



Work in Progress

PAID FAMILY LEAVE AT THE TOP U.S. EMPLOYERS

A report by PL+US: Paid Leave for the United States

INTRODUCTION

After months of worker, community, and investor pressure, in January 2018 Walmart announced a new paid parental leave policy for all full-time employees, both salaried and hourly, that provides 16 weeks paid leave for birthing parents (including 10 weeks for childbirth recovery), and 6 weeks for all other parents such as dads and adoptive parents.¹ This policy expanded benefits to over 500,000 full-time Walmart associates, making it the largest single private-sector expansion of paid family leave access in the U.S.

Walmart's move inspired a surge of momentum from other large employers including Starbucks, CVS Health, Gap Inc., Estée Lauder, TJX, Chipotle and others, and more announcements of new policies keep coming.

A combination of factors led to a wave of changes at these top employers, including: public advocacy campaigns, investor pressure, the momentum of family leave public policy, and legal challenges.

In total, over one-third of the top U.S. employers that PL+US surveyed since 2016, from industries ranging from retail to food service and telecom to banking, have updated their paid family leave policies. These 18 companies collectively employ over 4.3 million people.

A new standard for paid leave has emerged and it includes hourly workers, fathers, and more time to care. Workplaces across this country are transforming. This report provides an analysis of positive new trends, persistent problems, and the forces driving this tectonic shift.

1 DougMcMillon, CEO Doug McMillon's Note to Associates on Tax Savings, Walmart Today January 11, 2018 <https://blog.walmart.com/business/20180111/ceo-doug-mcmillons-note-to-associates-on-tax-savings>

THE NEW PAID LEAVE PARADIGM

When we published our first survey of paid family leave policies at the nation's top employers in November 2016,² the vast majority of companies had *inadequate or no paid parental leave programs*—reflecting the reality of most people living in the U.S. (only 14% of working people have paid family leave in the U.S.)—and family caregiving policies were virtually non-existent.³

Companies in the technology and finance sector were the clear exception, leading the pack by offering paid parental leave benefits as well as other policies to support working families.

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 much more leave than those in hourly jobs. Again, this was reflective of our national reality where only 6% of low-wage earners have access to paid family leave.⁴

When we first began compiling this data in 2016, the majority of workplace policies reinforced harmful gender stereotypes and inequality. The vast majority of companies provided birthing parents significantly more time than fathers or adoptive parents. In several cases the discrepancies were so great they exposed the company to clear legal risk.

In 2016, if you were a birthing parent working in a corporate position at a large technology or finance company, your chances of having paid parental leave were high. With a few exceptions, any other employees or parents could expect very little or no support. But this paradigm is changing.

Our analysis of the recent changes show that a new standard has been set for corporate paid parental leave policies with longer lengths of leave and an expectation of equality for all parents, regardless of employee classification.

This transformation is driven by corporate leaders that understand that quality paid family leave policies are good for business.⁵ Benefits include cost savings in recruitment and retention, increased employee morale, and an effective tool for narrowing the gender leadership and pay gap. Furthermore, with such a rapid shift occurring throughout the marketplace, companies simply must adhere to the new standards if they wish to remain competitive.

It is also notable that companies are increasingly using paid family leave policy as a powerful brand-building tool that reflects positive values to consumers and prospective employees alike. In some cases, it is even used as a shield to cover unpopular decisions. For example Walmart, on the same day it announced its 16 week family leave policy and a 1 dollar an hour wage increase also shut down 63

2 PL+US Paid Leave for the U.S., Forging Ahead or Falling Behind? Paid Family Leave at America's Top Companies 2016 https://actionnetwork.org/user_files/user_files/000/018/893/original/pl_us_corporate_report.pdf

3 U.S. Department of Labor, Bureau of Labor Statistics. National Compensation Survey: Employee Benefits in the United States, March 2016 (Tables 16 and 32). Retrieved 23 September 2016 <http://www.bls.gov/ncs/ebs/benefits/2016/ebbl0059.pdf>

4 U.S. Department of Labor, Bureau of Labor Statistics. (2016, September). National Compensation Survey: Employee Benefits in the United States, March 2016 (Tables 16 and 32) <http://www.bls.gov/ncs/ebs/benefits/2016/ebbl0059.pdf>

5 Trish Stroman, Why Paid Family Leave is Good Business, The Boston Consulting Group, 2017 <https://www.bcg.com/en-us/publications/2017/human-resources-people-organization-why-paid-family-leave-is-good-business.aspx>

Sam's club retail stores—a cunning PR move that helped them balance the bad press of a major layoff.

