STRENGTHENING WEST VIRGINIA FAMILIES
SEVEN POLICIES TO BUILD SHARED PROSPERITY

BY SEAN O’LEARY, TED BOETTNER AND RACHEL RUBIN
AUGUST 2018
Seven Policies to Build Shared Prosperity

Introduction and Overview ................................................................. 4
1 | Raising the Hourly Minimum Wage to $15 by 2025 ......................................................... 6
2 | Creating a West Virginia Earned Income Tax Credit ..................................................... 9
3 | Expanding Overtime Protection ..................................................................................... 12
4 | Establishing a Fair Workweek for West Virginia ............................................................ 13
5 | Enhancing Child Care Assistance ................................................................................ 17
6 | Paid Sick Days for All West Virginians ........................................................................... 20
7 | Enacting Paid Family and Medical Leave .................................................................... 25
Conclusion .................................................................................................................. 28
Endnotes ...................................................................................................................... 29
List of Tables & Figures

Figure 1: Minimum Wage is Not Enough for Workers to Get Out of Poverty ........................................... 6
Figure 2: Minimum Wage Has Not Kept Up with Inflation ................................................................. 7
Figure 3: EITC Continues to Provide Benefits as Families Improve Financially ................................. 10
Figure 4: Twenty-nine States and D.C. Have Enacted EITCs, 2017 ..................................................... 11
Figure 5: Fewer Workers are Covered by Overtime Protections than Ever Before .............................. 12
Table 1: West Virginia’s Part-Time Workforce has Grown .............................................................. 14
Table 2: Hourly Workers in Service Industries are Most At-Risk ...................................................... 15
Figure 6: Child Care Costs Increase Dramatically with Loss of Child Care Subsidy .............................. 20
Figure 7: People of Color, Low-Income and Part-Time Workers Lack Paid Sick Days Most in WV ....... 22
Figure 8: Workforce WV Survey Shows Only 40 Percent of WV Workers Have Paid Sick Days .......... 22
Figure 9: More West Virginia Mothers are in the Labor Force .......................................................... 25
Figure 10: Most Employers Report Minimal or Positive Impact of Paid Leave ................................. 26
Introduction and Overview:

Building a strong economy with good-paying jobs in West Virginia will take putting more money in the pockets of working families so they can spend it locally, grow our businesses and invest it in their family’s health, wellbeing and future. For far too long, state policymakers have taken a top-down approach that prioritizes the profits of mostly large out-of-state corporations at the expense of the people who do the work each day that makes our economy run. Since 2006, West Virginia has drastically cut corporate taxes while pursuing a path of budget austerity that has resulted in less investment in our communities and less opportunity for the average West Virginian.

While the state’s economy has grown over the last decade, mostly from the shale boom, that growth has not trickled down to working families or helped lift people or places out of poverty. Overall employment since 2001 has barely grown (0.1 percent), however, employment in the state’s low-wage industries has grown by 14.5 percent.¹ These workers are not just young people working for extra money; they are breadwinners, caregivers and community members performing some of the most important work in our state. Because women still shoulder the bulk of caregiving responsibilities, and because they are overrepresented in West Virginia’s part-time and low-wage workforce, they are disproportionately affected by jobs with low wages and few-to-no benefits.

The strength and prosperity of working families should be a priority in West Virginia. As the state’s economy changes, it is imperative that all working people can enjoy the dignity and quality of life that comes with the ability to balance work and family. Policy choices can make it easier for a parent to support their family, improving the health and livelihood of their children, leading to better outcomes for generations to come. Putting additional money in the pockets of low- and moderate-income families will allow them to spend more money in our local communities, stimulating the economy and spurring greater business activity and job growth. Here are seven policies that do just that:

• **Raising the minimum wage** to $15 an hour by 2025 and doing away with the two-tiered system of the tipped minimum wage would lift pay for over a third of West Virginia’s workers. This would allow working people to better support their families and would stimulate local economies while improving long-term outcomes.

• **Establishing a refundable state Earned Income Tax Credit (EITC)** would lift low-income families out of poverty while boosting long-term earnings and workforce participation, as well as improving health and educational outcomes.
• Raising the salary threshold that workers are eligible for **overtime pay** would benefit 66,000 West Virginia workers. This rule change would put more money in the pockets of working people, either through overtime pay or increased salaries to meet the new threshold.

• Receiving a work schedule with little advance notice, fluctuating shift times and working inconsistent hours from week-to-week can harm working people’s ability to meet responsibilities on and off the job. By setting **fair workweek standards**, over 430,000 working West Virginians will be better able to care for and support our families and build strong communities.

• Expanding access to **affordable quality child care** would boost labor force participation, improve long-term child outcomes, help businesses thrive and improve quality of life for working families. For far too many parents, the high cost of child care is a financial barrier to joining the workforce—especially those families between 200 and 400 percent of the federal poverty line.

• Having access to **earned paid sick days** is crucial to reducing the spread of illness, keeping communities healthy, avoiding productivity loss, reducing workplace turnover and supporting parents and caregivers so they can balance work and family. Altogether, nearly half (46 percent) of private sector workers in West Virginia lack this basic protection.

• As working parents split more of the child care and breadwinning responsibilities, workers in West Virginia should have the ability to take **paid leave** to address personal and caregiving needs. Access to paid family and medical leave improves outcomes for children and benefits businesses by creating healthier and more productive employees.

These policies have the long-term benefits of growing our economy by investing in the people who make it run. Respected workers are productive workers; these policies are not only good for working people, they are good for business. Working families have always been the backbone of West Virginia’s economy, and by using these policies to help them increase their earning potential as well as meet responsibilities outside of work, we invest in a stronger, more prosperous state. The modern realities of work mean more working parents will be in service-sector, low-wage work for longer periods of time. Policymakers can ensure working people have access to better jobs with higher pay and benefits.
Raising the Hourly Minimum Wage to $15 by 2025

Tens of thousands of hard working West Virginians live in poverty because their jobs do not pay a living wage. Low-wage jobs are not confined to teenagers entering the workforce, summer jobs for students or those who work to supplement other family income. Low-wage workers do some of the most important work in our communities, such as caring for children and the elderly. In many cases, the wages paid by their employers are so low that they rely on public programs simply to make ends meet while continuing to participate in the workforce.

Twenty-three percent of the state’s workforce is employed in low-wage jobs, or jobs that pay below 150 percent of the federal poverty level for a family of two, or roughly $11.59 per hour. Nearly one-in-five households in West Virginia have at least one low-wage worker, while fifty-five percent of the state’s children live in a household with a low-wage worker. There thousands of West Virginians working in low-wage jobs as the state’s economy continues to replace better-paying jobs with more low-wage employment. Not only are these workers working for low wages, they are often found in industries where full-time work is hard to come by, and work schedules can be erratic. No longer a stepping stone, low-wage jobs are becoming life-long employment, while industries that provide low-wage jobs have become the state’s dominant source of job growth.²

West Virginia’s minimum wage is $8.75 per hour.³ A minimum-wage worker working full time year-round earns $18,200, or just 146 percent of the federal poverty line. If that worker is a single parent of one, then that family lives right above the poverty line (Figure 1). Even in a low cost-of-living state like West Virginia, the minimum wage is insufficient to meet most families’ basic needs. While there is no one quick fix, raising the minimum wage and adjusting it over time to keep up with inflation can provide the foundation for equitable and adequate pay for West Virginian workers.

