



Leave Experiences of Low-Wage Workers

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FMLA and Low-Wage Workers

This paper compares leave experiences of low-wage and non-low wage workers using data from the 2018 Family and Medical Leave Act (FMLA) Employee Survey.ⁱ It finds that in some ways experiences are similar—both groups take needed leave at similar rates for similar reasons. In other ways experiences are very different and worse for low-wage workers—they less commonly have access to paid leave or are eligible for FMLA protections and more commonly face adverse financial and job consequences from taking leave.

For the purposes of this paper, *low-wage workers* are defined as those who reported earning **less than \$15 per hour** at their main job (where \$15 per hour would equate to an annual income of approximately \$30,000 for a full-time continuously employed worker).ⁱⁱ Low-wage workers are about 30 percent of all workers. Differences reported are statistically significant at the 5 percent level, unless otherwise indicated. Results shown in exhibits are explicitly noted; all other results are not shown in exhibits.

Prior research indicates low-wage workers less commonly have access to paid leave than higher wage workers.ⁱⁱⁱ As a result, if they take leave, low-wage workers would more commonly be forgoing pay to take leave than non-low-wage workers. Similarly, as discussed in a subsequent section, a smaller share of low-wage workers are eligible for FMLA. As a result, low-wage workers much less commonly have job protection when taking leave. These two considerations suggest taking leave may be more costly for low-wage workers compared to non-low-wage workers. Despite these costs, the present survey finds that low and non-low-wage workers who need leave take it at similar rates.

Key Findings

- Low-wage and non-low-wage workers who needed leave within the past year (prior to the survey) took leave at similar rates and for similar reasons.
- About half of low-wage workers (52 percent) report having access to paid leave for their own serious health condition compared to 80 percent of non-low-wage workers.
- A higher percentage of low-wage workers borrow money (41 vs. 26 percent) or go on public assistance (26 vs. 7 percent) to cover lost wages compared to non-low-wage workers.
- About one third of low-wage workers are eligible for FMLA (38 percent) versus about two thirds of non-low-wage workers (63 percent).
- A higher percentage of low-wage workers report job loss as a result of taking leave than non-low-wage workers (18 vs. 5 percent).
- Among FMLA-eligible workers who did not take any needed leave, about two thirds of low-wage workers (64 percent) cite fear of job loss versus one third of non-low-wage workers.

About the 2018 FMLA Surveys

In 1993, the United States Congress passed the Family and Medical Leave Act (FMLA), updating it in the years since. To understand how employees and employers understand and experience the FMLA, the U.S. Department of Labor surveyed employees and employers in 1995, 2000, 2012, and 2018.

The present paper is part of a series of publications on findings from the 2018 FMLA Surveys conducted by Abt Associates, including *Results from the 2018 Surveys*, *Methodology Report for the 2018 Surveys*, and *Gender Differences in Needing and Taking Leave*.

