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Work-life balance in the United States

Women in the workforce and the policy challenges of a growing care economy

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This document was prepared by Raquel Artecona and Helvia Velloso, Economic Affairs Officers of the Economic Commission for Latin America and the Caribbean (ECLAC) office in Washington, D.C. The authors are grateful to Maria Pia Iocco, Maria do Carmo Saldanha, Karen Hoshino and Pablo Martin for their invaluable contributions to this report during their internships at the ECLAC office in Washington, D.C.

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List of acronyms

AWW	Average Weekly Wages
BBB	Build Back Better Plan
BLS	United States Bureau of Labour Statistics
CCDBG	Child Care and Development Block Grant
CCDF	Child Care and Development Fund
EDD	State of California Employment Development Department
EU	European Union
FEPLA	Federal Employee Paid Leave Act
FMLA	Family and Medical Leave Act
FMW	Federal Minimum Wage
FY	Fiscal Year
GDP	Gross Domestic Product
GED	General Educational Development Test
HR	Human Resources
ILO	International Labour Organization
IRS	Internal Revenue Service
LFP	Labour Force Participation
NCS	National Compensation Survey
NDAA	National Defence Authorization Act
NDCP	National Database of Childcare Prices
OECD	Organization for Economic Cooperation and Development
PFL	Paid Family Leave
SAWW	Statewide Average Weekly Wages
SHRM	Society for Human Resource Management
SMEs	Small and Medium Enterprises
TANF	Temporary Assistance for Needy Families

Abstract

This paper explores the multifaceted challenges of achieving work-life balance in the United States as the country navigates the policy challenges of a growing care economy, particularly focusing on the persistent gender disparities, economic policies, and societal expectations that shape this issue. Women's participation in the labour force has been a major driver of economic growth, yet the absence of supportive policies like paid parental leave and affordable childcare hinders their full engagement and limits national economic potential. The United Sates continues to lag other developed nations in offering comprehensive family-friendly policies, which has far-reaching economic implications. The paper underscores the need for targeted interventions and comprehensive policy reforms to create an equitable and supportive environment for all workers, including women and marginalized groups, as the nation navigates the future of work.

Introduction

The care economy, the sum of all paid and unpaid work that supports the well-being of people who are unable to care for themselves, including the elderly, children, and individuals with disabilities, is critical for the well-being of modern societies. In recent years, there has been increasing demand for caregiving services and a significant shortage of professional caregivers worldwide. In the United States, an aging population, with adults aged 65 and older projected to outnumber children under 18 by 2034, will reduce the share of potential caregivers relative to the number of older adults needing long-term care. In addition, childcare is characterized by high costs and limited availability, compounding the problem and hindering labor force participation, particularly for women, and exacerbating income inequalities.

This unmet demand for care services poses extensive consequences for both the economy and society at large. Many older adults rely on family members, often adult children, for caregiving, which can lead to significant emotional, physical, and financial strain. Moreover, the care economy is still profoundly gendered. Women, particularly mothers, usually take on most of the unpaid domestic and caregiving work. This often results in women facing career setbacks or lower earnings because they are either seen as less committed to their careers due to caregiving responsibilities or need to lower their ambitions to be able to balance their labor market and care economy responsibilities. Men, on the other hand, are less likely to be primary caregivers, even if they want to be involved more deeply in child-rearing or elder care.

There have been some efforts to address these challenges. For example, the Biden administration proposed the *American Families Plan*, which included provisions for expanding access to childcare, paid family leave, and other supports for families. However, these efforts have faced significant political resistance. The U.S. has a fragmented approach to family policy, with policies varying widely by state and often being underfunded or inadequate to meet the needs of working families.

Even though more than half of the workforce has caregiving responsibilities outside of their full-time jobs, the U.S. is one of the few developed countries that does not offer paid family or medical leave on a national level. While some states have implemented their own paid family leave programs, they are not universally available. As a result, many United States workers face the difficult choice of taking unpaid time off to care for a family member or returning to work while dealing with personal or family health issues.

Furthermore, paid family leave (PFL) is considered highly relevant to economic growth. It can significantly increase labour force participation, particularly among women, leading to a larger pool of skilled workers contributing to the economy. It can also boost employee retention and productivity within companies, by allowing individuals to balance work and family life effectively. This can result in a more stable and engaged workforce, ultimately contributing to overall economic growth. PFL can also positively impact child development by allowing parents to be more present during critical early years, which has important repercussions for the long-term economy.

The focus of this report is the work-life balance in the United States and how to improve it to increase women's participation in the workforce as the country navigates the policy challenges of a growing care economy. The report is structured as follows: the first chapter looks at the United States work-balance scores relative to other OECD countries according to the 2023 OECD Better Life Index, and the recommendations for improving this score. The second chapter examines the participation of women in the labour force and its recent historical trends, seeking to understand the impact on economic growth and the challenges the U.S. economy faces to increase the female labour force participation rate. The third chapter describes the state of family leave policies in the United States, with an international comparative perspective and a focus on public and private sector policies. In the last chapter we offer concluding remarks on how adoption of paid family leave and childcare access at the federal level may be beneficial to the United States' economic competitiveness, growth and productivity.

The eighth meeting of the *Forum of the Countries of Latin America and the Caribbean on Sustainable Development* took place from 31 March to 4 April 2025 to review the progress and challenges related to achieving the 2030 Agenda in the region five years ahead of the deadline set for its fulfilment. This paper, with a focus on women in the workforce and the policy challenges of a growing care economy in the United States, may provide lessons for Latin American and Caribbean countries as they assess the challenges underlying the implementation of Sustainable Development Goal 5 (SDG 5) on gender equality.

I. Work-life balance in the United States

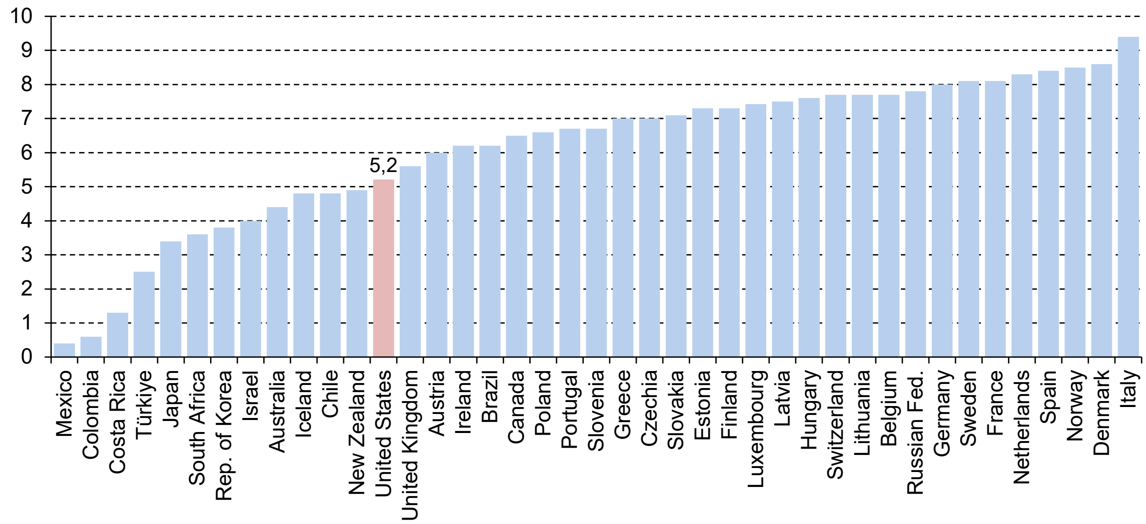
Achieving balance between personal and professional life remains a universal challenge, particularly for working parents who manage competing demands from their careers and family responsibilities. Work and family relationships can often be competing and conflicting. The role of government is crucial in addressing this issue through the implementation of supportive, flexible, and family-friendly policies that facilitate a healthier work-life balance.

According to the 2023 OECD Better Life Index, the United States has one of the lowest scores compared to other developed countries when it comes to work-life balance (5.2), lower than the United Kingdom's (5.6), Canada's (6.5), and the scores of most European countries (figure 1). Among other factors, this is partially due to long working hours and the absence of national paid parental leave.

As people work more hours, the amount of time available for other activities such as leisure, hobbies, time with others, or personal pursuits naturally decreases, creating a trade-off between work and other aspects of life. The amount and quality of leisure time is important for people's overall well-being and can bring additional physical and mental health benefits. In the United States, full-time workers devote on average 61% of their day, or 14.6 hours, to personal care (eating, sleeping, etc.) and leisure (socializing with friends and family, hobbies, games, computer and television use, etc.) —less than the OECD average of 15 hours (OECD Better Life Index, 2023).

The landscape of household dynamics in the United States has shifted over time, with mothers increasingly contributing to the family income and economy, while fathers take on more caregiving responsibilities. However, on an average day, 71% of men participate in household activities compared to 86% of women, and women still spend more time than men on household tasks —2.7 hours per day compared to 2.1 hours for men. There is also an imbalance in the usage of unpaid parental leave, with only 16.5% of men taking it, versus 39.3% of women, pointing to persistent disparities in caregiving roles (United States Bureau of Labour Statistics, 2024a; United Sates Census Bureau, 2021).

Figure 1
OECD Work-Life Balance Index by country, 2023
(Scale from 1 to 10)



Source: OECD Better Life Index, 2023 [online] https://www.oecdbetterlifeindex.org/topics/work-life-balance/.

Currently, the United States is the only OECD country without a national paid parental leave policy, although nine states and the District of Columbia offer paid leave as of January 2025, while four other states have already enacted paid leave legislation but are still implementing it. Federally, parental leave is unpaid, limited to 12 weeks, and only available to employees of companies with 50 or more workers. According to the OECD Better Life Index analysis, paid parental leave and childcare assistance could enhance work-life balance and alleviate poverty among working families in the United States.

Despite significant U.S. public spending on child welfare and education, much of this investment starts relatively late, the OECD analysis indicates. Total public spending on child welfare and education in the United States is US$ 160,000 up to the age of 18, above the OECD average of US$ 149,000. But most of the money is spent on public compulsory education, meaning that early investment —including childcare and support for families around the time of birth— could be strengthened to provide substantial support to working families. Evidence suggests that mothers with access to leave entitlements are more likely to return to work, maintaining economic stability in a country where employment is closely linked to financial security. Establishing a national paid leave program could thus yield significant benefits, including improved child well-being and enhanced labour market outcomes (OECD Better Life Index, 2023).[1]

Female employment in the United States has been falling for the last two decades, albeit from high levels. This fall is happening despite higher education levels and improved career prospects compared to many other OECD countries, underscoring the urgency of enacting policies such as paid parental leave. Such policies could help reverse this trend by ensuring job security for new mothers and facilitating their return to the workforce, ultimately benefiting both families and the economy.

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1 See OECD Better Life Index, 2023, Work-Life Balance in Detail by Country, United States' Key Findings [online] https://www.oecdbetterlifeindex.org/topics/work-life-balance/.

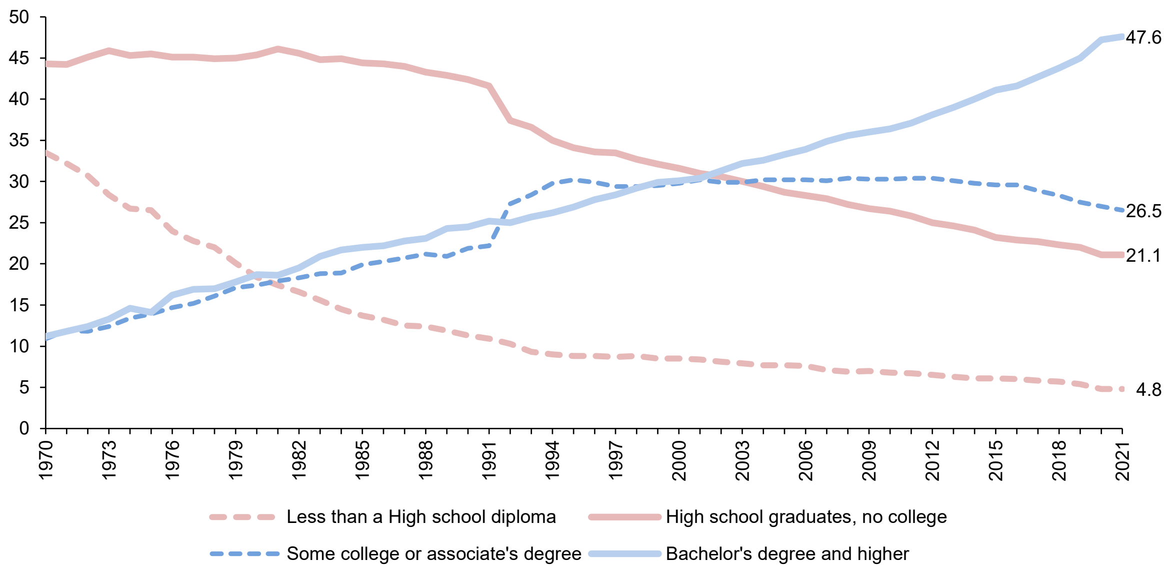
II. Women in the United States labour force

During the latter half of the 20th century, the participation of women in the U.S. workforce surged dramatically, driven by several key factors, including the civil rights movement, the women's rights movement, and the implementation of equal opportunity legislation. These societal shifts not only facilitated greater access to jobs for women but also led to significant socioeconomic changes. For example, as women increasingly entered the workforce, the median age of marriage and childbirth rose, maternity rates declined, divorce rates increased, and educational attainment among women improved. These changes opened the door to better-paying job prospects and altered traditional family dynamics.

This period of increased female labour force participation occurred alongside the baby boomer population boom, and the rapid entry of women into the workforce added a substantial number of workers, further boosting the economy beyond what the population increase alone could have achieved. Between 1950 and 2000, the number of women in the labour force grew at an annual rate of 2.6%, rising from 18 million to 66 million (Toossi, 2002). This rise in female participation has brought the labour force closer to gender parity, and women are now integral to the U.S. workforce. As of December 2024, women represented 47% of all U.S. employees (United States Bureau of Labour Statistics (2024b), household data, table B), a figure that reflects not only the growing presence of women in the labour market over time but also a decline in male labour force participation.

