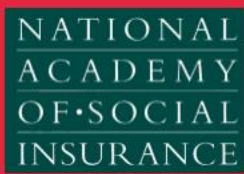


STRENGTHENING MINNESOTA'S CARE INFRASTRUCTURE: PATHWAYS TO UNIVERSAL FAMILY CARE



July 14, 2020 | 12:00 - 1:30 pm CDT

A virtual forum





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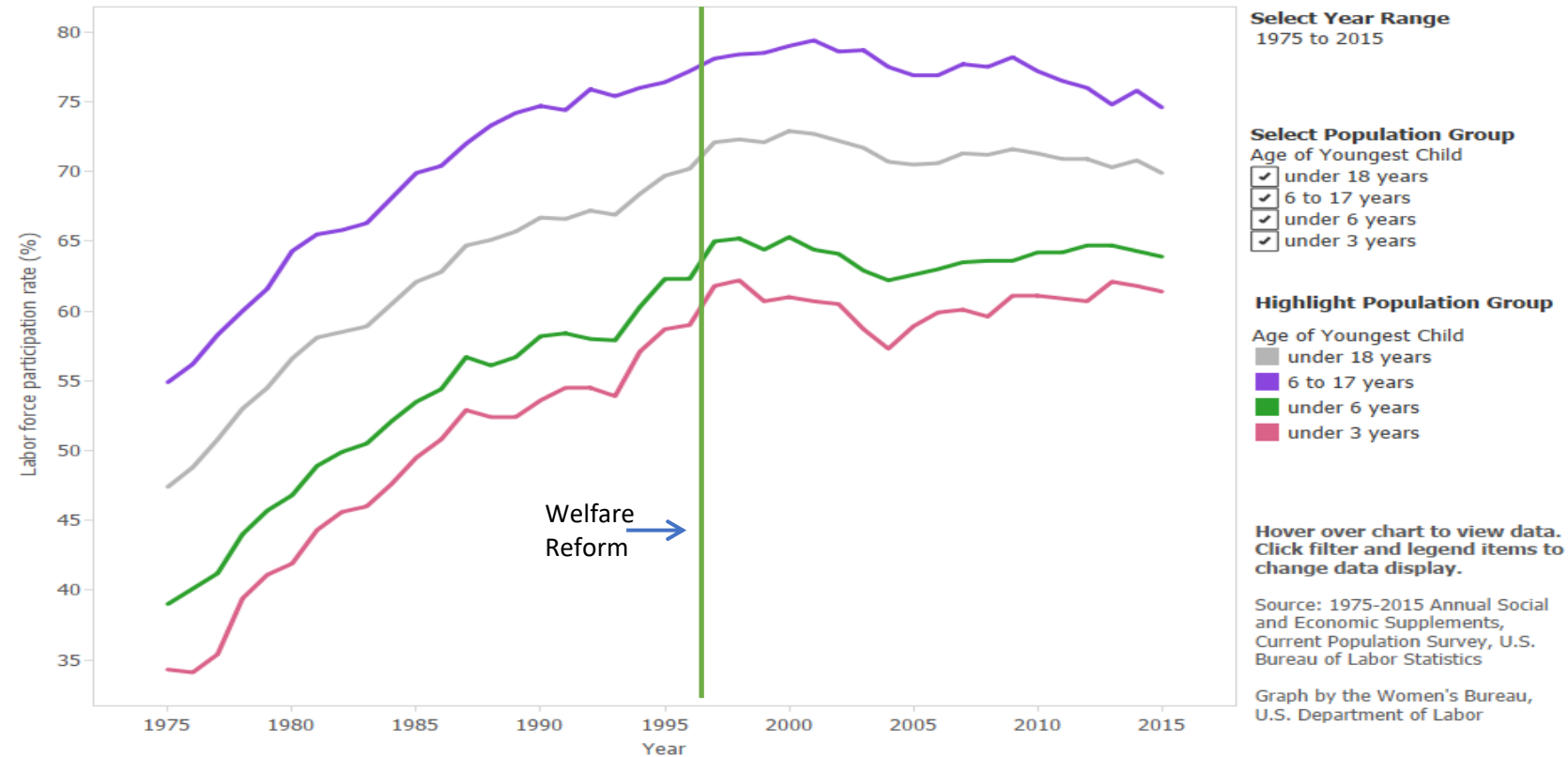
Outline

- Background on mothers and work in the U.S.
- Unpaid Leave provisions
- Paid Leave provisions
- Early Childhood Care & Education (ECCE)
- Conclusion

Background: Mothers and work in the U.S.

