



Paid Leave the Hoosier Way

FINDING SOLUTIONS FOR WORKERS
AND CAREGIVERS IN INDIANA

PROJECT SUMMARY REPORT

FEBRUARY 2018

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BACKGROUND

The Indiana Commission on Women (ICW) is an independent bipartisan state commission dedicated to understanding the needs of Indiana women and their families, and working strategically both within government and in communities to help bring about positive solutions. ICW serves as an educational resource for policymakers, public interest groups, media, community organizations, and members of the general public by conducting research on issues affecting and of interest to women, producing publications, and coordinating outreach programs that bring together diverse groups to consider those issues of interest to women and possible solutions and/or action to improve women's full participation in all aspects of society.

In 2011-2012, the Indiana Commission for Women (ICW) conducted *Hoosier Women Speak*, an initiative to identify key issues facing women and to determine critical needs they thought were important. There were seventeen listening sessions in ten communities across the state and accompanying survey responses from eighty of the ninety-two counties in Indiana. Participation included over 1100 participants and respondents. Among the areas of concern, women believed that health-related issues, work-based issues, and care giving were the top three priority areas. Participants noted a general lack of support for caregiver roles, including adequate paid maternity and paternity leave. As one participant commented, women are expected to "work like a man but be home like a mother." Another respondent stated that communities have to stop looking at [caregiving] "as a woman's issue. It is a family issue. It is an economic issue. It is a community issue." During the *Hoosier Women Speak* project, care giving issues were equally important to both listening session participants and survey respondents. Comments tended to center on this issue as a fundamental concern because if individuals cannot provide quality care, they cannot do anything else such as find a good paying job, receive education or training to help them advance in their careers, or maintain their households.

In applying for the 2016 Paid Family Leave Grant offered by the U.S. Department of Labor, ICW did not have specific expectations as to the study's results, except to continue to look at issues around care giving and how they intersect with health-related issues and work-based issues. In addition, the purpose of the research is to understand the needs of women and their families in Indiana and to determine potential solutions and avenues for success. From *Hoosier Women Speak*, participants recognized that not all solutions come from a top-down mandate; some solutions are based in understanding and building awareness around best-practices and operate best when all involved stakeholders collaborate on finding solutions.

PROJECT RESEARCH

In August 2016, ICW received a year-long research grant to conduct a study on the public's receptiveness to paid family leave. In designing the research, ICW sought vendors to assist in engaging in cost-benefit and benefit modeling analysis; feasibility analysis; education, outreach and marketing analysis; and public engagement analysis to explore the feasibility of a paid and medical leave for the state of Indiana. In order to validate the integrity of the research, it was ICW's intention to conduct the study with three separate researchers.

The research consisted of three components: 1) **cost-benefit modeling** of the locally-developed proposals conducted by the Institute for Women's Policy Research; 2) **polling research** conducted by Lake Research Partners, on public interest in elements of proposed plans; and 3) **ethnographic¹ interview research and talkback testing** conducted by Topos Partnership. In addition, ICW convened an advisory panel of state experts and advocates to set local goals for a paid leave program, develop the proposed cost-benefit models proposed plans for analysis, determine potential stakeholders for interviews, and provide feedback throughout the process.

This document contains a brief summary of the research findings.

COST-BENEFIT MODELING

The cost-benefit analysis estimated the current coverage, use, and cost of family and medical leave in Indiana as well as the expected coverage, use, and cost, including administrative costs under possible paid family and medical leave models. Developed with input from an independent Advisory Panel, the proposed models should research a variety of possible structures that promote equal leave-taking between men and women and support workers who need to take time out of the workforce to care for aging loved ones, and target low-income families who are likely to experience barriers to online survey participation are represented.

This research component was conducted by the Institute for Women's Policy Research. The Institute for Women's Policy Research conducts and communicates research on critical issues that women of diverse backgrounds, circumstances, and experiences face. They are the leading think tank in the United States applying quantitative and qualitative analysis of public policy through a gendered lens. With input from the Advisory Panel, a range of four possible policy scenarios were designed. The four alternative paid-leave scenarios² were:

¹ Ethnographic interviewing is a type of qualitative research that combines immersive observation and directed one-on-one interviews.

² Hayes, Jeffrey, PhD (2017), "Usage and Cost of Paid Family and Medical Leave Insurance in Indiana," Institute for Women's Policy Research.

