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The Build Back Better Act, Universal Comprehensive Paid Leave Benefit Formula (as in November 3 Text), and State-Level Distribution of Workers: In Brief

November 12, 2021

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R46966

CRS REPORT
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SUMMARY

R46966

November 12, 2021

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The Build Back Better Act, Universal Comprehensive Paid Leave Benefit Formula (as in November 3 Text), and State-Level Distribution of Workers: In Brief

On November 3, 2021, the House Rules Committee released text of a modified version of H.R. 5376, commonly referred to as the Build Back Better Act (BBBA). Title XIII, Subtitle A, of the act (titled "Universal Comprehensive Paid Leave") proposes a new federal cash benefit for eligible individuals engaged in certain types of family and medical caregiving. The November 3 text modifies a similar paid leave benefit program proposed in an earlier version of H.R. 5376 that was introduced on September 27, 2021.

This report describes the weekly benefit formula for qualified caregiving as included in the November 3, 2021, version of the BBBA. The weekly benefit formula has a progressive structure (i.e., it is designed to replace a larger share of earnings for individuals with lower earnings and a smaller share of earnings for those with higher earnings). For 2024, the benefit formula applies separate (and diminishing) replacement rates for workers with average annual earnings between $2,000 and $15,080; between $15,081 and $34,248; and between $34,249 and $62,000. The portion of an individual's annual earnings that are above $62,000 are not included in the weekly benefit calculation. Workers with less than $2,000 in average annual earnings are not eligible for the benefit. After calendar year 2024, the bend points of the specified amounts would increase annually by the growth in the national average wage index or would remain at the previous year's level if the average wage index does not increase.

To gain insights into how weekly benefit amounts might vary across workers residing in different states, the report presents the state-level distribution of adult workers in 2019 across the earnings groups identified in the paid leave benefit formula proposed in the November 3 version of the BBBA. The shares of workers with average annual earnings between $2,000 and $15,080 ranged from 1.9% to 9.4%, whereas the shares with average annual earnings above $62,000 (i.e., who would qualify for the highest weekly benefit rate) range from 21.8% to 64.5%. In addition to state-level differences in the many factors that influence workers' need for and use of family and medical leave (e.g., age, health status, fertility rates, access to job protection during periods of leave), these differences in earnings across states may lead to different average paid leave benefit amounts across states.

Finally, the report presents state-level median annual earnings estimates for 2019 and calculates the weekly benefit rate at those median earnings levels. Among full-time, full-year adult workers, median earnings in 2019 ranged from $39,000 to $80,000, with corresponding proposed weekly benefit rates estimated at those median earnings levels ranging from $580 to $814.

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Introduction

On November 3, 2021, the House Rules Committee released text of a modified version of H.R. 5376, commonly referred to as the Build Back Better Act (BBBA). Title XIII, Subtitle A, of the act (titled "Universal Comprehensive Paid Leave") proposes a new federal cash benefit for eligible individuals engaged in certain types of family and medical caregiving.[1] The November 3 text modifies a similar paid leave benefit program proposed in an earlier version of H.R. 5376 that was introduced on September 27, 2021.[2]

This report describes the weekly benefit formula for qualified caregiving as included in the November 3, 2021, version of the BBBA. To gain insights into how weekly benefit amounts might vary across workers residing in different states, the report presents the state-level distribution of adult workers in 2019 across selected earnings groups and estimates the weekly benefit rate at state-level median earnings levels.

Weekly Benefit Amount

As provided in the November 3 version of the BBBA (i.e., House Rules Committee Print 117-18), the weekly benefit amount would be equal to the product of the *weekly benefit rate* multiplied by the ratio of the number of creditable caregiving hours in the week to the number of hours in the regular workweek:

$$\text{Weekly Benefit Amount} = \text{Weekly Benefit Rate} \times \frac{\text{Caregiving hours in a workweek}}{\text{Regular workweek hours}}$$

The ratio of caregiving hours to regular hours worked measures the percentage of an individual's workweek that was allocated to caregiving (e.g., 20 hours of caregiving for a 40-hour workweek has a ratio of ½ or 50%, whereas as 20 hours of caregiving for a 20-hour workweek has a ratio of 1 or 100%). Creditable caregiving hours may not exceed the number of hours in an individual's regular workweek (i.e., the ratio [caregiving hours in a workweek / regular workweek hours] cannot exceed one).[3]

The proposed weekly benefit rate formula is based on total wages and self-employment earnings during the most recent eight-quarter calendar quarter period that ends four months prior to the beginning of the individual's benefit period. (In general, the benefit period is the 12-month period that starts with the month that contains the first week in which the individual meets the benefit eligibility conditions and has at least four caregiving hours).

