

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

MARCH 2026



Paid family and medical leave policies are proven to strengthen families' economic security, support the health and wellbeing of children and parents, improve mothers' labor force participation, and reduce instances of infant mortality, all while remaining budget neutral to the state.

Kansas does not currently have a statewide paid family and medical leave (PFML) policy. The Prenatal-to-3 Policy Impact Center at Vanderbilt University partnered with the Kansas Paid Family and Medical Leave Coalition to assess a proposed PFML program.

The proposed policy would provide all eligible parents with up to 12 weeks of paid leave to bond with a new child following birth, adoption, or foster care placement. Eligible parents would receive 67% of their wages while on leave. The maximum weekly benefit would be capped at \$1,000. The program would be funded through payroll contributions from employers and employees, at no additional cost to the state.<sup>1</sup>

## Key Findings



1. Enacting a paid family and medical leave program is budget neutral.



2. Each year, bonding leave would result in a net benefit of \$71 million to families, employers, and the state government, outweighing costs by 11 to 1.



3. Employees receive a double – or more – return on their investment by contributing to the PFML program.



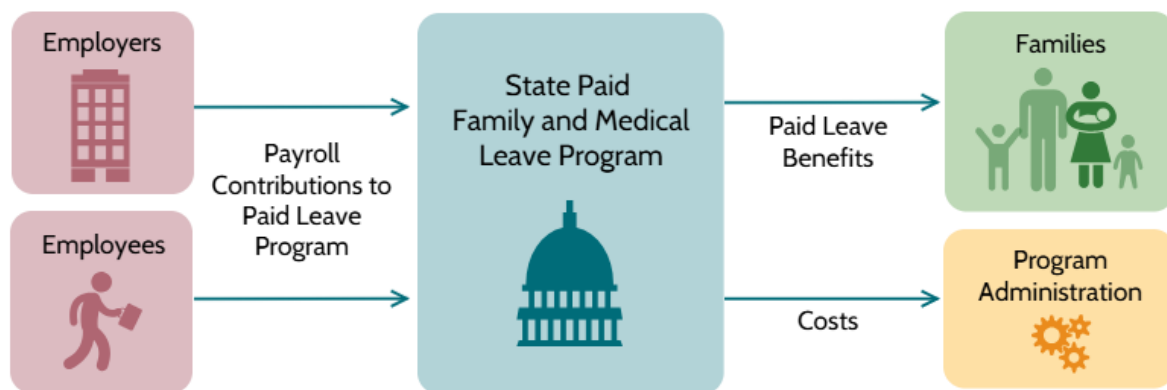
4. Adopting a paid family and medical leave program would increase the minimum resources available to working families by \$3,257 in the year their child is born.

<sup>1</sup> A similar bill (H.B. 2598) was introduced in the 2025 legislative session, with employees bearing the full cost of premiums.

## 1. Enacting a paid family and medical leave program is budget neutral.

**No ongoing funding for the proposed paid family and medical leave program would come from the General Revenue Fund.** The proposed program, similar to other states' PFML programs, would be funded through small payroll contributions, also called premiums, collected in equal proportion from employers and employees.

**Statewide paid family and medical leave programs are funded entirely by payroll contributions, at no additional cost to state governments.**



**At a 0.90% payroll contribution rate, the state would fully fund all bonding leave costs while retaining a \$173 million reserve that can be used to fund other leave types.** Based on analyses using the Department of Labor's Microsimulation Model on Worker Leave<sup>2</sup>, the contributions collected from employers and employees for bonding leave (totaling \$287 million) would more than adequately cover bonding leave benefits, as well as associated administrative expenses. A 0.90% payroll contribution, then, would maintain the program's self-sustainability without impacting the General Revenue Fund.

## 2. Each year, bonding leave would result in a net benefit of \$71 million to families, employers, and the state government, outweighing costs by 11 to 1.

