

**TECHNICAL NOTE:
ESTIMATING AFFORDABILITY OF UNPAID LEAVE FOR WORKING PARENTS,
UNDER THE FAMILY AND MEDICAL LEAVE ACT (FMLA)**

This technical note describes how diversitydatakids.org estimates FMLA affordability for working parents. Working parents' ability to afford FMLA unpaid leave and their eligibility for FMLA unpaid leave are estimated separately, and then these characteristics are cross-tabulated to produce the share of working parents who are eligible for *and* can afford FMLA unpaid leave. For more details on estimating FMLA eligibility among working parents, click [here](#).

The FMLA guarantees eligible workers up to 12 weeks of unpaid leave from work for qualifying reasons (e.g. to care for a new baby or for a seriously ill family member). In assessing whether FMLA unpaid leave is accessible to workers, it is important to measure whether eligible employees can monetarily afford to take time off from work without any pay. FMLA-eligible workers who are low-income may face substantial financial barriers to taking unpaid leave, which may discourage them from taking needed time off.

To estimate whether a working parent can potentially afford to take FMLA unpaid leave if they needed it, we would ideally like to: a) identify the amount of time off needed for each worker, b) use this information to compute lost wages during their time on leave, and c) estimate whether the remaining family income is sufficient to support family expenses. However, our FMLA data source, the Current Population Survey (CPS), does not include direct questions asking workers about whether and for how long they need time off for family and medical reasons. Therefore, we approximate the duration of leave using the average length of leave reported by workers in the 2012 Department of Labor report on FMLA leave-taking.¹ The report found that among FMLA-eligible workers who took time off from work, the average length of leave was 32.3 work days. Importantly, the 32.3 average days of leave reflect the average time off workers actually *took*, rather than the average time workers need. In other words, 32.3 days may be shorter than the average time off *needed* because it is likely reduced by workers' inability to afford more leave. Nevertheless, as this average is the best available data on leave length among the FMLA-eligible population, we multiply these 32.3 days (assuming an 8 hour work day -- that's just under 260 hours of leave) by working parents' hourly wages to estimate the amount of wages lost if a parent takes FMLA unpaid leave.

After calculating each working parent's wage loss from FMLA leave, we incorporate this loss into their family income to determine if they can afford to take unpaid leave. We use total family income because when estimating the affordability of FMLA unpaid leave, it is important to consider additional sources of income besides parents' own wages. For example, a parent making \$25,000 a year who lives with a partner making \$40,000 a year may be able to afford unpaid leave. However, a parent making \$25,000 a year but who **does not** live with any other household earners may not be able to afford unpaid leave. We account for such differences in family situation and income by using working parents' total family

income. Total family income considers all sources of income for a family that may allow a working parent to take unpaid leave. We subtract out lost wages equivalent to 32.3 days of unpaid leave to get a total family income after FMLA wage loss. We then compare this income level to 200% of the Federal Poverty Line (FPL), adjusted for family size. We consider an eligible working parent **able to afford** FMLA unpaid leave if the working parent's total family income is at or above 200% of FPL, after accounting for the 32.3 day wage loss experienced by taking unpaid leave.

We use 200% of the FPL as our threshold for determining FMLA affordability because this benchmark is used as an income eligibility ceiling for many social programs. That is, a family with income above 200% FPL (adjusted for family size) is considered self-sufficient. However, expert opinion varies with regard to what constitutes a family self-sufficiency threshold. Many experts argue that a higher level of income is typically needed to achieve family self-sufficiency and economic security. Given these considerations, the benchmark of 200% of FPL may lead to an overestimate of the share of working parents who can truly afford to take unpaid leave. This means that our indicator may suggest that more eligible employees can afford to take FMLA unpaid leave than actually can.

¹ Klerman, J.A., Daley, K., & Pozniak, A. (2012). *Family and medical leave in 2012: Technical report*. Cambridge, MA: Abt Associates. (p.68). Retrieved from <http://www.dol.gov/asp/evaluation/fmla/FMLA-2012-Technical-Report.pdf>.