

Benefit Cost Analysis of a Paid Family and Medical Leave Program

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Bonding Leave Would Generate \$27 Million in Annual Net Benefits to West Virginia Families, Businesses, and the State

A statewide paid family and medical leave program is one of the most effective policies a state can implement to promote parental employment, improve parent-child relationships, and boost parent and child health, among other benefits.¹

Paid family and medical leave provides workers with time off to recover from their own serious health condition, to bond with a new child, or to care for a family member with a serious health condition. Paid family and medical leave programs are funded through payroll contributions from employees and employers, at no additional cost to the state. Bonding leave, which is a type of family leave, refers to leave taken to care for a new child following birth, adoption, or foster care placement.

To better understand the impact on parents with a new child, employers, and the state, the Prenatal-to-3 Policy Impact Center conducted a benefit-cost analysis modeled on a proposed policy for West Virginia.

Paid Bonding Leave Offers a Positive Return on Investment for West Virginia



The table on page 2 outlines the social and economic benefits of the proposed policy

Summary of the Proposed Policy

- All eligible parents would be able to take up to 12 weeks of paid leave to bond with a new child.
- An eligible parent would receive 90% of wages below 50% of the state average weekly wage (SAWW), plus 67% of wages above that threshold. The maximum weekly benefit would be capped at the SAWW.
- The program would be funded through payroll contributions. The contribution rate would vary year-over-year, based on the solvency and take-up rates of the program.
- Employers and employees would each be responsible for half of the payroll contribution.

¹ For more information, see the full evidence review for paid family and medical leave: <https://pn3policy.org/policy-clearinghouse/paid-family-leave/>

Impact of One Year of Implementing Bonding Leave under the Proposed Policy

	EXPECTED SOCIAL IMPACT	ESTIMATED ECONOMIC IMPACT
State tax revenue	Increase in sales, income, and corporate tax revenue	\$1.4 million in state sales tax revenue annually
Maternal employment	71,263 more weeks worked per year, amounting to 1,370 additional full-time workers each year; 1,445 additional mothers working at their pre-birth employer at child's first birthday	
Food security	1,375 individuals lifted out of very low food security	\$3.5 million in healthcare costs avoided annually
Earnings	Increased income for families with infants	\$37 million in additional household income annually (starting in the second year)
Infant care	24,581 fewer months of infant child care needed	\$21.4 million in additional disposable income annually for families, \$1.5 million in subsidized child care costs for the state avoided annually
TANF spending	3 fewer single-parent families receiving TANF benefits	\$21,149 fewer state resources spent annually
Business revenue	Decrease in job turnover, more productivity, and more female leadership	\$1.4 million in additional business revenue annually
Leave taking	Between 160,592 and 190,703 additional days mothers spend at home bonding with newborn; 28,466 additional days for fathers	
Hospitalizations	111 fewer infants hospitalized	\$7.5 million in healthcare costs avoided annually
Breastfeeding	1 maternal death averted; fewer cases of breast cancer, heart attacks, diabetes, and hypertension	\$19 million in lifetime benefits, and \$1 million in healthcare costs avoided over a lifetime (starting in the second year)
Severe child maltreatment	1 fewer case of pediatric abusive head trauma each year	\$2 million in healthcare, special education, criminal justice, and other costs avoided over the lifetime
Alcohol consumption	874 fewer fathers consuming alcohol	
Vaccinations	42 additional 2-month-olds receiving all vaccines on time	
Postpartum health	235 additional routine postpartum visits attended	
Mental health	Fewer mothers reporting postpartum psychological distress	
Poverty	677 children lifted out of poverty	\$84.8 million in costs avoided over the lifetime
Infant mortality	3 infant lives saved	\$100 million in lifetime benefits