[1] U.S. Congress, House Committee on Rules, *Text of* H.R. 5376, *Build Back Better Act*, committee print, November 3, 2021, https://rules.house.gov/bill/117/hr-5376.

[2] Additional differences between the proposals are identified in CRS Insight IN11794, *A Comparison of Selected Paid Leave Program Provisions Included in H.R. 5376 and in House Rules Committee Print 117-18*, by Sarah A. Donovan and Barry F. Huston.

[3] The act provides that the number of hours in an individual's regular workweek would be "the number of hours that the individual regularly works in a week for all employers or as a self-employed individual (or regularly worked in the case of an individual who is no longer working or whose total weekly hours of work have been reduced) during the month before the individual's benefit period begins (or prior to such month, if applicable in the case of an individual who is no longer working or whose total weekly hours of work have been reduced)." Methods of calculating regular workweek hours may be further refined in regulations should the BBBA be enacted.

To be eligible for a benefit during the 2024 calendar year, an individual must have earned at least $2,000 during the most recent eight-quarter period that ends at least four months prior to the individual's benefit period (i.e., the same eight-quarter period used to assess average earnings).

Initial Weekly Benefit Rate

The initial[4] weekly benefit rate would be the sum of

- 90.138% x (the first $15,080 of annual earnings) ÷ 52 weeks
- 73.171% x (the portion of annual earnings between $15,081 and $34,248) ÷ 52 weeks
- 53.023% x (the portion of annual earnings between $34,249 and $62,000) ÷ 52 weeks

For qualified caregiving that occurs in weeks that end within the year 2024 (after which date a portion of the benefit formula will be adjusted), the maximum weekly benefit rate would be $814.10. A minimum benefit is not proposed explicitly. However, because the proposal would require claimants to have at least $2,000 in earnings in the eight-quarter period used to calculate earnings, the implicit minimum weekly benefit rate would be $34.67 in 2024.

Weekly Benefit Amount Examples

An eligible individual who regularly works 40 hours with average annual earnings of $15,080 in the eight-quarter period used to calculate the weekly benefit rate could claim a weekly benefit of $261.40 if he or she engaged in at least 40 caregiving hours. For such an individual, the weekly claim would be $130.70 (i.e., ½ x $261.40) if he or she provided 20 hours of caregiving.

An eligible individual who regularly works 40 hours with average annual earnings of $34,248 in the eight-quarter period used to calculate the weekly benefit rate could claim a weekly benefit of $531.12 if he or she engaged in at least 40 caregiving hours. For such an individual, the weekly claim would be $265.56 (i.e., ½ x $531.12) if he or she provided 20 hours of caregiving.

An individual who regularly works 40 hours and has annual average earnings of $62,000 or more could claim a weekly benefit of $814.10 if he or she engaged in at least 40 caregiving hours; the weekly claim would be $407.05 (i.e., ½ x $814.10) if he or she provided 20 hours of caregiving.

