fund
Estimated # of parental leaves directly enabled by program**	TBD	3,500	60,000
Estimated % of new parents in the state**	TBD	2 percent[48]	40 percent

*Programs may indirectly enable more parental leaves by setting market standards and incentivizing employers to add paid family leave benefits.
** Estimates are intended for comparison of program scale across states

5 Recommendations

Parent-child relationships are precious and worth protecting, regardless of a parent's wage level or job type. But paid family leave remains almost entirely out of reach for working-class and financially vulnerable families. Neither the labor market operating without public intervention nor the state policies examined here will reliably deliver paid family leave to all working-class and financially vulnerable households.

Addressing gaps in paid family leave access for working class and financially vulnerable households is the subject of this report's final section. Rather than proposing a whole-scale change in design to paid family and medical leave proposals, we highlight approaches that represent incremental growth in support for new families.

5.1 Establish a standard, minimum benefit for new parents and family caregivers at end-of-life

In 2021, the Center for Public Justice convened a group of faith leaders with expertise in business, academic research, parenting, media, and church life to discuss the dilemma of paid family leave. They recommended establishing a standard cash benefit for both new parents and end-of-life family caregivers.

Tying benefits directly to caregiving events, rather than employment arrangements, better accounts for the reality of family life. Such an approach would build on what Josh McCabe and David Trimmer describe as an American tradition of pairing contributory benefit systems (such as retirement and unemployment insurance) with parallel noncontributory "fall-back" systems. These ensure that the families who most need it are not excluded from support.[49]

Caregiving events, by their very nature and timing, may require a different structure than that of workplace benefits. New parents may not have accumulated sufficient work history to qualify for paid family leave structured as a workplace benefit. They may move in and out of work in light of the demands of infant care or special health needs. Families may also choose to have one parent remain out of the workforce while caring for young children for cultural or value reasons. All of these are valid choices and need support equivalent to work-tied paid family leave.

A similar benefit could be offered to designated caregivers to those in hospice end-of-life care—a crucial type of caregiving that affects all families. End-of-life care, like welcoming a new child, can give rise to unexpected needs and timelines. These caregivers play an irreplaceable role within families and in society and are, therefore, deserving of support.

A baseline minimum benefit for all new parents could come in the form of a “baby bonus”—a refundable tax credit available to parents of new children. It could also take the form of a caregiver stipend for parents of infants equivalent to a state’s subsidy level for infant child care or the cost of providing an in-home hospice caregiver.[50] A caregiving or baby bonus is a bounded form of public support. As such, it would be unlikely to give rise to patterns of dependency or to incentivizing non-work outside of a discrete, critical caregiving period.

5.2 Provide targeted financial support for vulnerable new parents and caregivers

Tennessee's state parental leave guarantee is one of several pro-family and pro-life policies unveiled by the state’s governor, Bill Lee. Lee has staked out the position that “pro-life is much more than protecting the lives of the unborn - it’s about the dignity of every human being.” In keeping with this ethos, the state enacted the Strong Families Grant program, which is intended to support mothers, children, and families across the state.[51] Some of these grants could be directed to a new parent benefit fund administered by participating community nonprofits or workforce assistance programs. Short-term stipends that cover the equivalent of several months wages would stabilize new families in the most vulnerable stages of caregiving.

5.3 Innovate new approaches to paid parental and caregiving leave programs for key workforce sectors

The future of paid family leave policy could also focus on benefit access in working-class occupations. Policymakers could build upon existing efforts to subsidize the pay and benefits within key sectors of the economy. Many states, including Kentucky, have taken steps to support the compensation of the early childhood education workforce.[52] Early child educators provide vital services. The economics of child care, however—with its need for intensive human resources and affordable prices for parents—are such that it is difficult to secure livable wages and benefits in the field. Just as states are considering wage supports and child care benefits for this workforce, they could provide paid family leave benefits as well.

Paid family leave policy-makers should also examine vehicles for delivering paid family leave outside of an employee-employer relationship. Many Americans earn their living through freelance and contracted work or by working part-time jobs. Some, like Wells King in a piece for American Compass, have proposed the creation of worker-led organizations comparable to European-style guilds.[53] Others have proposed portable benefits being supplied by unions or worker centers. However configured, delivering benefits for those working in non-traditional formations should be part of the paid family leave policy agenda.

In December 2023, bipartisan working groups in the U.S. House and Senate developed a multi-pillared approach to paid family leave and solicited broad civil society input. This bipartisan effort, along with key learnings from state efforts, provides a foundation upon which policymakers in the next Congress can build. Policymakers could take the next step by resourcing state efforts to study and expand on their respective paid family leave models. Innovation grants for the exploration of new models for delivering paid family leave—whether through community-based organizations, unions or other types of worker associations—would also be a major contribution to the paid family leave field.

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