The educational attainment of women ages 25 to 64 in the labour force has also risen substantially over the past half century. In 2021, 47.6% of women ages 25 to 64 held a bachelor's degree and higher, compared with 11.2% in 1970 (figure 2). The share of women with less than a high school diploma in the labour force has been on a downward trajectory since 1970. In 2021, 4.8% of women in the labour force had less than a high school diploma —that is, they did not graduate from high school or earn a high school equivalency credential by passing the General Educational Development Test (GED)— down from 33.5% in 1970. The share of women with a high school diploma and no college has been declining since 1982. In 2021 it was the second lowest share overall. The share of women with some college or an associate's degree in the labour force reached a peak in 2008 and maintained higher participation levels until 2012, when it started to decline. In contrast, those with a bachelor's degree or higher showed a significant upward trajectory during the whole period and since 2002 have kept the highest share overall.

Figure 2
U.S. prime-age women's (25-64 years of age) in the labour force by educational attainment, 1970–2021
(Percent distribution)

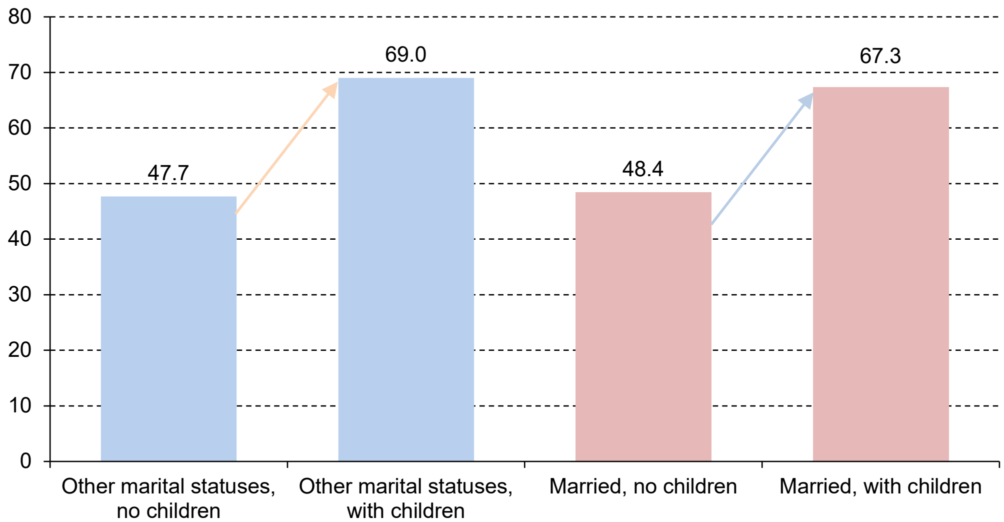


Source: United States Bureau of Labour Statistics (2023b), tables 9A and 9B.

The 2021 labour force participation rates among women aged 25-64, segmented by marital status and the presence of children under 18, highlights that the presence of children generally increases participation. Women with 'Other marital statuses' —which includes never married, widowed, divorced, separated, and married with spouse absent— had a participation rate of 47.7% when they did not have children and a markedly higher rate of 69% when they had. Similarly, married women without children participated at a rate of 48.4%, only slightly higher than their counterparts with other marital statuses and no children. However, those married with children participated at a rate of 67.3%, which, although lower than non-married women with children, highlights a considerable engagement in the labour force despite the added responsibilities of parenthood. These disparities underscore how marital status and parental responsibilities distinctly influence labour force participation (figure 3).

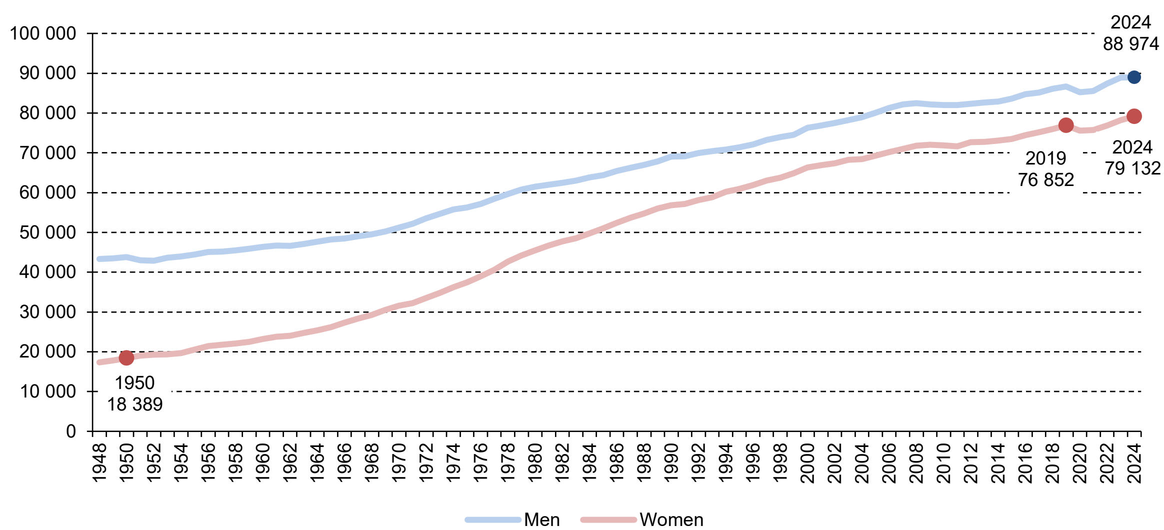
Despite the strong presence of women in the workforce, inequities remain. In 1950, 18.4 million women from the civilian noninstitutional population, 16 years of age and older, were part of the labour force. By 2024, this number reached an all-time high of 79.13 million, but still below the number of men (88.97 million). The number of women in the labour force in 2024 exceeded the pre-pandemic figure of 76.85 million in 2019 by 2.28 million (figure 4).

Figure 3
U.S. prime-age women's LFP by marital status and presence of children under age 18, March 2021
(Percentages)



Source: United States Bureau of Labour Statistics, Current Population Survey, 2021. Annual Social and Economic Supplement. Note: "Other Marital Statuses" include women who have never married; widowed; divorced; separated and married with spouse absent; LFP=labour force participation.

Figure 4
U.S. civilian labour force by sex, 1948–2024
(Thousands)



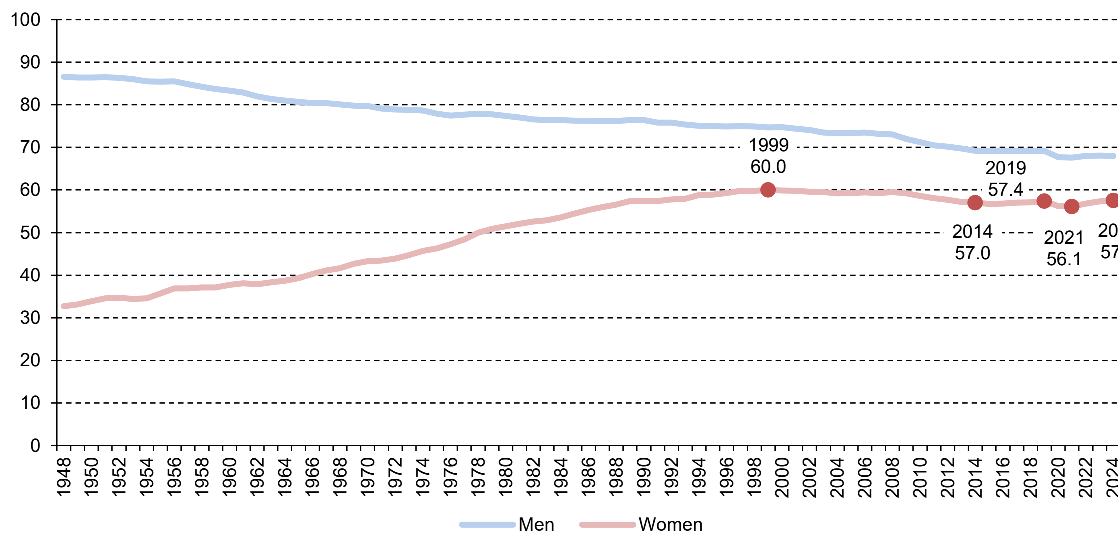
Source: United States Bureau of Labour Statistics, Current Population Survey, 2024. Series Id: LNU01000001 and LNU01000002.

A. Declining participation since 1999

In the United States, women's labour force participation was 34% in 1950 and peaked at 60% in 1999, at around the same time the baby boomers' overall participation peaked. It has been declining since then, however, and is no longer offsetting the decline in men's participation in the total labour force participation rate. The decline in female labour force participation accelerated in the wake of the

Great Recession (December 2007–June 2009) before levelling off in 2014 at 57.0%. Between 2004 and 2014, the women's participation rate dropped by an average of 2.2 percentage points per year. Participation rates for both women and men also declined considerably in 2020 and 2021, during the COVID-19 pandemic. The lowest point since 1987 was recorded in 2021, with a participation rate of 56.1% for women. Participation rates began to rebound from pandemic-era lows in 2022, with women's participation rate increasing 1.4 percentage points from 2021 to 57.5% in 2024, half a percentage point higher than the pre-COVID-19 pandemic rate (figure 5).

Figure 5
U.S. labour force participation by sex, 1948–2024
(Percentages)



Source: United States Bureau of Labour Statistics, Current Population Survey, 2024. Series Id: LNU01300001 and LNU01300002.

While the decline in the female workforce participation can be explained partially due to an aging population moving into low participation age groups (Karoly and Panis, 2004), the rate covering 25 to 54 years has shown the same pattern. In 1990, the United States had the sixth highest female workforce participation rate out of the 24 OECD economies. By 2014, it had dropped to 22nd. According to Blau and Kahn (2013), the lack of family-friendly policies, such as parental leave, accounted for approximately 28% of the relative decline. The authors estimate that women's labour force participation would have been around 7 percentage points higher in 2010, had those policies been in place. Other factors include the cost of childcare (Kimmel, 1998) and a motherhood wage penalty per child (Budig, Misra, and Boeckmann, 2012).

In 2004, the Centre for Work-Life Policy formed a private sector, multiyear task force entitled "The Hidden Brain Drain: Women and Minorities as Unrealized Assets" to address the basic facts of what was called as "the op-out revolution": highly qualified women dropping out of successful careers (Hewlett and Luce, 2005). In the summer of 2004, three member companies designed a specific survey to investigate the role of "off-ramps" and "on-ramps" in the lives of these women.[2] The nationally

[2] In the Labour market, "off-ramps" refer to when someone temporarily leaves the workforce, often for personal reasons like taking care of family, while "on-ramps" represent the process of re-entering the workforce after taking a career break; this term is commonly used to discuss situations where individuals, particularly women, might take time out of their careers due to family obligations and then later seek to return to work.

representative sample size consisted of 2,443 highly qualified women (graduate degree, a professional degree, or a high-honours undergraduate degree). The survey focused on two groups: "older women," aged 41 to 55, and "younger women", aged 28 to 40. A smaller group of highly qualified men was also surveyed so that comparisons could be made.

Results indicated that many women had taken an off-ramp at some point on their career highway. Nearly four in ten highly qualified women (37%) reported that they had left work voluntarily at some point in their careers. Among women with children, that statistic rose to 43%. Only 24% of men declared having taken time out at some point in their careers, with no difference between married and single men. According to the survey, the main reason given by women for taking an off-ramp was to attend responsibilities at home, while for men was to reposition themselves for a career change (figure 6).

Figure 6
Top reasons for leaving the workforce
(Percentages)

Source: Hewlett and Luce (2005).
Note: "Moved away" was the fourth most common reason for women leaving the workforce (17%), ahead of "Change careers" and not in the top five for men. For men, "Not interested in the field" was the fourth most common reason (18%), ahead of "Family time," and not in the top five for women.

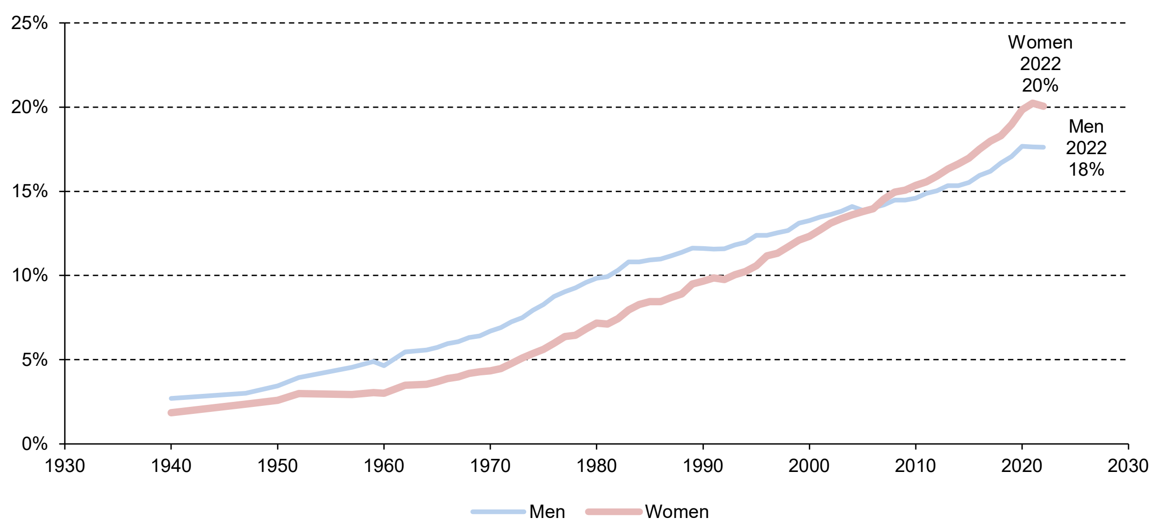
In the research, the authors found that most highly qualified women who took an off-ramp (93%) wanted to return to their careers. About half (46%) cited "having their own independent source of income" as an important propelling factor, indicating that financial resources play a role in the decision of wanting to get back to the labour market.

However, less than three out of four women (74%) who wanted to rejoin managed to do so, according to the survey. And among these, only 40% returned to full-time, professional jobs, 24% took part-time jobs and 9% became self-employed. The survey illustrated the implications of taking time out of the labour market for women; on-ramp opportunities are limited and extremely costly. Therefore, an important factor in determining the future of women's' participation in the labour force will be policies regarding maternity leave and flexible hours.

B. Economic impact

Women's labour force participation has been a key driver of economic growth in the United States. According to a 2011 Special Report produced exclusively for *The Wall Street Journal Executive Task Force for Women in the Economy* (McKinsey & Company, 2011), since the significant rise in women's participation in the workforce during the 1970s, women's productivity have been estimated to account for roughly a quarter of GDP. This would be equivalent to about US$ 2 trillion, as reported in the 2015 Economic Report of the President (Council of Economic Advisers, 2015). Today, women represent 47% of the U.S. workforce, and their increasing educational attainment (figure 7) has allowed them to enter a broader range of occupations.

