

TECHNICAL ANALYSIS

Allegheny County Paid Parental Leave Proposal

Prepared by Employment Policies Institute

EXECUTIVE SUMMARY

- EPI analyzed six years of U.S. Census Bureau data to determine who would be eligible for Allegheny County's proposed paid parental leave policy.
- The proposal could cost \$297.1 million total, with \$219.7 million in new costs, for local employers annually.
- The proposal could cost as much as 1,500 jobs in Allegheny County.

THE PROPOSAL

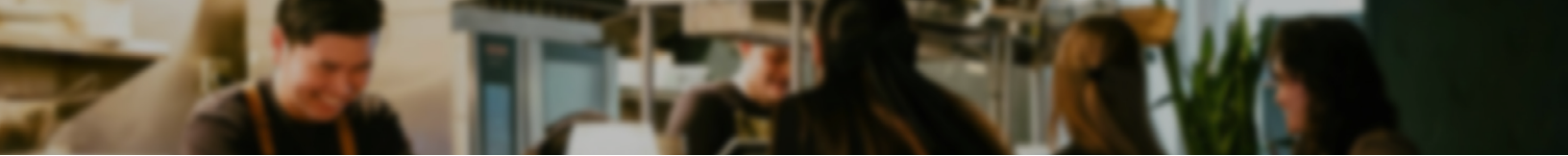
Ordinance 14083-26, approved by the Allegheny County Board of Health on September 28, 2026 and now before County Council, would require employers with 15 or more employees to provide up to 12 weeks of paid parental leave at 100% of regular pay, up to \$4,200 per week. Full- and part-time employees qualify after 6 months and 625 hours of employment. Employers, not a public insurance fund, bear the cost.

DATA AND METHOD

The analysis pools 6 years of American Community Survey person records from IPUMS (2018-2019, 2021-2024; 66,730 records) for Allegheny County. The ACS data from 2020 was excluded because COVID made the data unreliable for labor force estimates in that year.

Each earlier year's person weights are rescaled so that in each year the sum of the weights equals county's 2024 population (1,232,632), and the pooled weights are divided by 6. Estimates are therefore annual averages at 2024 population levels. Wages are in 2026 dollars.

The sample is wage and salary workers who worked at some time in the past 12 months. Self-employed and unpaid family workers (not employees) and federal employees and armed forces (outside the county's reach; federal workers already receive 12 weeks under FEPLA) are excluded. Workers are considered eligible under the proposed ordinance if they are the parent of a child under age 1 living in the same household and the worker usually works more than 24 hours per week, which approximates the 625-hour requirement over six months. Eligible workers are assumed to take the full 12 weeks. The weekly benefit is annual wage and salary income divided by 52, capped at \$4,200.



Industry specific estimates of coverage rates by paid family leave policy are drawn from the BLS National Compensation Survey (2023). National private-industry rates average 29.1% across Allegheny’s private workers, so they are scaled by a single factor of 1.374 to bring that average to the Mid-Atlantic private rate of 40%.

State and local government workers are assigned the Mid-Atlantic rate of 29%. Each eligible worker counts as already covered with probability equal to the industry rate, and covered workers are assumed to receive 8.9 weeks (women) or 5.9 weeks (men) of paid leave under existing plans (SHRM).

RESULTS

Share of workers taking leave. Of the 631,960 in-scope workers, 15,038 (2.38%) would be eligible for and take leave under the ordinance in a typical year (Table 2). Under current employer practice, an expected 6,249 workers (0.99% of all workers, 41.6% of eligible workers) already have paid family leave. The ordinance therefore raises the share of workers receiving paid parental leave by 1.39 percentage points.

Increase in compensation. Eligible workers earn an average of \$93,417 a year. For them, 12 weeks of paid leave at full pay, subject to the cap, is worth 21.1% of annual wages (average weekly benefit \$1,646; 6.7% of eligible workers earn above the cap). The expected value of existing employer leave is 5.5% of wages, so the ordinance raises compensation for eligible workers by 15.6% (Table 3). Countywide, the leave would cost employers \$297.1 million a year, of which \$77.4 million is already provided. The increase of \$219.7 million equals 0.49% of total payroll for in-scope workers.

Private and public employers. In the private sector, 2.36% of workers would take leave, the share with paid leave rises by 1.35 percentage points, and compensation for eligible workers rises by 15.4% (\$199.5 million). In state and local government the corresponding figures are 2.62%, 1.86 points, and 18.7% (\$20.2 million).

CAVEATS

Employer size is not observed in the ACS, so workers at employers with fewer than 15 employees are included. Estimates of take-up and cost are upper bounds in that respect.

The 6-month tenure requirement is not observed; usual hours above 24 per week stand in for the 625-hour test.

All eligible workers are assumed to take the full 12 weeks, and both parents are counted when both are employed.

Weekly wages are annual earnings divided by 52. Parents who took unpaid leave during the ACS reference year have understated weekly wages, which understates the value of leave.