**Societal Net Benefits of Bonding Leave for Each Year of Births**

**\$71M in year 1**  
**\$738M lifetime**

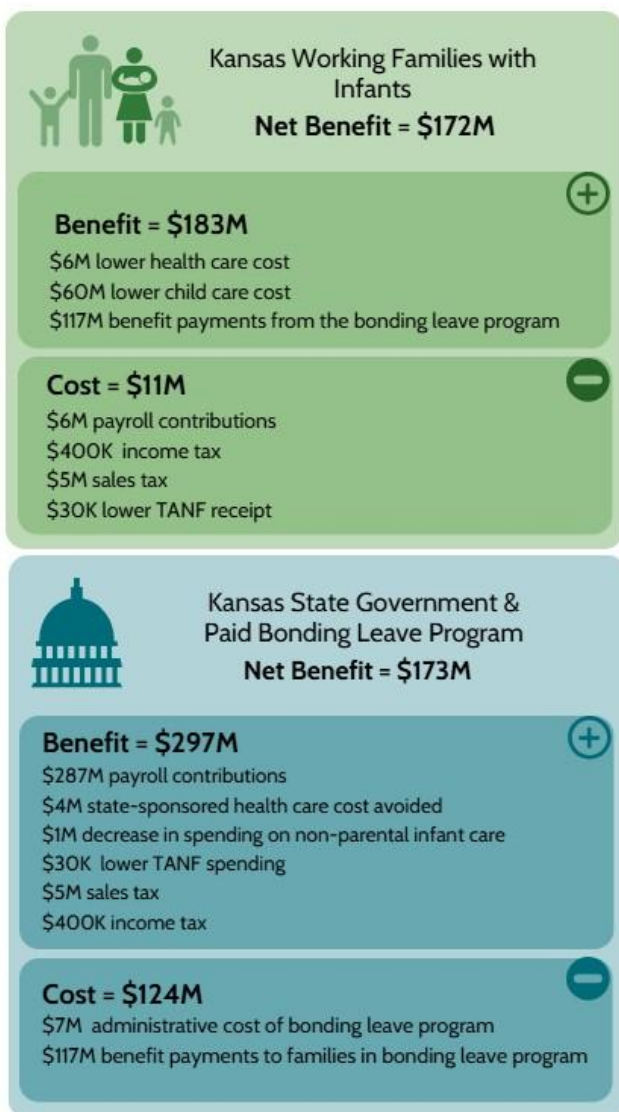
The proposed program is estimated to incur an annual administrative cost of \$7 million, whereas annual benefits to families, employers, and the state government amount to \$78 million. Taken together, this represents a net benefit of \$71 million and a benefit-to-cost ratio of 11 to 1 that persists year after

<sup>2</sup> IMPAQ International. (2021). *Worker Paid Leave Usage Simulation (Worker PLUS) Model*

year. These estimates consider costs and benefits for all stakeholder groups, including working families with infants, non-beneficiary employees, employers, and the state government.

Lifetime benefits to society are even greater. For each year of births, estimates suggest \$738 million in benefits over the lifetime from access to paid bonding leave, after accounting for costs of the program. Lifetime net benefits include breastfeeding impacts, increases in household income, costs avoided because of reductions in child poverty, fewer maternal and infant deaths, and lower spending on health care, education, and criminal justice.

The societal benefits can be broken down to examine how working families with infants and the state benefit separately, considering each of their respective investments into the program (i.e., costs).



### Benefits for Working Families

The PFML program would lead to a net benefit of \$172 million for working families with infants across the state. This figure accounts for \$11 million in payroll contributions, increased sales and income taxes paid, and lower TANF receipt. Quantifiable economic benefits to families in the first year include lower health care and child care costs, and direct benefit payments from the bonding leave program. In the second year, families would experience benefits from increased employment and household income. Children and their families would also experience increases in childhood immunizations, breastfeeding, postpartum doctors' visits, as well as decreases in poverty, maternal postpartum psychological distress, abusive head trauma, infant hospitalizations, food insecurity, and premature child and maternal deaths.

### Benefits for the State of Kansas

The state would maintain an annual reserve of \$173 million, after accounting for an outlay of \$124 million in benefits to families and administrative costs, and income and cost avoidance to the state. This reserve may be applied toward other leave types. Benefits to the state include payroll contributions

collected from employers and employees (\$287 M), more sales tax revenue collected (\$5 M, which comes as a cost to families with infants), and state-sponsored health care costs avoided (\$4 M), among other benefits.

