Committee on Ways and Means Worker and Family Support Subcommittee Legislative Hearing on Universal Paid Family Leave and Guaranteed Access to Child Care Testimony of Michael Rothman Co-Founder, Fatherly

My name is Michael Rothman and I'm the co-founder and CEO of Fatherly, a digital media platform with a mission to empower men to raise great kids and lead more fulfilling adult lives. We launched in 2015 and produce an award-winning website, newsletters, podcast programming, books, and events. I am testifying today in my capacity as the founder of a small business and an advocate for fathers.

Fatherly is a for-profit business and I started the company because as an entrepreneur I saw an emerging opportunity, namely that men were assuming greater responsibilities for childcare and didn't have a resource that could credibly guide them in this new phase of life. While there was an abundance of resources for moms, the only content tailored to men caricatured their roles and failed to recognize how deeply their responsibility as fathers benefitted children and defined their identity in both their public and private lives. At its core, Fatherly understands that in an economy in which both parents are working, empowering men as caregivers is crucial. By giving them the tools and community, we aim to help remove cultural stigmas around caregiving work.

This past year has put this issue front and center, showing the nation to see just how crucial equal parental participation is. According to the National Partnership for Women & Families, more than 65 million women in the United States provided unpaid child, family, and elder care in 2020; more than half of these women were mothers of children under 18. As the pandemic began to put pressure on their families, millions of women reduced their hours or left the workforce entirely in order to engage in unpaid caregiving; more than \$416.3 billion worth of unpaid caregiving if those women were paid at the federal minimum wage rate. This trend has pushed more women out of the workforce partially due to the stigma around the division of labor in families and workplaces that often keeps men from participating fully in caregiving.

That stigma is very real. In Fatherly's reporting on paid leave, the editors spoke to many people like Jacob Simon. A Boston-based bankruptcy lawyer, Simon told us he didn't take his leave because he felt pressure from his employer not to — but he was also quick to acknowledge that the pressure to get back into the office was internal, as well. He had mixed feelings about his perceived absenteeism. When he and his wife had their first child, he was 36 years old and working at a six-person firm. He wasn't salaried, so if he didn't work, he didn't get paid. He took a week off, but called into meetings.

He expressed his attitude that there was an honor in showing up. "If I'm not there, I'd have failed somehow," he said he remembered thinking. Thinking back on it, he says that if he knew what he knows now, he probably would have done the same thing. As he says, the mindset is hard to shake.

When Simon had his second child, he was working with a slightly bigger firm and was salaried. He wanted to take two weeks off, but felt awkward pressing his bosses. He didn't want to seem high-maintenance or in need of a lot of management and felt insecure about his job. He was absolutely sure that the decision to stay home with his infant would have been held against him.

Ultimately, he quit and started his own firm. He wanted more control over his own schedule and the chance to work closer to his home.

Simon's story is an example of how one of the most important topics Fatherly has covered, since the beginning, has been around the tensions, incongruities, and conflicts around work-life integration. COVID-19 has both exposed and exacerbated these problems.

In the hundreds of articles the editors have published on the topic (before and during the COVID-19 crisis), it's apparent that work-life integration is holding back businesses, and something needs to give. What Fatherly has found as a publication and a business over the last five years aligns with academic research coming out of Boston College and Wharton, namely that:

- **Company retention increases dramatically as a result of men taking parental leave**. Per <u>a Boston College study</u>, 75% of respondents say they are more likely to remain with their current employer now that they offer paid leave.
- The cost of paternity leave to companies on the whole is minimal. <u>A 2011 study</u> by Ruth Milkman, a professor of sociology at the Joseph S. Murphy Institute for Worker Education and Labor Studies, and Eileen Appelbaum, a senior economist at the Center for Economic and Policy Research, found that while studying the impact of California's paid leave program, 91 percent of businesses operating there found either no adverse effect, or a positive effect, on the profitability and performance of workers; and 99 percent reported no effect on, or a positive effect on, company morale.
- We've also seen that parental leave improves life, <u>family</u> and <u>relationship</u> <u>satisfaction</u> and lessens burnout, <u>which yields greater</u> levels of productivity per worker upon their return.

