



# Paid Family and Medical Leave is Critical for Low-wage Workers and Their Families

By Pronita Gupta, Tanya Goldman, Eduardo Hernandez, and Michelle Rose

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## Introduction

Paid family and medical leave is critical to reducing and preventing poverty and economic insecurity for families who experience illness or have caregiving responsibilities. The federal Family and Medical Leave Act of 1993 provides job-protected, unpaid leave for certain workers. While this Act is important, many workers — especially those with low incomes — can't afford to take leave without pay. In 2016, 40.6 million people in the U.S. lived in poverty compared to 29.3 million people in 1980. The growth in working-age adults living in poverty significantly contributed to this increase.<sup>1</sup> The lack of a national paid leave policy is further entrenching economic inequality.

- 93 percent of low-wage workers (in the bottom quarter of wage earners) have **zero** access to paid family leave.<sup>2</sup>
- 94 percent of part-time workers have **zero** access to paid family leave.<sup>3</sup>

## *Low-wage workers without paid leave disproportionately face:*

- **Loss of income:** Because far too many low-wage workers can't afford to take leave without pay, they either don't take leave, take less leave than they need, or lose wages and face dire consequences. Research proves that families who lose income while caring for a seriously ill child are more likely to suffer significant hardships, including food insecurity and delays getting medicine.<sup>4</sup>
- **Loss of job:** Approximately 40 percent of workers are excluded from the FMLA and have no job protection if they have to take unpaid leave.<sup>5</sup> Job loss is the "most common entry point into poverty."<sup>6</sup> One in 7 workers has lost a job to recover from illness or care for a family member.<sup>7</sup> It's worse for working mothers; in one survey, almost 1 in 5 moms reported losing a job due to sickness or caring for a sick child.<sup>8</sup> In 2015, 64 percent of mothers were primary or co-breadwinners. For those moms, the loss of a job from a family's medical situation can plunge them into economic turmoil.<sup>9</sup>
- **Difficult choices:**
  - Nearly a quarter of women take 10 or fewer days of parental leave.<sup>10</sup>
  - Approximately half of new mothers with less than a high school education left their jobs to bond with their new babies.<sup>11</sup>
- **Health consequences:** Low-wage workers and their families shouldn't suffer worse health outcomes. Paid leave provides necessary time for children and families to prevent and treat illnesses, spend critical time bonding, seek preventive care, and better maintain their mental health and overall wellbeing.<sup>12</sup>

## *Better support for workers and families will meaningfully help:*

- **People of color:** With people of color earning significantly less than white workers, lack of access to paid leave exacerbates this inequality. Only 43 percent of Black workers and just 25 percent of Latino workers have access to *any* paid parental leave.<sup>13</sup> And an estimated 65 percent of Black parents and 75 percent of Hispanic parents are either ineligible or unable to afford unpaid leave under FMLA.<sup>14</sup> Black and Hispanic women are more likely than white women to leave or lose their jobs after giving birth.<sup>15</sup>
- **Immigrant workers:** In California, a study found that immigrants were less likely to be aware of California's paid family leave program. That's especially significant because immigrants are already vulnerable to lost income in times of need and often lack other sources of income to replace lost wages and make ends meet.<sup>16</sup>
- **Working moms:** 42 percent of mothers are sole breadwinners who provide at least half the family's earnings. Nearly one-quarter of mothers are co-breadwinners. Historically, Black mothers have been more likely to work outside the home. They're the sole breadwinners in 70 percent of their families.<sup>17</sup>

- **Children:** When parents can't afford to take time off, infants may miss critical well-child visits for preventive care and immunizations.<sup>18</sup> Research suggests that a child's cognitive and social development may be enhanced when parents have paid leave.<sup>19</sup>

## *The many benefits of paid family and medical leave*

A national paid family and medical leave program would improve the health and earnings of millions of low-wage workers while also benefitting business owners.