Smart brands, especially those with family-oriented, millennial, and women consumers, know that their customers expect them to treat employees right—and that includes being a family-friendly workplace.

WHAT'S CHANGED IN THE LAST YEAR: **WE'VE COME A LONG WAY, BABY**

1. Whereas corporate policies that left out hourly employees were commonplace when we published our “Haves and Have Nots” report in May 2017,⁶ **half of the 50 companies included in this report's analysis now have policies that include lower-wage working people.** Several of the most public corporate policy expansion announcements have included hourly employees, including Walmart (which included ~500,000 full-time hourly associates), Starbucks, and TJX. These policies still notably exclude part-time employees.
2. **12 weeks has emerged as the new median for length of leave at the largest employers.** When sorted by maximum length of leave provided, PepsiCo and Nordstrom's policies represent the median length of leave at the 50 largest U.S. private employers. A shift towards 12 weeks is a significant improvement from the 2 weeks or less most companies were providing when we began publishing this data in 2016. Additionally, 12 weeks of paid family leave is more closely in line with public policy proposals that are advancing at the state and federal levels. However, 12 weeks of paid family leave still fall far short of the 6 months recommended by pediatricians and public health officials, and is significantly less than what these same companies are providing to their employees outside the U.S.
3. **Companies are expanding paid leave for non-birthing parents.** Non-birthing parents, while still receiving less parental leave than those who give birth, are benefiting from recently expanded parental leave policies. For example, fathers, adoptive parents and other non-birthing parents now receive some time at Dollar General (2 weeks), Lowe's (2 weeks), and TJX (4 weeks), when they previously received none.

6 PL+US Paid Leave for the U.S., The Haves & Have Nots of Paid Family Leave: Unequal Policies from the Nation's Largest Employers 2017 <https://d3n8a8pro7vhmx.cloudfront.net/plus/pages/107/attachments/original/1499880635/plus.lowwagereport7.12.17.pdf?1499880635>

BUT THERE IS STILL A LONG WAY TO GO: FAMILY BRANDS THAT ARE FALLING BEHIND

These positive trends should not be mistaken for wide-scale access to paid family leave. Many working people are left out of the policies even at the very companies that stand out for having any paid family leave at all. Among the 18 companies we've identified as making a positive shift in their U.S. policy in the last 2 years, nearly all of them still leave huge gaps, including:

1. **Length of leave is still inadequate at most companies.** Pediatricians and public health officials recommend a minimum of 6 months, or 24 weeks, of paid parental leave.⁷ Only one employer in our list provides at least 24 weeks of paid parental leave to at least some employees, and a shocking 25 companies (50% of companies surveyed) provide 4 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.
2. **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 Amazon⁸ and FedEx.⁹

7 New America Foundation, Paid Family Leave: How Much Time is Enough? 2017

<https://www.newamerica.org/better-life-lab/reports/paid-family-leave-how-much-time-enough/introduction>

8 Kyle Creal, Amazon Temp Workers Who Deliver The Holidays Are Getting Squeezed, Huffington Post December 2017

https://www.huffingtonpost.com/entry/amazon-temp-workers-who-deliver-the-holidays-are-getting-squeezed_us_5a2f0a20e4b078950282f6e4

9 Nick Carey, FedEx Ground battles to keep using contractors, Reuters July 2007

<https://www.reuters.com/article/fedex-drivers-usa/fedex-ground-battles-to-keep-using-contractors-idUKN1036516320070712>



“Even though I want to be full-time, Walmart continues to deny me the hours. As a 52-year old mom to Naomi, my 7 year old foster daughter, having access to benefits, like paid family leave that full-time associates get, would mean so much for my family.”

