



Press Release

The Fiscal Implications of the FAMILY Act

ALLISON EDWARDS | MARCH 21, 2019

Policymakers have become increasingly interested in expanding Americans' access to paid family and medical leave. A new study by AAF's Director of Labor Market Policy Ben Gitis applies the findings of a recent Cato Institute poll on paid family and medical leave to calculate the budgetary cost of the FAMILY Act. He concludes that should a new government benefit result in workers taking leave more frequently than they currently do, as suggested by the Cato Institute poll, the cost of the FAMILY Act would be significantly higher than previous estimates.

Specifically, had the FAMILY Act been in effect in 2017:

- 45.5 million workers would have claimed paid leave benefits, at a cost of \$203.2 billion to \$226.8 billion;
- The bill's proposed 0.4 percent payroll tax would have only covered 15 percent of benefit payments; and
- Fully funding benefit payments would have required a payroll tax as high as 2.9 percent.

[Read the research.](#)