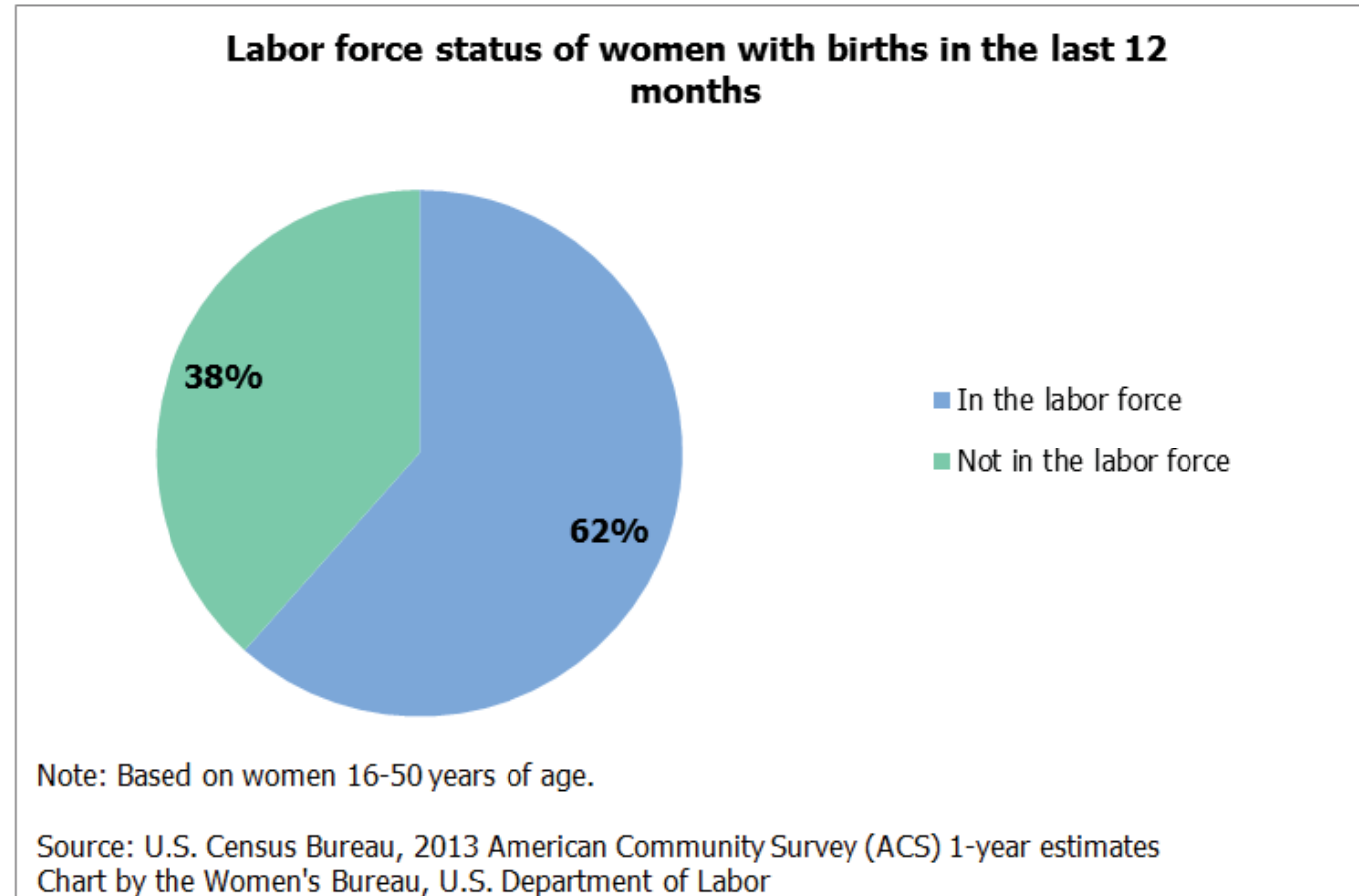
Mothers and work over time

Labor force participation rate of mothers by age of youngest child
March 1975-2015

