



# **The Anchorage Family Fund**

# What we already know

The U.S is the only industrialized country in the world that doesn't provide guaranteed paid parental leave.

The best caregivers for a new baby are the baby's parents.

Where paid parental leave is offered, it's at the expense of businesses.

Some companies don't even have to offer unpaid FMLA benefits!



**Think globally,  
act locally!**

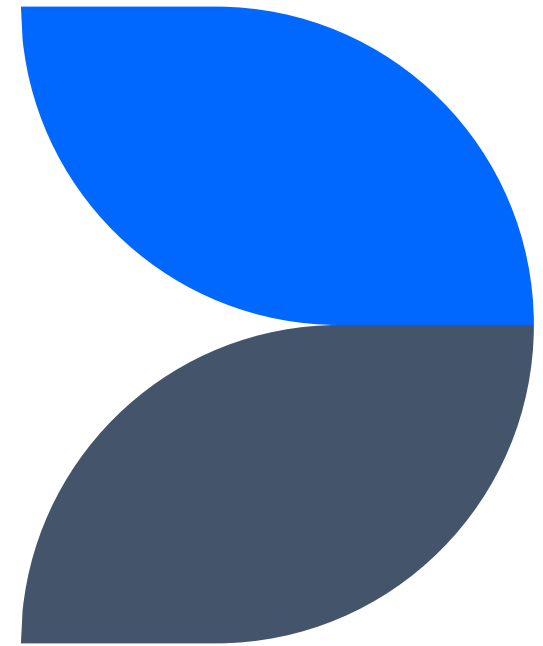


# The Anchorage Family Fund

- A 1.5% payroll tax in Anchorage that fully funds four months of paid parental leave for anyone who has or adopts a new baby.
- Two adults qualify for each birth / adoption (this could be a grandparent, under certain circumstances, or other family member if both parents aren't present).
- Other FMLA qualifying events would also be covered, including caring for a sick spouse, parent, or non-infant child.
- The maximum benefit would be \$5,000 a month, regardless of income.
- You must be fully employed at the time of the qualifying event and be at least 18 years old (retirees don't get paid to care for grandkids – sorry!)

**This sounds kind  
of familiar.**

It's just like unemployment  
insurance!



# How much will this cost?

In 2022, Anchorage had:

- 3,578 births / adoptions
- 3,467 birth events (exclude twins)
- 6,934 adults that would qualify for AFF

If the median benefit is \$4,000 a month:

- Four month leave benefit = \$16,000
- \$110.9M annually (for two adults per birth)

Beyond births, AFF should be available for those caring for non-infant family members:

- If 1% of population experience this, it's about 2,000 people per year
- Median benefit of \$4,000 per month
- A total of \$30M annually

Administrative Costs:

- Eight new MOA employees (\$120,000/year)
- Software, etc. (\$1M/year)

Total cost of the AFF is \$143M per year



# How do we pay for it?

- Total earned wages in Anchorage in 2022 was \$9.75B
- A 1.5% payroll tax would yield \$146M annually
- (This assumes a flat tax, though it would make more sense for this to be slightly graduated)

$\$146\text{M} - \$143\text{M} = \$3\text{M fund surplus}$

**Why would we  
do this?**





# Benefit #1

Attracting talent to Anchorage

Becoming the first city in America to offer guaranteed paid parental leave

Taking care of mothers and babies (and those caring for family members)

Reflecting Alaskan values of coming together

Moving the cost burden from businesses to the community as a whole



## Benefit #2

Childcare availability is in a crisis

Infant care is the hardest to find, because of the 4:1 ratio of babies to teacher which drives up costs and limits spots

How many teachers could you free up if you had two-thirds fewer infants needing full-time day care?

This also drives down costs because infant care is not being subsidized by toddler and preschool tuition



# Bonus benefit!

Who pays for a payroll tax?

40,000 Anchorage workers who do not live in Anchorage and currently make no financial contribution to the city

Commuters take a toll on infrastructure and create negative externalities

Maybe this would incentivize some Valley commuters to move back to Anchorage?





# Anchorage Family Fund!

Moira Gallagher

907-903-7977

[Moira.J.Gallagher@gmail.com](mailto:Moira.J.Gallagher@gmail.com)