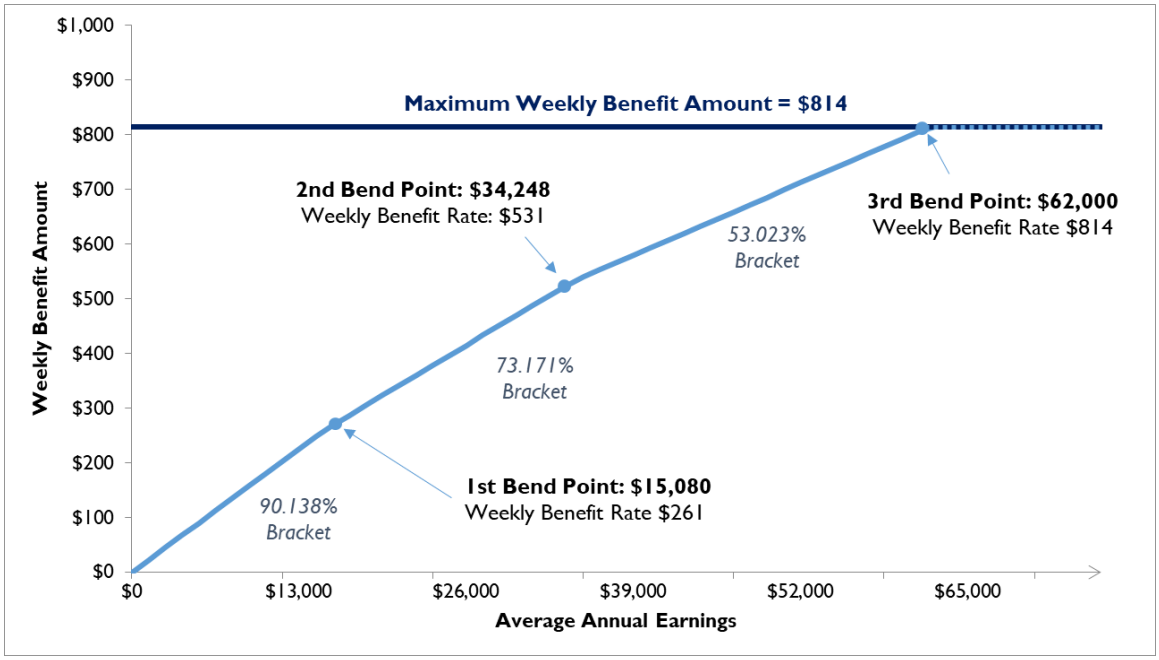
Weekly Benefit Amount Illustrated

Figure 1 illustrates weekly benefit amounts across a range of average annual earnings levels for an individual who provides weekly caregiving hours in an amount that is at least as great as his or her regular workweek hours (e.g., provides 40 hours of creditable caregiving hours and has a 40-hour regular workweek). That is, the following example supposes workers' weekly benefit rates are all multiplied by the maximum ratio value for caregiving hours to workweek hours (i.e., 1).

[4] The formula used to determine the weekly benefit rate would be unique to the year in which benefits were payable. The specific amounts discussed in this report are for benefits payable in 2024. After calendar year 2024, the bend points of the weekly benefit formula—the dollar amounts used to calculate the weekly benefit rate—would increase annually by the growth in the national average wage index (42 U.S.C. §409(k)(1)) or would remain at the previous year's level if the average wage index does not increase.

Figure 1. Proposed Initial Weekly Paid Leave Benefit Amount, by Average Annual Earnings

Formula provided in H. Rules Committee Print 117-18



Source: CRS calculations based on H. Committee Print 117-18.

Notes: Weekly benefit amounts and average annual earnings are based on total wages and self-employment earnings during the most recent eight-quarter calendar quarter period (a span of two years) that ends four months prior to the beginning of the individual's benefit period. The calculations assume an individual provides weekly caregiving hours in an amount that is at least as great as his or her regular workweek hours. Weekly benefit rates are rounded to the nearest dollar amount. The calculations show benefits amount possible—based on a worker's average earnings—in 2024. In years after 2024, bend points would be adjusted by the Social Security Administration's Average Wage Index.

After calendar year 2024, the "bend points" of the weekly benefit formula—the dollar amounts used to calculate the weekly benefit rate—would increase annually by the growth in the national average wage index (42 U.S.C. §409(k)(1)) or would remain at the previous year's level if the average wage index does not increase.

State-Level Worker Distributions Across Earnings Groups

This section presents the distribution of adult workers (18 and older) by state across the earnings groups identified in the paid leave benefit formula proposed in the November 3 BBBA (H. Rules Committee Report 117-18). Such distributions are provided for two worker groups. **Table 1** shows the distribution of all adult workers who report they worked at least one week during the last 12 months. **Table 2** shows the distribution of full-time, full-year adult workers; that is, workers who report that they usually work at least 35 hours per week (i.e., full-time) and worked at least 50 weeks during the last 12 months (i.e., full-year).

The tables reveal state-level variation in the earnings distributions of workers. For example, some states have relatively high concentrations of workers in lower-earnings groups, and in others workers are more evenly spread across the earnings groups. While these differences may affect

the amount of typical benefit claims across states, earnings levels are not the sole determining factor for benefit claims. Not addressed in this report, for example, are state-level differences in workers' age, family structure, fertility rates, health status, and access to job-protected leave, all of which may influence workers' need for and ability to use family and medical leave, as well as potential claim behavior.[5]

State-level differences in workers' earnings—as shown in **Table 1** and **Table 2**—can reflect true differences in workers' purchasing power, but they can also reflect regional price differences.[6] As with other benefit programs that factor earnings levels into benefit calculations, such as unemployment insurance, the paid family leave benefit proposed in the November 3 BBBA does not adjust for such price differences. For this reason, it may be the case that the relative value of the maximum benefit amount ($814 per week) is higher in some states (e.g., with lower relative prices) and lower in others (i.e., those with higher relative prices).

