Paid Leave Policies Would Generate $28.5 Billion Additional Income for U.S. Families and the Economy
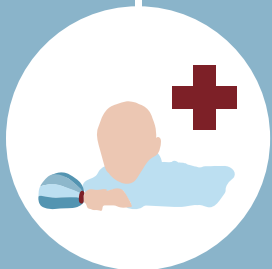
The Biden-Harris Administration's American Families Plan and the Building an Economy for Families Act recently introduced by Richard E. Neal (D-MA) include up to 12 weeks of paid family and medical leave for the arrival of a new baby, to care for a sick loved one or to deal with their own illness. That would bring enormous relief to thousands of American families forced to decide between their families and their paychecks — and a tremendous benefit for the country's economy.

$28.5 billion more annually in Americans' paychecks

Paid leave policies would increase Americans' income by an estimated $28.5 billion a year of which $19.1 billion would be wage replacement directly from the paid leave program, and $9.4 billion would be income earned by workers throughout the economy as people receiving wage replacement spend money on goods and services. This means that for every dollar spent on wage replacement as part of the paid leave program, other workers would earn an additional $.50.

18 million additional Americans would take paid leave each year

If the Biden-Harris or Neal plans pass, 18 million more people will take leave to provide care to a loved one or receive care themselves because paid leave is available— an enormous relief to those families and a boost to children, people with disabilities and seniors. Nationally, 79 percent of workers do not have access to paid family leave through an employer.
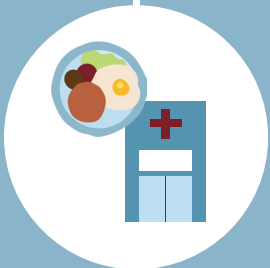
9.5 million additional women would take paid leave each year

└ The COVID-19 pandemic demonstrated how hard a burden falls on women when illness or crisis strikes. The Biden-Harris and Neal proposals means an additional 9.5 million women would use paid leave each year, giving women workers new opportunities to build strong careers and strong families.

4.9 million additional low-income women would take paid leave each year

└ Low-income women are far less likely to have access to paid leave and the loss of a paycheck or a job because of a family situation hits these women hardest. Giving roughly 4.9 million low-income women the security of paid leave each year will give a huge boost to their economic prospects.

Restaurant and hospital sectors/health care facilities would see the greatest gains

└ Economic patterns show that the money spent by paid leave takers will be put right back into two key industries: restaurants and hospitals/ health care facilities, generating income and creating more jobs in these sectors.

For more information, visit WomenEffectFund.org.

State Data: AK | AZ | DE | GA | IA | ME | MI | MO | MT | NC | NH | NV | OH | PA | VA | WI | WV

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