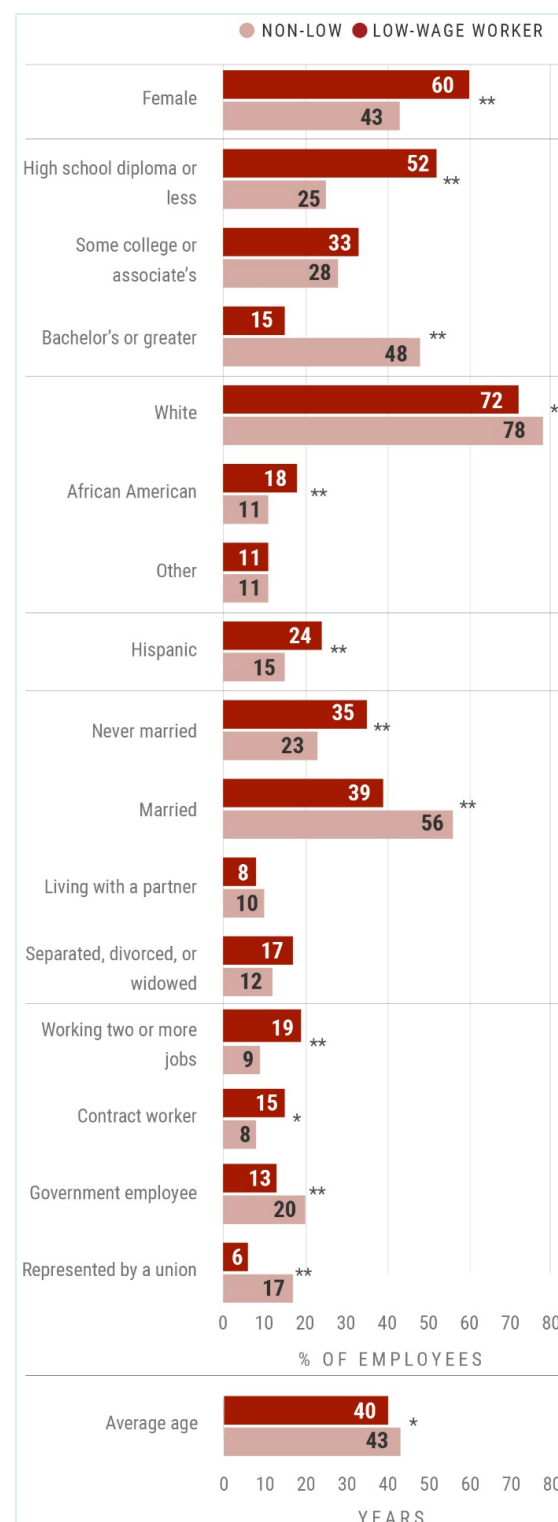
The remainder of this paper examines differences between low and non-low-wage workers in employee and job characteristics to better understand patterns of needing and taking leave and consequences of taking leave for their finances and jobs. The paper also analyzes the extent to which reducing minimum requirements for FMLA eligibility would affect eligible low-wage workers.

Low-Wage and Non-Low-Wage Workers Need and Take Leave at Similar Rates for Similar Reasons

Overall, 20 percent of workers needed leave at least once in the 12 months prior to the survey.^{iv} About 80 percent of both low-wage and non-low-wage workers who needed any leave in the past year took at least one leave, with about 60 percent taking all needed leaves and 20 percent taking some but not all needed leaves.^v Workers' reasons for needing leave and the proportion that take leave for each reason—for a new child, or for the employee's serious health condition or that of a family member—are also similar for low- and non-low-wage workers (based on the most recent leave needed).^{vi}

Low-wage workers have different demographic and employment characteristics than non-low-wage workers. In demographics, a higher proportion of low-wage workers are female, African American, Hispanic, younger, never married, and have lower levels of education compared to non-low-wage workers (Exhibit 1). A smaller proportion of low-wage workers are male, white, college-educated, or married compared to non-low-wage workers. In their employment, a higher proportion of low-wage workers are working two or more jobs or contract workers and a smaller proportion are government employees or represented by a union compared to non-low-wage workers.

Exhibit 1. Selected worker and employment characteristics, by low-wage status



Note: */** = difference between groups statistically different at 5% / 1% level, respectively.

Source: 2018 FMLA Employee Survey S8b, S9b, S10, D1, D3, D5, D6, D10, E10

Rates of taking any needed leave in the past year are similar for low and non-low-wage workers across a variety of characteristics, including gender, race, ethnicity, education, and number of jobs.^{vii} Marital status is an exception to the broad pattern of similarity. A higher percentage of low-wage workers who were living with a partner (32 percent) and those who were never married (20 percent) took at least one needed leave compared to non-low-wage workers with the same marital status (12 and 9 percent, respectively).