All Adult Workers

Table 1 presents the distribution of all adult workers in 2019 (the most recent year for which relevant public use data are available) by state across the earnings groups identified in the paid leave benefit formula proposed in the November 3 BBBA (H. Rules Committee Report 117-18). The proposed federal paid leave benefit is not restricted to persons working a full-time hours schedule or those who worked a certain number of weeks prior to taking leave (or claiming the proposed benefit).[7] For this reason, the sample in **Table 1** is restricted only to those who report working at least one week in the 12-month period that precedes the survey interview (i.e., the sample includes both full-time and part-time workers, as well as those working part-year or intermittent schedules).[8] Nationally, 1.9% of such workers reported annual earnings of less than $2,000; 16.2% of adult workers had annual earnings between $2,000 and $15,080 (lowest earnings category that would qualify for the paid leave benefit); and 28% had annual earnings in the highest earnings group (over $62,000).

Across all states, the share of working adults who earned less than $2,000 in 2019 ranged from to 1.1% (South Dakota) to 3% (Vermont). In some states, relatively few workers had earnings in the lowest earnings category that would qualify for the paid leave benefit (DC had the lowest share at 9.1%), whereas in others the share was relatively high (20.8% in New Mexico). Similarly, states differed in the degree to which workers were concentrated in the highest earnings groups; shares ranged from 17.8% (Mississippi) to 54.2% (DC). In addition to state-level differences in the many factors that influence workers' need for and use of family and medical leave (e.g., age, health status, fertility rates, access to job-protection during periods of leave), these differences in earnings across states may lead to different typical paid leave benefit amounts across states.

[5] These differences may lead to, for example, fewer long-term needs for medical leave or may result in caregiving needs that can be addressed with one day of leave per week rather than a full week of caregiving.

[6] For example, the Bureau of Economic Analysis estimates that in 2019, average price levels (for consumption goods and services) in Hawaii were more than 19% higher than the national price average, while prices were nearly 16% below the national average in Mississippi.

[7] Eligibility is based on an individual's recent earnings history. In particular, to claim a benefit, an individual must have wages or self-employment income at any time during the period that begins with the most recent calendar quarter that ends at least four months prior to the beginning of the individual's benefit period and ends with the month before the month in which such benefit period begins and have at least *the specified amount* of wages or self-employment income ($2,000 in 2024, and adjusted thereafter) at any time during the most recent eight-calendar-quarter period that ends at least four months prior to the beginning of the individual's benefit period.

[8] See the "State-Level Earnings Data Source" section of this report for information on the data source for **Table 1**.

Table 1. Distribution of Adult Workers Who Worked at Least One Week in the Last 12 Months Across Selected Earnings Group in 2019, by State

	Earnings in the last 12 months, as reported in 2019				
	Less than $2,000	$2,000-15,080	$15,081-$34,248	$34,249-$62,000	Over $62,000
Alabama	2.5%	17.7%	28.8%	30.0%	21.1%
Alaska	1.6%	12.6%	24.1%	29.4%	32.4%
Arizona	1.8%	16.3%	27.9%	29.8%	24.2%
Arkansas	1.9%	17.6%	32.6%	29.9%	17.9%
California	1.7%	15.5%	24.7%	25.6%	32.6%
Colorado	1.6%	15.0%	22.0%	29.1%	32.3%
Connecticut	1.7%	15.5%	20.0%	26.5%	36.3%
Delaware	1.9%	16.5%	22.8%	28.9%	29.9%
District of Columbia (DC)	1.7%	9.1%	12.3%	22.7%	54.2%
Florida	1.6%	17.6%	31.3%	28.4%	21.2%
Georgia	2.0%	16.1%	27.9%	28.4%	25.7%
Hawaii	1.5%	13.5%	25.1%	31.2%	28.8%
Idaho	2.6%	18.5%	28.7%	28.7%	21.4%
Illinois	1.7%	15.7%	24.1%	27.7%	30.7%
Indiana	2.0%	16.7%	27.4%	31.2%	22.7%
Iowa	2.1%	17.8%	24.5%	33.2%	22.5%
Kansas	2.1%	17.4%	25.5%	31.7%	23.3%
Kentucky	1.8%	18.5%	27.4%	31.4%	20.9%
Louisiana	2.3%	19.6%	26.5%	28.1%	23.6%
Maine	1.8%	17.3%	26.8%	31.9%	22.2%
Maryland	1.8%	13.4%	19.8%	27.1%	38.0%
Massachusetts	1.6%	14.2%	19.3%	26.4%	38.4%
Michigan	2.2%	18.8%	25.4%	28.0%	25.6%
Minnesota	1.7%	14.8%	20.8%	31.8%	30.9%
Mississippi	2.0%	20.6%	31.4%	28.3%	17.8%
Missouri	1.9%	16.7%	27.0%	31.0%	23.4%
Montana	2.5%	20.7%	25.4%	29.6%	21.7%
Nebraska	1.9%	15.9%	25.5%	33.7%	23.1%
Nevada	1.6%	15.2%	28.5%	31.7%	23.0%
New Hampshire	1.6%	14.0%	22.0%	29.9%	32.5%
New Jersey	1.5%	14.1%	20.5%	25.6%	38.3%
New Mexico	2.1%	20.8%	28.2%	27.3%	21.7%
New York	1.6%	14.4%	22.4%	27.1%	34.4%

