Sparrow

The State of Employee Leave:
Sparrow's Benchmark Report

2026

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Introduction

In 2025, the paid leave ecosystem continued to evolve into a comprehensive support system. Paid leave is definitively no longer a “nice-to-have perk”; it is an operational imperative across organizations of all sizes, addressing everything from NICU stays to eldercare to personal safety.

This shift reflects fundamental changes in how we work and live. Employees are increasingly prioritizing their own mental and physical health. An aging population means nearly every worker will become a caregiver at some point in their career. And a new generation in the workforce views leave policies as important signals of a company’s values and commitment to employee wellbeing.

The data tells a compelling story: Leave is expanding in every direction—more types, longer durations, broader access, and growing usage. But as leave becomes more essential and more diverse, it also becomes more complicated to administer fairly, legally, and efficiently.

Our 2026 benchmark report examines the current state of employee leave across hundreds of employers, revealing trends that will shape workplace policy for years to come. We'll explore the most interesting developments, discuss what's on the horizon, and offer insights for employers on how to handle this changing landscape.

About Our Dataset

This report draws on comprehensive data from Sparrow's leave management platform, analyzing more than 3 million days of leave and the associated policies. This includes organizations with employees in the US and Canada, ranging from small companies to companies with 10,000 employees.

Our dataset includes detailed information on policy design, employee eligibility, leave duration, and actual usage trends, providing a unique window into how employers are supporting their workforce through major life events.

Trends We're Watching

The current state of employee leave reflects several converging forces:

Demographic inevitability: An aging population means caregiving responsibilities will touch virtually every employee at some point. Companies that fail to support workers through these challenges will lose talent to those that do.

Cultural expectations: Younger workers view comprehensive leave policies not as generous extras but as baseline signals of respect and values alignment: According to Randstad's 2025 workmonitor report, 74% of Gen Z workers value work-life balance over pay. In competitive talent markets, leave policies directly impact recruitment and retention.

Business performance: Employees who can take leave when they need it return more focused, loyal, and productive. Those who can't often exit the workforce entirely or remain physically present but mentally distracted and chronically stressed—a far more expensive outcome.

Legal compliance: As state and local leave laws proliferate, compliance is no longer optional, and the penalty for errors can be significant, both financially and reputationally.

These macro trends only tell part of the story. Actual usage patterns reveal how employees are engaging with available leave benefits, and where needs are growing most rapidly. Our data shows how the share of total leave usage has shifted among four main categories from 2020 to 2025:

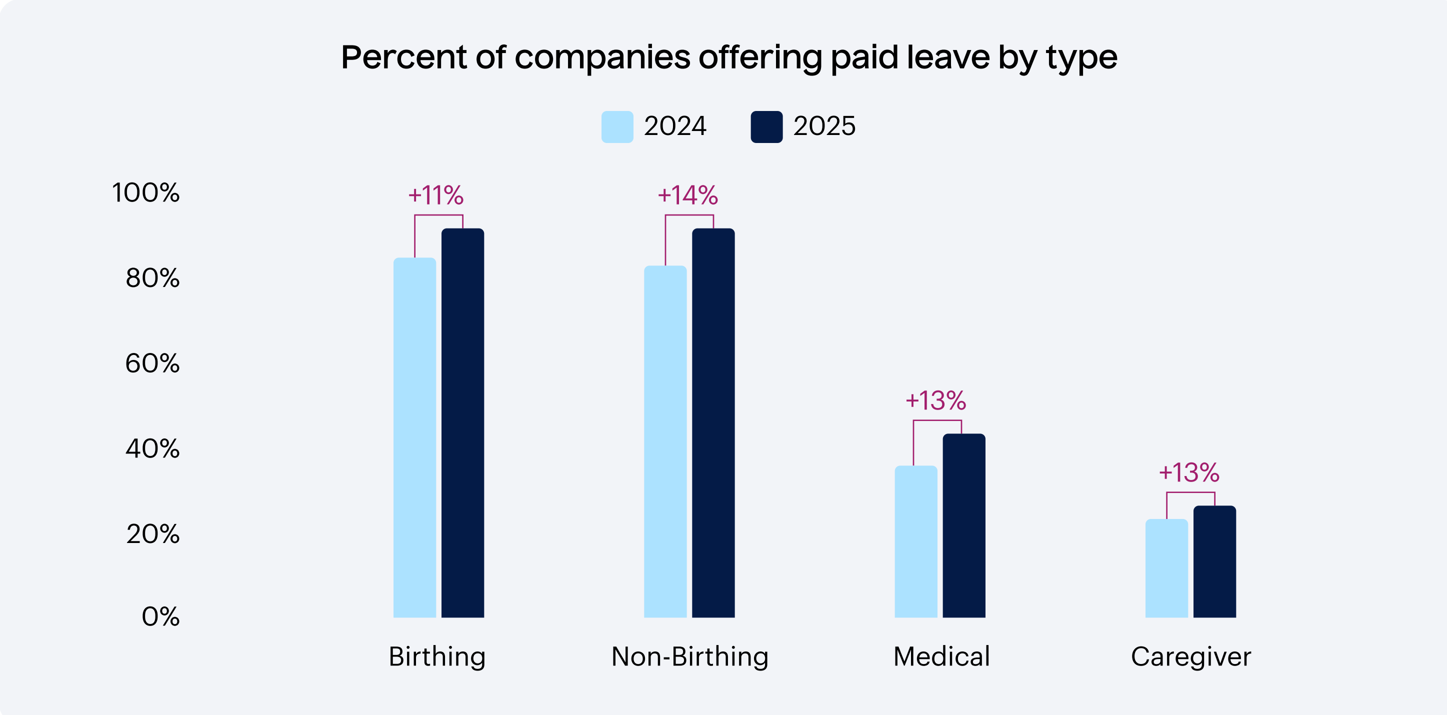
Non-birthing parent leave (paternity/partner leave) has held steady, typically representing about one-third of all leaves. This consistency, even as total leave volume has grown, aligns with broader research showing that millennial and Gen Z fathers want to take parental leave and are increasingly comfortable doing so when policies and workplace culture support it.

Medical leave has grown from 21% to 30% of all leaves, reflecting both aging workforce demographics with changing health needs, and potentially greater employee comfort using leave for mental health reasons. American Psychiatric Association data shows that concerns about retaliation for taking mental health-related time off declined from 52% in 2020 to 36% in 2022.

Caregiver leave, as we'll discuss below, has more than doubled as a percentage of all leaves while simultaneously increasing in average duration.

These usage patterns validate policy expansion: When companies offer leave for diverse purposes, employees use it, suggesting these benefits address real, previously unmet needs. Let's dig a bit deeper into what that looked like in 2025.

Paid Leave Became Standard



An overwhelming majority of employers in our dataset provide some form of paid leave to their employees. The four most common types have become foundational offerings:

1. **Birthing leave** (birthing recovery and bonding leave)
2. **Non-birthing parent leave** (paternity/partner bonding leave)
3. **Medical leave** (extended time off for serious health conditions)
4. **Family caregiver leave** (support for aging parents or seriously ill family members)

The landscape varies by company size. Larger companies typically offer more weeks of paid leave across all categories. This gap likely reflects greater resources, more sophisticated HR infrastructure, and heightened competition for talent in markets where large employers compete. However, paid leave has become a standard expected benefit at smaller employers as well, with many offering 8-15 weeks of parental leave and beyond.

Weeks of paid leave provided, broken down by company size

1-200 employees

	25th percentile	50th percentile	75th percentile	90th percentile
Birthing	12	15	16	20
Non-Birthing	5.75	8	12	14
Medical	0	0	8	12
Caregiver	0	0	2	8

201-500 employees

	25th percentile	50th percentile	75th percentile	90th percentile
Birthing	12	12	16	20
Non-Birthing	5.5	8	12	13.4
Medical	0	0	6	12
Caregiver	0	0	0	6

501-1,000 employees

	25th percentile	50th percentile	75th percentile	90th percentile
Birthing	12	12	16.75	20
Non-Birthing	6	8	12	12.7
Medical	0	0	6	12
Caregiver	0	0	4	6

1,001-10,000 employees

	25th percentile	50th percentile	75th percentile	90th percentile
Birthing	8	13	16	20.6
Non-Birthing	4	9	12	16
Medical	0	0	6	12
Caregiver	0	0	3.5	10.6

"The entire leave process is more seamless with Sparrow. When we were first getting set up with Sparrow, their Leave Specialists also helped us craft and fine-tune our leave policy. Sparrow's guidance was very helpful at the outset."