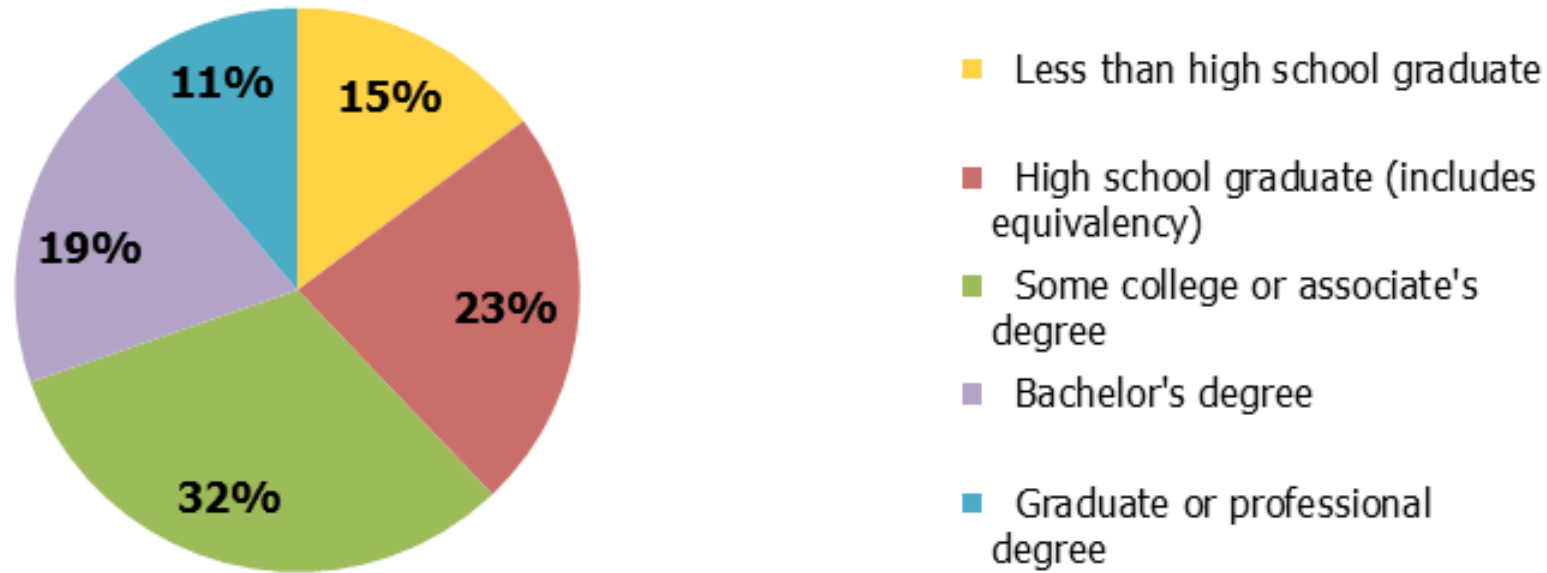


Notes: Children are "own" children and include sons, daughters, step-children, or adopted children. Not included are nieces, nephews, grandchildren, and other related and unrelated children. Labor force participation rate represents the percentage of persons in the civilian noninstitutional population 16 years and older that are employed or actively looking for work. The comparability of historical data has been affected at various times by methodological and other changes in the Current Population Survey.