Figure 7
U.S. women and men 25 years and over with a bachelor's degree or higher, 1940–2022
(Percentage of the civilian noninstitutionalized population)



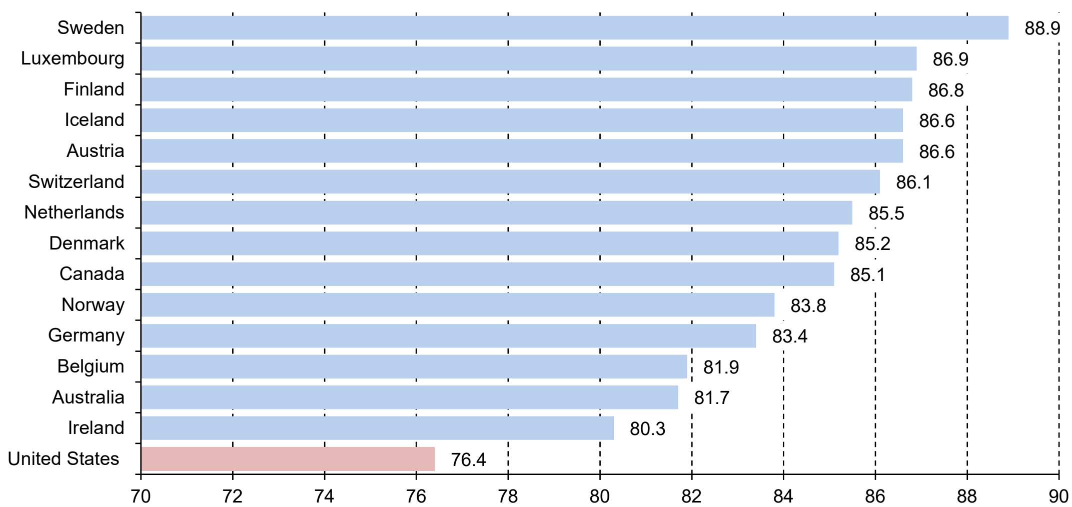
Source: U.S. Census Bureau, 1947, and 1952 to 2002; March Current Population Survey, 2003 to 2022 Annual Social and Economic Supplement to the Current Population Survey (noninstitutionalized population, excluding members of the Armed Forces living in barracks); 1960 Census of Population, 1950 Census of Population and 1940 Census of Population (resident population), [online] https://data.census.gov/table/ACSDT1Y2022.B14002?q=education%20attainment%20by%20sex.

The growth in women's labour force participation, coupled with their rising educational levels, have resulted in substantial income gains for U.S. families and benefitted the U.S. economy overall. From 1970 to 2013, the median family income rose by nearly US$ 11,000, largely due to women's increasing earnings. In contrast, wage growth for men during this period remained relatively flat. Without the rise in women's labour participation and hours worked since 1970, the median family income would have been approximately US$ 9,000 lower. More broadly, the U.S. economy was estimated to be US$ 2 trillion or 13.5% larger, as a direct result of increased women's participation in the labour market since 1970 (Council of Economic Advisers, 2015).

In addition, according to updated analysis based on the original report *The Cost of Doing Nothing* (United States Department of Labour, 2015a), if U.S. women between the ages of 25 and 54 participated in the labour force at the same rate as they did in Canada or Germany—two countries which have national paid leave and other family policies as well as higher rates of public spending on policies for families and children—there would have been more than five million more women in the labour force in the United States. This, in turn, would have translated into more than US$ 775 billion of additional economic activity per year (United States Department of Labour, 2023a, p.2).

This updated analysis indicates that the U.S. remains far behind peer countries when it comes to policies to support working families. While the U.S. has enacted some paid leave protections for federal workers and contractors, there are still no national policies guaranteeing access to paid sick leave or paid family and medical leave to the vast majority of workers, including private sector workers. Internationally, the U.S. has fallen from 25th to 26th out of 36 OECD countries when comparing early childhood education and care expenditures. While women's ability to participate in the labour force has rapidly rebounded after the upheavals of the pandemic, in 2022 the United States' global ranking remained unchanged at 31st out of 38 OECD countries. And when comparing women's labour force participation rates in the 15 countries with the largest GDP per capita, the U.S. came in last (figure 8).

Figure 8
Annual LFP rates in the 15 countries with the largest GDP per capita, women's ages 25–54, 2022
(Percentages)



Source: United States Department of Labour, 2023, p.2, based on OECD Data Explorer, Labour Force Status by sex and age, available at https://stats.oecd.org/index.aspx?datasetcode=lfs_d#". LFP=labour force participation.

Ultimately, the "cost of doing nothing" is more than a matter of economic harm; it also includes significant intangible costs. While the impact of lost work and wages can be quantified, the impact on health, stress and economic insecurity faced by families is profound, albeit harder to quantify. These consequences affect both women and men, often tied to emotional and familial factors.

Without paid leave or more flexible family policies, families are forced to choose between paying the mortgage and taking care of a sick parent or having to spend their savings to take a longer maternity or paternity leave, worsening working families' economic situation and leaving female talent on the sidelines while denying men a chance at participating actively in their children's life. That is why policies that reflect the realities of working families —such as paid sick leave, paid family and medical leave, and investments in childcare— benefit workers, employers, and the overall economy.

III. Family-friendly policies in the United States

Three of the most important policies to better balance work and family are paid leave, workplace flexibility and expanded access to childcare. Paid leave includes access to family leave, sick leave, and other types of leave that allow employees to take care of themselves, a family member or a newborn child. Workplace flexibility generally refers to arrangements that allow workers to shift the time or location of their work through flexible or alternative hours and locations. Workplaces in the U.S. have found it hard to adapt to new family dynamics, often failing to offer flexible working conditions and family-friendly policies. However, workplace flexibility, including flexible schedules and remote work, has become much more common in the United States since the COVID-19 pandemic, and even before it. Expanding access to diverse childcare options is also important to enable greater workforce participation, improve job productivity, and enhance families' financial security. This chapter analyses family-friendly policies in the United States from an economic and social perspective, drawing comparisons with other OECD countries and focusing on public and private sector policies, outlining strengths and weaknesses.

A. Parental leave in the United States and in OECD countries

In 2014, the International Labour Organization (ILO) said in a study on law and practices across the world with respect to maternity and paternity at work (International Labour Organization, 2014) that out of the 185 countries and territories with available data, all but two provided cash benefits to women during maternity leave. The exceptions were Papua New Guinea, and the United States, which provided some form of parental leave but had no overall law for cash benefits. The United States still does not offer federal paid leave, meaning that it is the only high-income nation in the world that does not guarantee paid parental leave.

The ILO report added that by 2013, the majority of the countries —53% of all countries and territories and 95% of developed countries— extended the duration of paid maternity leave for a period of at least 14 weeks. This is the minimum duration recommended by ILO's Maternity Protection

Convention (2014), to ensure mother and child health.[3] Moreover, 47% of all the countries and territories and 90% of developed countries also offered paid paternity leave. The duration of parental leave would vary from country to country, with paternity leave lasting for one day in Tunisia, for example, and 90 days in Iceland, Slovenia, and Finland.

The United States offers an unpaid short parental leave of only 12 weeks, which is available through the Family and Medical Leave Act (FMLA) enacted in 1993. Under this law, legal parents are protected for up to 12 weeks of unpaid leave (per year).[4] However, not every American employee is entitled to take parental leave, due to the exclusion of part-time workers, small and medium enterprises (SMEs)' employees (private employers with fewer than 50 employees are not covered by the FMLA), and those who have worked for less than a year (box 1). As a result, FMLA only covered 55.9% of all American workers in 2014, leaving behind 44.1% (Jorgensen and Appelbaum, 2014).

A United States Labour Department brief using data from the 2018 FMLA Employee Survey found that 56% of U.S. employees were eligible for FMLA overall, the same share as in 2014. Reasons for ineligibility varied (percentages are among all employees): 21% were ineligible due to having worked too few hours or for an insufficient period of time for their employer; 15 % of employees were ineligible due to their worksite being too small; and 7% percent were ineligible due to both tenure/hours' requirements and worksite size (Brown et al, 2020).

In addition, many workers are not able to take needed parental leave because it is unpaid. According to the United States Department of Labour's *Family and Medical Leave in 2012: Technical Report* (United States Department of Labour, 2014), 6.1% of all workers stated that they had an unmet need for leave in the previous 18 months, and among those, 36% were female. The top three reasons workers gave for not being able to take needed parental leave were: could not afford loss in income (46%), might lose job (17%), and employer denied request (6%) (figure 9).[5]

Experts have found overwhelming benefits to paid parental leave. In 2011, the Human Rights Watch report clearly indicated that workers face grave health, financial, and career repercussions as a result of unpaid leave. Additionally, U.S. employers miss out on productivity gains and turnover savings that paid leave policies generate in other countries.

As of January 2025, the United States remains the only OECD country without a statutory entitlement to paid maternity leave on a national level. In line with both the ILO convention and the current EU directive on maternity leave, almost all OECD countries provide mothers with at least 14 weeks of leave around childbirth according to data from 2023. Some countries, like Greece and the United Kingdom, offer paid maternity leave that exceeds 35 weeks, with Greece offering the highest at 56 weeks (figure 10).

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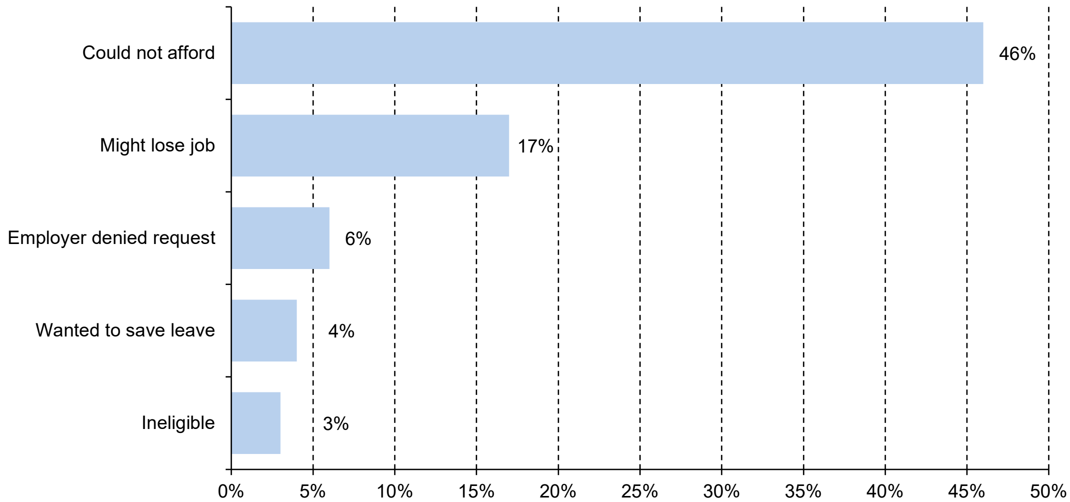
3 ILO Convention No. 183, formally known as the Maternity Protection Convention, 2000.

4 Parental leave is categorized by the Department of Labour as: for mothers (maternity leave) and fathers (paternity leave) for bonding with a new child because of birth, adoption, or foster placement. See United States Department of Labour, Wage and Hour Division, "Fact Sheet #28Q: Taking Leave from Work for Birth, Placement, and Bonding with a Child under the FMLA."

5 In the 2012 report (updated in April 2014 to reflect minor changes in content and language and correct minor errors), Abt Associates surveyed 1,812 worksites and 2,852 employees about experiences with family and medical leave for the U.S. Department of Labour. The worksite survey included both sites that were covered by the FMLA and those that were not. The employee survey included employees that took leave, those that had an unmet need for leave, those that met both conditions, and those that met neither. It also included employees who were eligible for the FMLA and those who were not. These surveys updated similar surveys conducted in 1995 and 2000.

Figure 9
Reasons for not taking needed leave, 2011
(Percentage of employees with unmet need for leave)



Source: United States Department of Labour, Family and Medical Leave in 2012: Technical Report, Revised on 18 April 2014 [online] https://www.dol.gov/sites/dolgov/files/OASP/legacy/files/FMLA-2012-Technical-Report.pdf.

Box 1
The United States Family and Medical Leave Act (FMLA)

According to the United States Department of Labour, the FMLA provides eligible employees of covered employers with job-protected leave for qualifying family and medical reasons and requires continuation of their group health benefits under the same conditions as if they had not taken leave. FMLA leave may be unpaid or used at the same time as employer-provided paid leave. Employees must be restored to the same or virtually identical position when they return to work after FMLA leave.

Eligible employees: employees are eligible if they work for a covered employer for at least 12 months, have at least 1,250 hours of service with the employer during the 12 months before their FMLA leave starts, and work at a location where the employer has at least 50 employees within 75 miles.

Covered employers under the FMLA include:

(i) Private-sector employers who employ 50 or more employees in 20 or more workweeks in either the current calendar year or previous calendar year.

(ii) Public agencies (including Federal, State, and local government employers), regardless of the number of employees.

(iii) Local educational agencies (including public school boards, public elementary and secondary schools, and private elementary and secondary schools, regardless of the number of employees).

The FMLA protects leave for:

(i) The birth of a child or placement of a child with the employee for adoption or foster care,

(ii) The care for a child, spouse, or parent who has a serious health condition,

(iii) A serious health condition that makes the employee unable to work, and

(iv) Reasons related to a family member's service in the military, including: a. Qualifying exigency leave – leave for certain reasons related to a family member's foreign deployment, and b. Military caregiver leave – leave when a family member is a current servicemember or recent veteran with a serious injury or illness.