- **Prevent wage loss:**
  - Many low-wage workers lose all income while on family or medical leave.<sup>20</sup> Research shows that paid family and medical leave can reduce racial disparities in wage loss as a percent of family income for Black and Hispanic families.<sup>21</sup>
- **Increased employee retention:**
  - Employers with paid leave programs benefit by attracting talent. This increases the likelihood of workers returning after their leave and creates a productive workplace with positive morale.<sup>22</sup> Offering real access to opportunity through family-sustaining jobs is good for the bottom line.
  - Women who take paid leave after a child's birth are more likely to stay employed 9 to 12 months after the child's birth than women who take no leave.<sup>23</sup>
- **Health benefits:**
  - Paid family leave can improve the health and wellbeing of sick family members and their caregivers.<sup>24</sup>
  - Children of workers who take longer leaves may experience lower mortality rates and higher birth weights. Children with special health care needs also see better outcomes.<sup>25</sup>
- **Support Bonding and Child Care:**
  - A recent U.S. Department of Health and Human Services study of low-income mothers found that paid family leave allowed them the necessary time to bond with their new child and arrange child care, which can often be a barrier for women returning to work.<sup>26</sup>

## *Developing policy to help workers in low-wage jobs*

Paid family and medical leave policy must:

- 1) Be available to all workers, regardless of sector or employer size and whether they work full or part-time or are self-employed.
- 2) Allow workers to take time to address serious family and medical needs as well as care for new children.
- 3 Offer sufficient replacement wages so that workers who are paid low wages can afford to take leave when they need it.
- 4) Include all families, whether through blood, marriage, or affinity.
- 5) Ensure leaves are long enough to meet individual and family care needs.
- 6) Be funded through a social insurance program rather than tax credits or individual employer requirements or mandates. A social insurance program will allow the risk to be pooled across a large group of workers, making it affordable, accessible, and efficient.
- 7) Include job protection and strong prohibitions against discrimination or retaliation.

# Endnotes

<sup>1</sup> Jay Shambaugh, Lauren Bauer, and Audrey Breitwieser, *Who is poor in the United States? A Hamilton Project annual report*, Brookings, 2017, <https://www.brookings.edu/research/who-is-poor-in-the-united-states-a-hamilton-project-annual-report/>.

<sup>2</sup> United States Department of Labor, Bureau of Labor Statistics, "Table 32. Leave benefits: Access, private industry workers," National Compensation Survey, March 2018, <https://www.bls.gov/ncs/ebs/benefits/2018/employee-benefits-in-the-united-states-march-2018.pdf>.

<sup>3</sup> United States Department of Labor, Bureau of Labor Statistics, "Table 32. Leave benefits: Access, private industry workers," National Compensation Survey, March 2018, <https://www.bls.gov/ncs/ebs/benefits/2018/employee-benefits-in-the-united-states-march-2018.pdf>.

<sup>4</sup> Patricia Stoddard-Dare, LeaAnne DeRigne, Linda Quinn, and Christopher Mallett, "Paid Sick Leave Status in Relation to Government Sponsored Welfare Utilization," *American Journal of Orthopsychiatry* 88 (Feb. 22, 2018), <http://dx.doi.org/10.1037/ort0000318>.

<sup>5</sup> Jacob Alex Klerman, Kelly Daley, and Alyssa Pozniak, *Family and medical leave in 2012: Technical report*, Abt Associates, 2014, <http://www.dol.gov/asp/evaluation/fmla/FMLA-2012-TechnicalReport.pdf>.

<sup>6</sup> Stoddard-Dare et al., "Paid Sick Leave Status."

<sup>7</sup> Oxfam America, *Hard Work, Hard Lives: Survey Exposes Harsh Reality Faced by Low-Wage Workers in the US*, 2013, <http://www.oxfamamerica.org/files/low-wage-worker-report-oxfam-america.pdf>.

<sup>8</sup> Oxfam America, *Hard Work, Hard Lives*.

<sup>9</sup> Sarah Jane Glynn, *Breadwinning Mothers Are Increasingly the U.S. Norm*, Center for American Progress, 2016, <https://www.americanprogress.org/issues/women/reports/2016/12/19/295203/breadwinningmothers-are-increasingly-the-u-s-norm/>.

<sup>10</sup> Abt Associates, Inc., *Family and Medical Leave in 2012: Technical Report*, 2013, Exhibit 7.2.7, <http://www.dol.gov/asp/evaluation/fmla/FMLA-2012-Technical-Report.pdf>.