There are businesses who understand these facts. If you look at Fatherly's definitive guides on the subject — the <u>Best Places to Work for Dads</u>, <u>Best Places to Work for Moms</u>, and the <u>Best Places for Remote Working Parents</u> — you can see that the companies that best cater to the needs of working families, like Salesforce, Deloitte and Citigroup, are some of the most successful companies in America.

In formulating these lists, Fatherly evaluated companies' policies, benefits, utilization rates, and cultural practices across 142 points of criteria that we've developed over the last five years. Those criteria include what we refer to as the "Core Four" of policies that need to be met in order for a company to be good for parents. These are:

- **Parental leave.** Companies should offer a minimum of two months of gender-neutral, paid parental leave.
- **Inclusivity.** Company policies, and the language the company uses, needs to be inclusive. Family and leave needs can take many different forms to reflect that.
- **Culture.** Benefits on paper is one thing; are people taking those benefits? If company culture doesn't welcome families, and if managers don't take advantage of those benefits and policies and encourage their employees to do the same, then the family-friendly benefits are just written, not actual. Benefits don't matter if people don't use them, and a high use rate is key.
- **Caregiving beyond babies.** Paid leave is great, but benefits for working families need to be comprehensive and long-term, not only offered for the first months after welcoming a new addition to the family. People need to be able to take time off to care for their own medical hardships, and to care for their children and other family members when they need it.

While it's one thing for the editors to focus their journalistic lens on what other companies should do to better serve working parents, the leaders of the company knew that we also had to "walk the walk." Early on in the company's history, overseeing a digital media start-up with only a roomful of employees, a question repeated in my mind: How devastating would it be if anyone here had to take three months off to have a kid? My answer was that the company had to put on its own oxygen mask first; we had to first survive if we're going to be able to serve. So we punted on implementing sound family-friendly policy and instead rested on the notion that hey, we're a start-up. It's bound to be all-hands on deck for a while.

This proved to be shortsighted.

Repeatedly, we lost out on great mid-career-level talent to other companies who embraced the flexibility that parents of young kids needed. It didn't matter how much cold brew coffee we had on tap — we stunted the company's growth by not embracing the benefits that parents actually need to do their best work.

We found out firsthand what Milkman has outlined in her work: The cost of paying out someone's paid leave is far less than the cost of recruiting, hiring, onboarding, and training a new worker.

We learned from those earlier mistakes and when we merged with Some Spider Studios in March of last year, we brought those lessons with us. We knew that to grow and compete with the best companies, we needed to draw and retain that talent. We deliberately rolled out new policies and practices across the current company to address our gaps:

One of the main focuses for our company was **Gender-Neutral Parental Leave**. Previously we had four months for birthing mothers and four weeks for fathers; now it's four months for moms, dads, and non-birthing and adoptive parents.

Gender-neutral parenting is crucial because the burden of childcare still falls so much on moms. The U.S. Census Bureau showed that the number of actively working mothers declined at a faster rate than fathers during the pandemic. This imbalance still exists, with <u>1.6 million fewer</u> <u>moms</u> actively working as of January 2020 than the previous year. One of the most cited reasons for this was that mothers carry a heavier burden of unpaid domestic labor in chores and child care. The wage gap between women and men in this country surely exacerbates this issue as well — if Mom or Dad needs to leave work to take care of the kids, that calculation often comes down to simply who makes more.

While the pandemic exacerbated and exposed this existing burden, the imbalance begins at birth — with the lack of gender-neutral paid leave policies. In a 2020 testimony to the House Ways and Means Committee, Vicki Shabo, a senior fellow at the Better Life Lab at New America, mentioned that the economy would be \$500 billion stronger if paid family leave were offered to parents, because parents are then not forced to leave the workforce entirely to care for their children.