There have been legislative amendments to the FMLA in recent years to expand its reach:

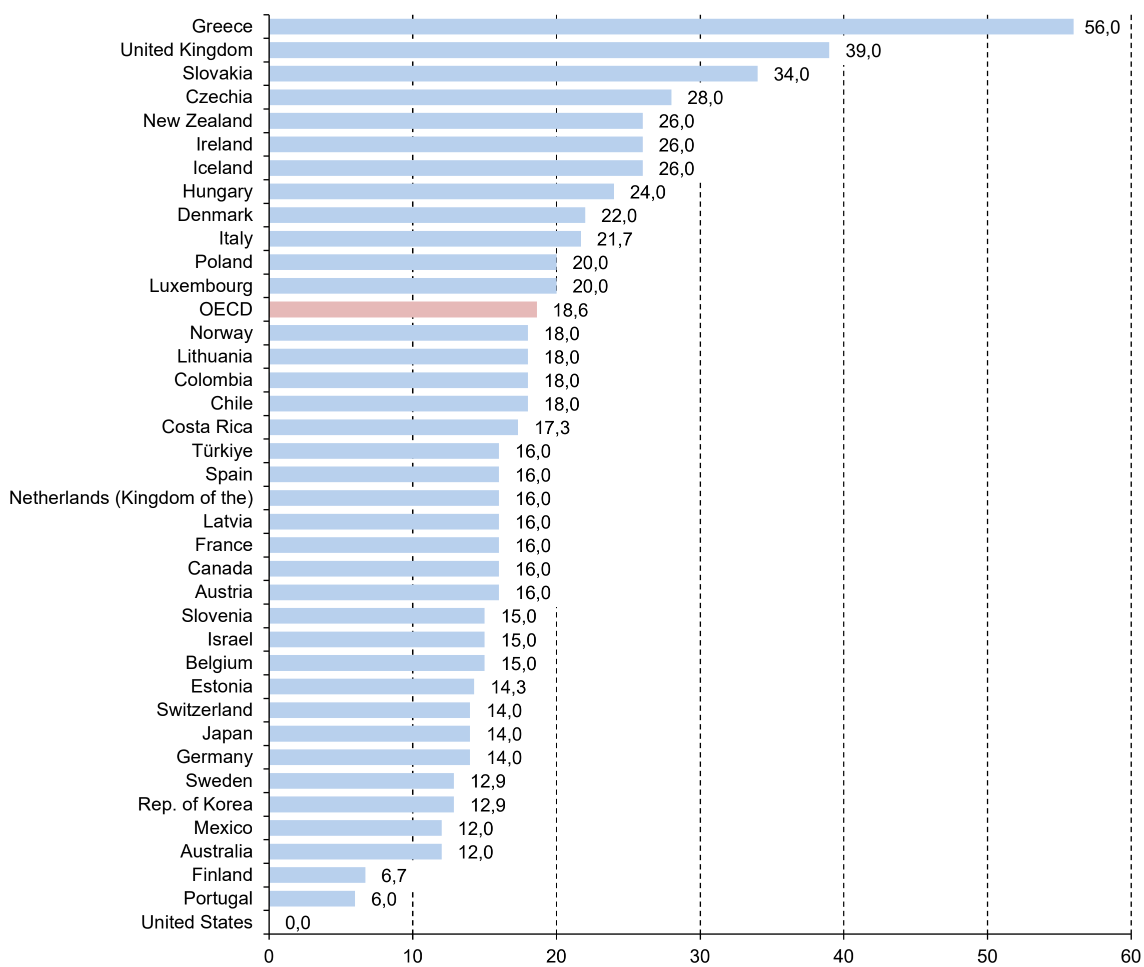
2010: the FMLA was amended by the National Defence Authorization Act for Fiscal Year 2010 (FY 2010 NDAA) to expand the FMLA's military family leave provisions, and by the Airline Flight Crew Technical Corrections Act (AFCTCA) to incorporate a special eligibility provision for airline flight crewmembers and flight attendants.

2015: in order to provide FMLA rights to all legally married same-sex couples consistent with the 2013 Supreme Court decision in *United States v. Windsor* and the United States President's directive, the Department of Labour subsequently issued a Final Rule on 25 February 2015 revising the regulatory definition of spouse under the FMLA, so that eligible employees in legal same-sex marriages would be able to take FMLA leave to care for their spouse or family member, regardless of where they live. The Final Rule became effective on 27 March 2015.

2019: on 20 December 2019, as part of the FY 2020 NDAA, the Federal Employee Paid Leave Act (FEPLA) was signed into law, amending the FMLA provision in Title 5 of the United States Code to provide up to 12 weeks of *paid* parental leave to covered Federal employees in connection with the birth or placement (for adoption or foster care) of a child occurring on or after October 1, 2020.

Sources: United States Department of Labour (2024a); United States Department of Labour (2023b). United States Congress (2009); United States Department of Labour (2015b); United States Department of Labour (2013); United States Department of Labour, Paid Parental Leave at https://www.dol.gov/general/jobs/benefits/paid-parental-leave.

Figure 10
Weeks of paid maternity leave in OECD countries, 2023
(Number of weeks)



Source: OECD Family Database, Indicator PF2.1, https://www.oecd.org/els/soc/PF2_1_Parental_leave_systems.pdf. The information refers to paid leave entitlements as of April 2023. Data reflect entitlements at the national or federal level only.

On average across OECD countries, mothers are entitled to just under 19 weeks of paid maternity leave around childbirth, with the majority of OECD countries providing payments that replace over 50% of previous earnings. Seventeen countries offer full compensation for mothers on average earnings throughout the entire leave period (OECD Family Database (2025), Indicator PF2.1).

Besides maternity leave (or pregnancy leave), the OECD identifies three other general types of parental leave: paternity leave, parental leave and home care leave (box 2). In addition to these common types, a couple of additional working definitions are used to allow for full and consistent cross-country comparison of leave entitlements, including parental and home care leave available to mothers, which covers all weeks of employment-protected parental and home care leave that can be used by the mother, and father-specific parental and home care leave, which covers any weeks of employment-protected parental or home care leave that can be used only by the father or 'other parent'.

Box 2
OECD Parental leave systems – definitions and methodology

Parental leave systems are diverse and individual systems do not always fit neatly into classifications suitable for international comparison. However, four general types of parental leave are identifiable:

- **Maternity leave (or pregnancy leave)**: employment-protected leave of absence for employed women directly around the time of childbirth (or, in some countries, adoption). The ILO convention on maternity leave stipulates the period of leave should be at least 14 weeks.
- **Paternity leave**: employment-protected leave of absence for employed fathers at or in the first few months after childbirth. Paternity leave is not stipulated by international convention. In general, periods of paternity leave are much shorter than periods of maternity leave. Because of their short length, workers on paternity leave often continue to receive full wage payments.
- **Parental leave**: employment-protected leave of absence for employed parents, which is often supplementary to specific maternity and paternity leave periods, and frequently, but not in all countries, follows the period of maternity leave. Entitlements to parental leave itself are often individual (i.e. each parent has their own entitlement), but entitlements to public income support during parental leave are frequently family-based, meaning that only one parent can claim income support at any one time (except for a short period after childbirth).
- **Home care leave (or childcare or child raising leave)**: employment-protected leaves of absence that sometimes follow parental leave and that typically allow at least one parent to remain at home to provide care until the child is two or three years of age. Home care leaves are less common than the other three types of leave and are offered only in a minority of OECD countries. They are also often unpaid.

Source: OECD Family Database Definitions, PF2.1 [online] https://www.oecd.org/en/data/datasets/oecd-family-database.html.

The OECD average for paid parental and home care leave available to mothers stands at just above 33 weeks, with most countries offering between 26 and 52 weeks. However, 11 OECD countries provide no entitlement to paid parental or home care leave, while at the other extreme three member countries offer over two-and-a-half years of paid parental and home care leave.

Blau and Kahn (2013) found that generous family-friendly policies, such as long maternity leaves in Europe made it possible for more women to work. At the same time, however, they were more likely to have dead-end jobs and less likely to reach top management roles, suggesting that paid leave policies should be balanced in terms of length to encourage both family and workplace benefits. Whereas short to moderate duration of parental leaves, particularly paid, can be beneficial for the economy, lengthy absences from jobs may be associated with less favourable market outcomes (Ruhm and Teague, 1995), thus possibly hurting women's professional prospects.

As of 2023, parental leave benefits typically replace somewhere between one-third and two-thirds of previous earnings, with Chile being one of three OECD countries offering full pay on average earnings for parental and home care leave available to mothers. In 2009, Chile approved a childcare law that was intended to help increase female labour force participation, which was below 50%, one of the lowest numbers in Latin America. Article 203 of the Chile's Labour Code mandates that all firms with 20 or more female workers regardless of their age, marital status, or type of contract should provide a place near but independent from the workplace where mothers can leave their children under two years old during the workday and feed them as necessary.[6] While it was said to help mothers' transition back to work and improve child's development, a study conducted about five years after the law's implementation showed it also led to a decline in women's starting salaries of approximately 9-20% (Prada, Rucci, and Urzúa, 2015).

Ten years earlier, in 1999, the Spanish government passed Law 39/1999, which allows parents with young children to request a reduction in their working hours, regardless of gender, to better balance work and family life; this law essentially gives parents the right to reduce their workweek to care for small children. As a consequence of this law, however, companies became 5% less likely to hire women compared with men, 37% less likely to promote them, and 45 % more likely to dismiss them, according to Fernández Kranz and Rodríguez-Planas (2013).

Chile's and Spain's legislative efforts highlight the difficulty to help mothers and promote better work-life balance without harming women's employment prospects. Although family-friendly policies are crucial for increasing women's participation in the workforce, length of leave, eligibility criteria, and funding mechanism can significantly affect the usage of paid leave programs and their impact on the economy.

B. Paid parental leave in the United States at the state level

Countries adopt various approaches to ensure paid parental leave, with many relying on social insurance or public funds to provide broader coverage and minimize gender-based discrimination, especially against women, which may occur when employers are fully responsible for financing maternity leave. The International Labour Organization (2014) recommends these collective financing methods to distribute the costs more evenly and prevent employers from bearing the entire burden of maternity leave. Since 1994, there has been a global shift from employer-funded systems to more collective approaches, reflecting a broader trend toward social insurance.

In the United States, some states have adopted Paid Family Leave (PFL) programs funded by state-level systems, often supported by employees' payroll taxes. Notably, California, New Jersey, and Rhode Island were among the early adopters of such programs. Over time, more states have followed suit, with the number of states with mandatory family leave policies having grown significantly in the last eight years. In 2016 only five states had mandatory family leave policies, but as of August 2024, thirteen states and the District of Columbia have enacted comprehensive, mandatory PFL systems. An additional nine states have voluntary systems that provide PFL through private insurance.[7] Each state administers its own maternity leave benefits, reflecting a diverse landscape of approaches across the country.

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[6] The first law regulating the provision of childcare to employees in Chile dates to 1917 (Law 3186). Since then, the law has been subject to several modifications (1993, 1995, 1998, 2002, 2007 and 2009), which are reflected in the current version of Article 203 (see Prada, Rucci, and Urzúa (2015), p.2, footnote 3).

[7] For example, New Hampshire has enacted a voluntary law that provides paid leave only to private sector employers or employees who opt in by purchasing coverage, with guaranteed coverage for state employees. Vermont's governor has taken a similar approach. Unlike the states listed above, New Hampshire and Vermont do not legally guarantee workers the right to paid leave; they only provide a voluntary opportunity to purchase insurance coverage (Centre for American Progress, 2025).

These states utilize a social insurance model funded by pooled payroll taxes on employees and/or employers. California, Connecticut, Massachusetts, New Jersey, Rhode Island, Washington, Colorado, Delaware, Maine, Maryland, Minnesota, and Oregon are among the states using this model, along with the District of Columbia. Conversely, New York employs a mandatory private insurance system, requiring employers to purchase paid family and medical leave plans from private insurers, with the state providing oversight and regulation of benefit levels and premium rates.

When workers need benefits, they make a claim and the insurance system pays them out of those funds, rather than the employer paying out of pocket. Benefits are usually set as a percentage of workers' own income, known as the wage replacement rate. There are two main ways to set the wage replacement rate: a flat rate, with all workers receiving the same percentage of their income, and a progressive rate, with lower-income workers receiving a higher percentage of their income, while higher-income workers receive a smaller percentage of their income, usually on a sliding scale (table 1).

California was the first state to enact a mandatory PFL program in 2002, which became effective in 2004. Other states, including New Jersey, Rhode Island, New York, and Washington, followed suit, with the most recent programs being enacted in Maryland, Delaware, Minnesota and Maine (figure 11). The majority of these state laws offer both parental and family caregiving leave, as well as temporary disability insurance for paid personal medical leave (Bipartisan Policy Centre, 2024).

As the longest standing PFL program in the United States, the California program provides a unique view into the impacts and effectiveness of PFL legislation. California's program provides up to eight weeks of paid benefits based on an individual's past earnings and their income level. Higher income earners get a slightly lower percentage of their past earnings than low-income earners, and the amount paid to claimants is calculated using their earnings reported in the base period (5 to 18 months prior to their period of leave). The quarter within the base period with the highest earnings is used to calculate the weekly benefit.

It has now been two decades since California passed the first PFL program in the United States. The program is financed through the State Disability Insurance Program. Unlike unemployment insurance, which is a federal-state partnership, financing for the California Disability Insurance Program does not involve the federal government. The Disability Insurance Program is funded by employee payroll deductions referred to as "State Disability Insurance contributions," which are made by all workers covered by the program. By implementing its PFL program through the existing disability insurance system, California was able to capitalize on their administrative and revenue collection institutions. As an alternative, businesses may opt to cover employees through a voluntary plan with similar or greater coverage and benefits than the state-mandated plan.

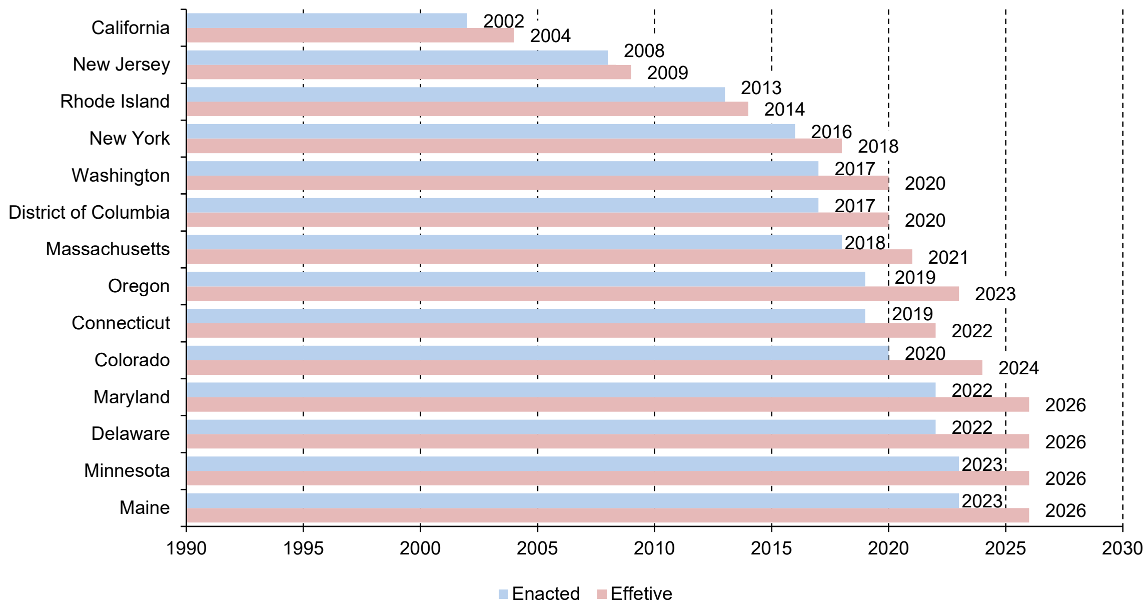
According to research by the Bay Area Council Economic Institute based on data from 2004 to 2018, as the largest economy in the United States and the fifth largest in the world, the California experience shows that a PFL program can be implemented without a negative effect on the economy. In fact, the research found take-up rates were growing, the program increased employment among new mothers, and the impact on businesses was positive. PFL participation in California grew on average 5% per year from 2005 to 2018, with the most significant growth among fathers taking bonding leave, which increased at a compound annual rate of 11.2% in the 14 years analysed, with the program supporting 2.7 million leave claims. In 2018, spending for the program totalled US$ 951 million, about 0.5% of the state's total budget (Bay Area Council Economic Institute, 2021).