Figure 1:
Minimum Wage is Not Enough for Workers to Get Out of Poverty
Annual Minimum Wage Earnings and Poverty Lines for Families of Two to Four, 1968-2017 (2017 dollars)

Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics and WVCBP.
For decades, the value of the minimum wage has not kept up with inflation, gradually losing its buying power over time. And when the minimum wage has increased, the increases have been too small to recapture its lost value. West Virginia’s minimum wage was last increased to $8.75 in December of 2015. Since then, it has lost over two percent of its value. If the minimum wage had kept up with inflation since 1968, it would be $11.27 per hour today (Figure 2). The value of the minimum wage has fallen, even as workers have grown more productive. If the minimum wage had grown with increases in worker productivity (measured as GDP per worker) since 1969, it would be $12.86 today. Low-and middle-wage workers have not experienced much of the gains of a growing economy in the past decades. Increasing the minimum wage would help workers appreciate those gains, be rewarded for their work and restore the link between worker productivity and wages.

**FIGURE 2:**
The Minimum Wage has Not Kept Up with Inflation

*Minimum Wage in Nominal and Real Inflation-Adjusted Value (2017 dollars)*


When set at an adequate level, the minimum wage protects workers and guarantees that work is a means to a decent quality of life, while also ensuring that all workers benefit from increasing worker productivity and a growing economy.

Raising the minimum wage to $15 by 2025, as proposed in the federal Raise the Wage Act of 2017, would lift pay for more than one-third of West Virginian workers. The vast majority of the beneficiaries would be prime-age, full-time workers, many of whom are the primary breadwinners for their families.

Over 145,000 West Virginian workers would directly benefit, meaning their current wages are below $15.00 per hour. Another 99,000 will indirectly benefit, meaning they will likely receive a raise through spillover or “ripple” effects because their current pay rate is just above $15.00. An affected worker who works all year in West Virginia would receive an extra $3,900 in wages, an effective raise of 19 percent. Overall, total wages in West Virginia would be increased by $942.1 million. Because lower-paid workers spend much of their extra earnings, this injection of wages would help stimulate the economy and spur greater business activity.
The workers in West Virginia who would receive a pay increase are overwhelmingly adult workers, most of whom work a full-time job and often support a family. Of the affected workers in West Virginia, 93 percent are over the age of 20, and over half are prime-age workers between the ages of 25 and 54.\(^6\)

Although men are a larger share of West Virginia’s workforce, the majority of workers affected by raising the minimum wage (57.2 percent) are women.\(^7\) A minimum wage increase would have a large impact on West Virginians of color. Over half (55.7 percent) of black workers in West Virginia would get a raise.\(^8\)

Four-out-of-ten single parents in West Virginia (41.4 percent) would receive higher pay, while one-out-of-four married parents (23.9 percent) would also see a pay increase.\(^9\) Of workers in West Virginia who would receive a raise, more than two-thirds work full time (67.1 percent), nearly half (47.1 percent) have some college experience and nearly a quarter (23.5 percent) have children.\(^10\)

The impact of the minimum wage on jobs and income has been heavily debated, but the evidence shows little to debate. A recent analysis by the U.S. Census Bureau found that raising the minimum wage is very effective at increasing earnings for low-income workers, and that those increases grow over time,\(^11\) while numerous studies have shown that raising the minimum wage has little-to-no impact on employment.\(^12\)

Raising the minimum wage would do more than just raise wages for workers in West Virginia. Research from the Congressional Budget Office\(^13\) and others\(^14\) has shown that raising the minimum wage would lift millions out of poverty. In addition, studies have shown that increasing in the minimum wage also significantly benefits health and well-being of workers.\(^15\)

Raising the minimum wage would help even more families if West Virginia eliminated the tipped minimum wage. Currently, West Virginia has a two-tiered system in which tipped workers can be paid as little as $2.62 per hour, under the assumption that they will make at least $6.13 per hour in tips to match the regular minimum wage of $8.75 per hour.\(^16\) If tipped workers do not earn enough in tips to meet the minimum wage, employers are supposed to pay the difference. However, many tipped workers report that their managers refuse to pay the difference or instruct them to report tips they do not earn so as not to cost the business more money.\(^17\) Twenty-one percent of tipped workers live below the federal poverty line—2.5 times the rate of the overall workforce.\(^18\) Seven states have eliminated the tipped minimum wage, guaranteeing that tipped workers and their families enjoy the same level of economic security from their employers as non-tipped workers.

A strong minimum wage can provide the foundation to improve the lives of working families, but the failure to regularly and adequately raise the minimum wage over the years has denied thousands of West Virginians the opportunity to significantly improve their lives. By adequately raising the minimum wage it ensures that thousands of West Virginians can work full-time and escape poverty. Raising the minimum wage to $15 per hour by 2025 would not only provide a boost to worker’s wages, but it would restore the wage to its historical value. According to inflation projections from the Congressional Budget Office, $15 in 2025 is equivalent to $12.66 today, well within the range of the minimum wage’s historic value.
Creating a West Virginia Earned Income Tax Credit

Low wages and low-labor force participation are two of the biggest economic challenges facing West Virginia. Not enough West Virginians are working, and too many of those working are paid low wages and have trouble staying above water.

Those who do find work not only face low wages, but also deal with an upside down state and local tax system. Low- and middle-income families in West Virginia pay a larger portion of their incomes in state and local taxes than wealthier families. For example, on average, families with earnings of $16,000 a year pay 8.7 percent of their incomes toward state and local taxes, while those in the top one percent — making on average $675,800 a year - pay 6.5 percent.\(^{19}\)

Federal tax reform did little to change this situation, with the majority of the benefits going to the wealthy. The wealthiest one percent of West Virginians received 37 percent of the tax cuts recently passed by Congress and signed by President Trump, receiving an average tax cut of $28,120, compared to an average tax cut of $430 for middle class West Virginians.\(^{20}\) A recent analysis found that West Virginia benefitted the least from President Trump’s tax reform.\(^{21}\)

The Trump tax cuts were a missed opportunity to reform our tax system in a way that helps working families, while encouraging and rewarding more work. West Virginia could make such a reform by creating a state Earned Income Tax Credit.

Enacted in 1975, the federal Earned Income Tax Credit (EITC) is a refundable tax credit (often referred to as a ‘wage supplement’) for low-income working families that is designed to encourage and reward work, offset payroll and income taxes and reduce poverty.

The federal EITC is a credit against federal income taxes that boosts the wages of low- and moderate-income workers, and in doing so, encourages people to keep working, decreases their need for public benefits and helps them move toward the middle class. The credit is refundable, meaning that working families get to keep the full value of the credit they earn even if it exceeds the income taxes they owe. In doing so, it helps offset the other taxes people pay even if they owe little or no income tax — like sales, gas and property taxes.