The NCS measures access to paid family leave, not its use or replacement rate. Existing plans are valued at full pay for the SHRM average weeks (8.9 for women, 5.9 for men).

Some industry estimates rely on small sample sizes (Table 2, column 2) and are imprecise; the countywide totals are more reliable.

TABLE 1. DATA SUMMARY: ALLEGHENY COUNTY WORKERS, ACS 2018-2019, 2021-2024

ITEM	ESTIMATE
ACS survey years pooled	6
First survey year	2018
Last survey year	2024
Survey year excluded due to COVID	2020
ACS person records	66,730
County population (2024 total)	1,232,632
Worked in past 12 months	700,601
Less: self-employed and unpaid family workers	52,548
Less: federal employees and armed forces	16,093
Wage and salary workers (excl. federal)	631,960
ACS observations (unweighted)	33,578
Workers with own child under age 1 living in household	16,371
Eligible for paid family leave with child under 1 and usual hours > 24	15,038
ACS records (unweighted)	755
Eligible as % of workers	2.38
Women as % of eligible	45.8
Mean annual wage, eligible workers (2026 dollars)	93,417
Mean weekly wage, eligible workers (2026 dollars)	1,796
% of eligible earning above weekly cap (\$4,200)	6.7
NCS scale factor (assures private coverage rates average 40%)	1.374
Current access among all eligible workers, % (NCS)	41.6
Private sector	42.9
State and local government	29.0
Weeks of leave under existing plans, women (SHRM)	8.9
Weeks of leave under existing plans, men (SHRM)	5.9

TABLE 2. WORKERS TAKING PAID PARENTAL LEAVE: PROPOSED ORDINANCE VS. CURRENT EMPLOYER PRACTICE

INDUSTRY	ACS RECORDS, ELIGIBLE	WAGE & SALARY WORKERS	UNDER NEW ORDINANCE		UNDER EXISTING LAW		CHANGE IN % OF WORKERS TAKING LEAVE (PP)	
			NUMBER TAKING LEAVE	% OF WORKERS TAKING LEAVE	% ELIGIBLE	NUMBER TAKING LEAVE		% OF WORKERS TAKING LEAVE
Construction	31	27,261	782	2.87	22.0	172	0.63	2.24
Manufacturing	70	49,266	1,330	2.70	41.2	548	1.11	1.59
Wholesale trade	23	12,781	493	3.85	41.2	203	1.59	2.27
Retail trade	55	69,165	1,177	1.70	37.1	437	0.63	1.07
Transportation and warehousing	25	21,741	515	2.37	12.4	64	0.29	2.08
Utilities †	8	5,183	155	2.98	65.9	102	1.97	1.02
Information †	17	11,182	234	2.09	75.6	177	1.58	0.51
Finance and insurance	61	44,886	1,344	2.99	78.3	1,052	2.34	0.65
Real estate and rental and leasing †	10	8,254	245	2.97	23.4	57	0.69	2.28
Professional, scientific, and technical services	99	59,330	1,784	3.01	55.0	980	1.65	1.35
Management of companies (NCS prof. & business svcs.) †	4	837	63	7.47	44.0	28	3.29	4.19
Administrative, support, and waste management †	14	22,512	306	1.36	26.1	80	0.36	1.01
Educational services	63	46,436	1,151	2.48	48.1	554	1.19	1.29
Health care and social assistance	143	109,173	2,642	2.42	42.6	1,125	1.03	1.39
Arts, entertainment, and recreation †	9	15,061	236	1.57	11.0	26	0.17	1.39
Accommodation and food services	20	43,495	496	1.14	9.6	48	0.11	1.03
Other services, except public administration	25	26,115	530	2.03	26.1	138	0.53	1.50
Other private (agriculture, mining, other) †	6	3,450	93	2.69	37.1	34	1.00	1.69
Private sector, total	683	576,129	13,574	2.36	42.9	5,824	1.01	1.35
State and local government	72	55,831	1,464	2.62	29.0	424	0.76	1.86
All workers	755	631,960	15,038	2.38	41.6	6,249	0.99	1.39

Notes: Eligible workers have an own child under 1 and usually work more than 24 hours per week. Current access is based on the NCS 2023 industry rate (national private rates x 1.374, calibrated so private rates average 40% across Allegheny private workers; 29% for state and local government).

