

# Protecting Workers, Nurturing Families: Building an Inclusive Family Leave Insurance Program

*Findings and Recommendations from the New Jersey Parenting Project*

## EXECUTIVE SUMMARY

Suma Setty | Curtis Skinner | Renée Wilson-Simmons

March 2016



## A high-quality paid family leave policy is a vital investment in the future of young children and their families.

Paid family leave allows workers to take time off from their jobs to bond with new children or care for seriously ill family members with some financial security. Still, despite strong evidence that paid family leave is beneficial for families and has a positive or neutral impact on most businesses, the United States is the only industrialized country that does not guarantee it to workers to care for a new child or attend to other important family needs.

In the absence of federal policy, New Jersey introduced a paid leave insurance program in 2009, and is one of only three states to offer such a program. New Jersey's Family Leave Insurance (FLI) program is funded through an employee payroll tax and provides up to six weeks of paid leave to bond with a new child or care for a seriously ill family member. Although a limited body of research has

examined public awareness and perceptions of FLI, employers' perspectives, and the impact of paid leave programs on economic and health outcomes in New Jersey, very little attention has been focused on understanding low-income workers' experiences with the program. Paid family leave is particularly important for this population of workers, who often lack support systems and savings to withstand a significant loss of income when they need to take leave from work after the birth of a child or to care for a sick family member. However, surveys suggest that few low-income workers use FLI.

To find out why so few low-income parents file bonding claims under the FLI program and to determine how well FLI works for those who do use the program, the National Center for Children in Poverty (NCCP) at Columbia University conducted the New Jersey Parenting Project, a year-long qualitative study. Project findings are based on data gathered from focus groups and structured interviews with 42 low-income parents in metropolitan Newark, Camden, and Trenton, New Jersey.



---

## FINDINGS

**Family Leave Insurance is valuable for low-income mothers who use it.** Working parents who used FLI expressed gratitude for having time off work to bond with their newborn and income to help meet basic family expenses such as rent, utilities, food, and gas. Those who took leave (hereafter referred to as FLI+) reported returning to their former job after childbirth with much greater frequency compared to those who did not use FLI (hereafter referred to as FLI-). This suggests that paid leave may help mothers maintain employment and career continuity. Also, FLI+ mothers breastfed one month longer, on average, than those who did not use the FLI program. According to one mother:

*“It would be a lot harder [without FLI] because I would be backed up on everything. Yeah, my bills wouldn’t be getting paid. My child would be without diapers, and I wouldn’t be able to make it to none of my doctor’s visits.”*

— NEWARK MOTHER

**Applying for FLI is challenging.** Many of the mothers who used FLI reported having significant difficulty finding accurate information about the program and getting little cooperation from their employers to help them apply. They frequently expressed confusion about FLI and other leave programs, such as New Jersey Temporary Disability Insurance for pregnancy and childbirth and unpaid leave under the federal Family and Medical Leave Act (FMLA).

*“That was stressful in and of itself, just trying to understand what I’m entitled to as a new mother. That was really frustrating.”*

— NEWARK MOTHER

**Benefit payments are frequently late.** A majority of FLI+ mothers reported delays in receiving their first check—sometimes for months—compromising their financial security while on leave. Some reported not receiving their benefit until they were already back at work.

*“I had to borrow money until I got the check and then pay it back. Yeah, that was rough. I almost lost my apartment.”*

— NEWARK MOTHER

**Parents who did not use FLI voiced strong support for the program once they learned about it.** Those who did not participate in the program generally voiced strong interest and support for it once it was described to them, and said they would use it in the future, if needed. Referring to their experience without paid leave, parents said FLI would have been very helpful in giving them more time to bond with their child before returning to work and helping them pay essential bills. Without paid leave, many FLI- mothers reported serious financial hardship when they stopped working, and many had to rely on various forms of public assistance to get by. Compared to mothers who used family leave insurance, FLI- mothers more frequently reported distress in having to return to work earlier than they wished and having inadequate time to bond with their child.

*“An additional six weeks of partially paid leave would be very beneficial to me and my family. I could focus on my children, including my new baby, and school, for a little longer before I need to go back to work because I need to have money coming in, at all times.”*

— CAMDEN MOTHER

**A range of barriers discourages program take-up.** Focus group discussions identified a number of barriers to

taking up FLI among low-income parents who appeared eligible for the program but did not use it. FLI- parents most frequently mentioned simply **not knowing about the program**, confirming previous survey research. The majority of FLI- parents in the study first learned about the program when the focus group facilitator described it to them. Among parents who did know something about the program, many assumed they were not eligible for it because their **employers did not tell them about FLI** or encourage them to apply, even when employers knew a worker was pregnant and intended to take time off from work; indeed, not a single FLI- parent reported an employer informing the parent about the program. Several mothers reported feeling intimidated about approaching their employer about taking leave. Some blamed employer incompetence for not informing them about the FLI program, while others suspected that their employer deliberately withheld this information from them. Similarly, several parents voiced the suspicion that state government deliberately did little to promote the FLI program in order to reduce costs or workload. Like some FLI+ mothers, a number of FLI- mothers expressed confusion about different state and federal leave programs and their requirements and interactions.

