Next Practice Leave Benefits

Leading Companies Shift to Gender Neutral, Reason Neutral Leave Benefits
The information in this report is organized in three primary categories:

✓ Current statistics related to the status of family leave offerings in the U.S. and the business case and return on investment for offering paid family leave.

✓ Case studies and corporate examples of family leave

✓ Suggested considerations for developing equitable and competitive family leave, and links to additional sites with other information and corporate case studies.

Today’s leading companies understand that quality paid family leave policies are good for business. Benefits include cost savings in recruitment and retention, increased employee morale, and an effective tool for narrowing the gender leadership and pay gap. A new standard for paid leave is emerging across corporate America that increasingly includes hourly workers, fathers, and caregivers. Companies will need to adhere to new standards in paid family leave to remain competitive.

Source: 2018 PL&US Report
Current Status:
Family Leave in the U.S.
Only 14 percent of civilian workers in the U.S. have access to paid family leave; one in every four new mothers goes back to work just 10 days after giving birth, and people who make more than $75,000 a year are twice as likely as those who make less than $30,000 to get paid leave.

The majority of paid family leave policies reinforce class and racial divides by giving different paid family leave benefits to different classes of employees, with those in salaried positions getting significantly more leave than those in hourly jobs. This is reflective of a national reality where only six percent of low-wage earners have access to paid family leave.

The need for paid family leave is urgent and growing. Every year, more than 40 million people, or 18 percent of the U.S. working population, spend an average of 24 hours a week providing unpaid care for a chronically ill, disabled, or elderly family member. As our population ages, these caregiving needs will only increase, with a disproportionate impact on working women and people of color who make up the majority of unpaid family caregivers in this country.

U.S. Employers are unprepared for the family caregiver boom. When most people think about the unmet need for paid leave in the U.S., they think of new parents who need time to be with their infants, but just 21 percent of family leaves from work are taken for new babies.

Source: 2018 PL&US Report
We all have critical moments in our lives when we need to be there for our family. Often times it is welcoming a new child, and other times it is caring for an aging parent. Whatever the circumstance, every person in America wants and deserves to be there to love and support family in these moments. It’s what we do as a nation — we put family first.

1 in 6 Americans provide unpaid care for an aging or chronically ill parent, or a person with disabilities. And with 10,000 people in the U.S. turning 65 every day the need for time to care for our loved ones is only increasing.

The Problem: The overwhelming majority of Americans cannot afford to take time away from work when their families need them most.

Source: PL+US
Length of leave is still inadequate at most companies. Pediatricians and public health officials recommend a minimum of six months, or 24 weeks, of paid parental leave. Only one employer in the 2018 PL&US index provides at least 24 weeks of paid parental leave to at least some employees, and 50 percent of companies surveyed provide four weeks or less to non-birthing parents—and this does not include companies that leave out part-time or hourly employees completely. The companies that are the farthest behind include Target, Publix Super Markets, Home Depot, Staples, and FedEx.

Part-time employees and contract workers are largely left out. Nearly all recent announcements of paid parental leave policies leave out part-time employees. Part-time status is often involuntary and pervasive among large employers, particularly in the retail sector. It is commonplace to hear from employees that while they would like to work full-time, employers will limit their hours as a way to avoid offering benefits, including paid family leave.

In addition to part-time employees, contractors—who are not officially “employees”—are customarily excluded from paid family leave programs. None of the companies included in our index have extended these benefits to this class of working people, even while contractors or subcontractors are a large and growing portion of the workforce for many companies such as Amazon and FedEx.

Source: 2018 PL&US Report
Paid Family Leave: A Critical Need

60% of caregivers report making changes such as cutting back their working hours, changing jobs, stopping work entirely, taking a leave of absence, or other choices as a result of their caregiving roles—jeopardizing their present-day and future economic security.

The estimated economic value of the unpaid hours family caregivers spent on their responsibilities is around $470 billion.