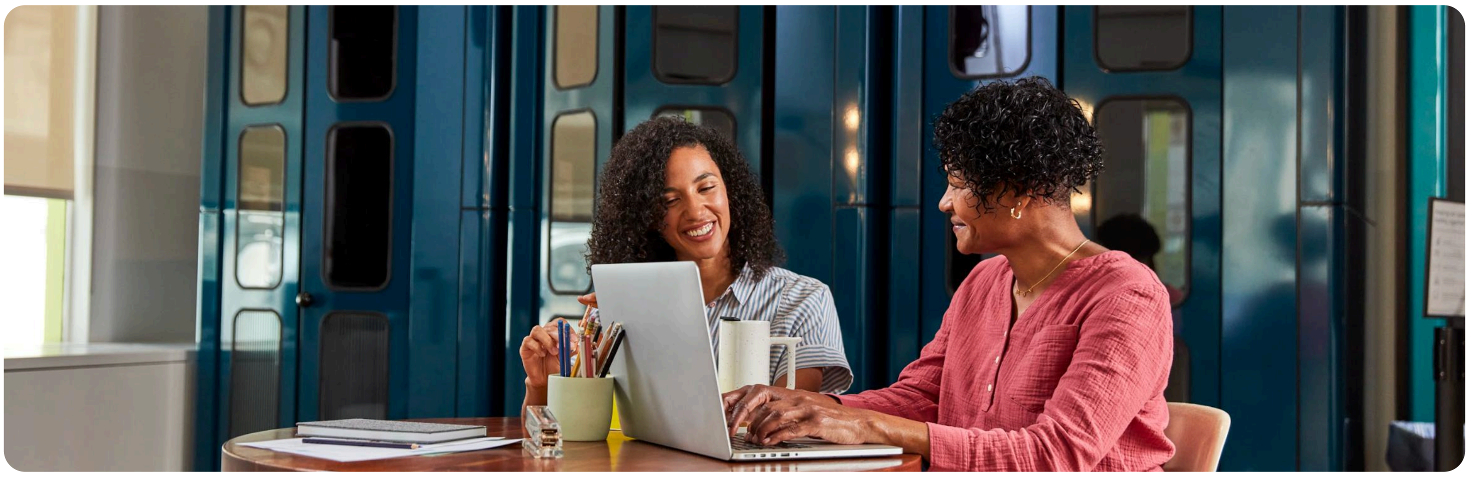
Raymond Ortegaso
Chief Human Resources Officer @ LA Clippers

Broad Expansion of Leave Policies

There's evidence that small and mid-sized companies are starting to close this gap. Across all company sizes, we saw an increase in the percentage of organizations providing paid leave to their employees over the past year. This was true for all four foundational categories—birthing parent, non-birthing parent, medical, and family caregiver leave.

This expansion suggests that paid leave is transitioning from competitive differentiator to baseline expectation. Small and mid-sized companies are recognizing that offering leave is key to retaining talent, maintaining productivity, and building a sustainable workplace culture.

This growth is particularly notable among smaller employers who historically struggled to offer paid leave due to cost and administrative complexity. As state paid family leave insurance programs expand (more on this later), financial barriers are lowering, enabling more companies to provide meaningful support to their employees.