— April, part-time Walmart associate and member of OUR Walmart in Florida

Including part-time employees is likely to be part of future policy changes from large employers. Dollar General included part-time employees in its paid parental leave policy announcement in March.¹⁰ Subsequently in May, pharmaceutical company Medtronic announced 12 weeks short-term disability for employees who give birth, in addition to 6 weeks parental leave to all parents, including part-time employees.¹¹ Family leave for contractors and freelancers appears to be further on the horizon—a big problem that points directly at the need for comprehensive public policy.

3. **U.S. Employers are totally unprepared for the family caregiver boom.** When most people think about the unmet need for paid leave in the United States, they think of new parents who need time to be with their infants, but just 21% of family leaves from work are taken for new babies.¹² Every year, more than 40 million people, or 18% 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.¹³ 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.

A few forward-thinking companies such as Deloitte, Rent the Runway,¹⁴ and Facebook¹⁵ are beginning to include family caregiving leave in addition to paid parental leave and, as the trend of parental leave has grown, we expect to see more and more companies following suit.

But our research shows that the vast majority of top U.S.



“Our family was devastated when our 11-year old son was diagnosed with bone cancer last year. I was able to take an unpaid family leave from work to care for him, but the worries of his treatments, piled up expenses, and the nagging question of ‘will there be a job for me when I return to work?’ were things that kept me up at night.”

— Lisa Chin works at a large pharmaceutical company in New Jersey

10 Business Wire, Dollar General Announces Paid Parental Leave and Adoption Assistance Benefit, March 2018

<https://www.businesswire.com/news/home/20180308005357/en/Dollar-General-Announces-Paid-Parental-Leave-Adoption>

11 Fink Densford, Medtronic expands paid family leave benefits for U.S. employees, Mass + Device May 2018

<https://www.massdevice.com/medtronic-expands-paid-family-leave-benefits-for-us-employees-personnel-moves-may-1-2018/>

12 ABT Associates, Family and Medical Leave in 2012: Technical Report Revised 2014

<https://www.dol.gov/asp/evaluation/fmla/FMLA-2012-Technical-Report.pdf>

13 AARP Public Policy Institute and the National Alliance for Caregiving, Caregiving in the U.S. 2015 Report

<https://www.aarp.org/content/dam/aarp/ppi/2015/caregiving-in-the-united-states-2015-report-revised.pdf>

14 Jennifer Y. Hyman, Treating Workers Fairly at Rent the Runway, New York Times May 2018

<https://www.nytimes.com/2018/05/06/opinion/workers-benefits-inequality-rent-the-runway.html>

15 Jena McGregor, Facebook’s new paid leave policy isn’t just for moms and dads, Washington Post February 2017

https://www.washingtonpost.com/news/on-leadership/wp/2017/02/08/facebooks-new-paid-leave-policy-isnt-just-for-moms-and-dads/?noredirect=on&utm_term=.f198837249b4

employers are unprepared on this front—nearly every single employer we surveyed has no offering of paid family caregiving time to meet this demand. This remains a clear area for corporate leaders to emerge in offering solutions to this problem.

4. **Many parents are still left out.** While parental leave policies that are available to all parents are increasingly common, nearly half (22 of the 50 policies tracked in this report) are still unequal to non-birthing parents. This is a major problem that can open companies up to sex discrimination lawsuits. The EEOC has offered guidance that a “birth recovery” period of 6-8 weeks can be uniquely offered to people who give birth. However, any parental bonding leave should be offered equally to all parents, regardless of gender.

Additionally, there is growing understanding that policies that distinguish between “primary” and “secondary” caregivers carry a high risk of discriminatory implementation, because in practice many companies assume that the “primary” caregiver will be a woman. In fact, this was the basis of lawsuits filed by fathers at JP Morgan¹⁶ and Estée Lauder.¹⁷ In both cases, the fathers who planned to be the primary caregiver for a newly arrived child claim they were denied primary caregiver status, because they are men. Recently, Estée Lauder responded by updating their policy to move away from primary/secondary distinctions.¹⁸ This shift towards policies that equally support all parents will be a trend to watch.

