PAID FAMILY LEAVE:  
Strengthening Hawai‘i’s Children and Families

A store clerk and single-mother of teens just found out that her live-in elderly mother has had a stroke and needs care. A young couple in the early stages of their careers just had their first baby, born a few weeks too early and requiring a longer hospital stay. A restaurant manager and father of two young children was told by his wife’s surgeon that she will need more than a few weeks of bed rest and rehabilitation to recover from a serious car accident.

When family members are sick, hurt or too frail to care for themselves, loved ones step up to provide the needed care. Nearly all employees need time away from the job at some point to care for a new child or seriously ill family member. However, employees in Hawai‘i do not have any legal right to paid family leave.

Nationally, only 13 percent of workers have access to paid family leave through their employers.¹ Current policies, such as the federal Family Medical Leave Act and Hawai‘i’s Family Leave Law, only provide job protection during unpaid leave. Even then, too many in the workforce are excluded from this protection due to eligibility restrictions.

In a state with one of the highest costs of living in the nation,² many of Hawai‘i’s working families already struggle to make ends meet and taking unpaid leave is just not an option. Workers without access to paid family leave sometimes make do by drawing on inadequate short-term alternatives, such as paid sick or vacation time. However, too many in our workforce, especially low-income employees, lack access to these forms of paid leave.

Today’s working parents must balance work, family and life’s challenges. The majority (70 percent) of Hawai‘i’s children have either both parents (in married-couple families) or their single parent in the workforce.³ Without job-protected paid leave that allows parents to take time out of the workforce to care for and bond with a new child, or to care for a sick child or family member, parents face the impossible choice between their family’s wellbeing and their job. Paid family leave promotes both work and family economic stability. It also supports the overall health and wellbeing of children and families.

Weaknesses of Current Family Leave Policies

The United States remains the world’s only advanced economy that does not guarantee job-protected paid leave to all of its workers.⁴ While the federal Family and Medical Leave Act (FMLA) of 1993 was an important first step in helping workers balance work and family demands, the law only guarantees job-protected unpaid leave for a period of 12 weeks to care for a family member or tend to a personal illness. Furthermore, the law does not
provide protections to all workers as only those working in businesses with at least 50 employees (about 72 percent of Hawai‘i’s workforce) are covered. In addition, employees must meet other eligibility criteria, such as a minimum number of work hours in the previous year, which further restricts the share of the workforce that can benefit from the unpaid leave law. Estimates indicate that only 52 percent of Hawai‘i’s working parents are actually eligible for FMLA. Some states, including Hawai‘i, have their own family and medical leave laws. The Hawai‘i Family Leave Law (HFLL) expands on the federal law to some extent, for example, by broadening the definition of “family” and allowing employees job-protected leave to care for a parent-in-law or grandparent. However, HFLL only allows for up to four weeks and the leave is also unpaid. Furthermore, only those working in businesses that have 100 or more employees are covered by the law’s protection. This business-size requirement means that about 37 percent of Hawai‘i’s workforce is not covered by HFLL.

Share of Hawai‘i Workforce Excluded from FMLA & HFLL Coverage

28% FMLA
37% HFLL

Coverage under FMLA or HFLL is clearly far from universal. For those employees who are covered and eligible, both laws sometimes allow for accrued paid leave (such as sick leave) to be used so that employees can at least receive pay for part of their protected leave. However, estimates indicate that more than 4 in 10 private sector employees in Hawai‘i do not have access to paid sick days. Other data suggest that about a quarter of Hawai‘i’s private sector workforce lacks any form of paid leave (e.g., sick, vacation or personal time) that can be used during needed time away from work.

Finally, Hawai‘i is one of five states with a Temporary Disability Insurance (TDI) Program. TDI does provide partial wage replacement to some eligible employees who need to take time off to tend to their own illness or non-work-related injury. Women are also entitled to TDI while disabled by pregnancy. However, the program does not allow employees paid leave to care for their children or other family members.