New Mothers employment



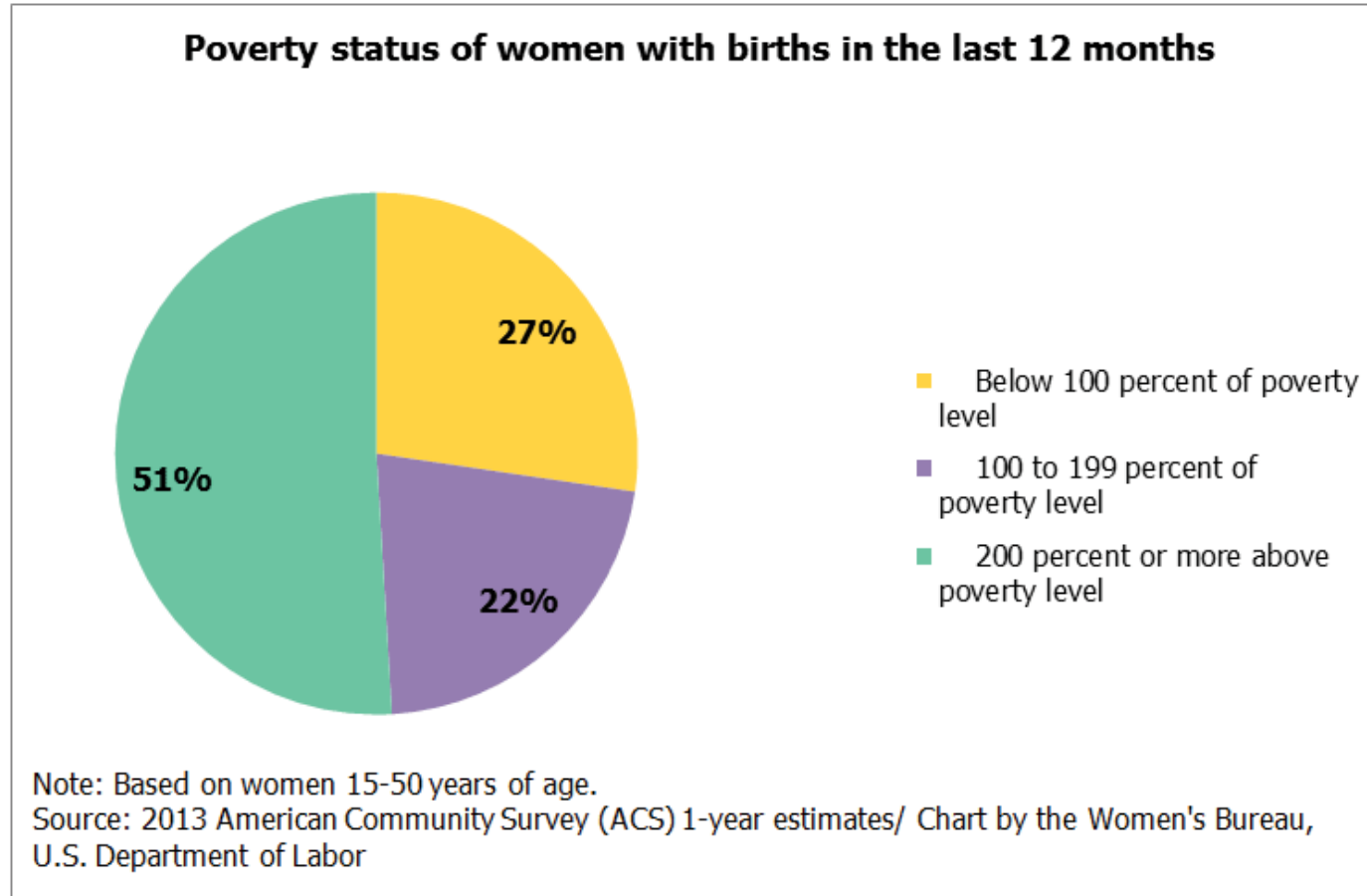
New Mothers' education levels



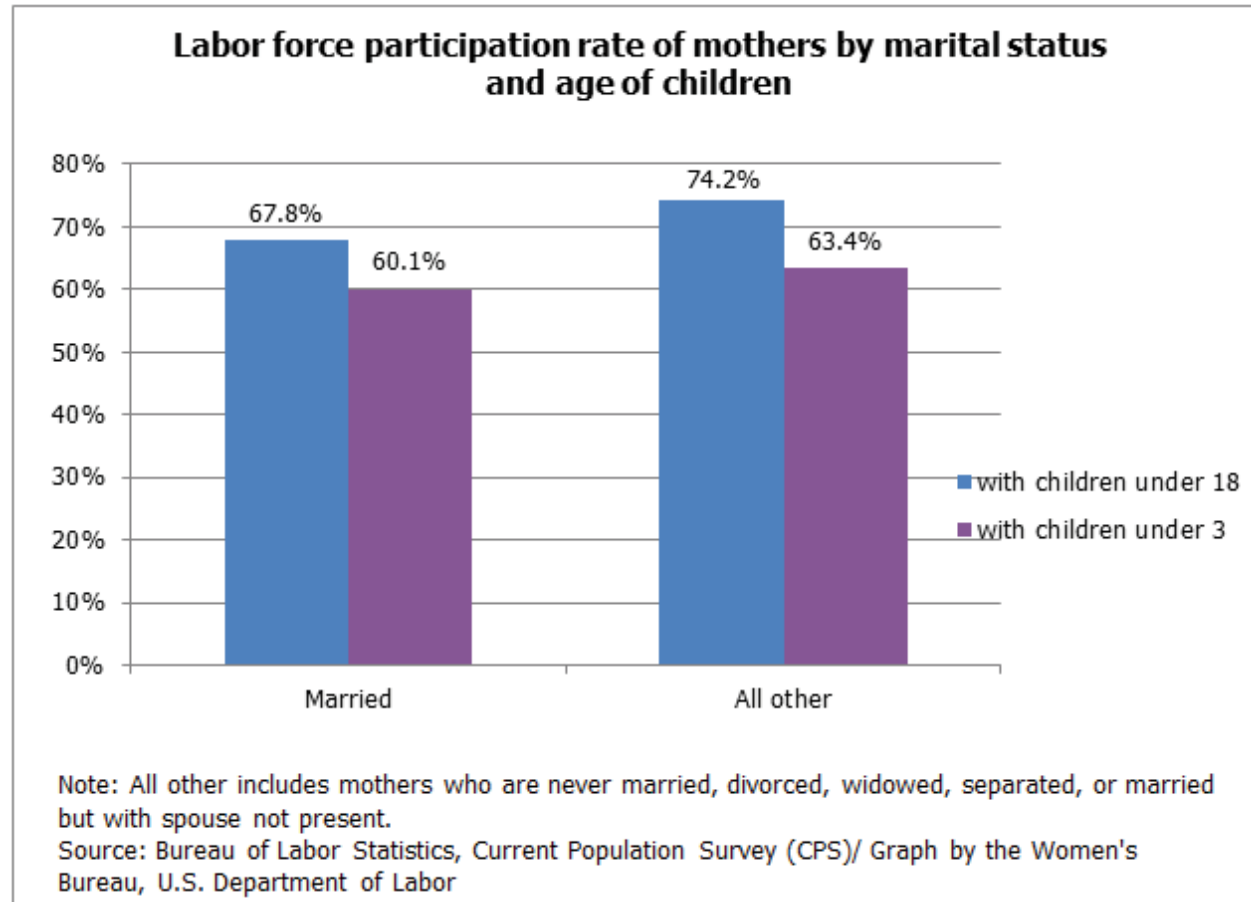
Note: Based on women 15-50 years of age.

Source: 2013 American Community Survey (ACS) 1-year estimates/ Chart by the Women's Bureau,

New Mothers and poverty



Mothers and work by marital status



Unpaid Leave Provisions in the U.S.

- The Family and Medical Leave Act of 1993
 - Provides up to 12 weeks of *unpaid* job protected leave from work for those who qualify
 - Combination of job tenure, firm size, hourly requirements
- What does it cover?
 - Care for an immediate family member (spouse, child, or parent) due to illness; or
 - Medical leave for employee during illness
 - *Birth and care of the newborn child*, adoption or foster care



What does PMFL Provide?

- What PFML provides time off for:
 - Own sickness
 - Self, spouse, family members illness
 - Bonding with an infant, adopted or foster child
- Wage replacement during sanctioned leaves
- 4 -12 weeks of paid leave depending on state
- Can be coupled with Temporary Disability Insurance (public and private)
- Some state PMFL programs provide job protection

What about employer-provided leave?