FMLA eligibility is only associated with higher rates of leave-taking among non-low-wage workers.^{viii} Non-low-wage workers who are FMLA-eligible take at least one needed leave at a higher rate than those who are ineligible (84 percent versus 74 percent).^{ix} However, the percentage of low-wage workers taking at least one needed leave does not vary by FMLA eligibility status.

Differences in Leave Experiences

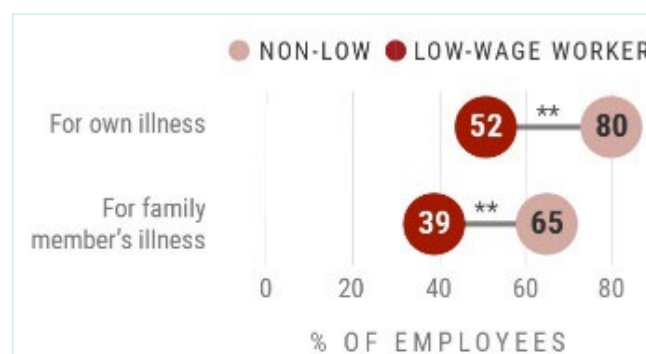
Despite taking leave at similar rates, low-wage and non-low-wage workers have sharply differing experiences with leave. This section considers differences in paid leave and FMLA eligibility between low-wage and non-low-wage workers and how these factors may inform their leave experiences and perceptions.

Paid Leave

FMLA provides access to job-protected but unpaid leave. Workers may use (or be required by their employers to use) paid leave concurrently with FMLA-designated leave. Availability of paid leave may influence decisions of whether to take leave and duration of leave taken.

Fewer low-wage workers have access to paid leave. About half of low-wage workers report having access to paid leave for their own illness (52 percent) compared to 80 percent of non-low-wage workers (Exhibit 2). Some 39 percent of low-wage workers had access to paid leave for a family member's illness compared to 65 percent of non-low-wage workers (Exhibit 2). There was no difference in the proportion of low-wage workers reporting access to paid leave between those in states that have laws guaranteeing access to paid leave and those in states that do not; the same was true among non-low-wage workers.^x

Exhibit 2. Access to paid leave for illness, by wage status

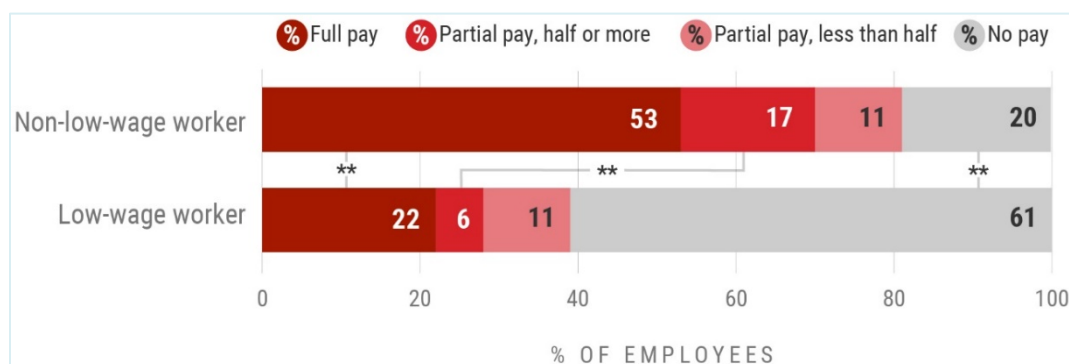


Note: ** = difference between groups statistically different at 1% level.

Source: 2018 FMLA Employee Survey E8

Fewer low-wage workers who take leave receive any pay while on leave. About 60 percent of low-wage workers who took leave did not receive any pay while on leave (61 percent) compared to 20 percent of non-low-wage workers (Exhibit 3). About a fifth of low-wage workers receive full pay (22 percent) compared to about half of non-low-wage workers (53 percent, Exhibit 3). Even when leave was relatively short in duration (10 or fewer business days), 43 percent of low-wage workers report receiving no pay, compared to 18 percent of non-low-wage workers. More than half of both low and non-low-wage workers report cutting leave short due to not being able to afford staying on leave (55 versus 57 percent).