Paternity leave is crucial for more than just involvement with babies after birth or adoption. Richard J. Petts, a researcher on paternity leave at Ball State University, has done dozens of studies on the effect that taking paternity leave has on dads. In longitudinal studies, he's found that men who take leave have stronger relationships with their wives, they bond more with their children, and they understand the ins and outs of the running of their household. Taking paternity leave of any length, Petts has found in his own research, has been associated with happier, more satisfying marriages, and reduces the probability of divorce, because child-rearing stress doesn't rely primarily on moms. Taking leave helps dads become engaged dads who can take care of their children, and their homes, confidently and competently.

We also know that people continue to need to take paid leave after the birth or adoption of a child. Dads need to be able to take paid leave to care for their children, for example, in a health emergency. When a child is seriously ill and hospitalized, the presence of a parent shortens their hospital stay by <u>31 percent</u>. And whether or not they are dads, men should have the option to take leave to care for other family members, like aging parents or other relatives, so the burden of caregiving does not continue to fall disproportionately on women. Paid medical leave is also necessary should someone have a serious health condition of their own that they need time off to take care of.

Another focus for our company has been creating affinity groups for new parents who can share resources, best practices, and keep management better informed about how to make sure that we remain a great place to work for employees with kids.

We've also attempted to cement a **families-first company culture**, encouraging managers and leadership to publicly take full advantage of these new policies, and model that behavior for the rest of the company. This includes normalizing kids on Zoom so employees without childcare options don't feel vilified if they have to do double duty.

Family-first culture is not just the right thing to do — it has an impact on the bottom line. Several studies have found that paid family leave is associated with better workplace morale, higher levels of productivity, and less worker turnover. <u>One study of OECD countries</u>, of which the United States is one, found that if the U.S. were to adopt a 15-week paid maternity leave plan,

productivity would increase 1.1 percent over time. Per the National Partnership for Women & Families, paid leave improves worker retention, saving employers money. Eighty-three percent of low-wage workers who used California's state paid leave program returned to their job. Companies have reported increased worker productivity, employee morale, and heightened global competitiveness between businesses.

In other words, parents who take time off stay attached to the workforce, and more often than not return to the same employer, motivated and ready to work. Businesses report little impact on their ability to run business; and disruptions in work due to someone taking leave are reported as minor.

The process to pass our own Best Places To Work requirements took about four months to implement. It required internal conviction from the most senior executives at the company, and it required continued buy-in. The sentiments at our own company reflect the broader mood of the country in which 80% of parents say they'd like to spend more time with their kids, to make better use of the 940 weekends that they have between the time their child is born and the time their child turns 18.

The goal here for our company is twofold: To change the work culture to serve parents and become a more competitive company for it. When a workplace culture revolves around what Dr. Jennifer Berdahl, a professor of sociology at University of British Columbia calls "masculinity contests," workers work harder, for less. The "contests" refer to cultures where long hours, afterwork meetings, weekend commitments, ability to travel, and limitless time to work are seen as the ideal worker qualities. These qualities lead to working parents, who have obligations outside of the workplace, being left out of career advancements and participation in the workplace. They are seen as less dedicated to the job, and they are effectively cut off from advancing in the workforce. This is a culture that is detrimental to the company's productivity. It is also at odds with workers around the world.

A 2018 report from the Organization for Economic Cooperation and Development ranked the U.S. dead last among 41 countries for parental leave laws, with all other countries guaranteeing between 2 and 21 months of paid leave. This is no way to be competitive. Small businesses agree. According to a nationwide survey conducted by Small Business Majority and Main Street Alliance, 70% of small businesses support a federal program to guarantee access to paid leave. We're one of them — and one of 200-plus companies who sent an open letter to Congress, urging them to pass federal paid family and medical leave in March of 2021.

A national paid family and medical leave policy would allow businesses to compete for the best talent, not just in the U.S. but in an increasingly global labor market, making sure you don't have to work at a parenting company just to have access to benefits that are standard across the rest of the industrialized world.