16 Derek Rotondo, I Want to Be My Child's Primary Caregiver, but My Employer J.P. Morgan Chase Treats That as a Woman's Job, ACLU June 2017 <https://www.aclu.org/blog/womens-rights/pregnancy-and-parenting-discrimination/i-want-be-my-childs-primary-caregiver-my>

17 Daniel Wiessner, U.S. agency sues Estee Lauder Companies over parental leave policy, Reuters August 2017 <https://www.reuters.com/article/us-estee-lauder-lawsuit-eecoc/u-s-agency-sues-estee-lauder-companies-over-parental-leave-policy-idUSKCN1BA2WD>

18 Leanna Garfield, Estee Lauder is now paying employees \$10,000 to adopt as part of its new parental-leave policy, Business Insider April 2018 <https://www.businessinsider.in/Estee-Lauder-is-now-paying-employees-10000-to-adopt-as-part-of-its-new-parental-leave-policy/articleshow/63911009.cms>

WHERE WE GO FROM HERE

The evidence is clear: smart and forward-thinking companies are putting paid family leave policy into place in response to consumer and employee demand and a rapidly changing U.S. landscape. Momentum is building for sweeping change in the private-sector, requiring employers large and small to review and update their paid family leave policies.

Companies must now meet or beat the new standard that has been set: at least 12 weeks of paid parental leave that applies equally to all parents and all classes of employees. Companies that fall below that standard will face increasing pressure from their employees, customers, and investors. And companies that exceed those standards with greater leave length, solutions for contract and part-time employees, and policies that cover broader caregiving needs will reap the rewards.

And, there is so much more that business leaders can do.

It is time that America's business leaders meet this imperative both within and beyond their own company walls. Where leaders see opportunity to express their values by offering essential benefits to employees, they should also express public support for legislation that supports all working people, especially as the number of contract and part-time employees in the U.S. grows. A public insurance model for paid family leave, like that of social security and unemployment insurance, is a long overdue, necessary, and portable safety net for families in their most vulnerable moments.




















We know what the solutions are. Now it's time for business leaders to show the courage, vision, and leadership to act for America's families.

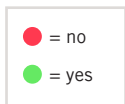


“Leaving my tiny two-week-old baby would be extremely painful, and yet 1 in 4 women in this country have to go back to work within 2 weeks of giving birth because of inadequate policies like Target’s.”

— Erika, Mom and Target Customer in New Mexico

COMPANY DATA

		 = no  = yes							
		Policy updated since Nov 2016	Equal to Hourly Employees	Equal to Part-time Employees	Weeks of Parental Leave provided including childbirth recovery	Equal parental leave available to non-birthing parents	Primary/Secondary policy? (yes or no)	Family Caregiving Leave	Personal Medical Leave
	Publix Super Markets		n/a	n/a	0	n/a	n/a		
	Cargill				2				
	Kohl's				2				
	Walgreens				0-6				
	Home Depot				0-6				
	Staples				0-6				
	FedEx				0-6				
	Ford Motor Company				0-8				
	SuperValu				0-8				
	Kroger				0-8				
	Albertsons				0-8				
	Dollar General				2-8				
	General Motors				2-8				
	Marriott International				2-9				
	Darden Restaurants				2-10				
	AT&T				2-10				
	HP Enterprise				2-10				
	Target				2-10				
	Lowe's				2-10				
	Hilton Worldwide Holdings				2-10				
	CVS Health				4-10				
	McDonald's				2-12		yes for adoptive parents		
	The Walt Disney Company				3-12				
	TJX				4-12				