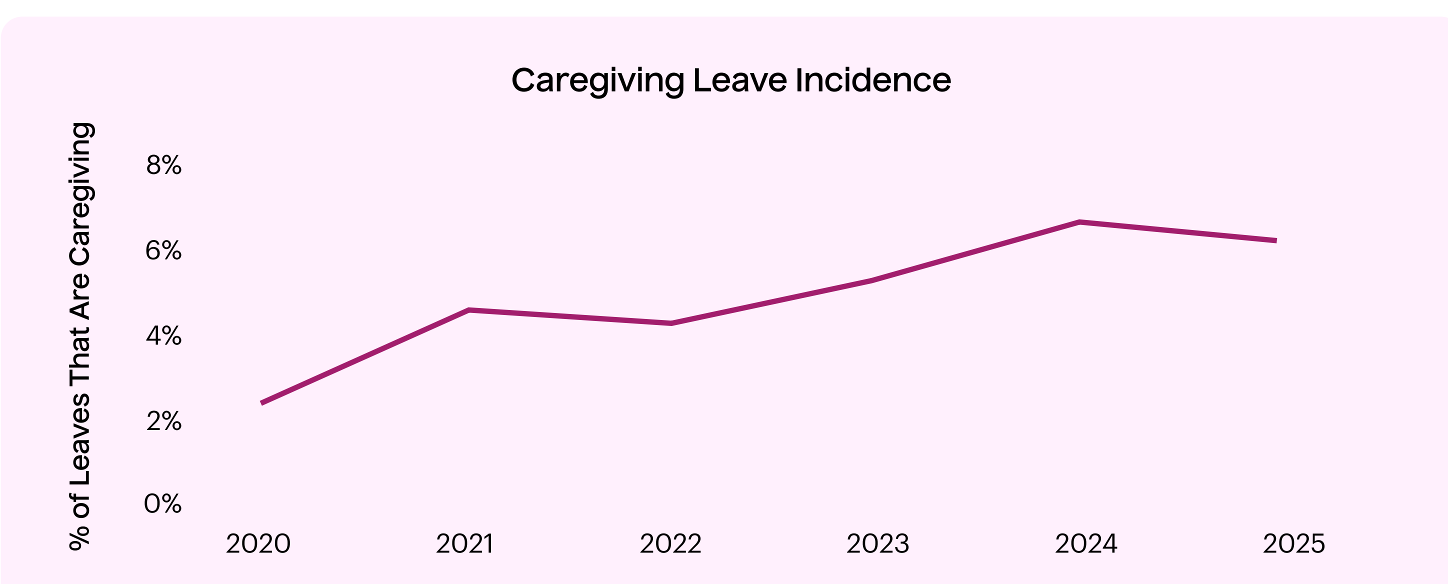
Caregiving Emerged as a Demographic Inevitability

Beyond parental leave, one category stands out for its rapid growth: family caregiver leave.

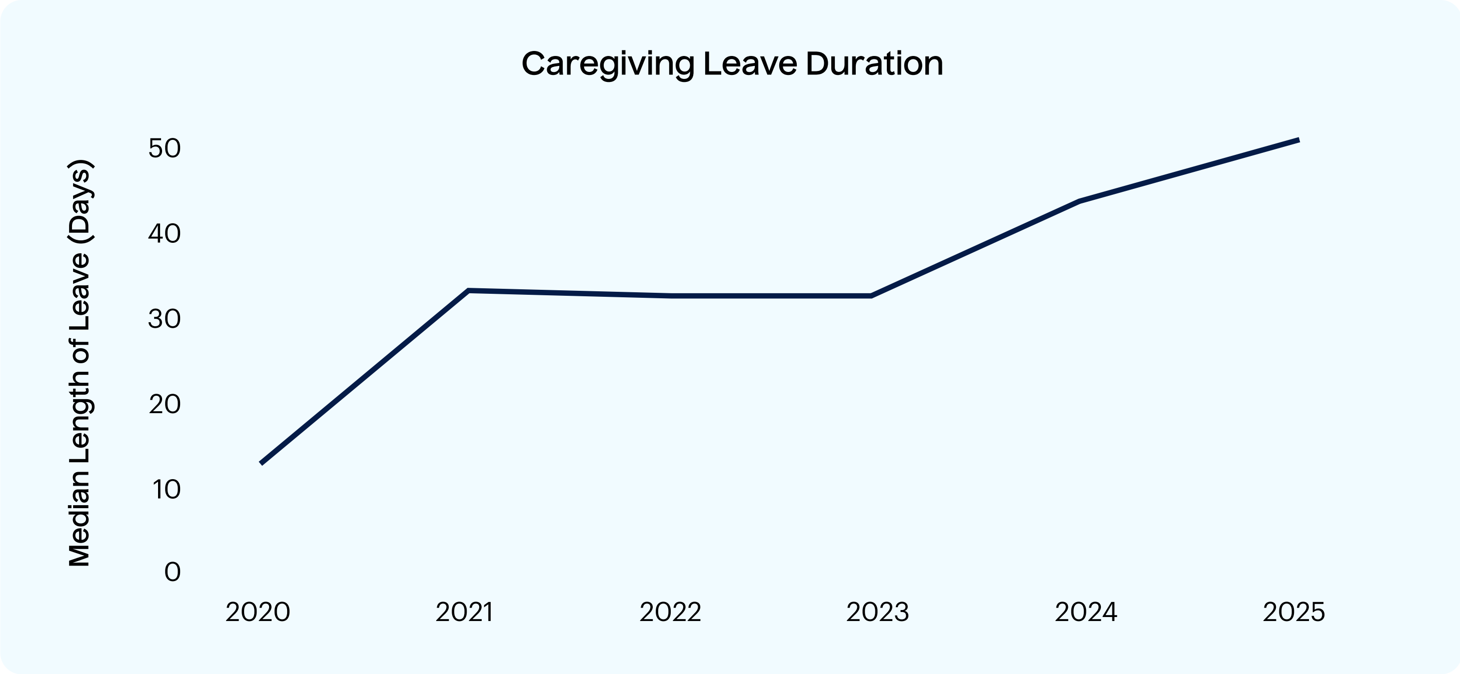
According to U.S. Census data, 10,000 Americans turn 65 every day—a trend that will continue for another decade as baby boomers age. As a result, millions of their working-age children will have to simultaneously navigate careers and caregiving responsibilities.