	Earnings in the last 12 months, as reported in 2019				
	Less than $2,000	$2,000-15,080	$15,081-$34,248	$34,249-$62,000	Over $62,000
North Carolina	2.3%	17.0%	28.0%	30.2%	22.5%
North Dakota	2.0%	17.6%	23.3%	33.2%	23.9%
Ohio	2.0%	16.9%	26.2%	30.4%	24.5%
Oklahoma	2.1%	17.1%	29.0%	29.6%	22.2%
Oregon	2.1%	15.7%	26.2%	28.2%	27.8%
Pennsylvania	2.1%	16.4%	23.5%	30.1%	28.0%
Rhode Island	2.0%	15.0%	22.2%	32.0%	28.8%
South Carolina	2.4%	17.5%	27.8%	30.2%	22.1%
South Dakota	1.1%	17.5%	27.5%	34.9%	19.0%
Tennessee	2.1%	16.7%	29.3%	30.6%	21.4%
Texas	1.8%	16.8%	27.2%	27.9%	26.3%
Utah	2.4%	19.1%	25.0%	27.6%	25.9%
Vermont	3.0%	17.0%	24.2%	32.6%	23.2%
Virginia	2.0%	15.0%	22.9%	27.2%	32.9%
Washington	1.6%	12.6%	22.7%	28.1%	35.0%
West Virginia	2.1%	17.8%	30.6%	28.3%	21.2%
Wisconsin	1.6%	16.2%	24.0%	33.4%	24.9%
Wyoming	2.1%	16.5%	25.1%	30.2%	26.1%
United States	1.9%	16.2%	25.5%	28.5%	28.0%

Source: CRS calculations based on data from the 2019 Census Bureau American Community Survey.

Notes: Some state totals will not add to 100% due to rounding. The sample consists of individuals employed at the time of the survey who are at least 18 years old who report they worked at least one week in last 12 months. Unpaid family workers are excluded. Earnings are in 2019 dollars.

Full-Time, Full-Year Adult Workers

As noted earlier, the proposed federal paid leave benefit is not restricted to persons working a full-time or full-year schedule. However, there may be some value in examining the earnings distribution for this group of workers. While this group does not necessarily have greater caregiving needs (i.e., they may not be more likely to be expecting a new child or to have a serious health condition), they may to some extent better represent those who would need to take leave if such a need arises, because they have less non-work time available to them on a week-by-week basis.

Table 2 presents the distribution of adult, full-time, full-year workers in 2019 by state across the same earnings groups included in **Table 1**. Nationally, 0.1% of such workers reported annual earnings of less than $2,000; 5.1% of adult workers had annual earnings between $2,000 and $15,080 (lowest earnings category that would qualify for the paid leave benefit); and 35.5% had annual earnings in the highest earnings group (over $62,000).

In each state, less than 1% of full-time, full-year working adults earned less than $2,000 in 2019. In some states, relatively few workers had earnings in the lowest earnings category that would qualify for the paid leave benefit (DC had the lowest share at 1.9%), whereas in others the share was relatively high (9.4% in Mississippi). Similarly, states differed in the degree to which workers were concentrated in the highest earnings groups: shares ranged from 21.8% (Mississippi) to 64.5% (DC). As noted earlier, in addition to other state-level differences affecting workers' need for and use of family and medical leave, state-level differences in the distribution of earnings may lead to differences in the typical paid leave benefit amounts across states under the federal proposal.