<sup>11</sup> Lynda Laughlin, *Maternity Leave and Employment Patterns of First-Time Mothers: 1961-2008*, Current Population Report: P70-128, U.S. Census Bureau, <https://www.census.gov/prod/2011pubs/p70-128.pdf>.

<sup>12</sup> Barbara Gault, Heidi Hartmann, Ariane Hegewisch, Jessica Milli, and Lindsey Reichlin, *Paid Parental Leave in the United States: What the data tell us about access, usage, and economic and health benefits*, Institute for Women's Policy Research, 2014, <https://iwpr.org/publications/paid-parental-leave-in-the-united-states-what-the-data-tell-us-about-access-usage-and-economic-and-health-benefits/>.

<sup>13</sup> Sarah Jane Glynn and Jane Farrell, *Latinos Least Likely to Have Paid Leave or Workplace Flexibility*, Center for American Progress, 2012, <http://www.americanprogress.org/wp-content/uploads/2012/11/GlynnLatinosPaidLeave1.pdf>. Figure 1.

<sup>14</sup> The Heller School for Social Policy and Management, <http://www.diversitydatakids.org/data/ranking/511/working-parents-who-are-eligible-for-and-can-afford-fmla-unpaid-leave-share-by-r/#loct=2&cat=53,51&tf=17&ch=1,2,3,4>.

<sup>15</sup> Lynda Laughlin, *Maternity Leave and Employment Patterns*.

<sup>16</sup> Eileen Appelbaum and Ruth Milkman, *Leaves that Pay: Employer and Worker Experiences with Paid Family Leave in California*, Center for Economic and Policy Research, 2011, <http://cepr.net/publications/reports/leaves-that-pay>.

<sup>17</sup> Sarah Jane Glynn, *Breadwinning Mothers*.

<sup>18</sup> For a summary of the evidence on health benefits for children when parents have paid leave, see Curtis Skinner and Susan Ochshorn, *Paid Family Leave: Strengthening Families and Our Future*, National Center for Children in Poverty, 2012, [http://www.nccp.org/publications/pdf/text\\_1059.pdf](http://www.nccp.org/publications/pdf/text_1059.pdf).

<sup>19</sup> Skinner and Ochshorn, *Paid Family Leave*.

<sup>20</sup> Abt Associates, Inc., "Exhibit 5.3.6," *Family and Medical Leave in 2012: Technical Report*, September 2012, <http://www.dol.gov/asp/evaluation/fmla/FMLA-2012-Technical-Report.pdf>.

<sup>21</sup> Pamela Joshi, Maura Baldiga, Alison Earle, Theresa Osypuk and Dolores Acevedo-Garcia, "Paid Family and Medical Leave Social Protection in the U.S.: Lessons Learned About Targeting Low-Income Workers," 5<sup>th</sup> Conference of the Regulating for Decent Work Network, July, 2017.

<sup>22</sup> Trish Stroman, Wendy Woods, Gabrielle Fitzgerald, Shalini Unnikrishnan, and Liz Bird, *Why Paid Family Leave is Good Business*, Boston Consulting Group, 2017, <https://www.bcg.com/en-us/publications/2017/human-resources-people-organization-why-paid-family-leave-is-good-business.aspx>.

<sup>23</sup> Linda Houser and Thomas Vartanian, *Pay Matters: The Positive Economic Impacts of Paid Family Leave for Families, Businesses and the Public*, Ctr. for Women & Work 2, 2012, <http://www.nationalpartnership.org/research-library/work-family/other/pay-matters.pdf>.

<sup>24</sup> Alison Earle and Jody Heymann, "Protecting the Health of Employees Caring for Family Members with Special Health Care Needs," *Social Science and Medicine* 73 (2011).

<sup>25</sup> Skinner and Ochshorn, *Paid Family Leave*.

<sup>26</sup> Pamela Winston, Ariel Pihl, Lincoln Groves, Colin Campbell, Elizabeth Coombs, and Sharon Wolf, *Exploring the Relationship Between Paid Family Leave and Well-being of Low-Income Families: Lessons from California*, U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation Office of Human Services Policy, 2017, <https://aspe.hhs.gov/system/files/pdf/255486/PFL.pdf>.