

Why the governor and legislature should support the Paid Family & Medical Leave Act

To the editor:

The COVID-19 pandemic has brought into sharp focus the ways in which U.S. workers struggle to balance work, health, and family obligations. This is particularly true for women, especially women of color, who have left the workforce at shocking rates in the last year, including 275,000 American women in January 2021 alone. We can and must find ways to help New Mexicans create balance between work obligations and caring for their health and their family.

If passed and signed into law, the Paid Family & Medical Leave Act (HB 38) would create a state-administered trust fund that ensures that no one has to choose between their job and caring for a new child, a family member with a serious health concern, or their own medical condition. After an initial investment of \$30 million dollars for start-up costs, which will be repaid to the state within the first five years of the program, employee and employer contributions will fund compensation payments and administration of the fund.

How will this work? After contributing to the fund for at least six months and submitting an application to the Department of Workforce Solutions, workers will receive a percentage of their average weekly wages for up to 12 weeks of leave. Self-employed individuals can opt into the program. Employees and self-employed individuals will receive leave compensation

payments directly from the Trust Fund. During an employee's leave period, employers will benefit from wage savings, which may be used to pay overtime wages for current employees, hire a temporary replacement, or to invest in other ways.

The costs for each worker are modest with a full-time minimum wage worker (\$21,840 annual salary) paying only \$109.20 annually and their employer paying \$87.36 annually. For the average wage in New Mexico (\$47,040 annual salary), the worker will pay \$235.20 annually and the employer will pay \$188.16 annually.

Both employers and workers will benefit from PFML programs. Employers who offer PFML have a competitive advantage in hiring and retention. PFML programs are effective in improving worker performance and engagement. Workers who take paid leave are more likely to be employed by the same business two years later, less likely to take sick leave when they return to work, and more likely to report high morale

and workplace satisfaction. Like the public sector in New Mexico, large corporations understand this competitive edge. These corporations are increasingly likely to offer private paid leave programs to attract and retain high-quality workers. However, few of our homegrown New Mexico businesses are large enough to easily absorb the costs of offering this benefit.

New Mexico is proud to offer entrepreneurs, start-ups, and small businesses an opportunity to innovate, experiment, and grow right here in the Land of Enchantment. Because of the economic downturn, HB38 proposes a delayed implementation timeline with more than two years to begin rolling out the program. The delayed implementation timeline recognizes both the economic realities facing New Mexico and the urgency of the moment.

Terreline Massey, executive director
Southwest Women's Law Center
Albuquerque