20% of 1 in 6 Americans provide unpaid care for an aging or chronically ill parent, or a disabled loved one, spending an average of 20 hours per week and the majority of caregivers are women.

90% of people report that they'd prefer to remain at home as they get older instead of moving to a nursing home.

Over 75% of people that take FMLA leave use it to address their own serious illness, or to care for a family member. Only 21% is used for parental leave.

Seven out of 10 older Americans prefer to receive care from family members.

Source: PL+US
Paid Family Leave in the U.S.

Source: 2017 BCG Report
Paid Leave Increases with Wages


Note: Paid family leave coverage data for the private sector; national average includes public-sector workers (excluding the federal government).

Source: 2017 BCG Report
“Like so many companies before us, my company, Rent the Runway, had two tiers of workers. Our salaried employees — who typically came from relatively privileged, educated backgrounds — were given generous parental leave, paid sick leave and the flexibility to work from home, or even abroad. Our hourly employees, working in Rent the Runway’s warehouse, on the customer service team and in our retail stores, had to face life events like caring for a newborn, grieving after the death of a family member or taking care of a critically ill loved one without this same level of benefits. I had inadvertently created classes of employees — and by doing so, had done my part to contribute to America’s inequality problem.

But over the years, I began to reflect on how the system that I and others had constructed may have been perpetuating deep-seated social problems. Last month, I equalized benefits for all of our employees at Rent the Runway. Our warehouse, customer service and store employees now have the same bereavement, parental leave, family sick leave and sabbatical packages that corporate employees have.”

Jennifer Y. Hyman, co-founder of Rent the Runway
Benefits of Paid Family Leave

Source: 2017 BCG Report
Increased visibility on the issue puts brand and reputation at stake.

In 2018, AT&T, Cargill, CVS Health, Dollar General, EY, Ford Motor Company, Gap Inc, Home Depot, IBM, Kroger, L Brands, PwC, Starbucks, TJX, Walgreens, Walmart, H&M, Darden Restaurants, Marriott, and McDonald’s all introduced new policies, which means more than 4.8 million people gained access to new or expanded paid leave last year.

Trader Joe’s, UPS, Wegmans, Honeywell International, Wegmans, Rite Aid, Sears Holding, and Costco declined to disclose their paid family leave policies.

Follow [this link](#) to read the 2018 PL&US report.
Cost of Not Providing Paid Leave

Source: 2017 BCG Report

- **DECREASED PRODUCTIVITY**: Multiple employees simultaneously taking unplanned absences can seriously hinder a company’s productivity. In severe cases, it can even lead to production delays and jeopardize legally required staffing ratios.

- **REDUCED MORALE**: Excessive absences can become a weighty burden on other employees as they are required to “pick up the slack.” Over time, this can severely disrupt their work/life balance as well as their job satisfaction and performance.

- **ABUSIVE ABSENTEEISM**: Since FMLA allows for up to 12 weeks of leave per year for qualifying reasons, theoretically an employee could work just 75% of his/her scheduled days, and never be disciplined or dismissed for unacceptable absence.
Increasing Investor Pressure

**Investors Became Activists**

Investors called on companies in their portfolio, through shareholder resolutions and an open letter signed by over 50 firms, to address unequal or inadequate paid family leave policies. Many of those companies announced new policies this year, including AT&T, Gap Inc, Marriott, TJX, Starbucks, and CVS.

But investors didn’t stop there. At the historic Senate hearing on paid family leave, investors representing $169 billion in assets called on corporate leaders and Congress to support public policy.

Source: PL+US
Family Leave Benchmarks
Beginning in 2016, Deloitte professionals—from the parent celebrating the arrival of a new child, to the professional caring for a spouse or significant other, to the professional supporting aging parents—will have an extra layer of support from Deloitte’s new family leave program.

This bold new step in the broader caregiving space recognizes the changing family dynamics and emerging needs of Deloitte’s professionals. Men and women alike will now be eligible for up to 16 weeks of fully paid family leave to support a range of life events impacting them and their families.