The amount of the EITC depends on a family’s income, marriage status and number of children. The credit’s value grows to a certain threshold, with the largest credit going to parents making about $10,000 to $23,000 a year, who can receive a credit of up to $6,242. The value of the credit gradually phases out as workers earn more and is fully phased out at incomes between $39,000 and $53,000 (Figure 3). The unique structure of the EITC avoids a cliff effect by supporting the neediest families in the state as well as those who have begun to improve their financial security.
FIGURE 3: EITC Continues to Provide Benefits as Families Improve Financially

Value of Federal EITC by Income and Family Size (TY 2017)

In West Virginia, approximately 157,000 tax filers (21 percent) received $351 million in federal EITC benefits in 2014 with an average EITC credit amount of $2,241. The vast majority of EITC benefits in West Virginia went to workers with children: 70 percent of tax filers who claimed the EITC had at least one child, while 93 percent of the $347 million in benefits went to tax filers with children. Overall, more than 412,000 West Virginians live in an EITC-eligible household, including more than 174,000 children.

The income boost provided by the EITC, along with the federal Child Tax Credit, reduces the economic struggles that thousands of West Virginia families face. Together, the credits lifted, on average, 38,000 West Virginians out of poverty each year from 2011 to 2013, including 18,000 children. Children in struggling families receiving the EITC experience several benefits because their basic needs are met. And this, in turn, strengthens West Virginia’s future economy. For example, children in families who receive the EITC have been found to have higher elementary school test scores, higher rates of high school graduation and college attendance and higher earnings as adults.

The EITC also boosts local economies by putting more money in the pockets of those who earn low wages and who are most likely to spend their money in their community, creating a ripple effect throughout the economy. Various studies have shown that the federal EITC has a large economic “multiplier effect,” with every $1 of EITC realized by local taxpayers, between $1.07 and $1.67 worth of local economic activity is generated.

Recognizing the considerable value of the federal EITC, 29 states and the District of Columbia have enacted EITCs (Figure 4). State and local EITCs provide an additional boost for taxpayers who already receive the federal EITC. Only taxpayers who are eligible for the federal credit receive the state credit, and the state EITCs are typically claimed as a percentage of the federal credit’s value. State EITCs range from 3.5 percent to 40 percent of the federal credit.
A West Virginia EITC would cut taxes for those who need it most: low-wage workers. Unlike simply reducing tax rates, which disproportionately favors the wealthy, the EITC cuts taxes from the bottom up, rather than the top down. By enacting a state EITC, West Virginia would build upon the positive aspects of the federal credit, which include helping reduce poverty, improving the workforce and increasing tax fairness. A West Virginia EITC set at 15 percent of the federal credit would put an estimated $46.9 million annually into the pockets of about 141,000 working households, including about 162,000 children. If a family earned a $3,000 federal credit, it would also receive a $450 state credit.

West Virginia has the opportunity to be the 30th state to build on the undeniable success of the federal EITC of encouraging work, reducing the struggles of low-income families and building a better future for children. A West Virginia EITC would help hard-working families in about 141,000 households from every part of the state make ends meet by reducing the substantial share of income they spend on state and local taxes.
Expanding Overtime Protection

In May of 2016, the U.S. Department of Labor released a rule modernizing the federal overtime regulations to help ensure that workers are paid fairly. The federal rule would have raised the salary threshold workers are automatically eligible for overtime pay—from $23,660 to $47,476 per year—restoring some of the coverage lost to inflation, but the rule was blocked by a federal district court and the Trump administration has indicated it will revise the rule and set the threshold at a much lower level.30

Overtime pay rules are designed to guarantee that most workers who put in more than 40 hours a week get paid 1.5 times their regular pay for the extra hours they work. Almost all hourly workers are automatically eligible for overtime pay, but salaried workers are only eligible for overtime pay if they earn below a certain salary. Above that level, employers can claim that workers are “exempt” from overtime pay protection if their job duties are considered “executive,” “administrative” or “professional.”31

The current salary threshold has not kept pace with inflation or the changing economy. In 1975, the overtime salary threshold covered about 63 percent of all salaried workers, compared to less than seven percent today (Figure 5). Had the threshold kept pace with inflation since 1975, it would be about $52,000 today. The 2016 rule would have largely restored its lost value.

FIGURE 5:
Fewer Workers are Covered by Overtime Protections Than Ever Before
Share of Full-Time Salary Workforce Who Earn Less Than the Federal Overtime Salary Threshold

The 2016 overtime rule would have benefited an estimated 12.5 million people, including 6.4 million women and 4.2 million parents. In West Virginia, an estimated 66,000 workers would have benefited from raising the salary threshold for overtime protection from $23,660 to $47,476 a year, nearly a third of the salaried workforce.32 West Virginia would have had the largest increase in workers covered out of all 50 states.33
The current overtime salary threshold of $23,660 is too low to protect the workers the rule was originally meant to protect. Workers earning as little as $455 per week can be forced to work 60–70 hours a week for no more pay than if they worked 40 hours. The extra 20–30 hours are completely free to the employer, allowing employers to exploit workers with no consequences. Under the updated rule, affected workers who work more than 40 hours a week would get more money, either through overtime pay or through increased salaries to meet the new threshold.

The loss of the rule also means a loss of a better work-life balance for affected workers. Under the updated rule, employers who do not want to pay affected workers for working more than 40 hours a week would need to stop scheduling them for overtime work, effectively ensuring time off from work.

It could also mean more jobs. By reducing overwork, raising the overtime threshold could expand employment. Under the rule, employers in some cases would hire new workers to cover the hours that newly overtime-eligible workers had been working without pay, or spread hours to other employees, a major goal of the original Fair Labor Standards Act.

West Virginia does not have to wait on the federal government to strengthen overtime protections. In the past, West Virginia has acted to bolster labor standards above what is required by the federal government, such as in 2014 when the state passed legislation to increase its minimum wage above the federal minimum.

West Virginia could do the same for overtime, and pass legislation to raise its own overtime threshold, following the parameters of the 2016 federal overtime rule. The federal standard is a floor, and it only applies in the absence of a stronger state law. Doing so would improve the work lives of thousands of workers in the state and restore the protections that the overtime rule was originally designed for.

Establishing a Fair Workweek for West Virginia

Many hardworking West Virginians have little ability to control or predict their work schedule. Hourly workers, or employees who are paid a fixed hourly wage instead of guaranteed a minimum salary, depend on their employers to give them sufficient hours, as well as enough advance notice to manage other responsibilities. Too often, however, hourly workers receive their schedules just days before their shift, are required to be “on-call” with no promise of pay, have erratic schedules that change week-to-week, get sent home early without compensation or receive too few hours. Low-wage jobs are more likely to have irregular schedules and those exposed to these changes in income are unlikely to be able to compensate with savings or additional sources of pay.