TABLE 3. VALUE OF PAID PARENTAL LEAVE RELATIVE TO ELIGIBLE WORKERS' WAGES

INDUSTRY	ELIGIBLE WORKERS	MEAN ANNUAL WAGE	WAGES OF ELIGIBLE (MIL.)	LEAVE VALUE, ORDINANCE (MIL.)	LEAVE VALUE, CURRENT (MIL.)	INCREASE (MIL.)	% OF WAGES, ORDINANCE	% OF WAGES, CURRENT	INCREASE IN COMP. (%)	INCREASE, % OF PAYROLL
Construction	782	91,624	71.6	15.7	1.7	14.0	21.9	2.4	19.6	0.73
Manufacturing	1,330	97,561	129.7	28.8	6.6	22.2	22.2	5.1	17.1	0.46
Wholesale trade	493	84,883	41.8	9.6	2.2	7.4	23.1	5.3	17.8	0.73
Retail trade	1,177	67,328	79.3	18.0	3.8	14.2	22.7	4.8	17.9	0.47
Transportation and warehousing	515	78,904	40.6	9.0	0.6	8.4	22.3	1.5	20.7	0.61
Utilities †	155	96,528	14.9	3.4	1.2	2.2	23.1	8.3	14.7	0.36
Information †	234	139,749	32.7	5.5	2.4	3.1	16.8	7.2	9.6	0.31
Finance and insurance	1,344	121,420	163.2	33.6	15.5	18.1	20.6	9.5	11.1	0.39
Real estate and rental and leasing †	245	134,604	33.0	5.4	0.7	4.7	16.4	2.1	14.3	0.83
Professional, scientific, and technical services	1,784	123,066	219.5	46.2	14.1	32.1	21.0	6.4	14.6	0.48
Management of companies (NCS prof. & business svcs.) †	63	105,849	6.6	1.5	0.4	1.2	23.1	5.4	17.7	0.91
Administrative, support, and waste management †	306	67,480	20.7	4.8	0.7	4.0	23.1	3.6	19.5	0.36
Educational services	1,151	110,543	127.3	25.5	7.5	18.0	20.0	5.9	14.1	0.59
Health care and social assistance	2,642	92,071	243.3	48.9	13.4	35.5	20.1	5.5	14.6	0.44
Arts, entertainment, and recreation †	236	39,653	9.4	2.2	0.1	2.0	23.1	1.6	21.5	0.43
Accommodation and food services	496	36,518	18.1	4.2	0.3	3.9	23.1	1.4	21.7	0.39
Other services, except public administration	530	59,369	31.5	7.3	1.2	6.0	23.1	3.9	19.1	0.47
Other private (agriculture, mining, other) †	93	147,103	13.7	3.0	0.6	2.4	21.8	4.3	17.5	0.73
Private sector, total	13,574	95,528	1,296.7	272.5	73.0	199.5	21.0	5.6	15.4	0.49
State and local government	1,464	73,843	108.1	24.6	4.3	20.2	22.7	4.0	18.7	0.56
All workers	15,038	93,417	1,404.8	297.1	77.4	219.7	21.1	5.5	15.6	0.49

Notes: Leave value = 12 weeks x weekly wage (annual wage/52), capped at \$4,200 per week; current practice weights it by the industry NCS access rate. Dollars are annual, in 2026 dollars. Increase in compensation = (ordinance value - current value) / annual wages of eligible workers.

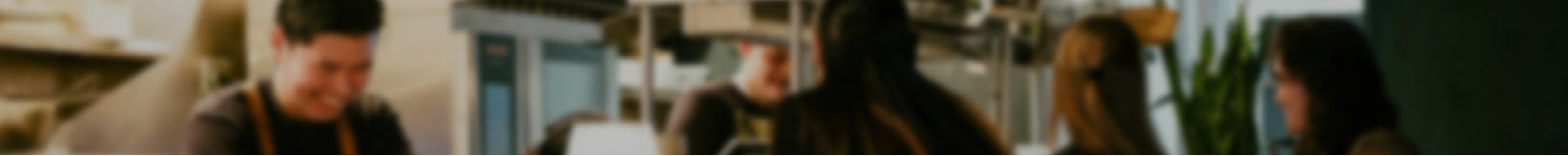


TABLE A1. ACS PERSON WEIGHTS BEFORE AND AFTER SCALING TO THE 2024 POPULATION

ACS YEAR	PERSON RECORDS	POPULATION, ORIGINAL PERWT	SCALE FACTOR	POPULATION, ADJUSTED WEIGHT
2018	11,125	1,218,071	1.0120	205,439
2019	10,951	1,215,172	1.0144	205,439
2021	11,814	1,235,931	0.9973	205,439
2022	10,817	1,231,986	1.0005	205,439
2023	10,976	1,225,515	1.0058	205,439
2024	11,047	1,232,632	1.0000	205,439
Pooled	66,730	7,359,307	--	1,232,632

JOB LOSS ESTIMATES

To estimate job loss impacts, EPI applied a [range](#) of CBO-estimated employment elasticities to the wage and salary workers estimates (Table 2) and estimated percentage increase in employer payroll (Table 3).

Economic studies spanning three decades [find](#) employment impacts of other cost mandates can range as large as -1. EPI chose a median estimate of -0.269 and a “high-end” estimate of -0.806 applied to the top three sectors that employ lower-paid, entry-level workers. According to the [Bureau of Labor Statistics](#), those industries include Leisure and Hospitality (65%), Education and Health Services (6.9%), and Retail Trade (5.4%).

State agency workers are not eligible for the proposed policy, but the industry breakout provided tallies the workforce of state and local workers combined. To account for this, EPI estimated the proportion of local workers in the “state and local” category is 92%, using the most recently published employment levels for Allegheny County from the [BLS Quarterly Census of Employment and Wages](#).