

# NC Paid Family Leave Insurance Act (SB 418)

## The Issue

**The vast majority of working people will need to take an extended leave of absence to recover from a health crisis, welcome a new baby, or care for a seriously ill or dying loved one at some point during their careers.** However, an estimated 78% of North Carolina's working people have no access to paid family and medical leave through their employers<sup>i</sup>. The lack of paid leave puts working North Carolinians in the impossible position of choosing between paying the bills or taking care of themselves and their families during life's most important moments. The Family and Medical Leave Act (FMLA) —the only federal law designed to help working people meet the dual demands of job and family—leaves out 40 percent of the workforce and offers only unpaid leave, which millions cannot afford to take.

## What the Bill Does

The NC Paid Family Leave Insurance Act (SB 418) establishes a paid family and medical leave insurance program for working North Carolinians. If passed, this policy would allow working people to access up to 12 weeks of paid time off when they need it to bring a new child home or care for a family member with a serious health condition. The bill would also allow for up to 18 weeks of paid time off due to a worker's own serious health condition, and up to 26 weeks to care for a family member who incurred an injury or illness in the armed services.

## Who Does This Policy Help?

➔ **Paid family medical leave helps people care for disabled and medically impaired loved ones.** In 2021, nearly 1.3 million North Carolinians were caregivers for their own family members suffering from chronic illnesses<sup>ii</sup>. Roughly 95 percent of adults living at home with a physical, cognitive, or chronic health condition rely on unpaid family caregivers as a for help with everyday activities, and roughly two out of every three of these adults utilize unpaid care as their only source of help<sup>iii</sup>.

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- ➔ **Paid leave is a critical support for new parents.** A 2012 study found that nearly 1 in 4 US moms returns to work within two weeks of giving birth<sup>iv</sup>. Paid family gives new parents time to heal from childbirth, establish breastfeeding, and bond, strengthening the relationship between parent and child. Paid maternity leave also has numerous positive impacts on maternal health<sup>v</sup>, a critical concern in North Carolina where maternal mortality rates doubled between 2019 and 2021<sup>vi</sup>.
- ➔ **Paid leave helps seniors age in place.** Nearly 1.8 million people over the age of 65 lived in North Carolina in 2021<sup>vii</sup>. The over-65 population has increased by more than 40 percent since 2011, outpacing the total population growth, which was less than ten percent<sup>viii</sup>. Nationally, the over-65 population is expected to nearly double between 2016 and 2060<sup>ix</sup>. Over their lifetimes, roughly two-thirds of today's 65 and over population will need long-term care; and six in ten will rely solely on unpaid home care<sup>xxi</sup>.
- ➔ **Paid leave prevents infant mortality.** A study by Duke University researchers found that a Paid Family Leave Insurance program providing 12 weeks of leave would save an estimated 26 infant lives per year in North Carolina<sup>xii xiii xiv</sup>. In 2020, North Carolina's infant mortality rate was 6.9 deaths per 1,000 live births – the 8th worst rate in the country<sup>xv xvi</sup>. Infant mortality rates are disproportionately high among babies of color – mortality among Black babies (12.8 per 1,000) is 167% higher than the infant mortality rate of White babies (4.8)<sup>xvii</sup>.
- ➔ **Paid leave sets children up for better health and long-term success.** Children's brain development is shaped through their experiences and relationships during the first few months and years of life. Research shows that caring, consistent relationships can help children mitigate the impacts of stress and develop the foundations of their ability to learn, exercise self-control, and establish positive relationships<sup>xviii</sup>.

- **Paid family and medical leave especially helps low-income families.** People working low-wage jobs (disproportionately women and people of color) are both the least likely to have employer-provided paid family and medical leave, and also the least able to afford to take significant time off to deal with health crises. According to the Bureau of Labor Statistics, 92 percent of U.S. workers in the bottom tenth of the income distribution lack access to paid family leave. Forty-five percent of this income group lacks access to any form of paid leave – personal, sick, vacation, or paid family<sup>xix</sup>.

## **The Business Case for Paid Family Leave**

- Three out of four NC mothers and half of fathers have passed up work and advancement opportunities, changed jobs, or quit work due to childcare responsibilities.
- 73 percent of working North Carolinians surveyed said they would feel more committed to their companies if they offered more family-friendly benefits, such as paid leave<sup>xxi</sup>.
- Studies of paid family and medical leave programs in other states have found positive reactions by most business owners. Businesses reported positive or neutral impacts on profitability, productivity, employee turnover, and labor costs<sup>xxiii</sup>.

**Paid leave benefits working people, families, and employers. It's time to establish a paid family and medical leave insurance program for working North Carolinians and their families.**