Table 1
Features of U.S. state-mandated PFL programs

State	Timeline (EN=enacted; EF=effective)	Social or private insurance	Parental	Family Caregiving	Personal Medical	Total paid leave available in one year[a] *(Number of weeks)*	Wage replacement rate as of October 2024 for earning 100% of the federal poverty line)[b] *(Percentage of employee's average weekly wages (AWW))*
			(Number of weeks)				
California	EN 2002, EF 2004	Social	8	8	52	52	70% of AWW if earning 100% of poverty line 60% of AWW if earning above 100% of poverty line[c]
New Jersey	EN 2008, EF 2009	Social	12	12	26	38	85% of AWW if earning 100%–200% of poverty line 71% and 53% if earning 300% and 400% of poverty line, respectively
Rhode Island	EN 2013, EF2014	Social	6	6	30	30	60% of AWW if earning 100%–300% of poverty line 54% of AWW if earning 400% of poverty line
New York	EN 2016, EF 2018	Private	12	12	26	26	67% of AWW if earning 100%–300% of poverty line 58% of AWW if earning 400% of poverty line
District of Columbia	EN 2017, EF 2020	Social	12	12	12	12	90% of AWW if earning 100%–200% of poverty line 75% and 56% of AWW if earning 300% and 400% of poverty line
Washington	EN 2017, EF 2019/2020	Social	12	12	12	16-18	90% of AWW if earning 100% of federal poverty line 85%, 73% and 67% of AWW if earning 200%, 300% and 400%
Massachusetts	EN 2018, EF 2019/2021	Social	12	12	20	26	80% of AWW if earning 100% of federal poverty line 77%, 68% and 58% of AWW if earning 200%, 300% and 400%
Connecticut	EN 2019, EF 2021/2022	Social	12	12	12	12	95% of AWW if earning 100% of federal poverty line 82%, 63% and 47% of AWW if earning 200%, 300% and 400%, respectively
Oregon	EN 2019, EF 2023	Social	12	12	12	12	100% of AWW if earning 100% of federal poverty line 94%, 79% and 72% of AWW if earning 200%, 300% and 400%
Colorado	EN 2020, EF 2023/2024	Social	12	12	12	12	90% of AWW if earning 100% of federal poverty line 80%, 70% and 67% of AWW if earning 200%, 300% and 400%
Delaware	EN 2022, EF 2025/2026	Social	12	Up to 6 weeks in a 24-month period		12	80% of AWW if earning 100%–200% of poverty line 60% and 45% if earning 300% and 400% of poverty line
Maryland	EN 2022, EF 2024/2026	Social	12	12	12	24	90% of AWW if earning 100% of federal poverty line 88%, 67% and 50% of AWW if earning 200%, 300% and 400%
Maine	EN 2023, EF 2025/2026	Social	12	12	12	12	90% of AWW if earning 100% of federal poverty line 79%, 74% and 656% of AWW if earning 200%, 300% and 400%
Minnesota	EN 2023, EF 2026	Social	12	12	12	20	90% of AWW if earning 100% of federal poverty line 83%, 76% and 69% of AWW if earning 200%, 300% and 400%

Source: Bipartisan Policy Centre (2024).
[a] Includes all leaves: parental, family caregiving, personal medical, military care and safety leave (for needs arising from domestic violence, sexual abuse and assault, harassment and/or stalking).
[b] The column includes the minimum average percentage of the employee's weekly wage for individuals earning 100 %, 200%, 300% and 400% of the federal poverty level, which was at US$ 25,820.00/year (US$496.54/week) as of October 2024 (see Bipartisan Policy Centre, Comparing States' Paid Family Leave Benefits [online] https://bipartisanpolicy.org/explainer/comparing-states-paid-family-leave-benefits/.
[c] According to the State of California Employment Development Department (EDD), California has approved higher wage replacement rates for 2025 (90% for lower-income wages and 70% for higher-income).

Figure 11
U.S. States with mandatory PFL programs as of August 2024
(Years when enacted and effective)



Source: Bipartisan Policy Centre (2024).

The research also shows that there are important lessons to draw from California's experience with the longest-running PFL program in the United States. Among them, the data indicated that lower-wage-workers were not utilizing California's program at the same rate as higher-wage workers, despite directly contributing to the program. According to the authors of the study, ensuring wage replacement rates are adequate to support workers and encourage full program utilization, particularly among lower-wage workers, could provide them with the financial stability needed to take leave to care for a new child or an ill family member and realize the benefits offered by the program. Moving in the right direction, beginning on 1 January 2025, many new PFL and disability claims will be paid higher benefit amounts in California, including up to 90% (previously 70%) of wages for individuals making less than US$ 63,000 per year, and 70% (previously 60%) of wages for higher income workers (table 2).[8]

Table 2
California's PFL benefit payment amounts for new claims in 2025

Annual Income (12 months)	Highest 3-Month (Quarterly) Earnings	Weekly Benefit Amount (approximate)
Up to US$ 1,199.96	Less than US$ 300	Not eligible
US$ 1,200 to US$ 2,889.96	US$ 300 to US$ 722.49	US$ 50
US$ 2,890 to US$ 62,025.60	US$ 722.50 to US$ 15,506.40	90% of weekly wages
US$ 62,025.64 to US$ 79,747.20	US$ 15,506.41 to US$ 19,936.80	US$ 1,074
More than US$ 79,747.20	US$ 19,936.81 or more	70% of weekly wages up to a US$ 1,681 max.

Source: State of California Employment Development Department (EDD), information retrieved on 10 January 2025 [online] https://edd.ca.gov/en/disability/Calculating_PFL_Benefit_Payment_Amounts/.

8 The new law that increases these benefits, Senate Bill 951 (SB 951), went into effect 1 January 2025, and is not retroactive —meaning claims from 2024 continue payment at 2024 rates (which paid 60 to 70% of weekly wages).

A survey of California's PFL awareness found it to be particularly low among low-income workers (with less than US$ 30,000 per year in income), suggesting that it also plays a role in the disparities between high- and low-wage workers' participation in the program. California's PFL participation is also concentrated among large firms, just 7% of firms employing 25 or fewer workers ever had any worker use PFL, compared to 93% percent of firms employing 250 or more workers. Thus, besides boosting wage-replacement rates, it is imperative to provide resources for the implementation of outreach and education programs aimed at improving PFL awareness and participation among lower-wage workers and those employed at small businesses.

Designing job protection eligibility requirements that accommodate a wide range of employment situations is also important. California's eligibility requirements for PFL are generous but job protection is not universal for all workers who are eligible and paying into the program. With research beginning to better understand how critical the connections are between early-life interventions and overall health outcomes, access to paid leave must be a priority and available as widely as possible. Existing and potential programs should examine eligibility requirements for job protection and work to expand job-protection eligibility to all who are covered by the PFL program regardless of employer size or tenure at employer (Bay Area Council Economic Institute (2021), p.20).

Finally, insights gained from the examination of administrative data on California's PFL have been instrumental in understanding how the program is working, who is using it and where, and how changes might be better structured to achieve the desired outcomes. Modernizing employment and benefits tracking systems and the type of data used by government entities, would allow for further examination of these types of programs.

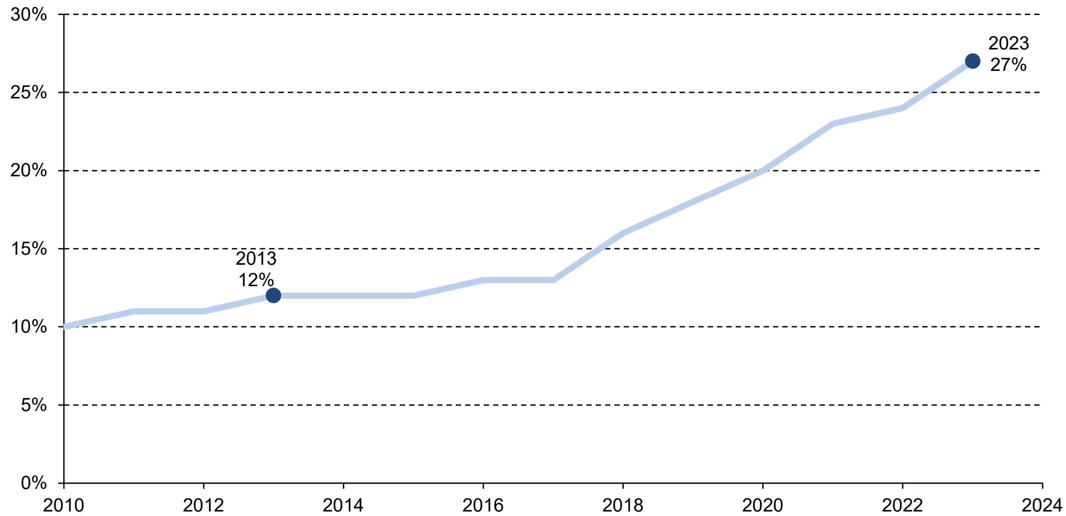
Twenty years ago, California's PFL Program was a singular achievement. Now, thirteen other states and the District of Columbia have active mandatory programs. As programs continue to be implemented across the United States, there is much to learn from them, some of which now offer more generous benefits in certain areas than California's program (see annex A1, U.S. state-mandated PFL programs).

Importantly, businesses of all sizes value paid family leave. According to Shabo (2024), "small businesses in states with long-established paid leave programs like California, New Jersey, Rhode Island, and New York overwhelmingly report positive or neutral effects on productivity, worker engagement, and leave management. Impressions became even more favourable during the COVID-19 pandemic. Larger small businesses in all 10 states with operational paid leave programs view them positively for morale, retention, and cost savings. Additionally, larger companies with voluntary paid leave see benefits in increased revenue, profit, and return on human capital investments."

C. Paid parental leave in the U.S. private sector

Data from the United States Bureau of Labour Statistics show that only about 1 in 4 employees (27%) in the private sector workforce have access to paid family leave (figure 12), thus nearly 3 in 4 (73%) private sector employees do not have access (United States Bureau of Labour Statistics, 2023a). Moreover, access to PFL is not evenly distributed. Among the lowest 10% of earners, only about 1 in 20 (5%) have access. Just 14% of part-time workers have paid family leave, compared with a still low 31% of full-time workers. Many industries also have PFL coverage rates that are notably lower than that of the private sector workforce as a whole, including construction (16%), leisure and hospitality (8%), accommodation and food service (7%), and transportation and warehouse work (9%) (Centre for American Progress, 2025a). This data translates into a startling finding that 106 million workers in the country —and more than 92 million private-sector workers— do not have employer-provided paid family leave at their jobs (Shabo, 2023).

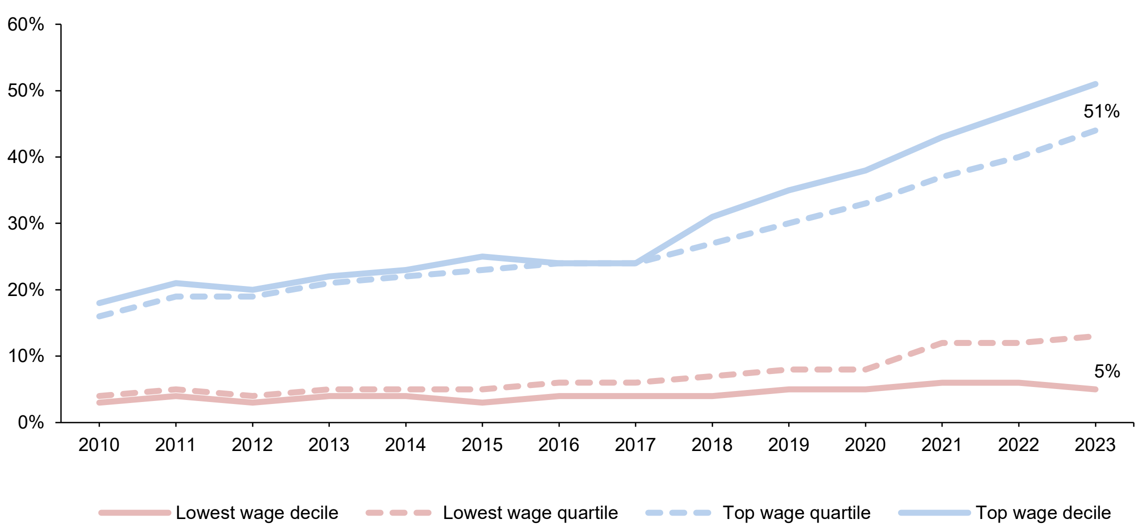
Figure 12
Share of U.S. private sector workers with PFL through their jobs, as of 2023
(Percentages)



Source: U.S. Bureau of Labour Statistics, National Compensation Survey, Employee Benefits Survey, March 2023; Shabo (2023).

Access to paid family leave in the United States increased substantially over the 10 years between 2013 and 2023, from 12% of private sector workers in 2013 to 27% in 2023, but progress has been uneven. In 2023, workers in the top-decile of wage earners were 10 times more likely to have paid family leave at work than the lowest wage workers (figure 13).

Figure 13
Share of U.S. private sector workers with PFL through their jobs, wage distribution, as of 2023
(Percentages)



Source: U.S. Bureau of Labour Statistics, National Compensation Survey, Employee Benefits Survey, March 2023; Shabo (2023).

