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NJ businesses are family-friendly, study finds

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While the state struggles over its tourism slogan, working parents this Father's Day may want to resurrect the old one, with a twist: "New Jersey and Families: Almost Perfect Together."

New Jersey employers tend to provide many family-friendly policies not required by law, such as paid family leave or leave for workers in small companies, according to a study by a Rutgers economist.

"The upshot is, three-quarters of the work force consists of dual-earner couples, and most companies by this time have some way of managing employee leaves," said Eileen Appelbaum, the study's co-author and director of the Center for Women and Work at Rutgers University. She is also a member of A Time to Care, a coalition of labor, consumer and religious leaders pushing for paid family leave.

Appelbaum and co-author Ruth Milkman, of the University of California at Los Angeles, looked at 13 New Jersey employers, varying from very small firms with as few as three workers to those with 3,000 employees. The study was similar to one they conducted in California before that state became the first to adopt paid family leave last year.

The New Jersey study found that few employers had a formal policy of paying workers who took the federal Family Leave and Medical Act of 1993, which allows workers up to 12 weeks per year of unpaid leave to care for a new baby, sick child, parent or spouse. However, many allowed workers to use their vacation time, personal days, or paid time off they had already banked.

Even companies with 50 or fewer employees, which are not required to provide any leave, usually granted up to 12 weeks of unpaid leave, the study found.

The report, "Achieving a Workable Balance," also found that businesses reported little abuse of family leave and seemed to be able to cover the staffing gaps to keep up with the workload.

"Family leave comes up infrequently in any individual's life. It happens when you just had a baby, your mother had a stroke, your husband was in an auto accident," Appelbaum said.

Providing leave pays off for employers because of lower employee turnover rates, Appelbaum said. Employers with family leave have a return rate of 88 percent of employees, compared to 75 percent of those whose companies did not offer leave, she said. Finding and training new workers is expensive for employers, she said.

The authors believe that given their findings, New Jersey could institute a paid or partially paid family leave policy. Currently, California remains the only state to provide paid family leave.

Business are opposed to the proposal, however, because of its "one-size-fits-all" approach, said John Rogers, vice president of human resource issues for the New Jersey Business and Industry Association, a trade group of more than 23,000 businesses.

"What's true for financial services firms that have the ability to offer it through sheer size and amount of money is different for the corner deli or the struggling manufacturer," he said.

Appelbaum's model for paid family leave would expand the state's Temporary Disability Insurance fund, which currently provides partial pay for workers who are themselves ill or disabled. The extra money would come from higher employee contributions to the disability program, Appelbaum said, estimating workers would pay an additional \$1.35 a week.

Providing paid leave would save businesses money from lower turnover rates and using state funds to cover it; small businesses would be more competitive by offering the same benefits as larger ones, the report noted.

But Rogers said employers also pay into the system, and more employees taking leaves would translate into higher business contributions.

"We also think the TDI is a poor choice of vehicle. Basically, what's happened is since 1994, over \$400 million has been skimmed out of the TDI fund" by the state, he said. "This year's budget has proposed another \$50 million out of TDI. We don't think...it's prudent to take money out of the fund."

Appelbaum added that under the proposal, which has not been introduced as legislation, the first week of leave would be unpaid. That is to ensure employees don't ask for time off unless they truly need it. Rogers said that is no different from the current disability program.

Despite employers' concerns, the issue is getting more attention, part of an effort by grass-roots groups that point out the United States is one of the few developed countries in the world that don't offer paid family leaves. Some Democrats are looking at the issue as a potential platform in this year's election and the presidential election in 2008, said Appelbaum. She met last week with Sens. Hillary Rodham Clinton (D-N.Y.) and Harry Reid (D-Nev.) to discuss it.

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