	6 Weeks for Parental and Family Leave	12 Weeks for Parental and Family Leave	6 Weeks for Family and Medical Leave	12 Weeks for Family and Medical Leave
Model abbreviation	PFL-6	PFL-12	FML-6	FML-12
Eligibility	The employee must have worked at least 680 hours in the past 12 months. (Employment is not required to be with the same employer.)			
Workers covered	Workers for private employers, state government, and local governments are included. Self-employed individuals are not included in cost model estimates.			
Waiting period	There is no waiting period.			
Benefit calculation	Benefits are 100 percent of usual weekly wages up to a maximum set at Indiana’s average weekly wage (\$861 in 2016 based on QCEW for private sector workers)			
Qualified reasons for taking leave	<ul style="list-style-type: none"> ▪ Childbirth and Bonding with new child (birth or adoption) ▪ Family caregiving 		<ul style="list-style-type: none"> ▪ Own serious health condition ▪ Childbirth and Bonding with new child (birth or adoption) ▪ Family caregiving 	
Maximum annual weeks benefits may be received	6 weeks	12 weeks	6 weeks	12 weeks

Based on the research conducted by the Institute for Women’s Policy Research, the results of the cost modeling show that many workers take leaves each year under current policies and employers are already deal with interruptions in work due to employees taking time off.³ Therefore, “paying them does not greatly increase the number of leaves taken annually.”⁴

Based on the research,

...the cost as a share of total wages paid in Indiana ranged from 0.17 percent to 0.71 percent across the four scenarios modeled. If all these costs were borne by workers, the weekly cost to an Indiana worker with average earnings would range from \$1.49 to \$6.01 when all workers are included⁵.

Translated into the concept of a universal program, the cost can ranged from \$221 million to \$895 million including benefits and expenses for administering the program⁶. However, allowing workers to participate voluntarily “would reduce the costs in absolute dollars paid as benefits, but raise the cost per worker substantially”⁷ Dr. Hayes (2017) further states that “if policymakers were to pursue such a policy in Indiana, additional research on how Indiana workers might behave would be suggested.”

³ Hayes, 2017

⁴ Hayes, 2017

⁵ Hayes, 2017

⁶ Hayes, 2017

⁷ Hayes, 2017

POLLING

As the analysis of the cost models was being completed, a second research team developed, tested, distributed, and analyzed a polling survey to Indiana residents to inform economic policy considerations regarding paid family and medical leave models(s). Ensuring that specific demographics was reached, polling focused on equal leave-taking between men and women, workers who need to take time out of the workforce to care for aging loved ones, and low-income families who are likely to experience barriers to online survey participation are represented.

To conduct the polling component of the research, the Indiana Commission for Women partnered with Lake Research Partners, which is a leading public opinion and political strategy research firm. Lake Research Partners designed and administered a survey, which was conducted over the phone November 13-26, 2017. The survey reached a total of 600 Indiana adults, ages 18-64 and an oversample of 100 low income residents (at or below 200% of the federal poverty level) statewide. The sample were drawn from a list of adults and low-income residents in the state of Indiana. The data were weighed slightly by age, education, party identification, and race to reflect attributes of the actual population.⁸

Key Findings⁹

General Attitudes toward Paid Family and Medical Leave

- When given a choice between the status quo and a statewide program, half feel there should be a state program.
 - ~ Women, younger adults, those earning at or below 200% of the FPL, non-college educated adults, unmarried adults, parents, caregivers of an aging relative, part-time employees, and African Americans are more likely to believe that the state should provide a program that is available to everyone.
 - ~ Those older than 50 are more likely than others to side with the status quo.
- When given a choice between the status quo and a statewide program, half feel there should be a state program.
 - ~ Women, younger adults, those earning at or below 200% of the FPL, non-college educated adults, unmarried adults, parents, caregivers of an aging relative, part-time employees, and African Americans are more likely to believe that the state should provide a program that is available to everyone.
 - ~ Those older than 50 are more likely than others to side with the status quo.
- Respondents believe it is important to guarantee access to paid family and medical leave, and there is little difference between providing context about FMLA or not providing context.

⁸ The margin of error for the sample is +/-4.0%. In interpreting survey results, all sample surveys are subject to possible sampling error; that is, the results of a survey may differ from those which would be obtained if the entire population were interviewed. The size of the sampling error depends upon both the total number of respondents in the survey and the percentage distribution of responses to a particular question.

⁹ Celinda Lake, Alysia Snell, Cate Gormley, and Jesse Kline (2017), "Finding from a Survey of 600 Indiana Adults," Lake Research Partners

- Three-quarters favor a statewide program to guarantee access to paid family and medical leave. Intensity is higher when information is given about the type of care included in a program, but overall support is strong whether or not the type of care is described.

Specific Policies

- A solid majority strongly favor every specific policy that could be considered for a paid family and medical leave program.
- In rank order:
 - ~ Mothers when they have a baby or adopt a child
 - ~ A serious illness, health condition, or injury of the employee
 - ~ Providing care for a child with disabilities
 - ~ Providing care for a sick child
 - ~ A serious illness, health condition, or injury of an immediate family member of the employee
 - ~ Providing care for an elderly family member
 - ~ Providing care for a service member's needs
 - ~ Fathers when they have a baby or adopt a child
- Over half of respondents favored every policy, and three-quarters favor including both maternity and paternity leave.