This data underscores the need for new public policy interventions guaranteeing workers' access to income replacement when they need to take time away from their jobs, be it to welcome a new child, address a serious health issue of their own, or care for an ill, injured or disabled family member. Workers' access to paid leave has failed to change appreciably, despite a tight labour market and employment levels that have rebounded from the COVID-19 pandemic, as well as the availability of federal tax credits for businesses targeted to the provision of paid leave for middle- and lower-wage workers, which have been available since 2018 (Shabo, 2023).[9]

In its 2023 survey, JUST Capital, a platform for measuring and improving corporate performance in the stakeholder economy,[10] found that 64% of Americans believe that to promote gender equity in the workplace, it is necessary for companies to provide at least 12 weeks of paid parental leave to all workers (JUST Capital, 2023). Despite strong support from the public, there is no guaranteed paid leave for the American workforce, as seen in previous sections. The U.S. Family and Medical Leave Act (FMLA) provides eligible employees up to 12 weeks of unpaid leave per year, compared to an average of just shy of 19 weeks of paid maternity leave among OECD countries with mandated parental leave. Furthermore, just 56% of U.S. workers have been found to be eligible for FMLA leave, with numbers even lower for minorities and low-wage earners. Moreover, although nine states and Washington D.C. currently offer paid parental leave, and other four states have enacted paid leave policies that are not yet in effect, not all offer the 12 weeks Americans agree are necessary.

Without a federal mandate or policy, workers of all types rely on the private sector to ensure that they have access to adequate paid parental leave, a key benefit for companies to improve retention, attract talent, and strengthen employee health and wellness as well as engagement. To better understand how corporate America is currently delivering on this issue, JUST Capital analysed whether the United States' largest companies —the Russell 1000— disclosed PFL policies, and if so, what that disclosure looked like. It found that 60%, or 568 companies, disclosed a PFL policy as of September 2022 —a 13-percentage point increase over the year prior when 47%, or 444 companies, disclosed. However, only around two fifths of companies disclose the specific number of weeks of paid parental leave.

While disclosure itself is key to understanding the current landscape of paid parental leave, it is increasingly considered corporate best practice to offer parity in paid leave for both primary and secondary caregivers. Leading to better outcomes for workers and their families, parity in paid leave is a more inclusive practice, acknowledging all family types and the roles that parents play in childcare, regardless of their gender identity, relationship status, or sexual orientation. As of September 2022, 9%, or 87 companies, provided equal weeks of paid leave to primary and secondary caregivers, compared to 6%, or 59 companies, a year earlier —an increase of 3 percentage points and 25 companies (figure 14).

In looking at the policies of companies that disclose the number of weeks of paid leave, the survey found that primary caregivers receive between one and 26 weeks, with a mean of 10.5 weeks, and a median of 10 weeks. Secondary caregivers also receive a range of one to 26 weeks, but the mean and median are 7.6 weeks and six weeks, respectively. To further assess performance, the average number of weeks of paid parental leave for both primary and secondary caregivers by industry was quantified. Internet was the highest performing industry, offering 18 weeks on average for primary caregivers and 17 on average for secondary caregivers. Software also led by offering an average of 16 and 12 weeks to primary and secondary caregivers, respectively (figure 15). The survey shows that ten industries out of a total of 36 offer an average of 12 or more weeks of paid parental leave for primary caregivers, while only two offer the same for secondary caregivers. For primary caregivers, 15 industries offer between 10 and 12 weeks on average, and for secondary caregivers, 17 industries offer between 4 and 6 weeks.

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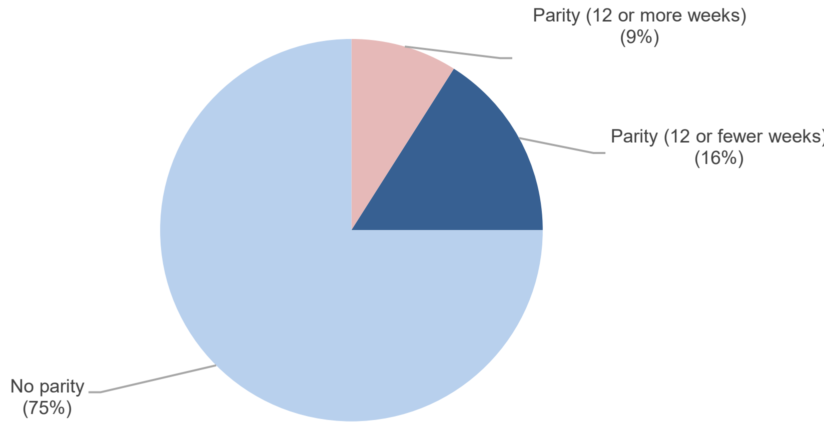
9 See U.S. Internal Revenue Service (IRS), Section 45S Employer Credit for Paid Family and Medical Leave [online] https://www.irs.gov/newsroom/section-45s-employer-credit-for-paid-family-and-medical-leave-faqs.

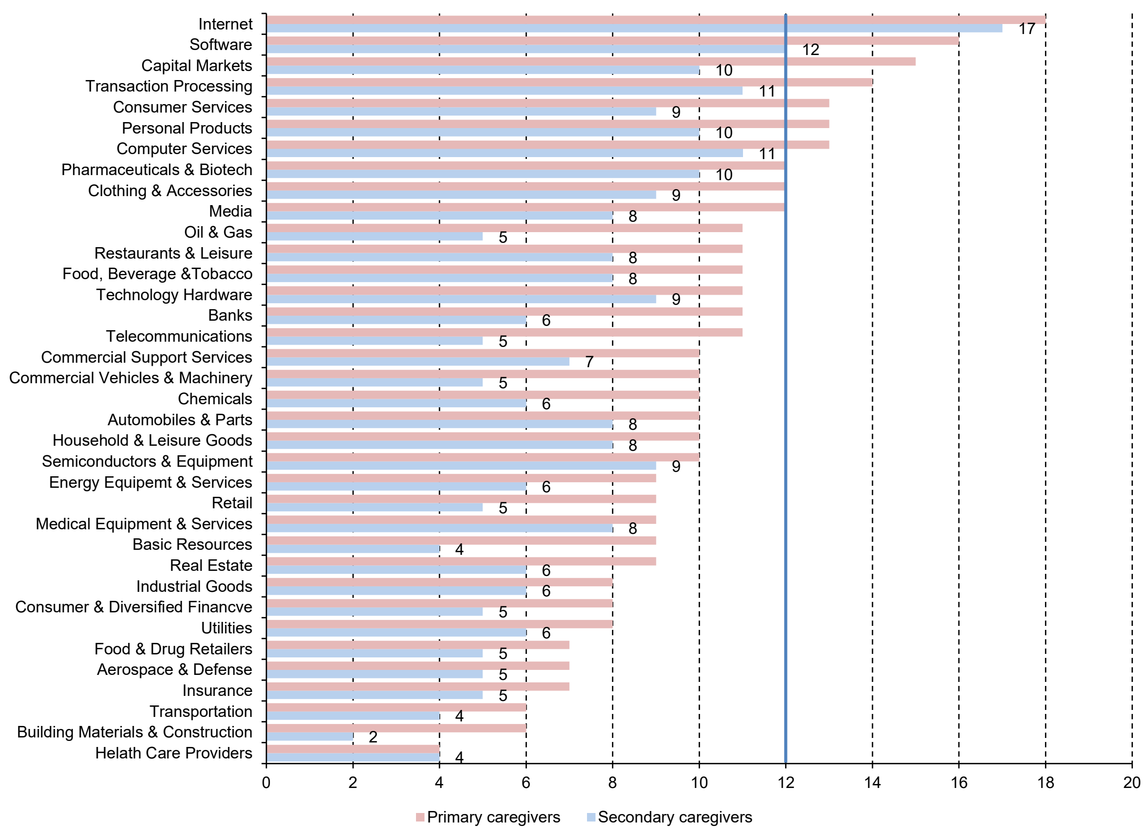
10 A stakeholder economy is an economic system where businesses create value for all stakeholders, including customers, employees, communities, and the environment. Since 2015, JUST Capital has surveyed over 160,000 Americans —representative of the U.S. adult population— on what they believe U.S. companies should prioritize when it comes to just business behaviour.

Figure 14
Share of U.S. private companies offering parity in PFL, as of September 2022
(Percentages)



Source: JUST Capital (2023). JUST Capital's 2023 Rankings, with data as of September 2022.
Note: This chart is based on JUST Capital's evaluation of 951 companies from the Russell 1000 Index featured in its 2023 Rankings.

Figure 15
Weeks of paid parental leave by industry in the U.S., as of September 2022
(Average number of weeks)



Source: Source: JUST Capital (2023). JUST Capital's 2023 Rankings, with data as of September 2022.
Note: This chart is based on JUST Capital's evaluation of 951 companies from the Russell 1000 Index featured in its 2023 Rankings.

A report from the Society for Human Resource Management (SHRM) and Oxford Economics in 2020 —surveying over 1,000 human resource (HR) managers within SHRM's membership across the United States and more than 500 senior executives in the U.S. drawn from outside SHRM's membership— showed that over half of employers (55%) now offer paid maternity leave, 45% offer paid paternity leave, and 35% provide paid extended family care leave (table 3). According to the survey responses, offering paid leave tends to have strategic benefits, including their ability to attract talent (58%), retention (55%), employee health and wellness (61%), and employee engagement (60%). Employers' most cited reason for not offering paid leave programs was cost. The cost of a comprehensive national paid leave program could range between US$ 21.5 billion and US$ 43.0 billion annually, depending on policy (SHRM and Oxford Economics (2020), p.12 and p.19).

Table 3
Percentage of U.S. employers offering paid leave — and why it is offered
(Percentages)

	New child (women)	New child (men)	Personal extended medical	Extended family care
Percentage offering voluntarily	39	31	28	16
Percentage offering because they operate in a mandate state	16	14	15	19
Percentage not offering	45	55	57	65
Total	100	100	100	100

Source: SHRM and Oxford Economics, 2020. Oxford Economics analysis of SHRM survey.

In addition, the report suggests that state programs and company policies might be easier to implement if there were greater standardization in the definition of key terms used in paid leave programs. This could ease administrative complexity, encourage flexibility in the workplace, and accelerate further policy innovation. For example, some of the survey respondents indicated that with more states mandating paid leave, there is an increasing amount of complexity or variation in terms such as "eligible event" or "family member." National guidelines, rather than local, would help in this regard (SHRM and Oxford Economics (2020), p.21).

D. Childcare access in the United States

Childcare helps working parents balance work and family responsibilities, allowing them to maintain employment while providing care for their children. Affordable childcare can lead to better work-life balance, improved child development, and potentially a more stable and financially secure family. Addressing childcare affordability, therefore, is another important family-friendly policy goal.

The United States Department of Health and Human Services recommends that families spend no more than 7% of their income on childcare (Administration for Children and Families, 2024). Yet, according to findings from the U.S. Department of Labour's National Database of Childcare Prices (NDCP) released in November 2024 (U.S. Department of Labour, 2024b), U.S. families spent between 8.9% and 16% of their median income on full-time care for one child in 2022 (the most recent year for which data is available), with annual costs ranging from US$ 5,943 to US$ 15,600. Even part-time care consumed an average of 9.4% of median income, equivalent to US$ 9,211 annually. Prices vary by age, location, and type of care, with part time home-based care for younger children in less densely populated areas generally being more affordable (Poyatzis & Livingstone, 2024).

According to Child Care Aware, the average annual cost per child in 2023 was US$ 11,582, representing 10% of income for a typical married couple and 32% for single parents (Child Care Aware, 2025). These numbers underscore the importance of reducing childcare costs to enhance families' financial security, achieve greater workforce participation and improved job productivity, all of which are critical to achieving work-life balance.

Childcare policy in the United States is shaped by a layered system of federal and state programs that collectively aim to support working families and promote early childhood development. Despite its essential role in enabling labour force participation and supporting children's well-being, the system is fragmented and underfunded, characterized by limited coverage, high costs, and persistent inequities (box 3). Public investment in early care and education in the United States remains low by international standards, still under 0.3% of GDP and below the 0.7% OECD average (Centre for American Progress, 2025).

Box 3
The United States childcare policy landscape – governance structure, funding mechanisms, and structural disparities

The primary federal childcare funding mechanism is the Child Care and Development Fund (CCDF), which combines discretionary funding through the Child Care and Development Block Grant (CCDBG) and mandatory funding under Section 418 of the Social Security Act. CCDF funds are administered by states, which retain broad discretion over eligibility thresholds, co-payment rates, and provider reimbursement policies (Katz, 2024).[a]

States may supplement these federal resources with general revenues or by transferring up to 30% of Temporary Assistance for Needy Families (TANF) funds to CCDF. In 2024, approximately 29% of TANF funds were allocated toward childcare programs, although levels of investment vary widely across states (Guarino, 2025).

CCDF eligibility requirements include children under age 13; at least one working parent or one participating in education/training; family income below 85% of the state median income (SMI); and total family assets under US$ 1 million. However, states are not obligated to serve all eligible families. States also set their own health and safety standards, co-payment schedules, and provider reimbursement rates (Katz, 2024).

In parallel, Head Start and Early Head Start programs, funded at US$ 12.3 billion in 2024, serve children from families living below the federal poverty line or experiencing homelessness, foster care placement, or public assistance. These programs operate through federal-to-local grants with minimal state intervention, coordinated by Head Start State Collaboration Offices and State Advisory Councils (Katz, 2024).

States also set reimbursement ceilings for childcare providers serving families with subsidies. These rates influence provider participation and the quality of care available. In 2019, only four states met or exceeded the federally recommended benchmark of the 75th percentile of market rates according to Katz (2019). While many states use reimbursement systems to incentivize higher-quality care, these incentives are thus often inadequate. In over two-thirds of states with these systems, the highest available reimbursement still fell below the 75th percentile, reducing the effectiveness of quality-linked funding mechanisms (Adams et al, 2022). This shortfall discourages providers from serving subsidized families and restricts parental choice.

Families receiving subsidies are generally required to contribute through income-based copayments, which remain burdensome. In 2019, 26 states required families earning 150% of the federal poverty level to contribute more than 7.2% of their income, and 10 states exceeded the 10% threshold, placing additional strain on low-income families (Katz, 2024; Guarino, 2025).

The fragmented and underfunded nature of U.S. childcare assistance deepens structural inequalities. Families of colour, rural households, and low-income communities face compounded barriers: restrictive eligibility criteria, disproportionately high co-payments, and limited access to quality providers (Child Care Aware of America, 2025; Centre for American Progress, 2024). These disparities not only hinder parental employment, particularly among mothers, but also exacerbate early developmental gaps in children (Adams et al, 2022).

Sources: Katz (2019 and 2024), Guarino (2025), Centre for American Progress (2025b), Adams et al (2022).
[a] For more detailed information see annex A2: U.S. federal funding for early childhood education and care.