“We recognized that if our people were able to balance their caregiving needs with their professional lives, they would be more productive and we would reduce turnover, and support the culture we aspire to have. As a result...we introduced our expanded and holistic Paid Family Leave Program [that] recognizes that caregiving goes beyond that of welcoming a new child.”

Managing Director in Deloitte’s Talent organization Carolyn O’Boyle's testimony at the 2018 Senate Hearing on Paid Family Leave
Discovery’s parental leave benefit was expanded to a full 12 weeks of paid leave, and will now offer those same 12 weeks as part of a caregiver leave benefit designed to support families in the case of serious health conditions.

Paid at 100 percent and created to assist all of today’s growing, evolving, and unique family structures, the caregiver leave benefit will extend the definition of family beyond children, spouses, and parents to also include care for qualified domestic partners, siblings, parent-in-laws, and grandparents.

Caregiver leave also will extend to military caregivers caring for seriously injured or ill veterans as defined under the FMLA. With the option to add up to two weeks of vacation time, caregiver leave will max at 14 consecutive weeks. As part of the company’s new policy, these 12 weeks – covering both parental and caregiver leave – can now be taken consecutively or divided as needed over the course of a 12-month period.

Under the new policy and with the addition of short-term disability and up to two weeks of vacation time, maternity leave will now max at 20 to 22 weeks, depending on delivery. With the option to add up to two weeks of vacation for all parental leave, paternity, adoption, and foster care placement, leave will max at 14 consecutive weeks.

Source: QuartzAtWork
PwC provides eligible caregivers four weeks of paid family leave for certain family members with serious health conditions and six hours of free eldercare consultation (home assessments, implementation of care, etc.). The company also helps employees transition back to work by giving them the option to work 60 hours, at full-time pay, for an additional four weeks immediately following paid parental leave.

The Bill & Melinda Gates Foundation provides employees up to 52 weeks of continuous weeks of paid time off during the first year of their child’s birth or adoption placement. Employees are also able to take up to 13 weeks of paid time off to take care of their own health condition or an eligible family member’s illness.

Microsoft offers birth mothers 20 weeks of paid leave, while all other parents (fathers, adoptive parents, foster parents) get 12 weeks of compensated time to adjust to their new family life. A new leave benefit gives employees four weeks of fully paid leave to care for a family member with a serious health condition. The company also implemented a policy that requires vendors to offer their employees a minimum of 12 weeks’ paid parental leave, up to $1,000 per week. This move shows other companies that paid family leave is important and how their employee benefits could leave them out of future opportunities with industry-leading organizations.

Adobe provides up to four weeks of paid bereavement leave, and up to 30 days of paid leave for elective organ donation.
While Novartis provides generous benefits to caregivers, the company recognized that not many employees utilize those benefits, or even know what is available to them. The CARES employee resource group (ERG) understood that employees had concerns about how they would be perceived when they needed to provide caregiving support to family members, depending on who the family member was and what the circumstances were. For example, they were worried that providing caregiving to a child might be seen as more important than caring for an elderly parent. The group also understood that associates can find themselves thrust into a caregiving situation with little or no warning or preparation. The emotional stress of caring for persons who are aging, chronically ill or disabled is debilitating for family members, especially when they are also managing career demands.

The ERG brought specialists into the organization and worked closely with HR to provide their perspective on being a caregiver. The ERG was able to provide important information and insights about the needs of caregivers and to bring attention to the challenges they face, at home and in the workplace. In recognition of the number employees in the workforce providing caregiving, and the toll of those responsibilities, the company implemented a reason neutral workplace flexibility policy to support caregivers.