Disproportionate Impact on Low-income Families

The lack of meaningful family and medical leave disproportionately affects low-income families. Low-income workers are more likely to be among the group of employees not covered by the current job-protected unpaid leave laws as they tend to work in smaller companies. They are also more likely to work in sectors with higher rates of turnover or jobs that are intermittent or part-time in nature, making them unable to meet the job tenure or work hours eligibility criteria under these laws.

Low-income workers also lack access to various forms of paid leave (such as paid sick and vacation time) that they could otherwise use to cobble together paid time away from work to care for a family member or tend to their own longer-term illness. Only 41 percent of workers with the lowest wages have access to paid sick time, compared to 87 percent with the highest. About half (51 percent) of workers with the lowest wages have access to vacation time compared to 79 percent with the highest.

Finally, the high cost of living makes it extremely difficult for the average family in Hawai‘i to forgo their paycheck, but the effects of lost income may be worse for our low-income families. When income is reduced, parents must nevertheless provide for their families and meet basic living expenses such as housing, food, transportation, health care and child care. For financially vulnerable families, a major life event, like a new baby or having to care for a sick family member, further jeopardizes their fragile financial situation. This is especially true for too many single mothers who struggle to maintain economic self-sufficiency on one income while solely managing caregiving responsibilities for family
members. National data suggest that two-thirds of surveyed workers without fully paid leave experience difficulty making ends meet and many report delaying bill payments, drawing on savings and ending leaves early. In addition, almost half of people with unmet needs for leave report that they could not afford the financial cost of leave.

**Paid Family Leave: Strengthening Hawai‘i Families**

Hawai‘i’s families should not have to choose between caring for a new child or sick relative and making ends meet. Paid family leave not only promotes family economic stability, but it also supports the overall wellbeing of working families in several ways.

- **Promotes labor force attachment and ensures family economic stability.** Parents are less likely to lose their job or drop out of the labor force when they have access to job-protected leave that includes wage replacement. In particular, mothers are more likely to return to the same job and to remain attached to the workforce following the birth of a child. By strengthening their labor force attachment, paid family leave supports increased wages and work hours for employed mothers over the long term, promoting family economic stability well beyond the arrival of a new child.

- **Supports maternal health and father involvement.** Paid family leave gives new mothers essential time to physically recuperate from childbirth. Research shows that women need longer than six weeks after childbirth to fully recover, but many new mothers cannot afford the financial cost of being away from work for longer periods of time. By reducing the stress of going without income or having to return to work too soon, longer paid leaves are not only crucial for physical health but also benefit mothers’ mental health.

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**HAWAI‘I’S FINANCIALLY VULNERABLE FAMILIES**

Approximately 25 percent of families with children in our state are low-income (meaning their income is below 200 percent of the federal poverty level), with about 34 percent of Hawai‘i’s children growing up in these families. Single-female-headed families are more likely than married-couple families to be low-income. Disparities in income put Native Hawaiian families with children at higher risk of economic disadvantage compared to non-Native Hawaiian families. Immigrant families are also more economically vulnerable, compared to native-born, as adults in these families have less job opportunities and are more likely to work in low-wage jobs.

![Image](image-url)
Paid family leave also supports fathers by increasing their participation in children’s lives, which has long-term advantages for fathers and their children. Fathers who take longer leave when a new child arrives spend more time caregiving later in the child’s life. Fathers, particularly those in low-wage jobs, report that they are more likely to take time off from work to bond with a new child or to care for a sick family member when the leave is paid.29

- Improves children’s health outcomes. Child health is improved when parents can take the time needed for bonding with and caring for a new child without worrying about reduced income. Children of mothers who return to work within 12 weeks of giving birth are less likely to receive regular checkups and be immunized, are breastfed for shorter periods of time, and are more likely to have behavioral problems by the time they are preschool age. In addition to being linked to longer periods of breastfeeding and reduced infant mortality, parental access to paid family leave is also associated with improved birth weight.31