Table 2. Distribution of Full-Time, Full-Year Adult Workers Across Selected Earnings Group in 2019, by State

	Earnings in the last 12 months, as reported in 2019				
	Less than $2,000	$2,000-15,080	$15,081-$34,248	$34,249-$62,000	Over $62,000
Alabama	0.1%	6.3%	30.2%	36.8%	26.5%
Alaska	0.1%	3.9%	21.2%	34.8%	40.1%
Arizona	0.1%	5.0%	27.6%	36.4%	31.0%
Arkansas	0.1%	6.2%	34.6%	36.5%	22.6%
California	0.1%	4.6%	23.0%	30.9%	41.5%
Colorado	0.1%	4.2%	19.5%	35.0%	41.1%
Connecticut	0.1%	3.0%	16.3%	32.4%	48.2%
Delaware	0.1%	4.0%	22.0%	34.7%	39.2%
District of Columbia (DC)	0.0%	1.9%	8.7%	25.0%	64.5%
Florida	0.1%	6.4%	32.4%	34.4%	26.7%
Georgia	0.1%	5.9%	28.6%	33.9%	31.6%
Hawaii	0.1%	3.5%	23.5%	37.7%	35.2%
Idaho	0.1%	5.8%	29.2%	36.4%	28.6%
Illinois	0.1%	4.6%	23.2%	33.3%	38.8%
Indiana	0.1%	4.5%	27.5%	38.7%	29.2%
Iowa	0.1%	4.9%	24.2%	41.5%	29.2%
Kansas	0.2%	5.8%	25.7%	38.8%	29.6%
Kentucky	0.1%	6.1%	28.2%	38.9%	26.7%
Louisiana	0.1%	8.4%	27.9%	34.1%	29.6%
Maine	0.1%	3.7%	26.6%	40.6%	29.1%
Maryland	0.1%	3.6%	17.5%	31.9%	47.0%
Massachusetts	0.1%	2.8%	15.3%	31.8%	50.0%
Michigan	0.1%	5.4%	24.6%	35.8%	34.1%
Minnesota	0.1%	3.2%	17.9%	38.8%	40.1%
Mississippi	0.2%	9.2%	33.9%	34.9%	21.8%
Missouri	0.1%	5.2%	27.1%	37.9%	29.6%

	Earnings in the last 12 months, as reported in 2019				
	Less than $2,000	**$2,000-15,080**	**$15,081-$34,248**	**$34,249-$62,000**	**Over $62,000**
Montana	0.2%	7.3%	25.5%	38.3%	28.7%
Nebraska	0.2%	4.3%	24.8%	41.1%	29.5%
Nevada	0.1%	5.5%	28.8%	37.4%	28.2%
New Hampshire	0.2%	3.2%	19.1%	36.0%	41.6%
New Jersey	0.1%	3.9%	18.7%	29.7%	47.6%
New Mexico	0.2%	7.5%	30.1%	34.2%	28.0%
New York	0.1%	3.7%	19.9%	32.8%	43.6%
North Carolina	0.1%	5.8%	28.7%	36.8%	28.6%
North Dakota	0.2%	5.7%	20.9%	42.1%	31.2%
Ohio	0.1%	4.7%	25.7%	37.7%	31.8%
Oklahoma	0.1%	6.9%	29.5%	36.0%	27.4%
Oregon	0.2%	3.6%	23.4%	35.8%	37.0%
Pennsylvania	0.1%	4.6%	22.8%	36.9%	35.7%
Rhode Island	0.1%	3.7%	19.9%	39.1%	37.3%
South Carolina	0.1%	6.5%	28.7%	37.1%	27.7%
South Dakota	0.3%	6.0%	27.3%	42.3%	24.2%
Tennessee	0.1%	5.7%	29.9%	37.5%	26.8%
Texas	0.1%	6.5%	27.9%	33.1%	32.4%
Utah	0.0%	4.7%	24.5%	35.6%	35.1%
Vermont	0.2%	4.1%	22.1%	42.6%	31.1%
Virginia	0.1%	4.7%	22.0%	32.1%	41.2%
Washington	0.1%	3.0%	18.9%	33.4%	44.7%
West Virginia	0.1%	6.5%	32.1%	34.3%	27.0%
Wisconsin	0.1%	4.2%	22.7%	40.8%	32.2%
Wyoming	0.1%	5.6%	24.1%	38.0%	32.2%
United States	0.1%	5.0%	24.8%	34.7%	35.5%

Source: CRS calculations based on data from the 2019 Census Bureau American Community Survey.

Notes: Some state totals will not add to 100% due to rounding. The sample consists of individuals employed at the time of the survey who are at least 18 years old who report that they usually work at least 35 hours per week and worked at least 50 weeks in last 12 months. Unpaid family workers are excluded. When self-employed workers are excluded from the sample, worker shares decrease (to varying degrees) in the lowest and highest earnings categories in all states; more generally, worker share differences between the sample that excludes self-employed workers and the sample for this table were within 2 percentage points for each state. Earnings are in 2019 dollars.