Over the course of six months, CARES joined with a team of multiple cross-functional business units to create The Caregiver’s Guidebook. The collaboration included medical practitioners from corporate health, benefits and HR professionals, patient support services, legal, and the company’s in-house print production team. The Guidebook examines the company’s benefit programs through the lens of a caregiver and provides guidance on all areas of caregiving, not just elder care. It is designed to communicate internal and external caregiving resources to Novartis associates, and includes a wide range of information, from detailed guidance on how to write a will, to where to find a home health aide, or how to navigate the care of an elderly parent.

Source: 2018 DBP ERG Leadership Handbook
Bristol-Myers Squibb’s inclusive new family care leave program broadens the definition of family to include all types of caregivers and family members of all ages who need care. Each eligible employee caregiver – from those caring for an ill family member to new parents of birth, foster, or adoptive children – may take up to eight weeks of paid leave. The program is open to all U.S. employees, including hourly workers provided they meet the eligibility requirements for the program. Flexibility is a key feature of the program. All eligible employees can use their paid leave all at once or in intervals throughout the year, based on their personal situations and consistent with the policy terms.

Cisco updated its global leave program to be more inclusive for family members caring for a new baby, as well as provide extra emergency time off for its employees. The new policy terminates maternity and paternity leave, instead expanding the firm’s definition of parent to “main and supporting caregiver” — a gender-neutral term, the company says — for its full- and part-time employees. In the U.S., main caregivers will now receive 13 weeks of consecutive leave, up from just four weeks, and unlimited paid time off for all appointments. The updated policy includes the existing benefit of four weeks of leave with time off for appointments for supporting caregivers, as well.

The company’s expanded caregiver leave benefit has been rolled out to 37,000 U.S. employees, while more than 33,000 additional employees globally will receive the benefit in 2019. Cisco’s new leave policy also includes additional time off for emergencies. The company says it recognizes that unexpected situations may arise and employees need time to give it their undivided attention. The emergency time off request, which can be for incidents like a tree falling through an employee’s roof or a family member falling ill, is approved by a manager at his or her discretion.
Ernest & Young’s equalized, gender-neutral parental-leave policy is on the leading edge of parental benefits in the U.S. Under the benefits, primary care men and women welcoming a child through birth, adoption, surrogacy, foster care or legal guardianship are eligible for up to 16 weeks of fully paid parental leave. In addition, the policy offers financial assistance of up to $25,000 lifetime maximum per family for adoption, and makes advanced reproductive technology procedures for infertility and/or surrogacy benefits available to same-sex and opposite-sex couples. However, simply implementing a new policy does not guarantee success unless there is a culture to support it. The company’s employee resource group – Today’s Family Network (TFN) played an important role in communicating the new benefits and encouraging employees to take advantage of them:

- Local TFN chapters hosted events and panel discussions to increase awareness of the benefits for new dads and to encourage expectant and new dads to take the full leave available to them.
- TFN’s executive sponsor sends a quarterly email to new dads with guidance on taking parental leave. To break the stigma of taking paternity leave, TFN’s newsletter includes personal accounts of EY dads encouraging expectant fathers to take advantage of the new policy.
- TFN produced and released a video showcasing the 16-week parental leave experience of a new EY dad. The video was featured on Fortune.com.
- The Career and Family Transitions Coaching program helps women and men navigate the challenges associated with taking parental leave and returning to work.
- TFN has a dedicated male executive coach available to interested dads.
- Virtual sessions using ThinkTank technology were scheduled with EY dads to collect insight and data on their parental-leave experiences.

Two years of data show that EY dads are taking more of their allotted paid parental leave. The average number of days taken off by new fathers has increased from three to eight since 2016, when the equalized leave policy was implemented. In 2018, approximately 200 dads are on track to take the full 16 weeks — twice the number from 2017. These are important milestones. The firm’s business impact research found that in groups where employees are most supported and able to use flexibility, they achieve greater balance between work and home, feel more fairly rewarded and experience higher retention.