West Virginia had over an estimated 431,000 hourly workers in 2017—50.9 percent of West Virginia’s total workforce—who would benefit from establishing a fair workweek. A number of cities and states have already passed legislation to combat worsening conditions for workers across the country. A national study found that 41 percent of early-career hourly workers know their schedules less than a week in advance. Half of all hourly workers report that their employer schedules them without their input, and 75 percent of hourly workers reported that their weekly hours fluctuated 10 hours or more. These findings were even more significant among those who work part-time or in low-wage industries like food service, retail trade and hospitality.
West Virginia’s Hourly Workforce

Over 400,000 West Virginia workers would benefit from updating workplace protections to match our modern workweek, particularly the 18.1 percent of West Virginia’s part-time workers. Almost half of early-career part-time workers get their schedule less than a week in advance, and 83 percent of part-time workers see their hours fluctuate as much as 87 percent week-to-week. For someone earning West Virginia’s minimum wage of $8.75 per hour, this could mean the difference between taking home $245 one week and only $148.75 the next. Even with higher wages, income volatility can make budgeting nearly impossible for workers who already struggle to afford the basics.

Table 1:
West Virginia’s Part-Time Workforce has Grown

<table>
<thead>
<tr>
<th>Worked</th>
<th>Worked Part Time</th>
<th>Worked Part Time Involuntarily</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.96%</td>
<td>5.2%</td>
<td>31.2%</td>
</tr>
</tbody>
</table>


West Virginia’s part-time workforce is growing (Table 1). While we tend to think of these part-time workers as students working seasonal jobs, part-time work is increasingly the only source of income available to working families. In the last ten years, the number of workers in West Virginia only rose 1.9 percent, while the number of part-time workers increased 5.2 percent. This only tells half the story; the number of involuntary part-time workers, or workers who are seeking more hours or full-time employment but are constrained by economic factors, rose 31.2 percent. These are conservative estimates, and other surveys found between 20 to 36 percent of all workers, and as much as almost half of all part-time workers, want to work more hours than are available at their current job.

Similarly, employment in the state’s low-wage industries is growing rapidly, increasing 14.5 percent since 2001, while overall employment grew only 0.1 percent. National surveys have revealed retail, hospitality and food service industries to have some of the most problematic scheduling practices, in part because of their large size and tendency to employ part-time, low-wage workers. These industries account for more than one-quarter of West Virginia’s jobs and contributed well over half (63.2 percent) of the growth of all part-time employment since 2007. Workers in retail and service sectors see frequent abuses in scheduling practices (Table 2). Food service workers, for example, frequently report one week or less advance notice of their schedule (64 percent). Ninety percent of food service workers report dramatic changes to their hours on a week-to-week basis.
Because people of color and women are more likely to be in part-time, low-wage, hourly work, they bear significant burdens from irregular scheduling practices. A national study of early-career workers found that 49 percent of black-hourly workers received less than one week notice of their schedule compared to 39 percent of white-hourly workers. More often than not, non-white hourly workers had no say whatsoever in their schedules. In West Virginia, 31 percent of black workers earn low wages, while 23 percent of white workers work low-wage jobs; these disparities likely hold for hourly work as well. The same study found 81 percent of early-career women in part-time, hourly jobs reported fluctuating weekly hours, making their incomes and schedules particularly unpredictable. Women still provide the majority of child care and elder care, so volatile work schedules of female employees can have particularly harmful effects on their families.

### Costs to Workers and Families

Unstable schedules can undermine workers’ ability to address other responsibilities, such as raising children, working other jobs, attending school, caring for elders or addressing medical needs. Many studies suggest, regardless of whether workers are parents, nonstandard-work schedules have negative effects on stress levels and decrease satisfaction with family relationships. Irregular and rotating-shift schedules take their toll in the form of sleep disruption or deprivation, which can contribute to fatigue and increased stress levels at home.

When parents do not know their schedule until just days before a shift, kids are subject to changes that interfere with healthy child development. Research shows that mothers with irregular schedules experienced more behavioral problems from children aged 4 to 10, particularly for mothers who were single, receiving welfare, earning a low income or working in service industries. Parents with non-standard hours are more tired, anxious, irritable and stressed, making children’s delinquency, aggression and other negative behaviors more likely. In West Virginia, 55 percent of children live in a household with at least one low-wage worker.

As many states consider work requirements for public assistance programs like Medicaid and the Supplemental Nutrition Assistance Program (SNAP), hourly workers who currently rely on these programs
may risk not meeting the minimum number of hours per week. Of all working Medicaid recipients, 78 percent are paid hourly. In West Virginia, 66 percent of SNAP households have a working member of the household. As workers struggle to feed their families and keep themselves healthy, unstable hours might prevent them from qualifying for programs that help them get by.

**Economic Benefits of Fair Scheduling Practices**

Employers design schedules to meet the demands of their business goals, but the mechanisms used come at a cost to employees. Many employees are sent home early when work is slow without being paid for their scheduled shifts. Others are assigned “split-shifts” that are broken up over the course of the day. An increasing number of businesses require workers to be “on-call” and to contact their employer to find out whether they have work, sometimes only hours before a shift. Not only are employees not involved with creating their own schedules, many face penalties just for requesting adjustments.

Employers rely on their workers to keep their businesses running, so it is not surprising that employers who adopt fair scheduling practices find they have lower turnover, higher morale and healthier, more productive workers. Many have reported that improved scheduling practices are easy to implement and generate cost savings. One study found that over 75 percent of managers reported increased productivity and reduced absenteeism when hourly workers were given control over their schedules. This led to lower turnover and reduced operating costs.

One example can be found in a pilot program at Gap which mandated 14-day advance notice of schedules and eliminated “on-call” scheduling. The report found low-transition costs as managers “quickly adapted” to these changes. The 19 stores participating in the pilot program saw an increase in productivity amounting to a median seven percent increase in sales and a combined $2.9 million in increased revenue.

**Passing Fair Workweek Protections**

In the last four years, several states and municipalities have passed laws to provide work schedule protections for hourly workers, and many more have been proposed in statehouses. Fair workweek laws can cover a wide range of provisions, and an abridged list of definitions of existing or proposed provisions can be found to the right.

The following fair policies would have the greatest impact on West Virginia workers and are most politically feasible. The provisions could be implemented in pieces, or all at once, such as Seattle’s comprehensive Secure Scheduling ordinance. Regardless, the policies are important pieces to the puzzle when it comes to protecting workers.

A **Right to Request** law, similar to the one recently passed in New Hampshire (S.B. 416), would be an important first step to giving workers more control over their workweek. Such laws protect workers from retaliation by giving them an explicit right to request changes to their schedule, specific time and location of work hours or a minimum number of weekly hours. Barring a bona fide business reason for denying a

---

**FAIR WORKWEEK PROVISIONS**

**Advance Notice**

Requiring employers to provide employees with a certain amount of advance notice of their schedules. Some provisions also require employers to provide estimates of schedules and minimum hours before an employee begins employment.

**Right to Request**

Protecting employees who want to request changes to their schedule or flexible working arrangements by granting them the express right to do so free from retaliation by their employers. Some provisions would also require employers to grant requests for working arrangements to employees who request them because of a serious health condition, education or career training, care-giving responsibilities or to accommodate another job, unless the employer has a bona fide business reason for denying the request.
schedule request, employers would be required to honor requests made due to an employee’s transportation, medical, child care or educational needs. These laws are intentionally broadly written to affect all workers, both hourly and salaried, to encourage a collaborative process for scheduling.