Exhibit 3. Proportion of pay workers received during most recent leave in past 12 months, by wage status

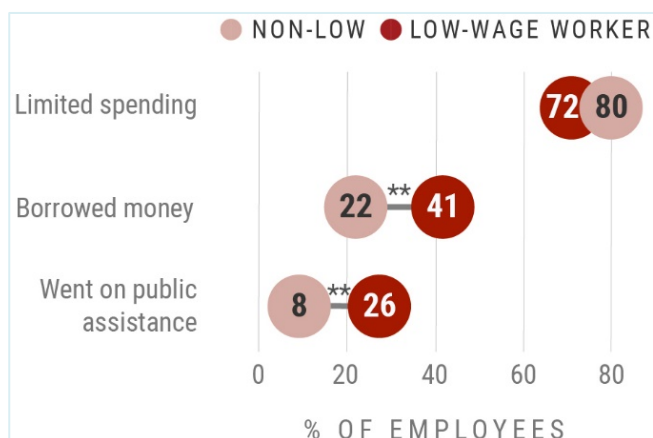


Note: ** = difference between groups statistically different at 1% level.

Source: 2018 FMLA Employee Survey A43

Low-wage workers more commonly borrow money and go on public assistance to cover lost pay. Among workers who did not receive full pay, roughly three-quarters of both low-wage and non-low-wage workers report reducing their spending (72 and 80 percent). However, a higher percentage of low-wage workers borrow money (41 versus 22 percent) and go on public assistance (26 percent versus 8 percent, Exhibit 4) to cover wages lost during leave compared to non-low-wage workers.

Exhibit 4. Methods used to cover lost wages during leave among workers receiving less than full pay, by wage status

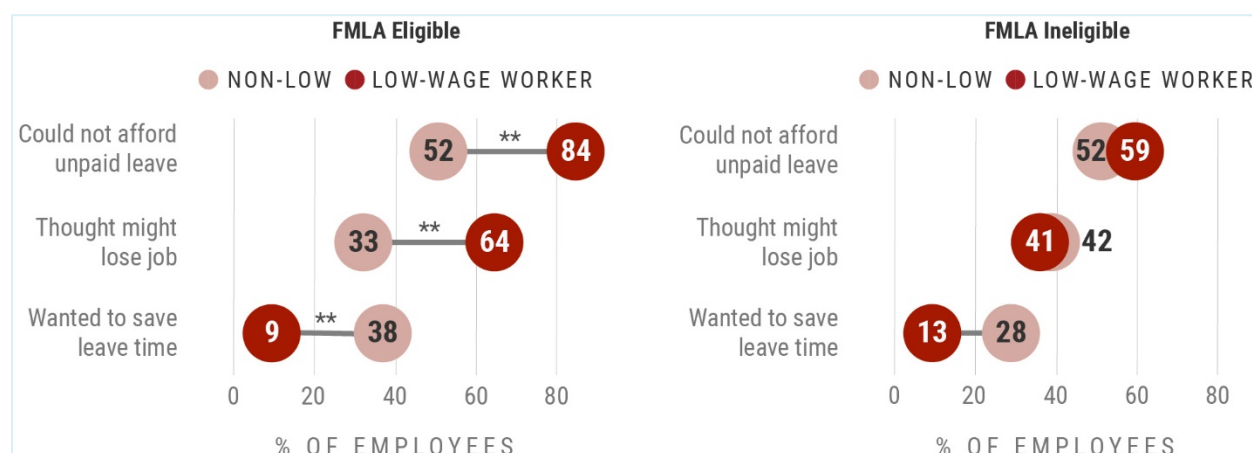


Note: ** = difference between groups statistically significant at 1% level.