Source: DBP ERG Leadership Handbook
Patagonia provides 12 weeks of fully paid parental, caregiver, and medical leave. Birth mothers receive an additional 4 weeks of paid leave. All regular full-time and part-time employees with at least nine months of tenure – mothers, fathers, birth and adoptive parents – qualify for the benefits.

Patagonia has long been known for its extensive family benefits package. The company provides 16 weeks of paid leave for birth mothers and 12 weeks for other new parents, as well as for employees caring for an ill family member and employees with an illness of their own.

The company has run an onsite childcare center for more than 30 years. It is run by teachers, some of whom are bilingual and trained in child development. Teachers who visit employees' homes before their children enroll. Learning takes place outdoors as much as in. Parents often eat lunch with their kids, take them to the farmer’s market or pick vegetables with them in the “secret” garden. Patagonia buses school-aged kids back to the company’s headquarters, allowing parents to connect with them after school.

The company also allows employees who travel on business to bring a child with them and reimburses the travel costs for his or her nanny.

The child care program was not put in place to fight the war for talent, or because its executives wanted to fix the leaky pipeline of women leaving before reaching senior management levels. When Yvon Chouinard, Patagonia’s iconic founder, and his wife Malinda started the company, their employees were friends and family and they wanted to support them as they worked, and started their families. The solution was not to fix a problem, but to respond to what humans need, including a place to nurse newborns, and later, to provide safe and stimulating child care.

Source: SquareSpace
Having run some of these programs for more than a decade, Patagonia can show that they work. The company retains 100% of the female employees who go on leave after the birth of a child. The company believes that the programs pay for themselves. "Parents who use our onsite childcare center have 25 percent lower turnover than those who don’t. When you consider replacement costs ranging from 35-125 percent of an employee’s annual salary, those savings add up quickly." (company spokesperson)

Patagonia’s Ventura child care center, called the Great Pacific Child Development Center (GPCDC) costs about $1 million a year to run, not including tuition fees, or the costs parents pay. It employs 28 staff, and another five at a customer service and distribution plant in Reno. The two sites serve 80 kids. The Ventura site recoups 91% of the cost ($500,000 through tax breaks, 30% through the value of retention, and 11% in employee engagement). As a percentage of all selling, general and administrative costs, it is .005%.

A recent analysis showed that male and female employees at Patagonia enjoy pay parity at all levels of the organization—from entry-level to executive positions. And there are equal numbers of men and women at all management levels, including on the board of directors. "While we can’t pin these outcomes to one program," a company spokesperson reported, "Patagonia is a perfect case study for what happens when women don’t feel like they have to leave the workforce. You do get pay and opportunity parity."

Follow this link to learn more about Patagonia’s Return on Investment in providing extended family leave and other benefits.
The **Grief Index** gathered input from over 25,000 workers to understand more about the impact of grief in the workplace. Findings pointed to significant negative consequences associated with insufficient bereavement leave, including absenteeism, reduced productivity, lost business, and increased workplace accidents and injuries.

- 85% of management-level decision makers ranked their decision-making capacity from ‘very poor’ to ‘fair’ in the weeks and months following their loss
- 60% of those participants reported their decision-making had a negative financial impact on their employer
- 90% of participants with physical jobs reported a much higher incidence of job-related injuries due to reduced concentration in the weeks and months following their loss
- 75% of all study participants reported that a reduced ability to concentrate affected them significantly beyond the company’s allocated leave time
- 50% of participants reported their value to the company or business was dramatically reduced for at least 30 days following their loss
- 20% of participants reported being affected for substantially longer than 30 days following their loss

The **Grief Index** estimates that grief-related impacts cost US businesses more than $100 billion each year. Having policies in place to ensure the employee is in the right frame of mind to return to work and resume full responsibilities is not only important for the well-being of the employee. Effective and compassionate policies can also reduce the longer-term costs of absenteeism, sickness, and diminished performance and productivity.