Additionally, workers should be compensated when an employer prevents them the opportunity to earn wages or use time as they see fit due to unfair scheduling. Laws that protect working from last-minute schedule changes give workers more predictable incomes and more time to properly manage other parts of their lives. These protections can take several forms: from a reporting-time pay law to prevent lost wages when workers are sent home early, to eliminating the use of on-call scheduling to stop same-day changes, to a 14-day advance-notice provision coupled with a predictability-pay requirement.

A predictability-pay provision would guarantee a certain number of hours of compensation by preventing employers from making changes to an employee’s schedule after the employee receives the schedule. For example, Seattle’s law requires employers to pay one hour of extra pay for each employer-initiated schedule change after the schedule is posted that adds hours of work or changes the date or start or end time of a work shift with no loss of hours. If the employer reduces the hours in a scheduled work shift, changes the date or start or end time of a work shift resulting in a loss of hours, or cancels a work shift, the employer shall pay the employee no less than one-half times the employee’s scheduled rate of pay for any scheduled hours not worked.

A reporting-time pay provision would work similarly to protect workers when they are sent home early from a shift or have a shift canceled last minute. Several states, like New Hampshire and Massachusetts, have been successfully implementing reporting-time pay laws for almost a decade. Including these provisions will minimize fluctuations in weekly hours and income, allowing workers to more accurately plan their week and budget their expenses.

Hourly workers account for over half of all workers in West Virginia. Fair work schedules restore dignity to hourly worker and recognize the needs of working people to manage other responsibilities. These workers are not just young people working for extra money; they are breadwinners, caregivers and community members. Passing fair workweek legislation would go a long way toward providing the predictability and the financial stability that working people and their families need.

### Enhancing Child Care Assistance

Since most families need child care to participate in the workforce, it is imperative that it is affordable – especially for single parents. Unfortunately, the cost of child care is out of reach for many West Virginia families. By expanding access to affordable quality child care, West Virginia can not only boost workforce participation and improve long-term child outcomes, it can also help more businesses be more successful.
The West Virginia Child Care Program provides child care subsidies to eligible parents (those at 150 percent of federal poverty level (FPL), or about $30,636 for a family of three in 2017) who are working or going to school. Eligible parents can stay in the program until their income reaches 185 percent of FPL ($37,776 for a family of three). In 2017, West Virginia spent approximately $64 million in federal and state funds on child care assistance or about $5,770 per child. While West Virginia’s population is 94 percent white non-Hispanic, only 74 percent of children in subsidized child care are white non-Hispanic, while 25 percent are African American or multi-racial.

In 2014, Congress passed significant improvements in the reauthorization of the Child Care and Development Block Grant (CCDBG). However, it also imposed unfunded mandates on states to improve the quality of child care assistance. While West Virginia received a federal waiver from these mandates in recent years, because it would have led to massive reductions in child care assistance enrollment, Congress nearly doubled the CCDBG for 2018. According to the West Virginia Department of Health and Human Services, this additional money – an increase from $18 million to $32.1 million from FY17 to FY18 ($16.1 million) – will be used for quality improvements for providers and to support the child care subsidy system (certificates). None of the funding will go toward expanding income eligibility.

In 2017, 11,082 children from 6,611 families received child care assistance in West Virginia per month on average. This is down from 13,819 children in 2011 and 21,024 children enrolled in 2001. The decline in enrollment could be due to several factors, including population decline, the opioid epidemic, a shrinking labor force or changes to the program. According the Census Bureau, the number of children under age six below 200 percent of the FPL in West Virginia has hovered between sixty-three and sixty-four thousand over the last decade.

Research shows that child care assistance is crucial to helping low-income families maintain employment, stay off welfare and have higher earnings. Without public child care assistance, many low-income parents and single parents would be unable to afford the high cost of child care. For example, the average annual cost for an infant in a full-time child care center in West Virginia is $8,320. For a single mother earning the minimum wage ($18,200 annually), this would be almost half (46 percent) of her pre-tax annual income. In comparison, in-state tuition and fees at West Virginia University for 2018 is $8,976.

The Economic Benefit of Child Care Assistance

A study by the Economic Policy Institute (EPI) found that single mothers with children under age six who receive child care assistance are 40 percent more likely to be employed after two years than mothers who do not receive assistance. The study also found that former welfare recipients were 82 percent more likely to still be employed after two years than those who received no child care assistance. Single mothers make up 12 percent of those ages 25 to 54 that are not in the labor force in West Virginia.

Both studies from the U.S. Government Accountability Office (GAO) and a study of low-income single mothers in California showed a positive relationship between decreasing child costs and women’s labor force participation. Three states found that using a child care subsidy decreased the probability of ending employment between 25 and 43 percent, according to a 2004 University of Chicago study. The Urban Institute found that families receiving public child care assistance were significantly less likely to return to welfare than families which did not receive assistance. According to the study, about 15 percent of former welfare recipients with child care subsidies returned to welfare compared with about 25 percent without subsidies. A more recent study in Arizona found that 49 percent of parents receiving child care assistance said they would be unable to work without the subsidy program and 41 percent indicated they would request cash assistance.
The Committee for Economic Development found that child care works to stimulate economic growth primarily through its indirect support of increased labor force participation and education of the workforce. The link between higher labor force participation among women and more children in paid child care is strong. The states with a higher share of women in the labor force also have a higher share of school-aged children in paid child care, according to the 2015 study. The study showed only 15.9 percent of children under the age of 14 were in paid child care in West Virginia between 2010 and 2014 – ranking West Virginia last (with Utah) in the nation. West Virginia and Utah also had the smallest share of children under age four in paid child care at 19.8 percent and 16.7 percent, respectively. West Virginia ranked last in the nation in the share of children age 5 to 14 in paid child care at 14.1 percent.

Researchers are also learning that the lack of family-friendly policies such as child care assistance are lowering the labor force participation rates in the United States compared to other industrialized nations. A 2018 study found that the rising cost of child care from 1990 to 2010 resulted in a “five percent decline in total employment of women and a 13 percent decline in the employment of working mothers with children under the age of five.”

On top of its economic benefits to parents, quality child care vastly improves a child’s chance of success and has been linked to better socio-economic and health outcomes later in life. Investments in early child care can also reduce juvenile arrests and criminal records of participants, while reducing remedial education costs. Because parents can return to work sooner, child care also increases tax revenues and boosts lifetime earnings. One study found that our economy loses $28.9 billion in wages annually because parents do not have access to affordable child care and paid family and medical leave. Parents who are forced to leave the labor force because they do not have access to affordable child care also do not save enough for retirement.

Expanding Child Care Assistance

In 2012, Governor Tomblin’s task force on early childhood planning recommended that increasing child care assistance to eligible families from 150 percent to 200 percent of the federal poverty line could reduce the “cliff effect, which discourages parents from advancing in their jobs and careers” in West Virginia. A single parent at 150 percent of the poverty level with one infant in child care would pay less than 10 percent over their income for child care, while someone at 200 percent of the poverty level would pay nearly 30 percent of their income for child care (Figure 6).