Components of a Program

- Half or more strongly favor:
 - ~ automatic enrollment with an opt-out option
 - ~ requiring employees to opt-in
 - ~ setting eligibility at 680 hours in the past year
- While a majority favor including employers of all sizes, giving employers the ability to opt-in their employees, and requiring at least 13 hours per week, intense favorability is lower.
- Adults prefer employees having the option to opt-in rather than leaving it to the employer to opt-in their employees.
- When talking about eligibility, adults respond better to 680 hours in the past year versus at least 13 hours per week for the past year.

Funding a Program

- The top way to fund a statewide program is employee-funded with the option for an employer to match. The least favorable is employees paying \$312 per year.
- All demographic groups net favor all of the tested financing mechanisms.
- It is stronger to talk about employees paying up to \$6 per week than paying up to \$312 year.
- Over half of respondents are likely to contribute to a state tax-free savings account to pay for leave, but less than a quarter are very likely to do so.
- Among those who are likely to contribute to a savings account, the median contribution is \$20 per week.

Key Supporters

- Throughout the data, the following subgroups are more supportive of paid family and medical leave:
 - ~ Adults younger than 30
 - ~ Younger women

- ~ Residents of Indianapolis
 - ~ Non-college educated women
 - ~ Those at or below 200% FPL
 - ~ Democrats
 - ~ African Americans
 - ~ Caregivers for an aging relative
- There is little difference between parents of minors and childfree respondents.

QUALITATIVE RESEARCH

The third component of the study included qualitative research, which included ethnographic interviews, talkback testing, and polling survey research to understand better Hoosier’s perceptions of the potential models and of paid family and medical leave in general. Topos Partnership was selected to conduct the third component of the research. Topos’ approach is designed to take into account the cognitive and cultural foundations of a public interest issue. The analysis constructed built further on a foundation for understanding Hoosier beliefs and needs, as well as any potential roadblocks to implementation through approximately 15 advocate and legislator interviews, 50 ethnographic field interviews with the general public, and six small group discussions.

The Topos research¹⁰ commissioned as part of this feasibility study¹¹ suggests that “there is public support for paid family leave in some form, that Hoosiers are generally supportive once they hear about the possibility of PFL, and ready to dismiss most objections (2017). An engaged and positive conversation about the topic with members of the public can be created by approaching it from any number of angles.¹²

There are a number of important challenges, which can derail a conversation or get in the way of support:

One of the broadest and most important of these amounts to a self-fulfilling prophecy: Both the public and leaders are so skeptical of the realistic chances of the policy being enacted (because Hoosiers “believe in self-sufficiency,” because Indiana is a “business-first” state, because the state “is not a leader” and so forth) that *the skepticism itself is probably a major barrier.*¹³

Additional challenges may also include:

¹⁰ Topos Partnership (2017), “Making the Case for Paid Family Leave in Indiana.”

¹¹ The research consisted of ethnographic visits to Indiana communities, small group telephone discussions and online “TalkBack” testing, as well as telephone interviews with leaders from various sectors. This research took place in the Fall of 2017, and included a diverse pool of nearly 700 Hoosiers from the general public, as well as seventeen leaders from the business, public and nonprofit sectors, recruited by the ICW.

¹² Topos, 2017

¹³ Topos, 2017

- Zero-sum perspective: Put simply, benefits for employees can be understood, by default, as burdens for businesses, which hurt their bottom line and even threaten their viability.¹⁴
- Skepticism about government: Some Hoosiers reflexively object (or assume others object) to government “interference” in jobs and the economy, and to any additional mandates on business.¹⁵
- Personal responsibility: An aspect of Indiana’s overall conservatism is an emphasis on individuals’ responsibility for their own economic wellbeing, including how they prepare for hard times, and the choices that led them to the job they have.¹⁶

The strongest message in support of paid family leave engages the broadest audience, highlights how it is *good for the economy*. More specifically, the research report states that paid family leave would boost the Indiana economy by:

- Helping businesses hire and retain good workers,
- Improving employee morale and productivity, and
- Assuring that people stay employed and have money to spend.