		Policy updated since Nov 2016	Equal to Hourly Employees	Equal to Part-time Employees	Weeks of Parental Leave provided including childbirth recovery	Equal parental leave available to non-birthing parents	Primary/Secondary policy? (yes or no)	Family Caregiving Leave	Personal Medical Leave
	PepsiCo	●			4-12	●	●	●	
	Nordstrom	●	●		6-12	●	●	●	
	Gap Inc	●	●	●	12	●	●	●	
	L Brands	●		●	6-14	●	●	●	
	Nike	●	●	●	8-14	●	●	●	●
	Coca-Cola Company	●	●	●	6-14	●	●	●	●
	JPMorgan Chase	●	●		2-16	●	●		
	Procter & Gamble	●			4-16	●	●	●	
	Wells Fargo	●	●	●	4-16	●	●	●	●
	H&M	●	●	●	6-16	●	●	●	●
	Walmart	●	●	●	6-16	●	●	●	●
	PricewaterhouseCoopers	●			6-16	●	●	●	●
	Verizon Communications	●	●	●	8-16	●	●	●	●
	Citigroup	●			8-16	●	●	●	●
	EY	●			16	●	●	●	●
	IKEA	●	●		16	●	●		●
	Bank of America	●	●		16	●	●	●	●
	Yum Brands		●	●	2-18	●	●	●	
	Starbucks	●	●	●	6-18	●	●	●	●
	Apple	●	●		6-18	●	●	●	
	General Electric	●	●		6-18	●	●	●	
	Amazon	●	●	●	6-20	●	●	●	●
	Levi Strauss & Co	●	●		8-20	●	●	●	
	Microsoft	●	●		12-20	●	●	●	declined to provide
	IBM	●			12-20	●	●		●
	Deloitte	●		●	16-26	●	●	●	●

For additional information on employer policies, please see the index of Paid Family Leave Policies at Top U.S. Employers at paidleave.us/topemployerpolicies

METHODOLOGY

Our index includes data on paid family leave policies at 50 of the top employers in the United States, all of which are name-brand companies. Policy information included in this dataset was confirmed either 1) directly with a company representative via email, 2) because it was previously published in a newspaper of record, 3) by company announcement published on a company website, or 4) via a current employee benefits manual.

This list is sorted by maximum length of leave provided to any type of employee, with companies that generally provide the most leave listed at the bottom. Note that while this sorting method is the best presentation of the trend toward greater length of leave provided by large employers, many policies do not extend to some categories of employees, such as those who work part-time or hourly. Failure to include some category of employees does not impact the order in which companies appear on our list.

Blank sections indicates no confirmation of policy data.

We have indicated whether company policies are available to part-time employees, part-time typically meaning those who work less than 32, 30 or 20 hours/week on average, depending on how each company defines that class of employee.

We noted the range of length of leave provided to employees at each company. This range includes short-term disability coverage, which many companies provide to employees who give birth for the purpose of childbirth recovery. When assessing whether companies provide “equal paid parental leave” to birthing and non-birthing parents we did not include a disparity of 6-8 weeks for childbirth recovery time. For example: a company that provides 6 weeks of parental leave in addition to 6-8 weeks for childbirth recovery via short-term disability is considered “equal” in this report. Note that companies that provide zero paid parental leave are not considered “equal.”

DEFINITION OF TERMS

- **Childbirth recovery**—this is the period of time a birthing parent needs to personally recover from childbirth. In the U.S., it is often covered by short-term disability insurance for a period of 6 or 8 weeks for vaginal or C-section births, respectively. Some insurance providers allow additional time for those experiencing complications from childbirth or during pregnancy. Short-term disability insurance is a statewide program in 5 states,¹⁹ and many employers enroll in private insurance as a cost-saving measure.
- **Paid parental leave**—sometimes called bonding leave, is paid time away from the workplace to welcome a newly-arrived child.
- **Primary/secondary caregiver policy**—some employers use an antiquated definition of “primary” versus “secondary” caregiver, which can require an employee to “prove” that they are a sole or primary caregiver in order to access full benefits.
- **Family caregiving leave**—paid time away from the workplace for an employee to care for a seriously ill family member.
- **Personal medical leave**—paid time away from the workplace for an employee’s own medical recovery. Personal medical leave is often also provided via short-term disability insurance.
- **Birthing parent**—the person who physically gives birth to a child. As family planning technology advances, our terminology must also expand to account for both people who give birth who are not the biological parent of that child (surrogacy) and people who identify as men who have the biological capacity to birth a child.
- **Non-birthing parent**—refers to a “non-gestational” parent such as a non-birthing mother, father, adoptive or foster parent.

19 National Partnership for Women and Families, Existing Temporary Disability Insurance Programs February 2015 <http://www.nationalpartnership.org/research-library/work-family/paid-leave/existing-tdi-programs.pdf>

“Work in Progress: Paid family leave at the Top U.S. Employers”

A report by PL+US: Paid Leave for the United States.
www.paidleave.us