Source: 2018 FMLA Employee Survey A53

Availability of pay and a desire to conserve leave time influences workers' decisions to not take needed leave. Differences in reasons for not taking needed leave by wage status are observed among FMLA-eligible workers but not among those who are ineligible. Inability to afford unpaid leave is more commonly reported by eligible low-wage workers than eligible non-low-wage workers who did not take any needed leave (84 versus 52 percent, Exhibit 5). A higher percentage of eligible non-low-wage workers report wanting to conserve leave time compared to eligible low-wage workers (38 versus 9 percent, Exhibit 5). (Fear of job loss is discussed in the following section on job consequences.)

Exhibit 5. Reasons most recent needed leave was not taken, by wage status and FMLA eligibility



Note: ** = difference statistically significant at 1% level.

Source: 2018 FMLA Employee Survey B15

FMLA Eligibility and Job Consequences of Leave

Whether workers' jobs are protected by FMLA may affect their perceptions of the costs of taking leave, and notably fewer low-wage workers are eligible for FMLA. Workers must meet minimum hours worked (1,250 hours in the 12 months prior to the leave, or the equivalent of about 24 hours per week), employment tenure (12 or more months with employer), and worksite size (50 or more employees at or near their physical location) requirements to be eligible for FMLA protections.^{viii}

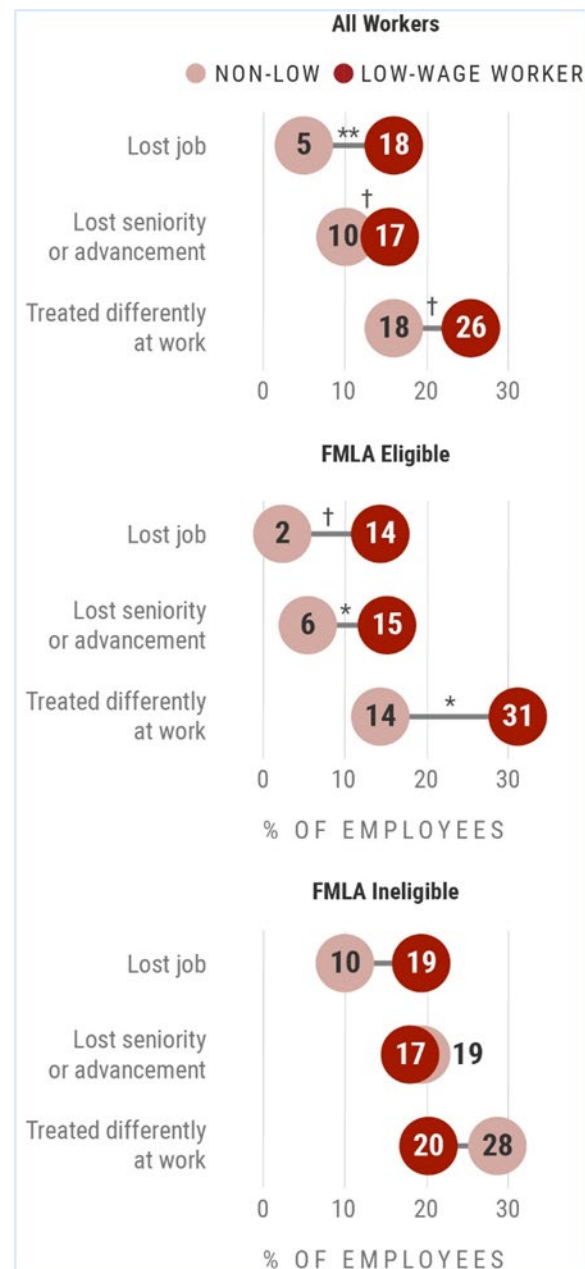
Fewer low-wage workers are eligible for FMLA. About one in three low-wage workers are eligible for FMLA compared to about two in three non-low-wage workers (38 versus 63 percent, respectively). A higher percentage of low-wage workers are ineligible solely due to not meeting hours worked or tenure requirements than non-low-wage workers (32 percent versus 18 percent); the percentage solely not satisfying the worksite size requirement is similar between the two groups (15 percent).^{xi}