Our data shows employers are responding. More companies are providing paid family caregiving leave, which employees can use to care for an aging parent, a family member with a serious illness, or a loved one recovering from surgery or hospitalization.

Additionally, 14 states now offer paid family leave insurance programs that cover family caregiving. This has offset the cost of this benefit for employees, allowing more companies to offer more extensive support.



Real-world usage patterns confirm what demographics predict: Caregiving leave has grown from 2.4% of all leave claims in 2020 to 6.0% in 2025—a 150% increase in just five years. And employees aren't taking short absences. The median length of caregiving leave has nearly quadrupled from 12.5 days in 2020 to 49.5 days in 2025.



This suggests that employees are increasingly managing extended care situations—exactly the scenarios that, without proper leave support, force talented workers into chronic stress and burnout, or out of the workforce entirely.

The caregiving trend illustrates a broader truth: A growing number of employees are dealing with diverse, often unpredictable life events that require time away from work. Companies that acknowledge this reality with comprehensive leave policies are better positioned to support their workforce through the inevitable challenges of being human.

Leave Categories Expanded Beyond the Big Four

While the four foundational leave types remain most common, new leave policies are emerging—each responding to specific employee needs that were previously unsupported, or that forced employees to burn through vacation days during difficult circumstances.

Bereavement Leave

When a close family member dies, employees can take bereavement leave (also called compassionate leave) to grieve and arrange necessary affairs. We saw a significant increase this year in companies providing bereavement leave to their employees—jumping from 53% in 2024 to 67% in 2025, a 26% increase in just one year.

This growth likely reflects a broader cultural shift toward acknowledging mental health and the real, practical needs that arise during loss—from funeral planning to estate management to simply processing grief without the pressure of immediate productivity.

NICU Leave

NICU leave provides extended paid time away from work for parents of newborns hospitalized in the neonatal intensive care unit. Unlike standard parental leave, NICU leave ensures that parents don't have to exhaust all their bonding time before bringing their baby home from the hospital.

In 2025, new legislation in Colorado and Illinois provided additional support for NICU parents. Colorado's law offers up to 12 weeks of paid leave through the state insurance fund, significantly offsetting costs to employers. Illinois provides job-protected unpaid time off. These laws signal growing recognition of NICU parents' unique needs and may accelerate the adoption of similar policies among employers nationwide.

Other Emerging Categories

Several other leave types are becoming more common, each addressing specific circumstances:

Safe leave is provided to employees who are victims of domestic violence, stalking, or other crimes, to enable them to seek assistance, relocate, or take legal action to ensure their safety.

Voting leave ensures that employees have the opportunity to participate in the democratic process without facing repercussions at work.

Jury duty leave may be required by law in some jurisdictions when an employee is summoned to serve on a jury. Employers typically cannot penalize employees for fulfilling their civic duty by serving on a jury.