*“My job knew that I was pregnant and that I was planning on taking a month off. They never said anything to me, so I assumed that I didn’t qualify for [Family Leave Insurance].”*

—NEWARK MOTHER

Another barrier to FLI take-up appears to be the **confusing application process**. Two mothers reported trying to apply for FLI but giving up because they could not get adequate information to complete the necessary paperwork. **The lack of job security** for leave takers not covered by FMLA or NJFLA was also mentioned as a barrier, especially by fathers. Some fathers also cited the FLI program’s **partial wage replacement** as a disincentive to use the program, saying they needed to earn their full wage. Mothers agreed that a higher benefit would help, but still expressed interest in taking bonding leave despite the partial wage replacement.

*“I couldn’t afford to take the family leave.”*

—NEWARK FATHER



---

## RECOMMENDATIONS

These primary research findings inform the New Jersey Parenting Project's recommendations for action by policymakers, employers, community-based organizations, and others to make New Jersey's landmark Family Leave Insurance program work better for the state's low-income parents. The final section of the report, Conclusions and NCCP Recommendations, is summarized below.

### Improve Program Outreach

As a first step, the New Jersey Department of Labor and Workforce Development (LWD), the FLI program administrator, should **convene an outreach task force** comprised of representatives from state government, private businesses, community service organizations, and advocates. Among other activities, this task force would be charged with developing a multi-pronged communications campaign to enhance public understanding of FLI, with specific strategies directed toward low-income workers and men, whose take-up is particularly low. The task force would also coordinate FLI trainings for individuals and organizations that frequently serve as trusted sources of information for low-income working parents, such as health care providers and social service agencies. Other outreach and education strategies would be tailored for employers. These recommendations are informed in part by the many suggestions offered by project participants to improve FLI outreach.

### Improve Program Administration

New Jersey LWD can take some simple measures to help **expedite FLI application processing** and ensure that leave takers receive their benefits in timely fashion.

Progress is already being made in this area. In January 2016, a new law was passed and signed instructing LWD to create a one-stop website with information about the different paid and unpaid leave benefits available to New Jersey workers. In February 2016, LWD introduced an on-line filing option for all FLI claimants. To complement and support these important reforms, LWD should simplify the FLI application information required from the claimant and employer, improve FLI public information phone line capacity, and ensure that departmental administrative capacity (including funding) increases to match the annual growth in FLI applications.

### Improve Program Benefits

Our project findings suggest that **protecting jobs for leave takers** would encourage use of the FLI program, particularly among low-income men. While grateful for FLI, many mothers who used the program felt that a **longer period of leave** would help with bonding and breastfeeding.

All of these recommended courses of action will cost money, of course. Some of the suggested administrative reforms are likely to cost relatively little, but making a significant and sustained program outreach effort will not be cheap, nor will extending leave time. As it stands now, however, New Jersey workers are funding a program that is underused. Appropriate investments should be made to make New Jersey's laudable Family Leave Insurance program work better for the state's low-income families.

Visit [nccp.org/projects/paid\\_leave.html](http://nccp.org/projects/paid_leave.html) to read the full report.

#### Acknowledgments

This publication was made possible by the generous support of the Annie E. Casey Foundation, the Nicholson Foundation, and the Schumann Fund for New Jersey. The authors are grateful for the valuable comments, questions, and suggestions on earlier drafts received from Seth Hartig. Cecilia Zalkind of Advocates for Children of New Jersey, Nancy Rankin of Community Service Society, Karen White of the Center for Women and Work at Rutgers University, Phyllis Salowe-Kaye of New Jersey Citizen Action, and Diana Autin of Statewide Parent Advocacy Network, Inc. provided important advice and assistance to NCCCP on all aspects of the project. The authors would also like to thank focus group moderators Mercedes Rosa, John R. Pamplin II, and Yarrow Willman-Cole, research analysts Samantha Terrazas and Jennifer Quiambao, and print and digital designer Diana Gazzia. Special thanks to Margaret Sanzo of the Center for Creative Alternatives and The Leaguers, Inc. for vital assistance with recruitment and the All Stars Project for the generous use of their space.

*The National Center for Children in Poverty (NCCP) is a non-partisan public policy research center at Columbia University's Mailman School of Public Health. Founded in 1989 with endowments from the Carnegie Corporation of New York and the Ford Foundation, NCCP is dedicated to promoting the economic security, healthy development, and well-being of America's low-income children and families. Using research to inform policy and practice, the center seeks to advance family-oriented solutions and the strategic use of public resources at the state and national levels to produce positive outcomes for the next generation.*