Paid family leave not only benefits newborns, but also supports the health of older children. For example, parents of children with special health needs who have fully paid leave are better able to take care of their child’s physical and emotional health without risking their financial stability. Research further shows that when parents have adequate time to care for a seriously ill child, recovery is improved and hospital stays are shortened.33

- Alleviates the pressure associated with caregiving for older adults. Increasingly, many Generation X workers face the combined pressure of caring for their children and caring for aging parents and relatives. People age 65 years and older make up about 15 percent of the population in Hawaiʻi, Many of these older adults live in multigenerational households with their children and grandchildren. Workers should also be able to take time off to care for their parent or older relative with a serious illness. Paid family leave is critical given this growing need to provide care across the lifecycle.

**Conclusion**

In the absence of a federal mandate that guarantees job-protected paid leave, a handful of states have implemented their own paid family leave insurance programs. Evidence from states like California, which has had its program for well over a decade, suggests that use of paid family leave is indeed associated with better economic, social and health outcomes for employees and their families. While there is now broad public consensus in support of paid family leave policies, there is also some opposition claiming that such policies would be bad for business. However, data from states with successfully implemented paid family leave programs also confirm that concerns about negative impacts on business are unfounded, with employers reporting positive effects on productivity, profit and performance.

A paid family leave program in Hawaiʻi could be funded through a small monthly payroll deduction (roughly the cost of a cup of coffee for the average worker) and be available to everyone, regardless of where they work or the size of their company. Evidence from other states also suggests that implementation of a paid family leave program should include significant public awareness outreach, especially targeting low-wage employees who likely stand to benefit the most from a policy that supports work and family economic stability.

Hawaiʻi can be at the forefront in the nation by joining other states that have enacted successful paid family leave laws. Doing so would be consistent with our Aloha State’s values, which emphasize the importance of an honest day’s work, strive to ensure a healthy start for our children, and honor the ʻohana.
Endnotes and Citations


2 Based on authors’ calculation of 2011 and 2012 Cost of Living Index data from the Council for Community and Economic Research.


5 U.S. Census (2013). Number of firms, number of establishments, employment, and annual payroll by small enterprise employment sizes for the United States and states, NAICS Sectors: 2013. Statistics of U.S. Businesses (SUSB), County Business Patterns. County Business Pattern Census data includes private sector firms and excludes most government establishments. Government establishments included in the County Business Pattern data are government-sponsored wholesale liquor establishments, retail liquor stores, book publishers, federally-chartered saving institutions, federally-chartered credit unions, and hospitals, according to the methodology of the County Business Patterns data.


9 U.S. Census (2013). 2007-2013 SUSB Historical table totals for U.S. states, Number of firms, number of establishments, employment, and annual payroll by enterprise employment size for the United States and states, totals (2013 table). Statistics of U.S. Businesses (SUSB), County Business Patterns. Methodological note: The estimated 37 percent of the workforce that is not covered by Hawaii’s Family Leave Law (HFLL) is calculated using County Business Pattern Census data that includes private sector firms and excludes most government establishments. Government establishments included in the County Business Pattern data are government-sponsored wholesale liquor establishments, retail liquor stores, book publishers, federally-chartered saving institutions, federally-chartered credit unions, and hospitals, according to the methodology of the County Business Patterns data.

10 Ibid.


13 Based on authors’ calculation using 2015 National Compensation Survey and 2015 American Community Survey. We assume that employers in Hawai’i offer paid leave at the same rate as employers in the same industry nationwide.


20 Ibid.


24 Houser & Vartician (2012).


27 Estimates are based on authors’ calculations of 2010-2014 American Community Survey (ACS) 5-year sample data extract from the Integrated Public Use Microdata Series (IPUMS). Census Microdata for Social and Economic Research. Minneapolis, MN: Minnesota Population Center, University of Minnesota. Low-income families include those earning less than 200 percent of the federal poverty level.

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