Source: DBP Report on Bereavement
The Grief Index estimates that at any given time, one out of four employees are grieving. The trauma associated with the loss of a loved one can last for months or even years, and can cause stress, depression, substance abuse, and an inability to focus – all of which are likely to impact an individual's ability to function at work, and result in poor decisions, reduced productivity, lost business, and increased incidence of workplace accidents and injuries.

According to the National Council for Palliative Care, 87% of workers believe their employer should offer paid bereavement leave, and 56% of survey respondents reported they would consider quitting their job if they felt that their employer did not adequately support them during a time of loss. The survey also found that nearly a third of respondents who had suffered a loss felt that they had not been treated compassionately by their employer.

An assessment of employee reviews posted on Glassdoor uncovered numerous reviews expressing dissatisfaction and negative perceptions related to the amount of bereavement leave offered.

Facebook brought attention to the issue with its recent announcement that the company would offer employees 20 days of paid bereavement leave following the loss of an immediate family member, and ten days of paid leave for the loss of an extended family member. The announcement came on the heels of the sudden death of the husband of Facebook CEO Sheryl Sandberg. The company’s benefit package is a benchmark in other areas as well. Facebook employees receive six weeks of paid leave within a 12-month period to spend time with a family member who has a long-term illness, and three days to take care of a family member with a short-term illness.

Source: DBP Report on Bereavement
Strategies and Links
Get Input from Employees

To be successful, benefits must be relevant and responsive to the needs of employees – all employees. To gather employee input, many companies hold regularly scheduled meetings or conduct ad hoc focus groups to discuss work-life priorities and frame benefits and work-life strategies. It is important that data collection efforts fully engage employees across diversity dimensions and in different life- and career-stages.

Lead by Example

The behaviors of company leadership can have a significant impact on how employees view and embrace work-life integration. In a Harvard Business Review study of employees across global locations, only 25 percent of employees reported that their company leaders modeled sustainable work-life practices. Simply stating the company supports work-life integration isn’t enough. Business leaders need to ‘walk the talk’ and demonstrate their own commitment to achieving work-life equilibrium: this means taking advantage of the same benefits and leave options offered to employees.

Establish & Promote Work-life Policies

Unless properly managed, differences in beliefs and expectations about work-life integration can lead to discord and resentment. Business leaders need to develop clear work-life policies, communicate the benefits of effective work-life integration to the organization and the individual, and strongly encourage employees to utilize available work-life supports. In the absence of formal policies and a clear articulation of company expectations, employees reluctant to participate in new business practices may resent workers who take advantage of those practices, and managers may view those same workers as less committed to their job.

Source: DBP Report on Work-life Integration
Provide Family-care Supports

Family-care supports vary for different generations in the workforce. For workers with young children, employers might offer onsite babysitting and daycare services, or discounts for childcare services if it isn’t feasible to offer on-site supports. Other benefits include flexible start/end times for workers who drive their children to school, or time off to pick up a sick child or attend a soccer game at the end of the day. Family-care supports also apply to workers caring for aging parents or a spouse. According to a Pew Research Center report, one in seven US adults in their 40s and 50s financially support both an aging parent and at least one child. For workers that have responsibility caring for a parent or ailing spouse, employers can provide reduced hours and workload, and offer caregiver-specific assistance through their EAP. Other options include flexible spending accounts that can be used to pay for elder care services, or establishing leave banks that allow participating workers to donate and draw upon paid leave after exhausting their own.

Offer Leave for Significant Life Events

Major life events such as death, providing care for an ill family member, and even the birth of a child create stress for employees and distract from the job. Offering time off builds loyalty and allows employees to deal with complicated situations in an effective way. Some employers offer paid leave for life events that don’t qualify under the Family and Medical Leave Act, such as caring for a sick family member, or providing bereavement leave following the death of a loved one.
The following links offer additional insight and in-depth information on the business case for paid family leave, as well as links to reports highlighting best practice companies and details about their leave benefits.

http://paidleave.us/topemployerpolicies
https://www.entrepreneur.com/slideshow/