### **3. Employees would receive a double – or more – return on their investment by contributing to the paid family and medical leave program.**

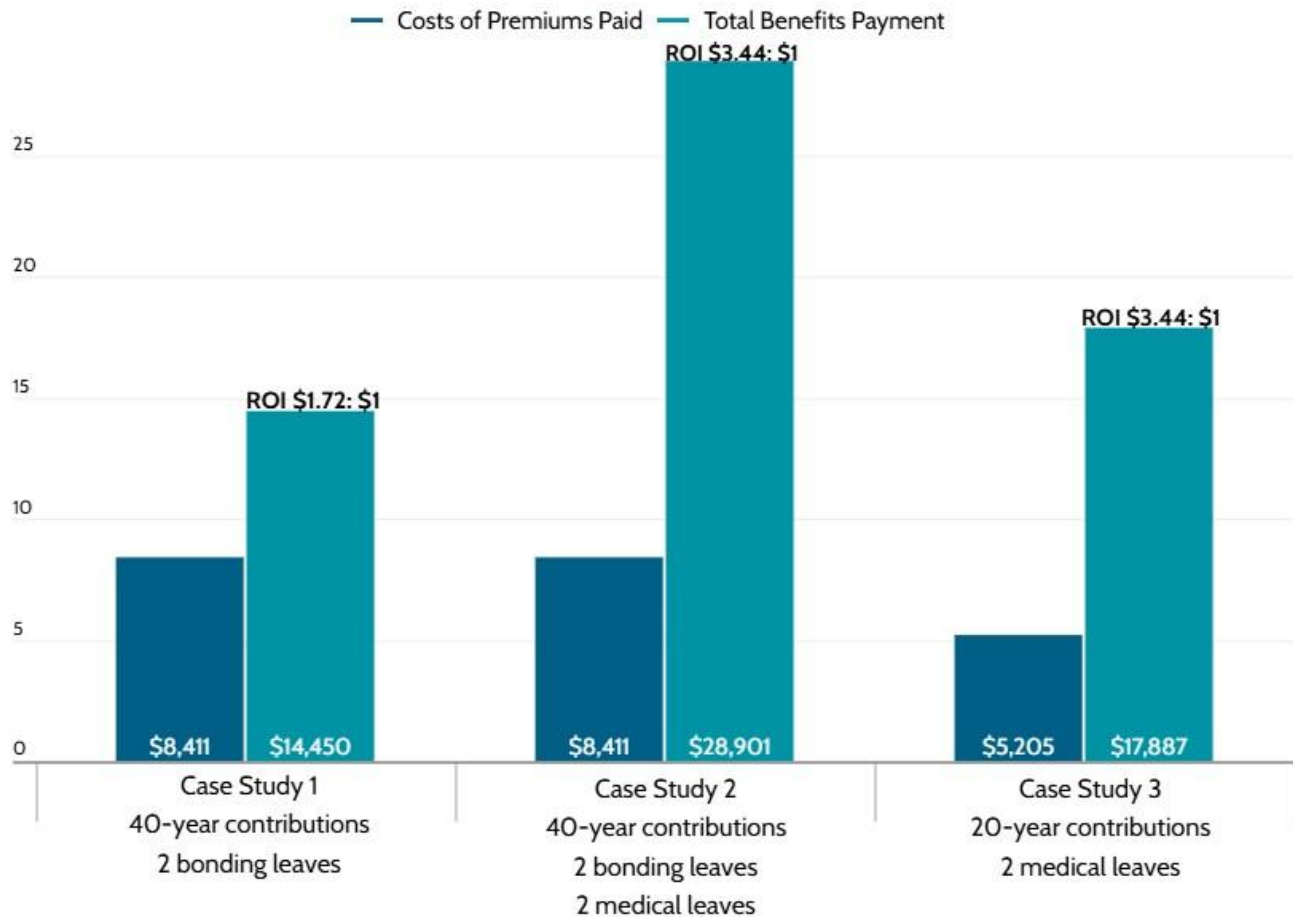
The findings reveal significant financial returns to employees participating in the proposed PFML program, with employees receiving benefits approximately two to three times larger than premiums paid.

To better understand the potential benefit of the proposed program, we conducted three case studies that calculate the benefit to employees with varying needs for leave:

- Case Study 1: An average worker, earning \$46,731 annually, working 40 years and taking two bonding leaves. This worker would receive benefits approximately two times the amount they pay in premiums (\$1.72 in benefits received for every \$1 paid in premiums).
- Case Study 2: An average worker, earning \$46,731 annually, working 40 years and taking two bonding and two medical leaves. This worker would receive benefits over three times the amount they pay in premiums (\$3.44 in benefits to every \$1 in premiums).
- Case Study 3: An average worker, earning \$57,844 annually, working 20 years after their childbearing years are over, taking two medical leaves. This worker would receive benefits over three times the amount they pay in premiums (\$3.44 in benefits to every \$1 in premiums).

