

DT: July 13, 2007  
TO: Florence Block, President, Morris County Chamber  
FR: Alan J. Zakin, Esq., Chairman, Morris County Chamber Government Affairs  
RE: Paid Family Leave Position Paper

Per your request I am providing justification for the position recommended to the Morris County Chamber of Commerce Board of Directors by the Morris County Chamber Government Affairs Committee regarding Paid Family Leave (S-2249/A-3812). Our Committee recommended that the Chamber take a position against this legislation. The reasons follow:

- ✓ **Paid leave would eviscerate the small business community:** Both state and federal unpaid family leave laws currently on the books exempt firms of less than 50 workers. This legislation makes no such exception.
- ✓ **Many small employers cannot afford to operate with key employees absent for prolonged periods.** For many small businesses, the costs in time and manpower in order to train a new employee for 2-3 months would be prohibitive – sometimes it will be impossible to find, hire and train a temporary employee for such a short period; crucial tasks for a small business could remain undone, jeopardizing their success.
- ✓ **The cost will be enormous:** We can expect the number of employees that take family leave to rise geometrically. These benefits can be in addition to 26 weeks of disability that employees are currently entitled to. While initial funding will come from employee contributions to the TDI fund, these funds have been frequently diverted for other uses, when funds run out employers can be expected to incur additional costs. Employers will also bear the costs of hiring replacement workers, the loss of productivity and loss of jobs to competitors in other states.
- ✓ **Paid leave legislation will threaten thousands of NJ jobs.** It will put NJ out of step with employment practices nationwide, making it much more difficult for small businesses to stay in business, and for medium to large businesses to maintain or increase employment in NJ.

**Question:** *How will this legislation affect low income and minority workers?*

**Answer:** *While these workers may initially experience some benefit from being able to be paid to care for a sick relative or a new child, this benefit will be short lived. This legislation will cause severe economic loss. New Jersey will become even less competitive for business as compared to other states – particularly our neighbors Pennsylvania and New York. Many small businesses will fold, or move out of state. The net result will be fewer jobs – particularly for the lowest paid individuals who are typically first fired, and who have less ability to move to more healthy economic areas.*