

Benefit-Cost Analysis of a Paid Family and Medical Leave Program

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Bonding Leave Would Generate \$71 Million in Annual Net Benefits to Kansas Families, Businesses, and the State

A statewide paid family and medical leave (PFML) 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. Bonding leave, which is a type of family leave, refers to leave taken to care for a 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 PFML policy.

Paid Bonding Leave Offers a Positive Return on Investment for Kansas

Annual societal benefits outweigh costs by 11 to 1.

Generates \$71 million in annual net benefits to Kansas families, businesses, and the state.

Generates \$738 million in lifetime net benefits for each year of births.

PFML is budget neutral. Funded through payroll contributions, it does not affect the General Fund Budget.

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 earn 67% of their wages while on leave. The maximum benefit would be capped at \$1,000 per month.
- The program would be funded through small 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	\$5 million in state tax revenue annually
Maternal employment	152,259 more weeks worked per year, amounting to 2,928 additional full-time workers each year; 3,088 additional mothers working at their pre-birth employer at child's first birthday	
Food security	2,687 individuals lifted out of very low food security	\$6.9 million in healthcare costs associated with low food security avoided annually
Earnings	Increased income for families with infants	\$123.7 million in additional household income annually (starting in the second year)
Infant care	49,950 fewer months of infant child care needed	\$60 million in additional disposable income annually for families, \$1.3 million in subsidized child care costs for the state avoided annually
TANF spending	8 fewer single-parent families receiving TANF benefits	\$31,708 fewer state resources spent annually
Business revenue	Decrease in job turnover, more productivity, and more female leadership	\$3.3 million in additional business revenue annually
Leave taking	Between 343,120 and 407,455 additional days mothers spend at home bonding with newborn; 64,162 additional days for fathers	
Hospitalizations	225 fewer infants hospitalized	\$15 million in healthcare costs avoided annually
Breastfeeding	3 maternal deaths averted; fewer cases of breast cancer, heart attacks, diabetes, and hypertension	\$46 million in lifetime benefits, and \$2 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	\$4.9 million in healthcare, special education, criminal justice, and other costs avoided over the lifetime
Alcohol consumption	2,973 fewer fathers consuming alcohol	
Vaccinations	76 additional 2-month-olds receiving all vaccines on time	
Postpartum health	535 additional routine postpartum visits attended	
Mental health	Fewer mothers reporting postpartum psychological distress	
Poverty	2,458 children lifted out of poverty	\$315 million in costs avoided over the lifetime
Infant mortality	5 infant lives saved	\$165 million in lifetime benefits