All leaves are assumed to be the maximum duration of 12 weeks. For each of the case studies, direct benefits include weekly payments from the program during their leaves, and costs include premiums contributed over the work period.

## Return on Investment for Median Wage Workers, Kansas Paid Family Leave



Notes: We assume a 0.9% payroll tax, with employee contributions of 0.45% and employer contributions of 0.45% of wages. Contribution estimates are based on 2022 median annual wages adjusted to 2026 dollars. Benefits are based on the maximum leave duration of 12 weeks.

## 4. Adopting a paid family and medical leave program would increase the minimum resources available to working families by \$3,257 in the year their child is born.

State policy choices significantly impact a family's total resources. Currently, Kansas' policy choices leave it ranking 32<sup>nd</sup> among 50 states and the District of Columbia in terms of the resources available to working families with low incomes, according to the Prenatal-to-3 Policy Impact Calculator (PIC).<sup>3</sup>

The PIC illustrates how state policies interact to impact the minimum level of resources available to a family of three, consisting of a single parent working full time in a minimum wage job with an infant and a toddler. Using the PIC, we simulate the level of resources available to a

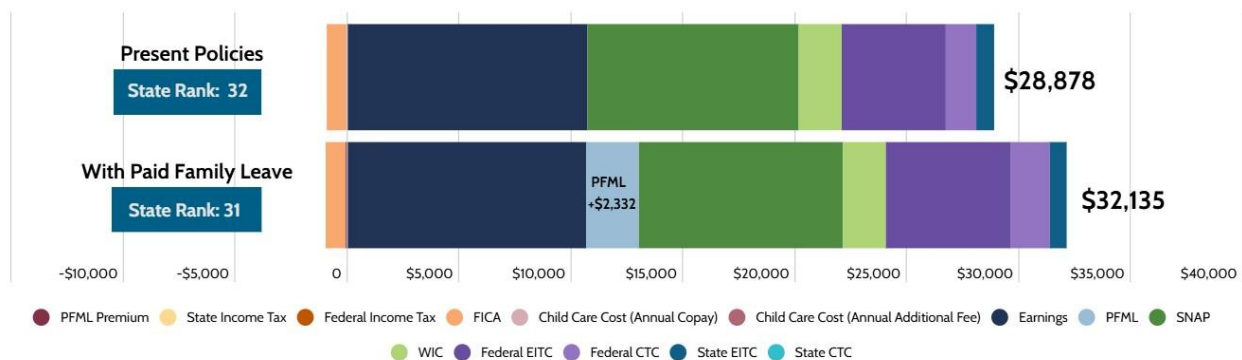
<sup>3</sup> For more information on the Policy Impact Calculator, visit <https://pn3policy.org/policy-impact-calculator/>

family of three in Kansas, considering two scenarios: the existing state policies, and the potential impact of adopting the proposed PFML program.

Under the proposed PFML program, the family would receive \$2,332 in paid bonding leave benefits. After factoring in the annual program premium (-\$52), a reduction in SNAP benefits (-\$305) due to higher income, and increases in the Federal Earned Income Tax Credit (+\$932) and Child Tax Credit (+\$350) due to higher earnings, **the adoption of a paid family leave program would increase the family's resources by \$3,257 in the year their child is born.**

### The Impact of State Policy Choices on Family Resources in Kansas

(1) Annual Minimum Wage Earnings + PFL, (2) Minus Out-of-Pocket Child Care Expenses, (3) Plus Net Federal Benefits, (4) Plus Net State Benefits



To the extent possible, data reflect state policies as of October 1, 2025 and tax year 2025. All earnings, benefits (both federal and state), and child care costs are based on a family of three comprised of a single parent working a full-time, minimum wage job for 9 months with 12 weeks of leave following the birth of the infant. The tax credits pictured are all refundable. The family includes two children (an infant and a toddler) in full-time, center-based child care. For detailed source notes and additional information see our [Policy Impact Calculator](#) and [Methods and Sources](#). For detailed source notes and additional information see our [Policy Impact Calculator](#) and [Methods and Sources](#).

## Conclusion

Our analysis, which builds on a substantial body of rigorous causal research, suggests that the adoption of a PFML program could have far-reaching positive implications for families with young children at no ongoing cost to the state of Kansas. The proposed program could lead to significant economic benefits for employers, workers, and the state of Kansas, in addition to improvements in the health, development, and long-term wellbeing of infants and their families.