

The Delaware Way: Paid leave is good business

No one should have to choose between their job and their family

Fact Sheet | February 2021

Paid leave is critical to leveling the playing field for small businesses in Delaware. As an increasing number of large companies are able to offer paid family and medical leave on their own dime, many small businesses find themselves unable to keep up with competitive benefits packages – often losing out to great talent as a result. What’s more, the lack of a statewide paid leave plan means that more and more good employees are leaving the workforce due to family obligations, and businesses are forced to deal with the costly turnover.

A statewide paid family and medical leave program would provide Delawareans with 12 weeks of paid leave to address a serious health condition, care for a family member with a serious health condition, bond with a new child, or address the impact of a family member’s military deployment. By creating the benefit through a statewide insurance pool, it makes that benefit affordable for small businesses so they can attract the best talent.

Everyone will face a major medical event or emergency at one point in their life. But too many cannot afford to take leave when they need it.

- In Delaware, almost 60 percent of working people don’t even have access to unpaid leave.ⁱ That reality is exacerbated for low-wage workers, 93 percent of whom nationally who do not have any paid leave.ⁱⁱ
- As a result, thousands of Delawareans are forced to leave the workforce or go without pay when they face a major medical event – like welcoming a new child to their family, caring for a loved one with a serious illness or facing one themselves.

Paid Leave reduces costs for businesses and levels the playing field so small businesses can attract the best talent

- Every year, businesses lose thousands of their employees because they have to leave their job to welcome a new child or care for an ill family member. For many of those businesses, the cost of replacing those employees is astronomical.

Paid leave is an economic justice issue

Fact Sheet | February 2021

- Delaware has the second highest proportion of minority-owned businesses in the nation, and the highest proportion of women minority-owned businesses.ⁱⁱⁱ Paid family leave helps minority businesses stay competitive, increasing wages and strengthening our economy.

“In 2006, I had an employee who had to leave his job because of family needs...**The costs in time and money to replace him were astronomical.** The NJ Family Leave Insurance law now allows small business owners like me to provide paid leave to my employees.”

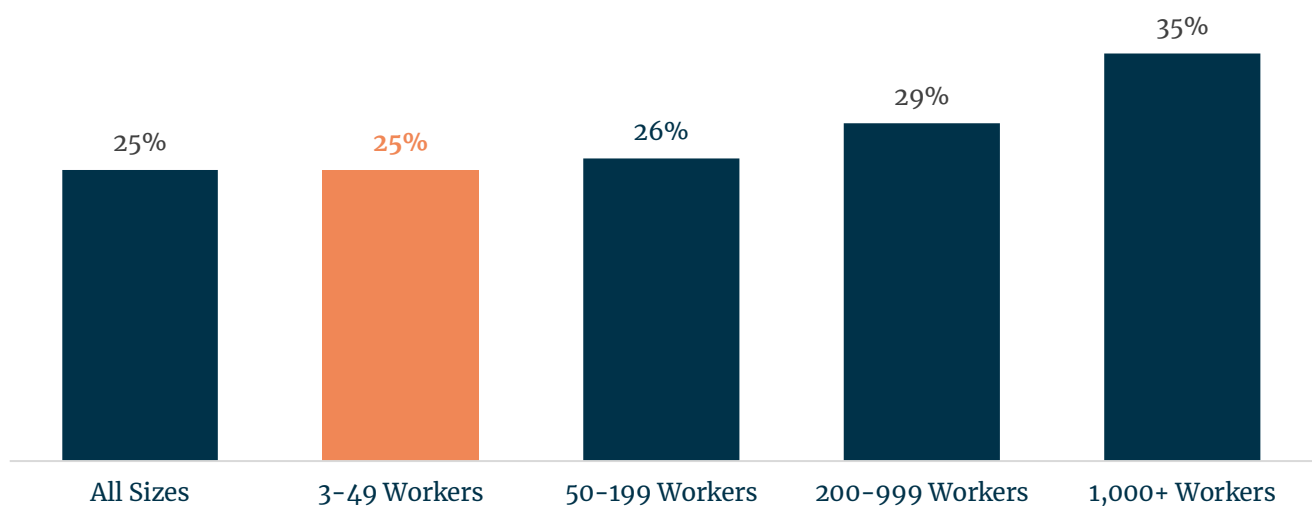
Tony Sandkamp

Small business owner in New Jersey

- Studies show that paid family leave policies increased the likelihood that an employee will return to the same employer after taking leave.^{iv}
- For smaller businesses that cannot afford to offer paid leave policies, a statewide paid family & medical leave program enables them to provide the same benefit as their larger competitors, alleviating the burden and helping them attract the best talent.

% of firms that provide paid parental leave by size

(Data from Kaiser Family Foundation Employee Health Benefits Survey 2019)



Paid leave is an economic justice issue

Fact Sheet | February 2021

Paid Family & Medical Leave would give Delawareans the time they need to care for themselves and their loved ones.

A statewide paid family & medical leave insurance program would allow covered workers to take paid leave for qualified reasons, including to address own serious health condition or that of a family member and to bond with a new child.

- Leave is capped at 12 weeks over a 12 month period
- Employees must provide a doctor's note to verify leave is needed
- Leave is paid out by the state insurance program – not by the employer

Other states that have enacted Paid Leave have seen the benefits.

- A study in New Jersey found that “workers subject to paid leave protections had higher morale and productivity, and businesses that offer paid leave experienced significantly lower turnover.”^v
- In California, a study found that among small businesses, 91 percent said “the law had ‘positive effect’ or ‘no noticeable effect’ on profitability and performance” and 99 percent said the law had “a ‘positive effect’ or ‘no noticeable effect’ on morale.”
- A poll commissioned by Small Business Majority found that a “majority of small business owners and operators support paid family leave insurance pools,” with 70 percent supporting a nationwide program.^{vi}

The time is now. [Join our movement](#) to make Paid Family & Medical Leave a reality for every Delawarean.

Paid leave is an economic justice issue

Fact Sheet | February 2021

References

ⁱ National Partnership. (January 2021). *Paid Leave Means A Stronger Delaware*. Retrieved Feb 8, from <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-leave/paid-leave-means-a-stronger-delaware.pdf>

ⁱⁱ CLASP. (December 2018). *Paid Family And Medical Leave Is Critical For Low-Wage Workers And Their Families*. Retrieved Feb 8, from https://www.clasp.org/sites/default/files/publications/2018/12/2018_pfmliscriticalfor_0.pdf

ⁱⁱⁱ Alex Vuocolor, Delaware Business Times. (July 2018) *Study: Delaware ranks second in minority-owned businesses*. Retrieved Feb 8, from delawarebusinesstimes.com/news/delaware-ranks-second-in-minority-owned-businesses/

^{iv} Center for Economic and Policy Research. (2011). *Leaves That Pay. Employer and Workers Experiences with Paid Family Leave in California*. Retrieved Feb 8, from <https://www.cepr.net/documents/publications/paid-family-leave-1-2011.pdf>

Tony Sandkamp quote: Paid Leave for All, accessed Feb 8 from <https://paidleaveforall.org/story/tony-sandkamp/>

^v Kiely Kuligowski, Business News Daily. (May 26, 2020). *How Paid Leave Policies Can Help Small Businesses*. Retrieved Feb 8, from <https://www.businessnewsdaily.com/10548-how-paid-leave-policies-can-help-small-businesses.html>

^{vi} Small Business Majority. (March 30, 2017). *Small Businesses Support Paid Family Leave Programs*. Retrieved Feb 8, from <https://smallbusinessmajority.org/sites/default/files/research-reports/033017-paid-leave-poll.pdf>