



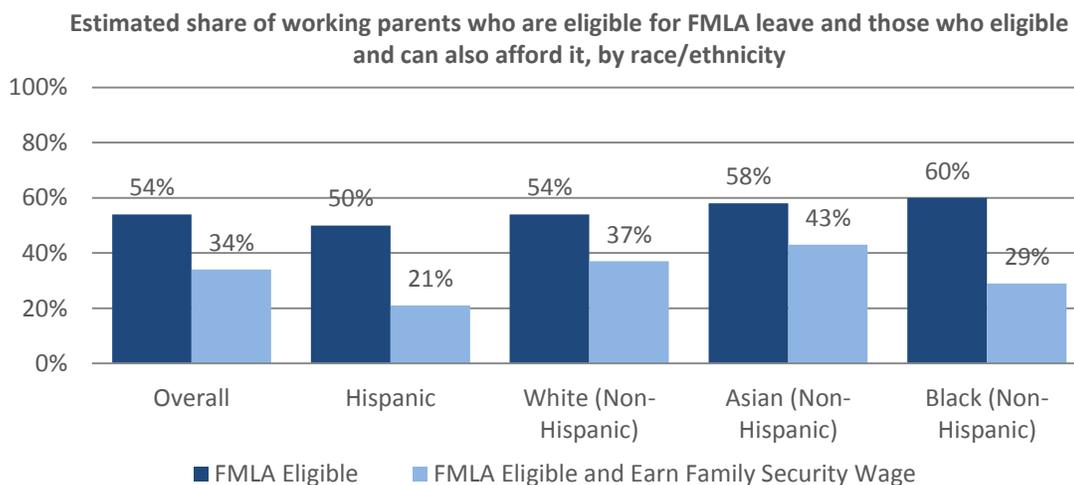
## Challenges with Taking FMLA Leave

### *Inequities in Affordability of FMLA Leave for Eligible Workers, by Race/Ethnicity*

About 60% of employees are covered and eligible for FMLA leave. However, this does not mean that FMLA leave is accessible for all eligible employees. Although it is a goal of the FMLA to increase leave-taking among U.S. workers, there are several barriers to achieving this goal.

#### Why might FMLA-eligible workers have unmet need?

The unpaid nature of FMLA leave may deter many workers, especially lower-income workers, from taking needed leave due to the financial ramifications. Among working parents, an estimated 54% are eligible for FMLA leave, yet only 34% are eligible *and* can afford to take this unpaid leave (see chart below). This means that over one-third of FMLA-eligible working parents may face substantial financial hardship when taking unpaid leave or may choose not to take leave at all due to affordability constraints. As shown below, Hispanic and black working parents are the least able to afford unpaid leave to attend to their own or their children's health needs. These findings may indicate that the FMLA has the potential to exacerbate health disparities. Moreover, the low eligibility and affordability of



Source: diversitydatakids.org calculations of Current Population Survey, 2007-2011 March Annual Social and Economic Supplement, Public Use Microdata Files.<sup>1</sup>

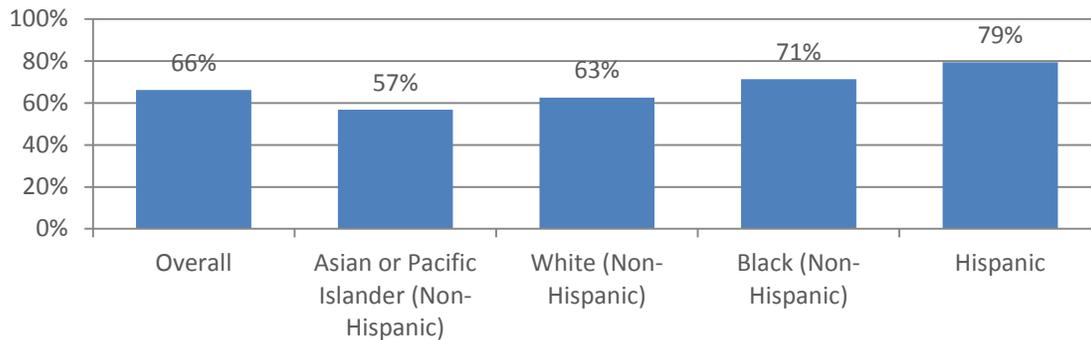
White, black and Asian/Pacific Islander are non-Hispanic. Hispanic includes working parents of any race.