State-Level Examples: Proposed Weekly Benefit Rates Calculated at Median Earnings

Table 3 presents the median annual earnings by state for two groups of adult workers and calculates the proposed weekly benefit rate at the state-level median earnings level. The first two data columns describe adult workers who worked at least one week in the last 12 months, and the last two data columns describe full-time, full-year adult workers.

As discussed earlier, the *weekly benefit amount* would be determined by multiplying the weekly benefit rate by the ratio of the number of creditable caregiving hours in a week to the number of hours in the regular workweek (see section "Weekly Benefit Amount" of this report). The estimated replacement rates shown in **Table 3** are calculated for a worker who provides weekly caregiving hours in an amount that is at least as great as his or her regular workweek hours (e.g., provides 40 hours of creditable caregiving hours and has a 40-hour regular workweek). In each case, replacement rates would be lower for workers with weekly caregiving hours than are less than their regular workweek hours.[9]

Among all adult workers (i.e., including those employed in part-time and full-time positions) who worked at least one week during the last 12 months, median earnings in 2019 ranged from $32,000 (Mississippi) to $70,000 (DC), with corresponding proposed weekly benefit rates evaluated at those median earnings levels ranging from $499 (81% of average weekly earnings) to $814 (60% of average weekly earnings). Among full-time, full-year adult workers, median earnings in 2019 ranged from $39,000 (Mississippi) to $80,000 (DC). Corresponding proposed weekly benefit rates estimated at those median earnings levels range from $580 (77% of average weekly earnings) to $814 (53% of average weekly earnings).

Table 3. State-Level Median Annual Earnings, Proposed Weekly Benefit Rates Calculated at Median Earnings, and Estimated Replacement Rates

Earnings in 2019 dollars

	All Adult Workers with at Least $2,000 in Earnings in Last 12 Months			Full-Time, Full-Year Adult Workers with at Least $2,000 in Earnings in Last 12 Months		
State	**Median Annual Earnings**	**Weekly Benefit Rate (at Median Earnings)**	**Estimated Replacement Rate**	**Median Annual Earnings**	**Weekly Benefit Rate (at Median Earnings)**	**Estimated Replacement Rate**
Alabama	$35,000	$539	80%	$42,100	$611	75%
Alaska	$45,000	$641	74%	$53,000	$722	71%
Arizona	$37,500	$564	78%	$45,000	$641	74%
Arkansas	$33,000	$514	81%	$40,000	$590	77%
California	$41,000	$600	76%	$52,000	$712	71%
Colorado	$45,000	$641	74%	$54,000	$733	71%
Connecticut	$48,000	$671	73%	$60,000	$794	69%
Delaware	$40,000	$590	77%	$52,000	$712	71%
District of Columbia	$70,000	$814	60%	$80,000	$814	53%

[9] See footnote 3 for information on how the proposal defines *regular workweek hours*.

	All Adult Workers with at Least $2,000 in Earnings in Last 12 Months			Full-Time, Full-Year Adult Workers with at Least $2,000 in Earnings in Last 12 Months		
Florida	$35,000	$539	80%	$40,000	$590	77%
Georgia	$38,000	$569	78%	$45,000	$641	74%
Hawaii	$42,000	$610	76%	$50,000	$692	72%
Idaho	$35,000	$539	80%	$43,200	$622	75%
Illinois	$41,000	$600	76%	$50,000	$692	72%
Indiana	$37,400	$563	78%	$45,000	$641	74%
Iowa	$39,900	$589	77%	$46,000	$651	74%
Kansas	$38,400	$573	78%	$45,000	$641	74%
Kentucky	$36,000	$549	79%	$43,000	$620	75%
Louisiana	$36,000	$549	79%	$44,000	$631	75%
Maine	$38,000	$569	78%	$45,000	$641	74%
Maryland	$50,000	$692	72%	$60,000	$794	69%
Massachusetts	$50,000	$692	72%	$63,000	$814	67%
Michigan	$38,000	$569	78%	$48,900	$681	72%
Minnesota	$45,000	$641	74%	$54,000	$733	71%
Mississippi	$32,000	$499	81%	$39,000	$580	77%
Missouri	$38,000	$569	78%	$45,000	$641	74%
Montana	$35,000	$539	80%	$44,000	$631	75%
Nebraska	$40,000	$590	77%	$45,700	$648	74%
Nevada	$38,000	$569	78%	$42,000	$610	76%
New Hampshire	$45,000	$641	74%	$55,000	$743	70%
New Jersey	$50,000	$692	72%	$60,000	$794	69%
New Mexico	$34,300	$532	81%	$42,000	$610	76%
New York	$45,000	$641	74%	$56,000	$753	70%
North Carolina	$36,000	$549	79%	$43,000	$620	75%
North Dakota	$40,000	$590	77%	$48,000	$671	73%
Ohio	$38,500	$574	78%	$47,000	$661	73%
Oklahoma	$36,000	$549	79%	$42,000	$610	76%
Oregon	$40,000	$590	77%	$50,000	$692	72%
Pennsylvania	$40,000	$590	77%	$50,000	$692	72%
Rhode Island	$42,000	$610	76%	$51,000	$702	72%
South Carolina	$36,000	$549	79%	$42,000	$610	76%
South Dakota	$37,000	$559	79%	$43,000	$620	75%