Differences in the structure of workers' employment arrangements may also explain some of the difference in eligibility rates by wage status. A higher percentage of low-wage workers are contract workers at their main job compared to non-low-wage workers (7 percentage point difference, Exhibit 1 above), and independent contractors are typically ineligible for FMLA, as they are not employees.^{xii}

Negative job consequences from taking leave are more common for low-wage workers compared to non-low-wage workers. This is true both overall (that is, whether or not FMLA-eligible) and among FMLA-eligible workers. Overall, almost one in five low-wage workers report losing their job (18 percent) as a result of taking leave compared to one in twenty non-low-wage workers (5 percent, Exhibit 6). A higher percentage of FMLA-eligible low-wage workers report loss of seniority or advancement potential (15 versus 6 percent) and being treated differently at work because of the reason they took leave compared to FMLA-eligible non-low-wage workers (31 versus 14 percent). There is some evidence to suggest that FMLA-eligible low-wage workers are experiencing higher rates of job loss than FMLA-eligible non-low-wage workers (14 versus 2 percent).^{xiii} There are no differences in these job consequences by wage status among FMLA-ineligible workers.

Fear of job loss influences decisions *not* to take needed leave among low-wage workers. Almost two thirds of FMLA-eligible low-wage workers (64 percent) report concern with job loss as a reason they did not take any needed leave compared to one third of FMLA-eligible non-low-wage workers (Exhibit 5 above). There is no difference in concern with job loss among FMLA-ineligible workers (Exhibit 5 above).

Exhibit 6. Negative effects experienced from taking most recent leave, by wage status and FMLA eligibility



Note: †/*/** = difference between groups statistically different at 10% / 5% / 1% level.

Source: 2018 FMLA Employee Survey A23

How Would Changing FMLA Policies Affect Eligibility Rates?

This section considers how changes in FMLA eligibility requirements would affect the share of low-wage workers who are eligible for FMLA. We simulate the extent to which relaxing each of the three requirements—hours worked, tenure, and worksite size—would increase eligibility rates (Exhibit 7).

Exhibit 7. Percentage of low-wage and non-low-wage workers eligible for FMLA under current policies and simulated changes to eligibility requirements



Source: 2018 FMLA Employee Survey S9b, E0, E1

Substantially reducing the employee tenure requirement produces the largest gains in eligibility rates. Cutting the current requirement of 12 or more months to 3 or more months is estimated to increase the share of eligible low-wage workers by 8 percentage points (from 38 to 46 percent) and the share of eligible non-low-wage workers by 9 percentage points (from 63 to 72 percent). The change in the share of eligible workers is not constant as the tenure requirement decreases—it increases by 2 to 3 percentage points when lowered from 12 to 9 months, by 2 percentage points when lowered from 9 to 6 months, and by 4 percentage points when lowered from 6 to 3 months.

Reducing the hours worked requirement from an average of 24 or more hours per week to an average of 15 or more hours per week in the past year is estimated to increase the share of eligible low-wage workers by 4 percentage points (from 38 to 42 percent), compared to an increase of 2 percentage points for non-low-wage workers (from 63 to 65 percent). Note that cutting the hours worked requirement by about a third (to 15 hours) results in the same increase in the share of eligible low-wage workers as cutting the tenure requirement in half (to 6 months) and a greater increase than cutting the worksite size requirement by 60 percent (to 20 or more employees).

Discussion

Low-wage workers need and take leave at similar rates and for similar reasons as non-low-wage workers, though they have differing demographic and employment characteristics. Relative to non-low-wage workers, a higher percentage of low-wage workers report receiving no pay during leave and experiencing job loss from taking leave. Low-wage workers who do not receive full pay during leave more commonly cover lost wages by borrowing money and going on public assistance than non-low-wage workers who do not receive full pay.