The U.S. Department of Health and Human Services finds that child care that is above seven percent of family income is unaffordable. In West Virginia, center-based infant care makes up approximately 11.5 percent of a typical married couples family’s income, while center-based toddler care is 10.5 percent, meaning child care is unaffordable for many West Virginia families.

As discussed previously, a sliding fee scale for child day care services is used for public child care assistance based on a parent’s monthly gross income. The daily fees or copayments are charged per child. According to the National Women’s Law Center, West Virginia’s income eligibility limit is the lower than 39 states for a family of three in 2017. Raising the income threshold for families above 150 percent could make child care much more affordable for working families.
The West Virginia Department of Health and Human Resources recently announced that they were addressing the “cliff effect” in the Supplement Nutrition Assistance Program (SNAP) and the Temporary Assistance for Needy Families (TANF) by increasing the gross income eligibility from 130 percent of FPL to 200 percent. The governor’s 2012 report mentioned if child care assistance eligibility was expanded to 200 percent of the FPL, an additional 1,200 children could become eligible at a cost of $5.4 million (2011 dollars). At an average cost of $5,770 in 2017, an additional 1,200 children would cost an estimated $6.9 million today. Based on the current enrollment level of 8.9 percent, expanding access from 150 to 400 percent of the FPL would cost roughly $68 million annually. Policymakers could also consider phasing out child care subsidies (higher copays) as income rises for families.

On top of expanding access to subsidized child care, policymakers could explore establishing a child care tax credit or offer an income tax deduction for child care expenses. Over 25 states offer either credits or income tax deductions for child care expenses.

### Paid Sick Days for All West Virginians

Everyone gets sick, but not everyone gets paid time off work to deal with an illness. Nearly half of West Virginia’s private sector workforce – 254,270 workers or 46.1 percent – lack paid sick days. Women, people of color, lower-income workers and service-industry workers, have even less access to paid sick days at work despite needing it the most. Having access to paid sick days at work is crucial to reducing the spread of illness, keeping communities healthy, avoiding productivity loss, reducing workplace injuries and turnovers and supporting parents and caregivers so they can balance work and family.
The United States is one of only a few industrialized nations that does not guarantee paid sick days. However, a total of 42 jurisdictions in the United States – including 10 states – have enacted paid sick day laws that guarantee the right of millions of workers to use paid leave to recover from illness or care for a sick loved one. Paid sick day laws also help businesses and communities by reducing turnover costs, protecting public health and putting more money back into the local economy. Experiences in states has shown adopting a paid sick days law has not hurt profitability, employment, location decisions or discouraged new businesses. If West Virginia policymakers do not want to guarantee paid sick days for all West Virginians, cities in West Virginia have the authority to act.

Unequal Access to Paid Sick Days

Access to paid sick days varies considerably in West Virginia, with disparities based on sex, race and ethnicity, industry, family income, work schedule and single parent status, according to a 2014 study by the Institute for Woman Research and Families. The study found that 42 percent of male West Virginia workers lacked access to paid sick day, while that number was 45 percent for women.

Today, West Virginia women make up nearly half of the workforce, but only get paid about 72 cents for every dollar their male counterpart earn. Even though more women are working, they still take on most of the parental responsibilities and are more likely to act as primary caregivers in their families. A recent national survey from Kaiser Family Foundation found that working mothers are 10 times more likely than men to have to take time off when their child is sick. The survey also found that mothers are far more likely to take a child to the doctor and ensure that the child received the recommended. Nationally, 39 percent of working mothers must miss work when their child is sick and has to stay home. Of these working mothers, approximately 60 percent do not get paid. For low-income working mothers, more than half (52 percent) must miss work when their child is sick, while 36 percent have access to employer-provided paid sick leave.

Similar to women, racial and ethnic minorities in West Virginia also disproportionally have less access to paid sick days. An estimated 60 percent of Hispanic workers in West Virginia lack access to paid sick days, while nearly half (49 percent) of African American do not have paid sick days. In 2016, 34 percent of multi-racial people, 32 percent of African Americans, and 26 percent of Hispanics in West Virginia were in poverty compared to about 18 percent of whites. For these families, this means greater economic hardship if they lose income because of an illness or taking care of a loved one. African Americans in West Virginia also tend to have poorer health, with higher rates of diabetes and cardiovascular disease than whites. The ability to take time off work to maintain good health and deal with health problems is vital.

From 2010 to 2012, approximately two-thirds of full-time, low-wage workers– those earning less than $15,000 annually– lacked access to paid sick days, compared to just 18 percent of full-time workers who make over $65,000 annually. Close to the same share – 66 percent – of service sector workers (e.g. food service workers). In 2017, approximately 54,000 people in West Virginia worked in restaurants – which is an industry where there are high risks of infecting others through frequent contact.
Figure 7:  
People of Color, Low-income and Part-time Workers Lack Paid Sick Days the Most in West Virginia  
% Of Private Sector Workers Without Paid Sick Days In West Virginia

<table>
<thead>
<tr>
<th>Category</th>
<th>Access Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black, non-Hispanic</td>
<td>49%</td>
</tr>
<tr>
<td>Hispanic Workers</td>
<td>60%</td>
</tr>
<tr>
<td>Earn less than $15,000 annually</td>
<td>68%</td>
</tr>
<tr>
<td>Service Occupations (Food Service Workers)</td>
<td>66%</td>
</tr>
<tr>
<td>Part-Time Workers (less than 35hrs per week)</td>
<td>80%</td>
</tr>
</tbody>
</table>

Source: Institute for Women's Research & Families analysis of 2010-2012 National Health Interview Survey (NHIS) and 2010-2012 IPUMS American Community Survey (ACS). Note: Access rates are for individuals, 18 years and older, working in the private sector in West Virginia regardless of their place of residence.

A 2006 survey by Workforce West Virginia found even lower access to paid sick leave in West Virginia. According to the survey, less than 41 percent of full-time employees had sick leave, while just 10 percent of part-time employers were offered sick leave. Less than 17 percent of West Virginians that worked for the leisure and hospitality industry had sick leave. Altogether, just over a quarter of West Virginia employers offered sick leave to full-time employees, while only four percent of employers offered sick leave to part-time employees.

Figure 8:  
Workforce WV Survey Shows Only 40% of WV Workers Have Paid Sick Days  
% of Private Sector Employees in West Virginia with Access to Sick Leave (2005-2006)

<table>
<thead>
<tr>
<th>Category</th>
<th>Access Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-Time Employees</td>
<td>40.8%</td>
</tr>
<tr>
<td>Part-Time Employees</td>
<td>28.6%</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality (Full-Time)</td>
<td>16.7%</td>
</tr>
<tr>
<td>Private Sector Employees Offered</td>
<td>12.5%</td>
</tr>
<tr>
<td>Sick Leave</td>
<td></td>
</tr>
<tr>
<td>Private Sector Business Offering</td>
<td></td>
</tr>
<tr>
<td>Sick Leave</td>
<td></td>
</tr>
</tbody>
</table>

Paid Sick Days Benefit Everyone

Over the last several decades, the state’s economy and workforce has changed dramatically with more families relying on two incomes to make ends meet. More time spent at work means parents have less time to care for each other, a sick child or an ill family member. For families without paid sick days, this can spell disaster.