	All Adult Workers with at Least $2,000 in Earnings in Last 12 Months			Full-Time, Full-Year Adult Workers with at Least $2,000 in Earnings in Last 12 Months		
Tennessee	$36,000	$549	79%	$42,000	$610	76%
Texas	$38,000	$569	78%	$45,000	$641	74%
Utah	$38,000	$569	78%	$50,000	$692	72%
Vermont	$40,000	$590	77%	$50,000	$692	72%
Virginia	$44,000	$631	75%	$53,000	$722	71%
Washington	$46,000	$651	74%	$58,000	$773	69%
West Virginia	$35,000	$539	80%	$40,000	$590	77%
Wisconsin	$40,000	$590	77%	$49,000	$682	72%
Wyoming	$40,000	$590	77%	$49,000	$682	72%
United States	$40,000	$590	77%	$50,000	$692	72%

Source: CRS calculations based on data from the 2019 Census Bureau American Community Survey and on H. Committee Print 117-18.

Notes: The sample of "full-time, full-year adult workers" consists of individuals employed at the time of the survey who are at least 18 years old, who report that they usually work at least 35 hours per week, worked at least 50 weeks in last 12 months and had at least $2,000 in earnings in the last 12 months. The sample of "all adult workers" consists of individuals employed at the time of the survey who are at least 18 years old, who report that they worked at least 1 week in the last 12 months and had at least $2,000 in earnings in the last 12 months. Unpaid family workers are excluded. Estimated replacement rates are calculated for workers providing weekly caregiving hours in an amount that is at least as great as their regular workweek hours. Median earnings are rounded to the nearest $100, and calculated weekly benefit rates are rounded to the nearest dollar. Earnings are in 2019 dollars.

State-Level Earnings Data Source

CRS estimated median earnings using data from the Census Bureau's American Community Survey (ACS), a large-scale, nationally representative household survey.[10] Specifically, CRS used the public use microdata sample (PUMS) data, which includes a subsample (approximately two-thirds of responses collected in a given calendar year) of the full ACS microdata.[11]

ACS data are collected throughout the calendar year. The ACS asks individuals to report how much they earned in the 12 months that precede the interview. Responses to this question are used to estimate median annual earnings across states. Earnings (referred to as wage or salary income in ACS documentation) include wages, salary, Armed Forces pay, commissions, tips, piece-rate payments, and cash bonuses earned before deductions (e.g., for taxes, pensions, union dues).[12]

[10] Information about the ACS is at https://www.census.gov/programs-surveys/acs/about.html.

[11] CRS downloaded selected variables from the public use microdata sample from the IPUMS-USA database on October 19, 2021. Steven Ruggles, Sarah Flood, Sophia Foster, Ronald Goeken, Jose Pacas, Megan Schouweiler and Matthew Sobek. IPUMS USA: Version 11.0 [dataset]. Minneapolis, MN: IPUMS, 2021, https://doi.org/10.18128/D010.V11.0.

[12] Census Bureau, *ACS 2019 Subject Definitions*, https://www2.census.gov/programs-surveys/acs/tech_docs/subject_definitions/2019_ACSSubjectDefinitions.pdf.

Median earnings were selected as the focus of analysis (i.e., in lieu of average earnings) because the median is less sensitive to outliers (i.e., extremely high or extremely low earners) than the average.[13]

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[13] Also, like other public data on income, the ACS earnings variable is top-coded, which affects estimates of average but not median earnings. That earnings are top-coded means that any reported earnings above a given top-code value are replaced with a selected value to reduce the likelihood that any particular survey respondent can be identified in the data. In the case of the ACS, earnings data are top-coded at 99.5% of earnings in the responding household's state. Earnings amounts above this threshold are replaced with the average amount of earnings in the top half percent of the distribution (i.e., the average of earnings that are above the top-code threshold). Additional information, including state-specific top-code thresholds and replacement amounts, are at https://www.census.gov/programs-surveys/acs/microdata/documentation.html.