



The Daily Dish

A Paid Leave Proposal Crosses the Finish Line

DOUGLAS HOLTZ-EAKIN | DECEMBER 10, 2019

Eakinomics: A Paid Leave Proposal Crosses the Finish Line

There has been sustained interest in paid leave programs over the past 4 to 5 years. Beginning in the [2016 presidential campaign](#), there were a variety of proposals to provide paid leave to new parents (parental leave), caregivers (family leave), and those suffering medical ailments (medical leave). The most prominent proposal on the left (the [FAMILY Act](#)) foundered on the overall cost of the proposal and the desire to adopt a new payroll tax to finance it. Meanwhile, the president's [proposal](#) to fund leave out of the Unemployment Insurance system went nowhere, and a variety of [private, bipartisan](#) efforts yielded little in the way of consensus on the way forward.

So there was some surprise last Friday when it was announced that the National Defense Authorization Act (NDAA) would include a provision that provides all federal workers with 12 weeks of paid leave after the birth, adoption, or initiation of foster care of a child. Reportedly, Democrats were able to include the paid leave provision in exchange for creation of the president's Space Force. AAF's Isabel Soto has a more complete [description](#).

Let's begin with the irony. It's a peculiar kind of populism that begins by taking care of the swamp dwellers. And it is an even weirder sort of conservatism that seeks to advantage the federal government's hiring ability over the private sector's.

How did this get done? The key is that including an expansion of a federal employee benefit within a must-pass defense bill doesn't require setting up a funding mechanism – a mandate on private employers or a dedicated payroll tax, for example – to cover the cost of the leave. There are spirited policy fights over the desirability of paid leave (one goal is to increase labor force attachment, but Soto reports that a [recent study](#) finds the opposite impact), the length of paid leave, financing paid leave, and so forth. Taking the financing fight off the table made things much, much easier.

An important question is what happens next. Will federal paid leave set the stage for an expansion to the private sector? Will the evidence collected indicate that labor market functioning is improved by paid parental leave? What are the impacts on outcomes for the children? These are all central questions in the ongoing debate over paid leave.