A recent national survey by the University of Chicago found that parents without paid sick days were more than twice as likely to send a sick child to school or daycare compared to parents with paid sick days. This same study also found that nearly one-in-four adults (23 percent) reported that they would lose their job if they took time off due to personal or family illness. For many workers, missing just a few days of work without pay can prevent them from paying the bills. According to the Economic Policy Institute, two days of unpaid sick time is the equivalent of a month’s worth of gas for your car, while three days of unpaid sick time is roughly the same cost as monthly household utilities bills. Beyond paying for bills and covering basic necessities, broader access and use of paid sick days keeps our communities healthier and safer, families stronger and helps our economy and small businesses.

Healthier People and Communities

Access to paid sick days makes our families and communities healthier. Research has shown that people who lack paid sick time put off preventive health care, like cancer screenings and medical care. Health Impact Partners, who have conducted six Health Impact Assessments (HIA) since 2008 in five states and one city, concluded:

*We found abundant evidence that guaranteed paid sick leave would significantly benefit public health nationwide and locally. It would have a particularly strong effect on stopping flu outbreaks from becoming pandemics and in reducing the transmission of disease through restaurants and other community settings. It also would prevent hunger and financial hardship among low-income workers, who would not lose wages during times of illness. Last, it would reduce health care costs by reducing unnecessary trips to the emergency room for conditions that are treatable by primary care physicians during regular business hours.*

Nationally, almost two-thirds of restaurant servers and cooks report they have cooked or served food while ill. A study by the Center for Disease Control found that an estimated one-in-five food industry workers have come to work vomiting or with diarrhea over the course of a year, creating dangerous health conditions. A 2016 study found that paid sick days not only reduced presenteeism (working while sick) but that it also reduced overall spread of disease. According to one study, flu infection rates where six to seven percent lower in cities with paid sick days policies. A more recent study estimated that the lack of paid sick leave was responsible for 5 million incidences of flu-like illness during the H1N1 pandemic in 2009.

Stronger Economy and Families

The spread of illness in a community and at work can be costly to businesses and families. When people are healthier they are more productive. When people have access to paid sick days they can also stay at home and get better instead of spreading infections in the workplace. Increased productivity, along with high-equality new hires and reduced turnover, can lower business costs and boost revenue for businesses.
Access to paid sick days is crucial to reduce the productivity lost when people go to work sick. According to a study in the Journal of Occupational and Environmental Medicine, the estimated annual cost of presenteeism (working sick) was $160 billion in 2002. Adjusted for inflation, this amounts to $228 billion in 2018.

Businesses support paid sick day laws because of its return on investment. A recent evaluation of Connecticut’s paid sick day law found that more than three-quarters of surveyed employers in the state supported the law a year in a half after its implementation. Most employers also noted in the survey that law had no or a minimal impact on the cost of doing business. An exhaustive 2016 academic study that examined the impact of paid sick day laws on employment and wage found no evidence that local paid sick day laws significantly impacted wages or employment. One reason is that paid sick days can reduce turnover costs, which can be anywhere from 16 to 200 percent of annual compensation.

A cost-benefit analysis conducted by the Institute for Women’s Policy Research found that the city of Austin, Texas would realize a net savings for businesses of $4.5 million per year from enacting a paid sick day ordinance. Meanwhile, the net community savings was $3.8 million per year. A study in Washington State found that the “total probable benefit” to the public was estimated to be between $326.6 and $348.2 million per year in Washington State.

Mechanics of Paid Sick Days

While sick day laws can vary from jurisdictions, there are some common elements. This includes the amount of sick time that is accrued or earned per hour worked, what size employers must offer paid sick days to employees, how many hours of sick time can be used within a year, when employees are eligible to use paid sick days, who is excluded from the requirement to provide paid sick days and what kinds of documentation workers need to take paid sick days.

For example, some paid sick day laws allow employees to earn one hour of sick time per 30 hours of work, but mandate they cannot use more than 72 hours (nine days) of earned paid sick time in a year. For employees of small employers, some jurisdictions limit annual paid sick time to less nine days. Other provisions include employees giving adequate notice to employers for when they take sick leave and the exclusion of independent contractors and those within a collective bargaining agreement.

Several jurisdictions have also included a provision for paid safe days so workers that are survivors of domestic or sexual violence can get critical services and care they need without losing their jobs or risking financial distress. This is especially important for women, people of color and LGBTQ communities that are disproportionately affected. Nationally, almost 20 million people each year experience domestic and sexual violence or stalking by intimate partners, and nearly 1,300 women die from intimate partner violence, while nearly two million are injured.

The West Virginia Constitution and state law grant municipalities authority to enact legislation “[t]o protect and promote the public morals, safety, health, welfare, and good order.” Despite historical instances of West Virginia courts being reluctant to allow cities to fully use this authority, more recently courts have shown a greater willingness to uphold municipal home rule authority. Further, there is no current state law on paid sick days that might preempt a local paid sick leave ordinance and it would not need to be enacted through the Home Rule Pilot Program.
Enacting Paid Family and Medical Leave

Giving workers the ability to take paid leave enables them to address personal needs without lost income or the fear of losing their jobs. Paid family and medical leave, compensated time for workers to care for loved ones or themselves, is not guaranteed in the United States, making it the only developed country without such a standard.\textsuperscript{118} According to the Bureau of Labor Statics, only 13 percent of private-sector workers in the United States have access to paid family leave.\textsuperscript{119}

Existing federal law addressing the need for caregiving is the Family and Medical Leave Act (FMLA). FMLA gives certain employees job-protected unpaid leave for up to 12 weeks, but not every worker has this benefit. Businesses with under 50 employers are exempt from the law, and when accounting for this and other exclusions, two-out-of-five workers do not have access to FMLA.\textsuperscript{120}

The changing composition of the nation’s and West Virginia’s workforce, and the demands on working families, have meant more parents are struggling to balance the demands at and outside of work. The typical family in the middle of the twentieth century consisted of a working father and a stay-at-home mother who managed child care needs. Since 1970, the labor force participation rate of West Virginia women between the ages of 25 and 54 (prime-age) increased from 30.3 percent to 65.6 percent. Women with children in this age group also saw an even more dramatic increase, from 22.3 percent to 64.5 percent. By 2017, 53.5 percent of West Virginia mothers with children under five were in the labor force, compared to 20.4 percent in 1970 (Figure 9).

Figure 9:
More West Virginia Mothers are in the Labor Force

\textit{Labor Force Participation Rates Among Prime-Age Women and Mothers, West Virginia}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{figure9.png}
\caption{More West Virginia Mothers are in the Labor Force}
\end{figure}

\textit{Source: WVCBP analysis of Current Population Survey data.}
Today, mothers and fathers are performing different roles than in the past. In 1970, about half of married couples with children under the age of 18 lived in a household in which the father was the primary earner. By 2015, two-thirds lived in dual-earner households. At the same time, the share of children living with a single mother or single father also increased. As a result, more children than ever are living in households in which all parents work, and are unlikely to have access to paid leave to care for a sick child or stay home with an infant. A paid leave policy would support the needs of thousands of working parents in West Virginia.

