Paid Parental Leave and Infant Care

How can Tennessee give parents more time at home with a new child while making paid leave workable for employers?

Sources & digital copy

Why paid leave belongs in a child care blueprint. Paid parental leave replaces some or all of a parent's pay when a new child arrives. It can delay the need for infant care, saving families months of costs and easing demand for scarce, expensive care. Licensed Tennessee programs cannot enroll babies under six weeks.[1]

What the evidence tells us

Parents take more time at home
Paid leave increases how often parents take leave and how long they stay home.[2]

Better maternal mental health
Studies find fewer symptoms of depression after childbirth.[2]

Healthier infants
Studies find more breastfeeding; some also find fewer infant hospital visits and deaths after the first month.[2]

More financial security
Some studies find less poverty and food insecurity after a birth, especially among families with lower incomes.[2]

Stronger connections to work
Research finds benefits for mothers' workforce participation and return to their previous employer. Longer-term findings vary.[2]

Potential benefits for employers
Most employers surveyed report neutral or positive effects on business performance, turnover and morale.[2]

Evidence note: Most studies examine state paid family and medical leave programs. Research has not established the ideal leave length.[2]

What voters and parents say

- **Tennessee voters value parent time at home with a new child.** 85% say a parent's time at home in a new child's first six weeks is very or extremely important.[3]
- **Many parents had less leave than they wanted.** Nationally, 15% of working parents took no time off after their youngest child was born, and 55% of those who took leave and returned to work wanted more time.[4]

Coverage and gaps in Tennessee

Job protection during leave is unpaid and limited. Federal law guarantees up to 12 weeks at private employers with 50 or more workers, for employees with a year on the job. TN law allows up to four months at employers with 100 or more full-time workers.[5]

PAID BENEFITS AVAILABLE NOW

State employees: Six weeks at full pay; foster placements added Jan. 1, 2027.[6]

School employees: Six weeks for licensed public and charter school employees.[7]

Local governments: A small percentage offer paid parental or maternity leave, including, but not limited to, Memphis, Nashville, Knoxville, Shelby County and Hamilton County.[8]

Private-sector workers: 49% have paid family and medical leave through their employer; weeks and pay are not reported. In 2023, 27% had paid family leave.[9,10]

Short-term disability: 44% of private-sector and 26% of state and local government workers have it. It typically pays about 60% of pay for six to eight weeks after birth.[9,11]

REMAINING GAPS

Lower-wage and service workers: Most have no paid family leave. In 2023, just 16% of service workers and 6% of the lowest-wage workers had it.[10]

Half of private-sector workers: 51% have no paid family and medical leave, and 56% have no short-term disability.[9]

Self-employed and small-business workers: Self-employed workers have no employer plan, and many small-business employees have no legal right to leave.[5,9]

Public workers: School support staff such as bus drivers, aides and cafeteria workers are left out of the school benefit, and most cities and counties offer no paid parental leave.[7,8]

Partners and adoptive and foster parents: Short-term disability covers only the parent who gives birth.[11]

A Proposed Starting Goal for 2030

At least six weeks of paid leave for each new parent following birth, adoption or foster placement, and at least 12 weeks total for the parent who gives birth, including recovery time.

Research informs this goal but does not establish the ideal duration.[2]

Concepts for discussion

1 Expand paid leave for public workers

Extend paid leave from 6 to at least 12 weeks for state and school employees who give birth. Include support staff, and let cities and counties opt into the state plan.

Who it helps: State, school and local government employees, prioritizing first responders and essential workers.

How parents access it: Through a public employer.

What to weigh: Builds on existing benefits; requires public funding.

EXAMPLE Arkansas gives state employees up to 12 weeks of maternity leave through a catastrophic leave bank.[12]

2 Pay working parents who lack paid leave

Pay parents directly during leave, using state funds or, for income-eligible parents, short-term TANF help for newborn care at home.

Who it helps: Working parents without paid leave, including service, lower-wage and self-employed workers.

How parents access it: Apply for a state benefit.

What to weigh: Needs no employer participation; requires stable funding and clear eligibility rules.

EXAMPLE Montana and Minnesota once paid parents for infant care at home, with work or activity requirements.[13]

3 Create paid leave insurance funded by worker contributions

Workers contribute through payroll deductions that employers collect; any employer share is a separate choice.

Who it helps: All covered workers, including partners and adoptive and foster parents; self-employed workers could opt in.

How parents access it: Through the insurance program, with coverage that follows them between jobs.

What to weigh: Broader coverage; lower take-home pay and added payroll administration.

EXAMPLE California funds paid family leave through worker contributions.[14]

4 Create a voluntary paid leave insurance pool

TN law already allows paid family leave insurance. A state-arranged pool would let employers, local governments, self-employed workers and anyone without coverage buy in.[15]

Who it helps: Workers without paid leave through a job, including small-business and self-employed workers, partners, and adoptive and foster parents.

How parents access it: Through an employer or local government that joins, or by enrolling on their own.

What to weigh: Premium costs; a pool works best when many people join, not only those expecting a child.

EXAMPLE Vermont offers individual enrollment; New Hampshire has had limited participation.[12]

5 Help employers offer paid leave

Renew TN's expired employer tax credit to stack on the federal credit, and test a voluntary tri-share splitting costs among employers, employees and the state.[16]

Who it helps: Workers at participating employers.

How parents access it: Through a participating employer.

What to weigh: Shares benefit costs; access depends on employer participation.

EXAMPLE New Hampshire offers a leave insurance tax credit. Michigan, Ohio and Kentucky share child care costs, a model TN could adapt for leave.[12,17]

6 Protect more parents' jobs during leave

Extend TN job protection below the 100-worker threshold, shorten the three-month notice, and cover health insurance and NICU stays.

Who it helps: Workers at small employers and others outside existing protections.

How parents access it: Through a legal right to leave and return to work.

What to weigh: More workers can take leave; employers must plan for absences.

EXAMPLE Illinois provides unpaid, job-protected neonatal intensive care leave.[12]

Questions for the Room

1. **Who should benefit first?** All working parents, lower-wage and service workers, workers at small employers, or public workers?
2. **What would help employers, including child care providers?** Lower benefit costs, simpler administration or help covering the work?

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