



JOINT ECONOMIC COMMITTEE
SENATOR CHARLES E. SCHUMER, CHAIRMAN
REPRESENTATIVE CAROLYN B. MALONEY, VICE CHAIR



Statement of Carolyn Maloney, Vice Chair
Joint Economic Committee Hearing
June 14, 2007

Good morning. I would like to thank Chairman Schumer, who couldn't be here today, for allowing us to hold this hearing on why work-family policies from abroad make good economic sense for the United States.

This is the first of many hearings that the Joint Economic Committee will hold as Democrats in Congress work to develop workplace standards for the 21st Century that help families balance the competing demands of work and family responsibilities.

Today, we are releasing the findings of a Government Accountability Office (GAO) report, entitled "Women and Low-Skilled Workers: Other Countries' Policies and Practices that May Help Them Enter and Remain in the Labor Force." This report is the third in a series of reports that I and several of my colleagues, especially Rep. John Dingell, have requested to examine women's contributions to the economy and the obstacles that they face in the workplace.

This new report examines the policies that a number of other industrialized countries use to support working families and to foster greater labor force attachment for low-skilled workers, particularly women.

The GAO report shows that the United States lags far behind other industrialized countries in providing paid leave for care-giving responsibilities, support for obtaining quality child care, or allowing flexible work schedules.

The most astonishing and perhaps the most shameful fact is that the U.S. is the only industrialized country that does not offer paid leave for new parents.

It's been more than a decade since the Family Medical Leave Act was signed into law, granting most workers job protection for unpaid leave to care for a new child or seriously ill family member.

But the reality is that most U.S. workers cannot afford to forgo pay for any length of time when care giving needs arise. For most American families, it takes two incomes just to make ends meet in the face of stagnant wages and high costs for energy, child care, and health care.

That's why I have re-introduced legislation this Congress that expands FMLA to smaller firms, provides paid leave, and permits leave to be used for parental involvement in their children's school life.

I hope we can all agree that many of the work-family models we see from abroad would benefit U.S. workers and that they are more important than ever. What we will explore today is how stronger work-family policies in the U.S. would benefit businesses and the economy.

More and more, businesses are finding that doing right by workers is good for the bottom line. SAS, a cutting-edge North Carolina-based software company, reports that their work-family policies result in low turn-over in a volatile industry, high worker productivity, and an estimated \$75 million in annual savings as result of making these investments in their employees.

As Dr. Gornick's research shows, many of the countries with strong work-family policies also have the highest GDP per-hour-worked and unemployment rates that are the same or lower than in the U.S.

Some will argue that we can't afford these policies. As Ms. Bravo will point out, we can hardly afford *not* to update our policies in order to build a 21st Century work force.

And workplace changes that help families don't have to be costly.

Perhaps the best example of this is the UK's policy granting workers the right to request a flexible schedule. Under this system, employers may refuse flexible schedule requests, but only a small percentage has been denied. I'm working with Sen. Kennedy on legislation that we hope to introduce this summer that would allow this sort of flexibility in the U.S.

Research also shows that other industrialized countries are doing a far better job caring for young children. As a follow-up to Speaker Pelosi's National Summit on America's Children last month, the committee will be addressing the issue of early childhood care and education in the U.S. in greater depth at a Joint Economic Committee hearing on June 27th.

If we as a country truly value families, then we need new policies and we need to make the kind of investments that other countries have already recognized are necessary to support working families.

I want to thank all of our witnesses for being here today and look forward to their testimony.