In response to the childcare cost and access crisis, policymakers at both state and federal levels have pursued reforms. In 2021, the Biden administration released the Build Back Better Plan (BBB), a proposal to address many of its priority issues, including childcare and early childhood education. The childcare and preschool proposals in the plan ultimately did not become law (Katz, 2024).

While it was not able to move its childcare agenda through Congress, the Biden administration used rulemaking to make some of the changes that were initially proposed in BBB. In February 2024, the Department of Health and Human Services released a new final rule related to the Child Care and Development Fund (CCDF), requiring states to cap co-pays at 7% of income and to pay providers based on enrolment rather than attendance. Because the rule did not come with additional federal funding, it would be up to states to incur any associated costs. The rule went into effect on 30 April 2024, but states may request waivers of up to two years for certain required provisions (Katz, 2024).

At the state level, legislative momentum has grown. As of July 2024, twenty-seven states had introduced and eight had enacted childcare focused legislation (Rafa, 2024). Trends include widening subsidy eligibility (including more middle-income families or making childcare teachers' own children eligible for subsidized care, for example), creating dedicated state funding streams or trust funds for childcare, and launching cost-sharing partnerships (such as programs that encourage employers to contribute to employees' childcare costs) (Brickley, 2024). Some states increased reimbursement rates or workforce compensation using surplus funds. Despite these efforts, no comprehensive national childcare program has been established. Policymakers broadly agree on the importance of early care for children's development and parents' workforce participation, and there are pockets of bipartisan support (e.g. for improving childcare supply or streamlining regulations) (Katz, 2024).

IV. Conclusion

Since 1970, there has been a significant increase in the number, participation rate and education level of female workers in the United States labour force. However, gains in the participation rate reached a peak in 1999 and have been declining since then. This trend is partly explained by the cycle of women moving into older ages with lower involvement in the workforce, but also by the lack of friendly family policies. Without these policies, parents, but especially women —since they account for a higher share of household duties— struggle when faced with the decision of taking time off work to care for a newborn, a sick family member or themselves when needed. This is a particularly hard reality for low-wage and less-educated workers.

When women temporarily leave the workforce and fail to rejoin and to get back on track with their professional career, the economy loses overall. Two figures stand out: due to the increase in the female labour force since the 1970s, the United States economy as of March 2023 was US$ 2.0 trillion or 13.5% larger, and if women between the ages of 25 and 54 participated in the labour force at the same rate as they do in Canada or Germany, there would have been over five million more women in the U.S. workforce, which would have translated into more than US$ 775 billion of additional economic activity per year. Competitiveness is lost because of the lack of family friendly policies that support women's labour force participation.

The United States is the only OECD country that does not provide statutory entitlement to paid leave on a national level. State-level policymakers have been innovators, however. There are now nine states (California, Colorado, Connecticut, Massachusetts, New Jersey, New York, Oregon, Rhode Island and Washington) plus the District of Columbia where paid family and medical leave programs are in place, with newer programs and improvements on older programs growing more reflective of the wage replacement rates and benefit levels, family care coverage, and job protections that workers need in order to use the leave that is available to them. Many U.S. companies have also been giving similar benefits. Research has shown not only gains on the employees' side, but also for the employers, who can see workers returning to their positions, a decrease in turnover and a rise in productivity.

Still, each state administers its own paid family leave benefits, reflecting a diverse landscape of approaches across the country. A 2020 survey of HR managers in the U.S. indicates that state programs and company policies would be easier to implement if there were greater standardization in the definition of key terms used in paid leave programs, which could ease administrative complexity, encourage flexibility in the workplace, and accelerate further policy innovation. Moreover, data from the United States Bureau of Labour Statistics' National Compensation Survey, which provides information on employee benefits, suggest that federal policy intervention that complements state public policies and private sector practice could be critical for ensuring workers' access to paid family and medical leave (Shabo, 2023), which would not only benefit workers, but also employers and the overall economy.

There are important factors to consider regarding paid family and medical leave schemes, however. The structure of a paid family leave policy, including the length of leave, eligibility criteria, and funding mechanism, can significantly affect their impact on the economy. Also, paid family leave can play a key role in promoting gender equality by allowing both parents to actively participate in childcare without having to sacrifice career advancement. Federal policy regarding paid family and medical leave is important not only to address the pressing needs of workers but also as a key step towards recognizing the importance of the care infrastructure to the United States economy.

The same is true for childcare access in the United States. The U.S. childcare system in 2025 remains a patchwork of programs and policies, facing the fundamental challenges of securing sustainable funding, expanding access to all eligible families, making care affordable, and improving quality to support children, families, and the economy. Each of these policy areas (funding, access, affordability, and quality) is interrelated, and recent developments reflect ongoing efforts to piece together a better childcare system from the federal level down to local communities.

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Annexes

Annex A1
U.S. state-mandated PFL programs

This annex includes a summary of state-mandated PFL programs in the United States based on information retrieved in January 2025. State voluntary PFL programs are not included. The main highlights of these plans include:

- Thirteen states and the District of Columbia have enacted mandatory PFL programs as of January 2025, with programs in nine states —California, New jersey, Rhode Island, New York, Washington, Massachusetts, Connecticut, Oregon and Colorado— and the District of Columbia already in place. Programs in Delaware, Maryland, Maine and Minnesota will be fully implemented by 2026.

- All states rely on social insurance or public funds for funding their PFL programs. The earlier adopters of PFL programs —California, New Jersey, Rhode Island, and New York— plus Connecticut are funded by employee contributions. Eight states —Washington, Massachusetts, Oregon, Colorado, Delaware, Maryland, Maine and Minnesota— rely on a mix of employee and employer contributions. The District of Columbia's PFL, on the other hand, is funded solely by employer contributions.

- All apply a progressive wage replacement rate, with lower-income workers receiving a higher percentage of their income, while higher-income workers receive a smaller percentage of their income, usually on a sliding scale.

- Oregon stands out as the only state offering up to 100% wage replacement for low-income workers, capped at 1.2 times the statewide average weekly wage (SAWW). It is followed by Connecticut, which offers 95%. Other six states —California, Washington, Colorado, Maryland, Maine and Minnesota— and the District of Columbia provide a 90% replacement rate for lower-income earners.

- Nearly two-thirds of the U.S. states with mandated paid family leave offer job protection that goes beyond what is offered by the Family and Medical Leave Act (FMLA) at the federal level, with Massachusetts, New York, Rhode Island, and Maryland providing universal protection for eligible workers.

- Overall, using the federal FMLA does not reduce the paid leave benefits allowed by the states, so an employee can use both types of leave. States' paid leave programs and FMLA can run concurrently since many of the events listed as qualified reasons for paid leave by the states also qualify for FMLA. This allows employees to maintain income while on job-protected leave.

- While leave lengths are typically capped at 12 weeks with an additional 2 weeks if a medical condition arises during pregnancy or birth, states such as Maryland and Minnesota allow for up to 24 and 20 of continuous weeks of paid leave under certain conditions, while in two states —California and Rhode Island— leave length is below 12 weeks.

Table A1.1
California

Enacted	2002
Effective	2004
Reason for leave	- Bonding with a new child (birth, adoption, or foster care). - Caring for a seriously ill family member. - Military exigency due to a family member's deployment overseas.
Family member definition	Child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or registered domestic partner.
Eligibility	Private sector employees are covered, self-employed individuals can opt in, must be attached to the Labour market (employed, looking for work, or have active unemployment claim within 90 days of last day of work), and have earned at least $300 from which State Disability Insurance deductions were withheld in the 12-month base period.
Maximum length	Up to eight weeks that can be used consecutively or split over twelve months. Can be extended to up to twenty-two weeks in a year if combined with other paid leaves through the state disability insurance.
Funding mechanism	Funded by employee contributions. The contribution rate is 1.2% on all taxable wages up to US$ 176,100 (the 2025 Social Security cap, meaning the maximum amount of earnings subject to Social Security taxes).
Benefits	The quarter within the base period (5 to 18 months prior to their period of leave) with the highest earnings is used to calculate the benefits. US$ 300-US$ 722.49 in highest earning quarter: Fixed benefit of US$ 50. US$ 722.50 to US$ 15,506.40: 90% of AWW. US$ 15,506.41 to US$ 19,936.80: Fixed benefit of US$ 1,074. US$19,936.81 or more: 70% of AWW, capped at US$ 1,681.
Type of employer covered	All private sector, self-employed individuals.
Job protection	Yes. Employee must have worked for employer for at least one year and be employed at an employer with five or more employees.

Source: California employment development department: https://edd.ca.gov/en/disability/paid-family-leave/.
Note: AWW=Average Weekly Wage.

Table A1.2
New Jersey

Enacted	2008
Effective	2009
Reason for leave	- Bonding with a new child. - Care for family with a serious health condition. - Need arising from family member being the victim of domestic or sexual violence.
Family member definition	Child, parent, parent-in-law, spouse, domestic partner, civil union partner, sibling, grandparent, grandchild, any person related by blood, or any person with whom employee has close association that is equivalent of a family relationship.
Eligibility	Employee must have worked 20 weeks earning $303 or more each week over the past four quarters or have been paid at least $15,200 in employment during the same four quarter base period.
Maximum length	12 weeks that can be taken continuously or non-continuously. Can be combined for up to 26 weeks a year.
Funding mechanism	Funded by employee contributions. Contribution rate: 0.33% on first US$ 165,400 in taxable wages up to an annual maximum of US$ 545.82.
Benefits	Claimants are paid 85% of their AWW during the base period, with a maximum weekly benefit of US$ 1,081.
Type of employer covered	All private sector employees (excluding contractors). All public sector employers (excluding federal government employees).
Job protection	Yes, additionally to the FMLA, under the New Jersey Family Leave Act if you work for an employer with more than 30 employees and you have been employed at the company for at least one year (working at least 1,000 hours in the past 12 months) you are eligible for job protected leave.

Source: New Jersey Department of Labour and Workforce Development Division of Temporary Disability and Family Leave Insurance: https://www.nj.gov/Labour/myleavebenefits/worker/fli/. Note: AWW=Average Weekly Wage.

Table A1.3
Rhode Island

Enacted	2013
Effective	2014
Reason for leave	- Bonding with a new child. - Care for family with a serious health condition. - Need arising from family member being the victim of domestic or sexual violence.
Family member definition	Child, parent, spouse, domestic partner, or grandparent.
Eligibility	Employee must have been paid at least US$ 18,000 during the first four of the last five quarters. Workers who have earned at least US$ 3,000 in one of the base period quarters. Employees who have earned a total of at least 150% of their highest quarter's earnings during the base period and have earned at least US$ 6,000 in total during the base period are also eligible.
Maximum length	7 weeks that must be taken consecutively.
Funding mechanism	Funded by employee contributions. Contribution rate: 1.3% on first US$ 87,000 in taxable wages.
Benefits	Weekly benefits are 4.62% of wages paid in the highest quarter of base period. US$ 1,070 is the maximum, US$ 139 is the minimum.
Type of employer covered	All private sector employers, some municipal employers (federal and state employers are exempt), non-incorporated self-employed workers are exempt.
Job protection	Yes. Job protection to all eligible workers regardless of size or tenure at employer.

Source: Rhode Island Department of Labour and Training https://dlt.ri.gov/individuals/temporary-disability-caregiver-insurance.

Table A1.4
New York

Enacted	2013
Effective	2014
Reason for leave	- Bonding with a new child. - Care for family with a serious health condition. - Need arising from family member being the victim of domestic or sexual violence. - Military exigency due to a family member's deployment overseas.
Family member definition	Child, parent, spouse, domestic partner, grandparent, or sibling.
Eligibility	Full-time employees must be employed by a covered employer at least 20 hours a week for 26 or more consecutive weeks. Part-time employees working less than 20 hours a week are eligible after working 175 days, which do not need to be consecutive. Eligibility does not transfer when entering new employment.
Maximum length	Up to 12 weeks leave can be taken continuously or non-continuously. Must be taken in full day increments.
Funding mechanism	Funded by employee contributions. 0.388% on first US$ 72,569 in taxable Wages, up to a cap of US$ 354.53.
Benefits	67% of AWW up to 67% of SAWW.
Type of employer covered	Most private sector employers, self-employed individuals can opt in, certain public employers, the state government, and public employees represented by an employee organization can opt in.
Job protection	Yes. Job protection to all eligible workers regardless of size or tenure at employer.

Source: New York State Paid Family: https://paidfamilyleave.ny.gov/.
Note: AWW=Average Weekly Wage; SAWW=Statewide Average Weekly Wage.

Table A1.5
District of Columbia

Enacted	2017
Effective	2020
Reason for leave	- Bonding with a new child. - Care for family with a serious health condition. - Need arising from family member being the victim of domestic or sexual violence.
Family member definition	Child, parent, spouse, domestic partner, grandparent, sibling.
Eligibility	Individuals who have spent 50% of work time in DC working for a covered employer for some or all the 52-week period prior to their covered event.
Maximum length	12 weeks taken continuously or non-continuously.
Funding mechanism	Funded by employer contributions at a rate of 0.75% of an employee's wages.
Benefits	AWW is built excluding the quarter with the lowest earnings. Benefit=0.9 if AWW equals or is less than US$ 1,050. If AWW>US$ 1,050 benefit=(AWW-US$ 1,050)/2+US$ 945 up to a weekly benefit of US$ 1,153.
Type of employer covered	All private sector employers; self-employed can opt-in; city employees of Washington, DC and the federal government are not covered.
Job protection	Yes. The District of Columbia Family and Medical Leave Act (DCFMLA) requires employers with 20 or more employees to provide eligible employees with 16 weeks of unpaid family leave if they have worked at least 1,000 hours in the last 12 months.

Source: DC Department of Employment Services: https://does.pflbas.dc.gov/vosnet/default.aspx.
Note: AWW=Average Weekly Wage.

Table A1.6
Washington

Enacted	2017
Effective	2019/2020
Reason for leave	- Bonding with a new child. - Care for family with a serious health condition. - Need arising from family member being the victim of domestic or sexual violence. - Need arising from a family member being on active military duty.
Family member definition	Child, parent, spouse, domestic partner, grandchild, grandparent, or sibling.
Eligibility	Individuals who have worked a minimum of 820 hours during the previous year.
Maximum length	Up to 12 weeks of paid family leave a year. Can be combined with other qualifying events for a maximum of 16 weeks. Leave can be taken continuously or non-continuously within one year. Must be taken in full day increments.
Funding mechanism	Funded by employee and employer contributions. Employees pay 71.52% and employer pay 28.48% of contribution. Contribution rate: 0.92% of the first US$ 176,100 in taxable wages. Businesses with fewer than 50 employees are not required to pay the employer portion, but they must collect employee premiums.
Benefits	Those making under 50% of the SAWW receive 90% of their AWW. Those making over the 50%of the SAWW receive 90% of their average weekly wages up to 50% of the SAWW plus half of their average wages that are more than 50% of the statewide average. The maximum weekly benefit is US$ 1,542 and will be adjusted annually to equal 90% of the SAWW.
Type of employer covered	All employers are covered, self-employed individuals and independent contractors can opt in.
Job protection	Yes. No additional protection to the FMLA.