A number of considerations can determine whether Indiana ultimately will consider paid family leave, including ongoing political, economic and other factors.¹⁷ Research with the public and stakeholders, does suggest that there is a significant pool of support that can be tapped into; however, skepticism about the political feasibility of the policy may be one of the most significant obstacles to moving forward.¹⁸

SPECIFIC POPULATIONS

As part of the study, emphasis was given to understanding both men and women’s perspectives as well as how caring for aging loved ones contributes to the overall perceptions towards paid family leave. In addition, an oversample of 100 low income residents (at or below 200% of the federal poverty level) statewide was provided in order to understand the needs of low-income individuals. The polling research showed that women, younger adults, those earning at or below 200% of the FPL, non-college educated adults, unmarried adults, parents, caregivers of an aging relative, part-time employees, and African Americans are more likely to believe the state should provide a program available to everyone.¹⁹ The polling results also illustrated that older adults are slightly more likely than others to believe things should remain the same while men, those earning more than 200% FPL, college-educated, married, child-free, white adults and full-time employees split.²⁰

¹⁴ Topos, 2017

¹⁵ Topos, 2017

¹⁶ Topos, 2017

¹⁷ Topos, 2017

¹⁸ Topos, 2017

¹⁹ Lake, 2017

²⁰ Lake, 2017

Polling results indicated that a solid majority strongly favor every specific policy that could be considered for a paid family and medical leave program.²¹ The primary reasons for paid family leave people identified included, in rank order:

- Mothers when they have a baby or adopt a child
- A serious illness, health condition, or injury of the employee
- Providing care for a child with disabilities
- Providing care for a sick child
- A serious illness, health condition, or injury of an immediate family member of the employee
- Providing care for an elderly family member
- Providing care for a service member's needs
- Fathers when they have a baby or adopt a child

For most subgroups, there is virtually no difference between providing a description of the paid family and medical leave program or not. However, women, more often than men expressed strong support for paid family leave, often because they have been in the situation of caring for a family member.²² “The gendered expectations of care, both on a societal level and at the level of the family, mean that women tend to shoulder the burden when anyone in the family is sick or needs help.”²³ Therefore, women can anticipate they will eventually need access to paid family leave, even if they have not needed it yet in their lives. However, the subgroups who are most likely to have paid family and medical leave included college-educated men (47%) and fathers (43%).²⁴

CONCLUSION

The research conducted during this feasibility study indicates there is little resistance to the concept of paid family leave and that the overall costs of such a plan could be manageable. However, research participants doubt leaders have the will to push it forward because there is a default belief that what benefits employees burdens employers.²⁵ In addition, there is an underpinning aspect of Hoosier culture that emphasizes individuals’ responsibility for their own economic wellbeing.

However, there is indication that employers are recognizing the importance of a paid family leave benefit. For example, Indiana provides such benefits to state employees, such as short-term disability insurance to cover their own health conditions that include pregnancy, with costs shared by the state and the employee.²⁶ In December 2017, Governor Eric Holcomb signed Indiana Executive Order 17-31,

²¹ Lake, 2017

²² Topos, 2017

²³ Topos, 2017

²⁴ Lake, 2017

²⁵ Topos, 2017

²⁶ Hayes, 2017

providing state employees in Indiana parental leave upon the birth of a child to the employee or their spouse or placement of a child for adoption starting in January 1, 2018.

In Indiana, many large companies and companies that must compete nationally and internationally in Indiana recognize the benefits of paid leave and provide paid family leave programs. Research shows that workers who take paid leave are more likely to return to their same employers than those who take unpaid leave.²⁷ For example, Eli Lilly is frequently named one of *Working Mothers Magazine's* Best Companies, thanks in part to its generous leave policies.²⁸ In early 2017, many employees of Indiana University became eligible for paid parental leave in early 2017.²⁹ The university's benefits provide up to 240 hours of leave for new parents.³⁰ When both eligible state and university employees take parental leaves for qualified events, they receive their usual rate of pay rather than only partial wage replacement under the programs in other states currently operating or being implemented.³¹

Yet, many Hoosiers believe a paid family leave policy can be good for both them and the state as a whole.³² There is widely shared belief that paid family leave addresses a basic and universal need that can benefit the state economy.³³ A paid family leave policy for all employees can contribute to the recruitment and retention of top talent so that Indiana can continue to be competitive on a national and international level. Simultaneously, improved access to paid leave can reduce inequality across workers with different earnings and from different family income levels, thus lifting up the most vulnerable workers in Indiana.³⁴

²⁷ Heather Boushey & Sarah Glynn, "There are significant business costs to replacing employees." Center for American Progress. (2012): accessed February 5, 2018, <http://tinyurl.com/krgv6nb>

²⁸ Indiana Institute for Working Families, "Paid Family & Medical Leave: Policy Analysis and Recommendations for Indiana." (December 2016). Accessed February 5, 2018, <http://www.incap.org/documents/IWFF-Paid-Family-Medical-Leave-2016.pdf>

²⁹ Hayes, 2017

³⁰ Hayes, 2017

³¹ Hayes, 2017

³² Topos, 2017

³³ Topos, 2017

³⁴ Hayes, 2017

DISCLAIMERS

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Indiana Commission for Women

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