In addition, children are better off when their parents can take paid leave. Benefits include increased breastfeeding rates, reduced rates of low-birth weights, improved parent bonding and cognitive development and improved infant and child mortality. Longer-term, parental leave positively impacts educational attainment for kids, as well as higher earnings in adulthood.

New mothers also benefit from access to paid leave. Paid maternity leave and postpartum leave-taking are associated with improved mental and physical health. Paid leave is a vital support for those caring for older adults, as well.

Access to paid leave leads to healthier and more productive employees, making it a benefit to employers as well. After enacting the nation’s first comprehensive paid leave program, California workers increased their weekly work hours, and a survey of employers found the vast majority report the program has had minimal effect on their business. Over 89 percent reported positive or minimal effects on productivity, profitability, turnover and employee morale (Figure 10). Before the program was enacted employers voiced concerns about potential abuse, however, 91 percent of employers reported no instances of abuse among their employees.

Figure 10:
Most Employers Report Minimal or Positive Impact of Paid Leave
Share of California Employers Who Reported Positive or No Noticeable Effect of Paid Leave Program

<table>
<thead>
<tr>
<th>Productivity</th>
<th>Profitability/Performance</th>
<th>Turnover</th>
<th>Morale</th>
</tr>
</thead>
<tbody>
<tr>
<td>88.5%</td>
<td>91.0%</td>
<td>92.8%</td>
<td>98.6%</td>
</tr>
</tbody>
</table>

Source: Center for Economic and Policy Research.

Six states and the District of Columbia have created public family leave programs. States use different
financing mechanisms, from employee- or employer-only contributions to a hybrid approach. These programs typically represent only a minor cost to employees and employers, with costs varying by the length of leave offered and the amount of benefits.

For example, New Jersey’s paid leave program, which offers up to six weeks of paid leave at two-thirds of an eligible employee’s weekly wages, is financed by a worker payroll deduction of 0.9 percent of the first $33,500 in covered wages. The maximum yearly deduction per employee was $33.50 in 2017. The cost of California’s program is similar, with employees paying an average of $30 per year into the program.

An analysis from the Pennsylvania Department of Labor and Industry modeled four different types of paid leave programs, with the amount of leave varying from 12 to 26 weeks and wage replacement rates of 50 percent to 90 percent. The analysis found average annual cost per covered worker ranged from a $123 to $281, or the equivalent of 0.295 percent to 0.672 percent total payroll of covered workers.

Based on national estimates from the Institute for Women’s Policy Research, a paid family leave program in West Virginia offering up to 12 weeks of paid leave with a partial wage replacement of two-thirds of the worker’s usual weekly wage, with a maximum weekly benefit of $1,000, would cost approximately $102.3 million, including 5 percent administrative costs. This could be financed with a 0.36 percent payroll tax and would cost the average worker in West Virginia approximately $3.00 per week.

A robust paid family and medical leave insurance program would benefit all West Virginians, from workers to their families and employers.
Conclusion

The top-down approach to building a strong economy has failed West Virginia. Tax cuts at the state and federal level have put more money into the hands of the wealthy and large corporations, but have done little for the typical West Virginian. Instead of the promised growth, this approach has led to less investment in education, stagnant growth and an economy that is not delivering broadly shared prosperity.

But as these policy ideas have shown, it does not have to be this way. A strong economy can be built in West Virginia by making the prosperity of West Virginia’s workers a priority. From increasing the minimum wage to providing paid medical leave, these policies make West Virginia a better place to work, live and support a family.

West Virginia needs an economy that works for all. And that means investing in the working families that run it.
OVERVIEW


RAISING THE HOURLY MINIMUM WAGE TO $15 BY 2025


3 WV State Code, § 21-5C-2.


5 EPI analysis of CPS data.

6 Ibid.

7 Ibid.

8 Ibid.

9 Ibid.

10 Ibid.


CREATING A WEST VIRGINIA EARNED INCOME TAX CREDIT


Expanding Overtime Protection


Ibid.


ESTABLISHING A FAIR WORKWEEK FOR WEST VIRGINIA


55 Wendy Han, Daniel Miller, and Joel Waldfogel, “Parental work schedules and adolescent risky behaviors.” Developmental Psychology 1245. Literature Review courtesy of Magaret Haas. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3742548/


62 Ibid.


65 National Women’s Law Center, “Moving Women and Families Forward” (Washington, D.C., July 2016)

ENHANCING CHILD CARE ASSISTANCE

66 West Virginia Department of Health and Human Resources, Appendix 1 - Child Care Policy: Sliding Fee Scale for Child Day Care Services. Effective July 1, 2017 to June 30, 2018. Note: The entry and exit eligibility is set slightly above 150% and 185% of FPL, respectively. https://dhhr.wv.gov/bcf/Childcare/Documents/Appendix%20A%202017%20FPL%20Sliding%20Fee%20Scale.pdf
For federal fiscal year 2017, this included $35.2 million in Child Care and Development Block Grant (CCDBG) and Child Care Development Funds (CCDF), $12.4 million in Temporary Assistance for Needy Families (TANF) funding, and $16.3 million state matching funds (MOE).


Dable 12a Retrieved from https://www.acf.hhs.gov/sites/default/files/occ/fy2016_preliminary_tables_for_publication.xlsx IN 2016, there were 124,985 children in West Virginia under the age of 14. In federal fiscal year 2017, there were on average 11,068 children enrolled in childcare assistance.


Email to Ted Boettner from Janie M Cole (Interim Deputy Commissioner, Office of Programs and Resource Development, Bureau of Children and Families, WV DHHR) on May 18, 2018.


Retrieved from: https://admissions.wvu.edu/cost-and-aid


Childcare Aware of America, “Parents and the High Cost of Child Care” (Arlington, VA, January 2018).


West Virginia Department of Health and Human Resources, “DHHR to Address Eligibility Qualifications for Social Service Programs” (Charleston, WV, February 2018). [Link to file]


PAID SICK DAYS FOR ALL WEST VIRGINIANS


US Census Bureau, “Characteristics of People at Specified Levels of Poverty in the Last 12 Months” (2013). [Link to file]

West Virginia Department of Health and Human Resources, “Minority Health in West Virginia” (Charleston, WV, April 2007). [Link to file]


117 WV State Code, § 8-12-5(44).
ENACTING PAID FAMILY AND MEDICAL LEAVE


123 C. S. Tamis-LeMonda et al., “Fathers and Mothers at Play with their 2- and 3-Year-Olds: Contributions to Language and Cognitive Development,” Child Development 75, no. 6 (December 2004)


130 New Jersey Department of Labor and Workforce Development, “Cost to the Worker” (Trenton, NJ, January 2018). https://www.nj.gov/labor/fli/content/cost.html