Some differences in leave patterns and experiences between low-wage and non-low-wage workers may relate to sharp differences in eligibility for FMLA. About one in three low-wage workers are eligible for FMLA compared to about two in three non-low-wage workers. A larger proportion of low-wage workers are ineligible due to minimum tenure and hours requirements compared to non-low-wage workers, but a similar proportion are ineligible due to worksite size. Among policy changes simulated, a substantial reduction in the tenure requirement (from 12 months to 3 months) produced the largest estimated gain in the share of eligible low-income workers (rising from 38 to 46 percent).

Relative to FMLA-eligible non-low wage workers, a higher percentage of FMLA-eligible low-wage workers who take leave report loss of seniority and job advancement and being treated differently at work because of the reason they took leave. Among FMLA-eligible workers who did not take any leave, about two in three low-wage workers report fear of job loss as a reason for not taking leave compared to one in three non-low-wage workers.

ⁱ The weighted survey response rates for the 2018 FMLA Employee Survey were 5.8 percent for cell phones, 5.5 percent for landlines, and 5.5 percent for the web. The results reported here apply survey weights developed to provide a sample that matches the U.S. population of adults (aged 18+) who are employed for wage/salary in the private sector or a public agency, excluding the self-employed. See the *Methodology Report for the 2018 Surveys* and the *Results from the 2018 FMLA Surveys* for more detail.

ⁱⁱ The 2018 Employee Survey oversampled households with annual incomes less than \$30,000 in order to capture responses from low-wage workers. For respondents who did not provide sufficient pay information to estimate their hourly wage, low-wage status is imputed based on demographics and employment information. The imputation model was fitted such that the mean predicted low-wage status matches the mean observed low-wage status among respondents with sufficient pay information to estimate hourly wages. Note that low-wage status is defined in this paper based on the respondent's reported individual earnings at their main job, not household annual income, which includes all jobs among all household members—thus, low-wage status is not equivalent to low income.

ⁱⁱⁱ Based on the 2019 National Compensation Survey, half of low-wage workers (defined as the 25th percentile, \$13.80 or less per hour) and about three-quarters of non-low-wage workers had access to any form of paid sick leave. DeSilver, D. (2020). As coronavirus spreads, which U.S. workers have paid sick leave – and which don't? Pew Research Center. <https://www.pewresearch.org/fact-tank/2020/03/12/as-coronavirus-spreads-which-u-s-workers-have-paid-sick-leave-and-which-dont/>

^{iv} The difference in need for leave by wage status (24 percent for low-wage versus 18 percent for non-low-wage) does not meet the conventional standard of 5 percent for statistical significance ($p = .07$).

^v Specifically, 80 percent of low-wage workers took at least one needed leave compared to 81 percent of non-low-wage workers. A small proportion of employees (4 percent overall, representing 20 percent of those who needed any leave) reported taking leave for one reason and needing leave but not taking it for another reason. Because our emphasis here is on understanding differences among employees who did not take any needed leave and this group is too small to analyze independently, our primary analysis of “took any needed leave” counts dual leave taker/needers as leave-takers. Sensitivity analyses indicated that, among workers who needed any leave, there was not a statistically significant difference between low and non-low-wage workers in the proportion of who took all needed leaves (58 versus 65 percent, respectively) or some but not all needed leaves (21 versus 15 percent, respectively).

^{vi} The survey defined a serious health condition as: 1) lasting more than three days and requiring the treatment of a medical care provider, 2) led to an overnight stay in the hospital, 3) an ongoing condition for which one must see a healthcare provider at least twice per year, 4) making the individual permanently unable to work or perform other daily duties and requires continuing supervision of a health care provider, or 5) requiring treatment to keep the individual from becoming incapacitated. The wording of questions on access to paid leave asked about paid leave “for your own illness” after serious health condition had been defined. This paper uses “illness” for consistency with the paid leave survey question.