Source: Washington Paid Family & Medical Leave: https://paidleave.wa.gov/.
Note: AWW=Average Weekly Wage; SAWW=Statewide Average Weekly Wage.

Table A1.7
Massachusetts

Enacted	2018
Effective	2021
Reason for leave	- Bond with a child during the first 12 months after the child's birth, adoption, or foster care placement. - Care for a family member with a serious health condition. - Need arising from a family member being on active military duty.
Family member definition	Spouse or domestic partner, child (biological, adopted, foster, through legal guardianship or in loco parentis, and/or stepchildren), spouse or domestic partner's parents, grandchildren, grandparents, siblings (biological or adopted).
Eligibility	All employees. Self-employed individuals can opt-in.
Maximum length	A total of no more than 12 weeks taken continuously or non-continuously.
Funding mechanism	Both employee and employer contributions. If employers have fewer than 25 covered workers in the state, they are exempt from the employer contribution. Employees' contribution shall not exceed 0.46% of eligible wages up to up to the 2025 Social Security cap of US$ 176,100.
Benefits	80% of an employee's AWW that is less than or equal to 50% of SAWW + 50% of the employee's AWW that is greater than 50% of the SAWW, up to the maximum weekly benefit. Effective 1 January 2025, the maximum weekly benefit is US$ 1,170.64.
Type of employer covered	All private sector employers, some self-employed workers are automatically covered, and some can opt-in, some public sector employees are automatically covered, and municipalities can vote to opt-in.
Job protection	Yes. Job protection to all eligible workers regardless of size or tenure at employer.

Source: Massachusetts Department of Family and Medical Leave: https://www.mass.gov/orgs/department-of-family-and-medical-leave.
Note: AWW=Average Weekly Wage; SAWW=Statewide Average Weekly Wage.

Table A1.8
Connecticut

Enacted	Enacted 2019
Effective	Effective 2021/2022
Reason for leave	- Bonding with a new child (birth, adoption, or foster care). - Caring for a seriously ill family member. - Address certain issues arising from family violence and/or sexual assault. - Need arising from a family member being on active military duty.
Family member definition	Child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or individual related by blood or affinity.
Eligibility	Minimum of US$ 2,325 in wages in at least one of the first four of the five most recently completed quarters (wages may be combined from more than one covered employer); and either be currently employed and working in CT, or currently unemployed but had been employed and working in CT in the 12 weeks immediately preceding the leave.
Maximum length	Twelve weeks that can be used consecutively or split within twelve months.
Funding mechanism	Employee contributions. 2025 contribution rate: 0.50% for employees' wages on first US$ 176,100 (the 2025 Social Security cap) in taxable wages.
Benefits	95% AWW if earnings=100% of Federal Minimum Wage (FMW). 82% of AWW if earnings=200% of FMW. 63% of AWW if earnings=300% of FMW. 47% of aww if earnings > 400% of FMW. Up to 60x CT minimum wage.
Type of employer covered	All private sector and self-employed individuals.
Job protection	No. CT Paid Leave is a law that provides covered workers with income replacement benefits when they are out of work for certain qualifying family or health reasons, provided they meet specific eligibility requirements. CT Paid Leave does not provide job protected leave, which is the right to return to your same job, or an equivalent one, when your leave ends. There is a federal FMLA and Connecticut FMLA. A worker must apply directly to their employer for job protected leave under one or both laws.

Source: Connecticut paid family leave.org: https://www.ctpaidleave.org/?language=en_US.
Note: AWW=Average Weekly Wage; FMW=Federal Minimum Wage.

Table A1.9
Oregon

Enacted Effective	Enacted 2019 Effective 2023
Reason for leave	- Bonding with a new child (birth, adoption, or foster care). - Caring for a seriously ill family member (child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or individual related by blood or affinity). - Address certain issues arising from family violence and/or sexual assault.
Family member definition	Child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or individual related by blood or affinity.
Eligibility	Minimum of US$ 1,000 in wages in at least one of the first four of the five most recently completed quarters and you work for an employer in Oregon.
Maximum length	Twelve weeks that can be used consecutively or split within twelve months.
Funding mechanism	Funding by employee and employer contributions. Total payroll deduction is 1% of employee´s wage on first US$ 176,100 (the 2025 Social Security cap) in taxable wages. If employer has more than 25 employees, the employer pays for 40% and the employee bears the remaining 60% of the total payroll deduction. Smaller employers are exempt from their contribution.
Benefits	100% of AWW up to 0.65x of SAWW +50% of AWW if >0.65x of SAWW up to 1.2x SAWW.
Type of employer covered	All private sector: self-employed individuals not automatically included.
Job protection	Yes, if employed by current employer for 90 or more days.

Source: Oregon paid leave. org: https://paidleave.oregon.gov/.
Note: AWW=Average Weekly Wage; SAWW=Statewide Average Weekly Wage.

Table A1.10
Colorado

Enacted Effective	Enacted 2020 Effective 2023/2024
Reason for leave	- Bonding with a new child (birth, adoption, or foster care). - Caring for a seriously ill family member (child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or individual related by blood or affinity). - Address certain issues arising from family violence and/or sexual assault. - Need arising from a family member being on active military duty.
Family member definition	Child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or individual related by blood or affinity.
Eligibility	Employee must make US$ 2,500 in wages subject to premium in at least one of the first 4 quarters.
Maximum length	Twelve weeks that can be used consecutively or split within twelve months.
Funding mechanism	Funded by employees and employers. 0.9% of employee's wage up to US$176,100 (the 2025 Social Security cap), of which at least 50% is taken care of by employer and no more than 50% by employee.
Benefits	90% of AWW for <SAWW + 50% of AWW for >SAWW up to a total of 90% of SAWW.
Type of employer covered	All private sectors. Self-employed and local governments can choose to opt in. Employers with nine or less employees are not required to pay employees portion of the premium.
Job protection	Yes, if employed by current employer for 180 or more days.

Source: Colorado family and medical leave insurance: https://famli.colorado.gov/.
Note: AWW=Average Weekly Wage; SAWW=Statewide Average Weekly Wage.

Table A1.11
Delaware

Enacted	2022
Effective	2025/2026
Reason for leave	- Bonding with a new child (birth, adoption, or foster care). - Caring for a seriously ill family member. - Need arising from a family member being on active military duty.
Family member definition	Child, parent, spouse.
Eligibility	Employees that have been employed for at least one year and at least 1,250 hours with a single employer primarily in Delaware.
Maximum length	Twelve weeks/year for bonding a new child. Six weeks/two years for family care or serious personal health condition.
Funding mechanism	Funded by employees and employers. Employers must cover at least 50% of the 0.8% premium on employees' wage (0.32% for parental leave, 0.4% for medical leave, and 0.08% for family caregiving, adding to a total o.8% premium for all benefits) on first US$ 176,100 in taxable wages.
Benefits	80% AWW up to US$ 900/week, indexed to inflation from 2026 onwards.
Type of employer covered	Private sector employers with more than 25 workers. Private employers with between 10 and 24 workers are required to cover parental leave only.
Job protection	Yes. FMLA is mandatory for employers with 50 or more employees, whereas Delaware Paid Leave is mandatory for employers with 10 or more employees.

Source: Delaware Department of Labour: https://Labour.delaware.gov/delaware-paid-leave-is-coming/.
Note: AWW=Average Weekly Wage.

Table A1.12
Maryland

Enacted	2022
Effective	2025/2026
Reason for leave	- Bond with a new child (birth, adoption, or foster care). - Care for a family member with a serious health condition. - Medical leave for an employee's own serious health condition. - Address certain issues arising from family violence and/or sexual assault. - Need arising from a family member being on active military duty.
Family member definition	Child, stepchild, child of whom the employee has legal or physical custody or guardianship, in loco parent, parents, employee´s spouse´s parent, grand parent, sibling, spouse and domestic partner.
Eligibility	Must have worked a minimum of 680 hours in Maryland during the past year (all types of employees are considered).
Maximum length	Up to twelve weeks per year. Can be combined for up to twenty-four weeks per year under certain circumstances.
Funding mechanism	Premium of 0.9% of employee's AWW. Premium yearly adjusted up to a cap of 1.2%. Funded by employers and employees. If employer has 15 workers of more, it is responsible for at least 50% of the premium.
Benefits	90% of AWW under 65% of SAWW. 50% of AWW above 65% of SAWW up to US$ 1,000/week subject to change annually.
Type of employer covered	All private and public sector employers and self-employed.
Job protection	Yes, for all eligible workers.

Source: Maryland Department of Labour: https://paidleave.maryland.gov/employers/Pages/home.aspx.
Note: AWW=Average Weekly Wage; SAWW=Statewide Average Weekly Wage.

Table A1.13
Maine

Enacted Effective	2023 2025/2026
Reason for leave	- Bond with a new child (birth, adoption, or foster care). - Care for a family member with a serious health condition. - Medical leave for an employee's own serious health condition.
Family member definition	Child: Biological, adopted, foster, stepchildren, those under legal guardianship, or individuals to whom the covered individual stands in loco parentis. Parents: Biological, adoptive, foster, stepparents, legal guardians, or individuals who stood in loco parentis to the covered individual. Grandparents and Grandchildren: Including biological, adoptive, foster, and step relations. Siblings: Biological, adopted, foster, and stepsiblings. Spouse or Domestic Partner: as recognized under Maine law. Significant Personal Bonds: Individuals designated by the covered person with whom they have a significant personal bond that is like a family relationship, regardless of biological or legal relationship.
Eligibility	Have worked for at least 180 consecutive days in Maine + employee must have earned 6xSAWW in the past year.
Maximum length	Up to twelve weeks continuous or split.
Funding mechanism	Funded between employer and employee. Premium= 1% of employee´s AWW. Firms with more than 15 employees must contribute at least 50% of the premium. Firms with less than 15 employees will be exempt from their contribution but will still have to withhold employee´s 50%.
Benefits	90% of AWW under or equal 50% of SAWW + 66% of AWW above 50% of SAWW. Capped at 100% of SAWW.
Type of employer covered	All private and public employers, self-employed can opt-in.
Job protection	Yes, if employee has worked for the same employer for more than 120h.

Source: Maine Department of Labour: https://www.maine.gov/paidleave/.
Note: AWW=Average Weekly Wage; SAWW=Statewide Average Weekly Wage.

Table A1.14
Minnesota

Enacted Effective	2023 2026
Reason for leave	- Bond with a new child (birth, adoption, or foster care). - Care for a family member with a serious health condition. - Medical leave for an employee's own serious health condition. - Address certain issues arising from family violence and/or sexual assault. - Need arising from a family member being on active military duty.
Family member definition	A spouse or domestic partner; a child, including a biological, adopted, or foster child; a stepchild, or a child to whom the applicant stands in loco parentis, is a legal guardian, or is a de facto parent; a parent or legal guardian of the applicant; a sibling; a grandchild (a child of the applicant's child); a grandparent or spouse's grandparent (a parent of the applicant's parent); a son-in-law or daughter-in-law; an individual who has a relationship with the applicant that creates an expectation and reliance that the applicant cares for the individual, whether or not the applicant and the individual reside together.
Eligibility	All employees (except seasonal) making at least 5.3% SAAW in the past four quarters.
Maximum length	Up to twelve weeks for family or medical leave. If combined employees can take up to 20 weeks.
Funding mechanism	Funded by employers and employees. Employees will contribute no more than 50%. The premium rate has not been set yet on first US$176,100 in taxable wages.
Benefits	90% of AWW under or equal to 50 % SAWW. 66% of AWW above 50% of SAWW. 55% of AWW above 100% of SAWW. Benefits cannot exceed 100% SAWW.
Type of employer covered	All employers with one or more employees. Self-employed can opt-in.
Job protection	Yes, if the employed for by current employer for at least 90 days.

Source: Minnesota Department of Employment and Economic Development: https://mn.gov/deed/paidleave/employers/faq/.
Note: AWW=Average Weekly Wage; SAWW=Statewide Average Weekly Wage.

Annex A2
U.S. federal funding for early childhood education and care

This annex includes a summary of the United States main childcare funding mechanisms at the federal level based on information retrieved in April 2025. Temporary Assistance for Needy Families (TANF) funding to childcare for state specific programs are not included.

Table A2.1
United States main main childcare funding mechanisms at the federal level

Child Care & Development Fund (CCDF)[a]	
Federal Funding (FY24)	US$ 8.7 billion discretionary (CCDBG) + US$ 3.5 billion mandatory (CCES).
Type of Grant	Formula.
Federal Eligibility Requirements	Eligible children must be under age 13, have a parent who is working or in job training, have a family income at or below 85% of state median income (SMI), and have family assets that total no more than US$ 1 million.
State Role	States are not required to serve all eligible children. States must meet matching and maintenance of effort requirements.
Federal Agency	HHS, Administration for Children and Families.
Head Start & Early Head	
Federal Funding (FY24)	US$ 12.3 billion.
Type of Grant	Formula.
Federal Eligibility Requirements	Eligible children and pregnant women must have a household income at or below federal poverty level. Children and pregnant women who are receiving public assistance, experiencing homelessness, or in foster care are eligible.
State Role	Head Start is a federal-to- local program, with a minimal state role.
Federal Agency	HHS, Administration for Children and Families.
Individuals with Disabilities Education Act (IDEA) Part B, Section 619	
Federal Funding (FY24)	US$ 420 million.
Type of Grant	Formula.
Federal Eligibility Requirements	Children ages 3 through 5 with disabilities.
State Role	Set Child Find policies and procedures to identify, locate and evaluate children with disabilities. Eligible children and pregnant women must have a household income at or below federal poverty level. Children and pregnant women who are receiving public assistance, experiencing homelessness, or in foster care are eligible.
Federal Agency	ED, Office of Special Education and Rehabilitative Services.

Source: National conference of state legislatures: https://www.ncsl.org/state-federal/federal-funding-streams-for-child-care-and-early-childhood-education.
Note: HHS stands for the United States Department of Health and Human Services.
[a] Including: Child Care Entitlement to States (CCES) and Child Care and Development Block Grant (CCDBG).

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