

**Testimony offered to Colorado House Finance Committee
in support of HB 1258: the Family and Medical Leave Insurance (FAMLI) Act**
as delivered on April 16, 2015
by Jennifer C. Greenfield, PhD, MSW

Madam Chairwoman and distinguished members of this committee, thank you very much for the opportunity to speak with you today about HB 1258. My name is Jennifer Greenfield and I'm an assistant professor at the University of Denver's Graduate School of Social Work. My research focuses on the economic impacts of caregiving across the life course, and therefore the bill before you today is of great interest to me. As a researcher, a social worker, and a mother of twin toddlers, I have seen firsthand how important access to paid leave is to families. With my remarks today I would like to highlight a few issues that I believe are of paramount importance as you consider this proposal.

According to a 2013 survey by Pew Research, as many as 86.5 million people in the US serve as a caregiver for a family member each year (Fox, Duggan & Purcell, 2013). This represents nearly 40% of the US population. Eight percent of these care for a child with a serious short- or long-term illness or disability, while a full third of Americans care for someone 18 or older with a serious care need. Often these caregiving episodes are of relatively short length, lasting a few weeks at a time. Even when caregiving becomes a more long-term responsibility, the intensity of the experience can vary; many caregivers feel that they don't need to leave the workforce entirely, though they may need to take a few weeks off when the person they care for becomes more seriously ill, undergoes surgery, or reaches the end of life.

These are figures for the US as a whole, but of course, Coloradans do their fair share of the caregiving. For instance, the Alzheimer's Association just found that 234,000 Coloradans currently serve as caregivers for family members with Alzheimer's disease and related dementias. That's 6.5% of Colorado's adults – and that's just caregivers for people with Alzheimer's. Add to this number those who care for loved ones with cancer, stroke, and other major illnesses, and you can see that caregiving cuts touches many of us in one way or another. This is truly a mainstream issue in our state.

The prevalence of caregiving would not be an issue, except that more than half of all caregivers work outside the home. Roughly 46% of caregivers are employed full-time, with another 14% employed part-time (Fox, Duggan & Purcell, 2013). As you've heard in previous testimony, only 13% of Colorado workers have access to paid family leave. This means that the majority of people who are caregivers for a family member with a serious short- or long-term illness or disability have no ability to take paid time off when their family members need them.

As a result of this gap in coverage, a significant number of caregivers leave the workforce, reduce working hours, or forego promotions and raises in order to balance work and family responsibilities (Feinberg & Choula, 2012). This has significant implications for caregivers, employers, and the state economy. For instance, Met Life estimated in 2011 that the average caregiver lost over \$300,000 in lifetime earnings and retirement benefits as a result of caregiving responsibilities (MetLife Mature Market Institute, 2011). This is money that caregivers do not have to spend in the Colorado economy, but it also means that caregivers are more likely to rely

on public programs, especially in later life. Given the existing and projected pressures on our social programs due to the coming age wave (Semro, 2015), these economic impacts from caregiving could spell disaster for the state.

At the same time, employers feel the pinch when caregivers choose family over their jobs. MetLife recently estimated that employers lose approximately \$2500 per caregiving employee per year because of replacement costs when an employee reduces hours or leaves the job altogether (MetLife Mature Market Institute, 2006). This does not factor in the significant health costs that accompany caregiving – costs that are borne by employers, in part, because of increased premiums, more sick days, and so on. Studies find that the high association of caregiving with poor health is attributable in large part to the stresses of caregiving – some of which might be alleviated by the availability of paid leave when a serious caregiving need arises (Shulz & Sherwood, 2009).

All this is to say that caregiving for an ill family member is costly, and not just for employees who feel forced to leave their jobs because they can't take the time off they need to see their family member through the worst of an illness or injury. It also has significant costs for employers, to the tune of \$3 trillion annually nationwide (MetLife Mature Market Institute, 2006).

The FAMLI Act would directly alleviate much of this burden here in Colorado. Because it's paid for through employee contributions, employer dollars are freed to pay for temporary help while the caregiving employee is away. And when employees know that they can pay the bills for a few weeks while they help their spouse or parent or child through a serious medical concern, they are likely to feel less stress about their financial situation, which may lead to reduced healthcare costs down the road. Furthermore, evidence from other states with paid family leave shows that employees are more likely to return to their jobs after their leave, and they are more likely to earn higher wages down the road (Baum & Ruhm, 2014; Rossin-Slater, Ruhn, & Waldfoegel, 2013). This is a win for the state, which will see fewer caregivers leaving their jobs and relying on public programs now and in the future.

In short, the FAMLI Act is a financial win – for employees, employers, and Colorado. I urge you to pass the FAMLI Act today.

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