

Paid Leave for New Parents

A national paid leave program aimed exclusively at new parents would put the U.S. **on par with** the rest of the developed world, provide significant economic, social, and health benefits, establish a high-quality program within budgetary realities, and garner greater long-term bipartisan support.

- Currently, only [23% of private sector workers in the U.S.](#) have access to paid parental leave, but a robust body of evidence tells us that **paid parental leave**—time to bond with a newborn, newly adopted, or newly fostered child—**helps workers stay in their jobs**. It also **provides significant benefits** for [infant](#) and [childhood](#) health and a [wide variety](#) of other economic and social indicators for families.
- Republican and Democratic Presidents have supported creating a national paid parental leave program, and the policy enjoys **overwhelming support among the public**.
- Launching a national, high-quality parental leave program would be [substantially easier](#) than setting up comprehensive PFML, in part due to the federal government’s experience in providing paid parental leave to federal employees under FEPLA.
- Given current budgetary considerations, a program that provides only paid parental leave would allow lawmakers to implement a benefit structure that is more generous and longer-lasting than the 2- or 4-week program currently under consideration.

Estimated One-Year Cost of Paid Parental Leave¹		
<i>70% Wage Replacement</i>		
Maximum Leave Duration	Max Weekly Benefit of \$800	Eligibility Cap of \$78,000 Personal Annual Earnings
6 weeks	\$8.5B-10.8B	\$5.5B-7.0B
8 weeks	\$10.5B-13.3B	\$6.8B-8.6B
12 weeks	\$12.8B-16.9B	\$8.3B-10.9B

- Another option is to [base eligibility on the federal poverty level](#) (FPL). A 12-week parental leave benefit that is limited to households earning under 325% of the FPL (\$76,700 in *household* income² for a family of three) would cost an estimated \$4.3B per year. Setting the cap at 450% of the FPL (\$98,600 for a family of three) for a 12-week parental leave benefit would cost an estimated \$5.8B per year.³

¹ Calculated using AEI’s [Paid Family and Medical Leave Cost Model](#) assuming the inclusion of a one-week waiting period for benefits to begin after a claim. **Initial administrative start-up costs not included.**

² Note that FPL is based on household income, which differs from personal earnings. Household income measures the total earnings of everyone in a household. Personal earnings measures the wage earnings of an individual worker.

³ Cost estimates based on a phase-in/phase-out proposal modeled on the EITC.