Bone marrow donation leave allows employees to take time off work to donate bone marrow to a recipient in need. It is intended to support employees in contributing to potentially life-saving medical treatments.

Organ donation leave is similar to bone marrow donation leave, and provides employees with time off to undergo surgery and recover from donating an organ, such as a kidney or liver, to someone in need of a transplant.

Our data shows that 75% of companies now provide at least one of the types of leave above, compared to 50% in 2023. This reflects a maturing understanding of workplace support: Employees aren't just workers, they're people navigating complex lives, and the best employers create infrastructure to support them through it all.

> "Not only do we want our customers to be raving fans of Gong as a platform, we want our team members—our Gongsters—to be raving fans of our benefits programs. We have people who've had multiple leaves at Gong and unanimously, they've said their experience with Sparrow has been less stressful and more seamless."
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> **Karen Hoang**
> Senior Manager, Benefits Programs @ Gong

What's Next: The Regulatory Landscape and the Complexity Challenge

Employee leave will continue to expand rapidly in the coming year. In 2026, state paid family leave insurance programs will go into effect in three new states—Delaware, Minnesota, and Maine—with Maryland following shortly after. This brings the total number of states with active paid leave programs to fourteen, covering a substantial portion of the US workforce.

Many more draft laws are making their way through state legislatures, including states with large populations like Virginia and Pennsylvania.

More State Programs Mean More Options for Employers

State-dispensed benefits from these programs can significantly offset employers' paid leave costs, making it more affordable for employers to lengthen their paid leave benefits or add new categories. Many state programs now pay 70-90% of the employee's leave cost from an insurance fund, giving employers the option to top up the remaining pay. If a state program provides 12 weeks of partially paid leave, an employer can more easily afford to top up that benefit to full salary or extend the duration, dramatically improving the employee experience at a fraction of the cost of a fully employer-funded program.

But More Complexity, Too

As employee expectations evolve, and more state paid leave programs come online, employers increasingly must navigate the complexity of compliance and benefit administration across states with different legal requirements, insurance pay structures, eligibility rules, and coordination procedures.

Consider a company with headquarters in California, a second office in New York, and a remote employee in Washington. That's three different state programs, each with unique:

- contribution requirements,
- eligibility thresholds,
- benefit calculation formulas,
- maximum benefit durations,
- application processes,
- job protection rules, and
- interaction with employer-provided benefits.

HR teams must correctly determine which laws apply to which employees, calculate overlapping benefits, ensure compliance with varying notice requirements, coordinate state payments with employer top-ups, and maintain a consistent employee experience despite regulatory fragmentation.

For companies with employees across multiple states—increasingly common in the remote work era—this complexity is a reality that's only intensifying.

> "We wanted to make sure our employees felt supported the entire time they were gone, and that we had help with payroll and taking advantage of state pay as well. Sparrow's approach—combining backend support with employee help—really stood out."

Anushe Shoro
Senior Benefits Specialist @ Anduril

The Path Forward

Paid leave continues to be a benefit that employees need and want, and one that provides measurable recruitment and retention advantages to employers. But the expansion of leave types, combined with state-by-state regulatory complexity, means that managing leave well requires sophisticated technology and specialized expertise.

Companies that want to stay competitive and maintain high-morale workforces will prioritize paid leave, and will need partners who can navigate this complexity seamlessly. The question is no longer whether to offer comprehensive leave, but how to administer it efficiently, compliantly, and compassionately at scale.

The most successful organizations will be those that embrace this reality, investing in the infrastructure and expertise needed to support employees through every chapter of life—from welcoming new children to caring for aging parents to navigating personal health challenges and beyond.

Because ultimately, supporting employees through life's changes and challenges is how companies build trust, loyalty, and resilience in their most valuable asset: their people.

About Sparrow

Sparrow is the first end-to-end leave management solution for modern employers to care for their people during major life events. Sparrow's high-tech, high-touch approach automates the most painful parts of employee leave management, while our world-class leave specialist team ensures a premium experience for all types of leaves across the United States and Canada.

By partnering with Sparrow, caring companies reduce compliance risks, enhance the employee experience, and contain costs.

Connect with our experts to learn more →