Family Security wage is a wage ensuring economic security based on the Basic Economic Security Tables™ Index.<sup>2</sup>

FMLA leave for Hispanic parents is concerning for child health across the U.S., since Hispanics represent nearly 25% of the U.S. child population and are the only group in which the majority of households are families with children.<sup>3</sup> In fact, if the lack of affordability and eligibility are considered together, the estimated share of working parents facing barriers to taking FMLA leave rises from 46% to 66%. As shown below, these barriers are most felt by black (non-Hispanic) and Hispanic parents, for whom 71% and 79%, respectively, are either ineligible or unable to afford FMLA leave.



Estimated share of working parents who are NOT eligible for FMLA leave, or who are eligible but earn less than a Family Economic Security Wage, by race/ethnicity



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Unless restricted by their employer, the FMLA allows workers to use any accrued paid leave their employer may provide for wage replacement while being covered by the job-protections of the FMLA law. An examination of paid leave usage among employees who took leave between 2011 and 2012, regardless of FMLA eligibility, shows that 65% received full or partial pay. However, considerable socioeconomic inequities are embedded in access to paid leave. Compared to employees with family income above the median, employees with family income below the median were only half as likely to receive full pay (34% of lower income versus 63% of higher income) and more than twice as likely to receive no pay (54% of lower income versus 18% of higher income) when taking leave.<sup>5</sup> Thus, serious inequities exist for lower-income families, who are disproportionately black and Hispanic, in accessing unpaid FMLA or paid leave offered through employers.

### State efforts to increase leave-taking

The racial/ethnic and socioeconomic disparities in unmet need for family leave indicate that the FMLA does not reach the most vulnerable families. These inequities also highlight the crucial role that paid leave policies can play in evening the playing field and reducing barriers to leave. Not only would paid FMLA leave reduce inequities in leave-taking, but initial descriptive and quasi-experimental evidence suggests positive economic and health outcomes for families and their children.<sup>6</sup> For more on the benefits of paid family leave, [click here](#).

Three states--California, Rhode Island, and New Jersey--have enacted paid family leave programs that cover all private sector employers (coverage for FMLA is restricted by business size, [click here](#) for details). As a result, these state paid leave programs address multiple root causes of unmet need by expanding coverage and affordability. Nevertheless, many low-income and minority working families in the vast majority of states still lack affordable family leave options. [Several state and federal initiatives](#) are underway with the goal to expand affordable, job-protected family leave so that a workers' state of residence does not hamper their ability to take time off to care for themselves or their families.

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## Sources & notes

- <sup>1</sup> The percentages of working parents who are eligible for and can afford the FMLA underestimate the number eligible because due to data limitations, we exclude workers at firms with fewer than 100 employees rather than fewer than 50 employees. Therefore employees working at firms between 50 and 99 employees are excluded from the eligible population.
- <sup>2</sup> In order to provide an estimate of working parents earning a wage ensuring economic security, we use as a threshold the Basic Economic Security Tables™ Index (BEST) wage level needed by a working parent in a family with two workers and two children (\$16.79 in 2010 US dollars). The BEST Index takes into account the full costs of raising children, public benefits received, and the earnings and assets workers need to ensure their family's economic security.
- <sup>3</sup> McArdle, N., Osypuk, T.L., Hardy, E., & Acevedo-Garcia, D. (2012). *The changing face of households with children in large metropolitan areas* (issue brief). Boston, MA: diversitydata.org. Retrieved from <http://diversitydata.org/Publications/Household%20Composition%20Brief.pdf>.
- <sup>4</sup> Family Security Wage: In order to provide an estimate of working parents earning a wage ensuring economic security, we use as a threshold the Basic Economic Security Tables™ Index (BEST) wage level needed by a working parent in a family with two workers and two children (\$16.79 in 2010 US dollars). The BEST Index takes into account the full costs of raising children, public benefits received, and the earnings and assets workers need to ensure their family's economic security.
- <sup>5</sup> Klerman, J.A., Daley, K., & Pozniak, A. (2012). *Family and medical leave in 2012: Technical report*. Cambridge, MA: Abt Associates. Retrieved from <http://www.dol.gov/asp/evaluation/fmla/FMLA-2012-Technical-Report.pdf>.
- <sup>6</sup> Rossin-Slater, M., Ruhm, C., & Waldfogel, J. (2011). The Effects of California's Paid Family Leave Program on Mothers' Leave-Taking and Subsequent Labor Market Outcomes. (NBER Working Paper No. 17715). Cambridge, MA: *National Bureau of Economic Research*. Retrieved from <http://www.nber.org/papers/w17715.pdf>.