



**Testimony in Support of H7927
House Finance Committee
May 25, 2016**

The Economic Progress Institute supports Representative Maldonado's bill (H7927) making improvements to the Temporary Caregiver's Insurance (TCI) Program.

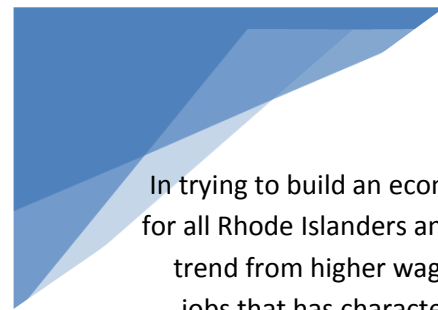
Rhode Island should be proud that we are leading the wave of states that are adopting paid family leave policies. We know from workers that they appreciate being able to keep their jobs when they need to temporarily care for newborns or aging loved ones. The response to the TCI program in its first two year years has been positive – both from employees and employers.

A recent report by researchers at the University of Rhode Island,¹ found that those who claimed TCI reported greater satisfaction with their ability to maintain financial stability and wage replacement, greater satisfaction with their transition back to work and better overall physical health and lower stress than other groups who needed to take leave.

A survey released earlier this year from the Columbia Business School found that of the small and medium-sized businesses questioned, a majority (61%) favored TCI a year after it took effect. The survey, focused on employers in the food services and manufacturing sectors who were most likely to be affected by the program, found that even for small employers, a majority favored the program.²

The changes included in this bill will increase participation and fairness for lower wage workers by: 1) exempting a portion of their salary from contribution so they are able to keep more of their paycheck while they are working and 2) increasing the wage replacement percentage so that if those workers need to participate in the TCI program, they will receive a larger share of their salary while they are out on leave.

We think that lifting the earnings cap on contributions is a reasonable and equitable way to insure that the contribution pool stays strong.



In trying to build an economy that works for all Rhode Islanders and to reverse the trend from higher wage to lower wage jobs that has characterized the period since the Great Recession, we must attract higher skill jobs that pay well, ensure that existing jobs in Rhode Island are family-supporting, while providing the Rhode Island workforce with the education and training necessary to fully engage in the economy.

Economic Progress Institute, State of Working Rhode Island: Workers of Color, 2015

¹ Silver, Mederer & Djurdjevic, "Temporary Caregiver Insurance: Findings from the First Year", Schmidt Labor Research Center, University of Rhode Island

² Barte, Rossin-Slater, Ruhm and Waldfogel, "Assessing Rhode Island's Temporary Caregiver Insurance Act: Insights from a Survey of Employers" January 2016.