^{vii} None of the following differences in leave-taking rates by demographics are statistically significant at the 5 percent level. By gender, among females, 20 percent of low-wage females took any leave versus 17 percent of non-low-wage; among males 17 versus 13 percent took any leave. By race, among white, 18 versus 14 percent took any leave; among African American, 24 versus 19 percent took any leave; among Asian, 17 versus 14 percent took any leave; among other race, 18 versus 26 percent took any leave. By ethnicity, among Hispanic, 20 versus 19 percent took any leave; among non-Hispanic, 19 versus 14 percent took any leave. By marital status, among married, 19 versus 17 percent took any leave; among separated, widowed, or divorced, 14 versus 14 percent took any leave. By number of jobs, among one job only, 19 versus 15 percent; among more than one job, 20 versus 16 percent.

^{viii} Employees are eligible for FMLA if they: 1) Worked for a covered employer for at least 12 months; 2) Had at least 1,250 hours of service for this employer in the past 12 months (equivalent to about 24 hours per week); and 3) Are at a physical work location (“worksite”) where at least 50 employees work within 75 miles. We note that FMLA eligibility, as measured in the survey, is not determinative of whether leave taken was actually designated as FMLA leave. FMLA eligibility was determined based on employee-reported hours worked at main job, employment tenure at main job, and worksite size. It is possible that some FMLA-eligible workers took leave that was not eligible to be designated as FMLA-protected leave. However, eligible low and non-low-wage workers are similar on multiple aspects that could have created a discrepancy between their eligibility status and whether their leave was designated as eligible--such as whether leave was taken for reasons covered by FMLA and whether employees provided sufficient notice.

^{ix} Eligible non-low-wage workers also take all needed leaves at a higher rate than those who are ineligible (71 percent versus 53 percent); there is no difference in the percentage of eligible and ineligible low-wage workers taking all needed leaves.

^x Among low-wage workers, 48 percent in paid leave states had access to paid leave for their own illness compared to 53 percent in non-paid leave states ($p = .60$); among non-low-wage workers, 78 percent had access to paid leave for their own illness in paid leave states compared to 81 percent of workers in non-paid leave states ($p = .51$). California, New Jersey, and Rhode Island were paid leave states throughout the study time period. New York State’s paid leave laws went into effect during the study on January 1, 2018, with early survey respondents treated as being in a non-paid leave state and later respondents treated as being in a paid leave state. Additional detail on paid leave states and analytical treatment of New York’s paid leave is available in: *Employee and Employer Perspectives of the Family and Medical Leave Act: Supplemental Results From the 2018 Surveys*.

^{xi} Some workers are ineligible due to both failing to meet hours worked or tenure requirements *and* worksite size. This is the case for 15 percent of low-wage workers and 4 percent of non-low-wage workers.

^{xii} In some cases, contract workers may be considered employees of a company, in which case they may potentially be eligible for FMLA. The survey asked “Are you a contract worker” at their main job but did not specifically verify whether the employee was considered as an independent contractor or employee. To the extent that some contract workers are employees, the direction of this finding is expected to be consistent, but fewer employees’ FMLA eligibility would be affected by the structure of their employment arrangement.

^{xiii} The difference in job loss by wage status among FMLA-eligible workers does not meet the conventional standard of 5% for statistical significance ($p = .06$). The differences by wage status among all workers reported in Exhibit 6

for loss of seniority ($p = .07$) and being treated differently at work for the reason leave was taken ($p = .09$) also do not meet this conventional standard. These findings are reported to provide context for the overall pattern of findings in this domain.

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Other reports in the **Employee and Worksite Perspectives of the FMLA** study series include *Executive Summary for Results from the 2018 Surveys*; *Results from the 2018 Surveys*; *Supplemental Results from the 2018 Surveys*; *Methodology Report for the 2018 Surveys*; *Methodology Report Appendices for the 2018 Surveys*. All briefs and final reports from this series are available online: <https://www.dol.gov/agencies/oaspe/evaluation/fmla2018>

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