- Highly concentrated among professional workers
- Low-wage workers least likely to receive through employer

Source: U.S. Department of Labor, 2016

Get the Facts on **PAID LEAVE**



Other sources of employer paid leave

Access to paid holidays, vacations, sick leave benefits, and other paid leave benefits for private industry workers, 1992–1993 and 2012 (In percent)								
Characteristic	Paid holidays	Paid vacations	Paid sick leave ¹	Paid personal leave	Paid funeral leave	Paid jury duty leave	Paid military leave	Paid family leave ²
All workers								
1992–1993	77	82	50	15	57	64	30	2
2012	77	77	61	37	60	63	33	11
Full-time workers								
1992–1993	86	92	58	16	65	73	36	2
2012	90	91	75	44	71	73	39	13
Part-time workers								
1992–1993	36	40	16	7	24	27	8	1
2012	40	35	23	16	29	32	15	4
Establishments with fewer than 100 workers								
1992	70	75	44	10	42	48	17	2
2012	69	69	52	27	47	51	21	8
Establishments with 100 workers or more								
1993	84	90	59	20	77	83	47	3
2012	87	86	73	49	76	77	47	15

1. Beginning in 1995, plans that provided a specified number of days off for each illness or disability were reclassified from paid sick leave to a short-term disability plan.

2. The estimates for the 1992–1993 period are for paid maternity leave.

Source: U.S. Bureau of Labor Statistics, National Compensation Survey.



ECCE

- In the U.S., host of private and public options
 - Head Start
 - Child Care Development Fund (CCDF)
 - Public pre-school
 - Child Care Tax Credit
 - Out-of-pocket
 - Employer-subsidized
- Patchwork system hampered by low uptake in some public programs and capacity issues



ECCE II

- “Quality” vs. “Quantity” struggle
- Nonstandard hours
- Locale
- Trust & Safety
- Administrative burdens
- Capacity



ECCE III

- Stability of work
- Stability of care
- Improved work, earnings, and income
- Developmental outcomes
- Health outcomes



Why should we care?

- Raises questions about government, employer, employee responsibility in era of working women with very young children
- Issues related to equity
- Issues related to short and long-term work and income stability
- PMFL and ECCE associated with improved maternal and child outcomes

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Research bridging policy and practice



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Purpose

- Describe LTSS Financing Challenge and Solutions
 - The case for Action
 - The advantages of a social insurance
 - Key decision points for states
- Describe Universal Family Care Solution
 - An integrated System
 - Holistic approach to Care policy
 - Advantages of Program



The Case for Action

- LTSS needs are growing even as families are becoming less able to deal with them
- Current system leaves most families paying out-of-pocket when need
- States are left holding the bag



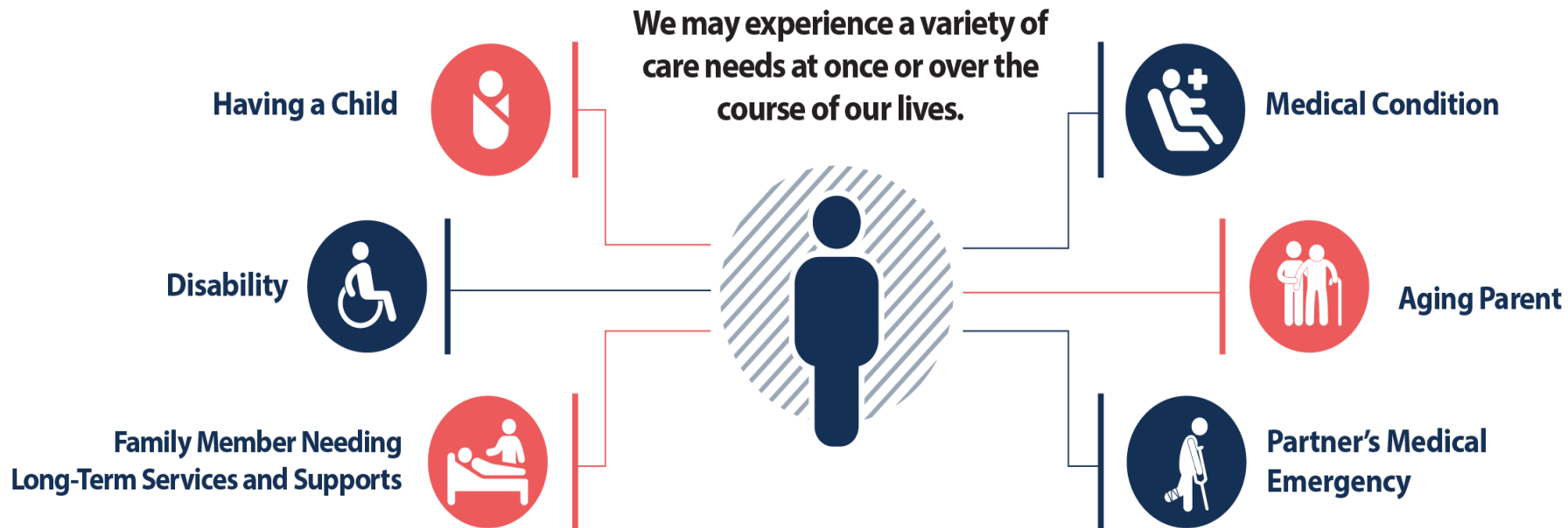
Universal LTSS Could Support and Strengthen Families

- Social insurance could provide universal, affordable LTC coverage
 - Lack of affordable insurance mechanism for vast majority of Americans
 - Social insurance contributions would be generally more affordable than private insurance premiums today
 - Coverage designed to be nearly universal for the workforce, for all adults, or for society as a whole.
 - Contribution is **less than \$40** from the average worker's monthly earnings
- Stakeholders can certainly benefit from universal LTSS
 - Seniors, families and people with disabilities
 - Employers and workers
 - State governments
 - Insurers

Core LTSS Decision Points for States

- Eligible population
- Timing and duration of coverage
- Who would benefit from alternative coverage durations and start times?
- Program Financing
 - Medicare payroll tax base
 - Medicare investment tax base
 - Medicare total tax base
 - Social Security tax base
 - Dedicated tax on personal income tax base
 - Other sources
- Issues to consider in choosing funding source
 - Size of tax base
 - Affordability for the insured
 - Connection with program benefits
 - Fiscal sustainability
 - Political sustainability

Universal Family Care: Care Needs Occur over the Life Course



Universal Family Care: One Integrated Insurance System for Family Care Supports

- New social insurance program to which everyone would contribute while they are working and from which everyone would benefit.
- Integrated earned benefit covering care needs across life course:
 - ✓ **EARLY CHILD CARE AND EDUCATION (ECCE)**
 - ✓ **PAID FAMILY AND MEDICAL LEAVE (PFML)**
 - ✓ **LONG-TERM SERVICES AND SUPPORTS (LTSS)**
- Our families experience these needs and risks as interconnected and not in isolation.
- There are synergies to addressing them together.



Pillars of Universal Family Care

- **Work is the foundation**
 - Everyone who is working contributes and the program enables people to work.
- **Single Access Point for Variety of Care Needs**
 - Supports change as care needs change.
- **Flexible and Portable**
 - Covers people across jobs, including 1099 income, across the life course as needs change.
- **Invests in Care Workforce**
 - Compensation, labor protections, career ladders.



Advantages of an Integrated and Universal Approach

- **Universality: We all juggle work and care**
 - Not just those with low incomes
- It is an efficient way to pay for care
 - Families pay a little from each paycheck rather than a lot during time of crisis
- **It is Family Friendly**
 - Allows families to focus on one other during care episodes
- **One Stop Shop**
 - Less red tape for families and states due to single access point, lack of means testing

Initial Estimates for Program Financing

UFC Program	Social Security Payroll Tax Rate	Income Tax Rate	Medicare Tax		Medicare Tax		
			(if payroll tax only)		(if payroll & investment income tax)		
			Payroll tax rate	Additional rate on earnings > \$200k/\$250k	Payroll tax rate	Additional rate on earnings > \$200k/\$250k	Investment income tax rate
ECCE: NAS Illustrative Package	2.02%	1.48%	1.55%	0.66%	1.44%	0.61%	2.56%
PFML: Family Act							
LTSS: Front-End Coverage							

Benefits to Society:

Bring common interests under single umbrella program

- **Families**

- affordability, lower enrollment barriers, better health outcomes

- **Workers**

- Reductions in lost wages and job loss

- **Care Recipients**

- Less unmet need, greater flexibility, better health outcomes

- **Work Force**

- Improve quality of care jobs by needed infusion of funds

- **State**

- Reductions in Medicaid growth and administrative savings

- **Economy**

- Reduce poverty and more labor force participation

- **Employers**

- Reduce lost productivity and employee turnover