



Paid Family & Medical Leave In the U.S. Service Sector

Executive Summary

Each year, millions of U.S. workers experience the need for time away from work after welcoming a new child to the family or because of a health or a caregiving need. However, the U.S. is one of the few industrialized countries that does not offer comprehensive paid leave with job protection to workers. While some benefit from paid family and medical leave offered by a handful of states, the large majority of American workers have no such protections. Voluntary employer leave policies overwhelmingly benefit white-collar, salaried workers, leaving most low-wage workers unpaid and unprotected in the event they need time away from work.

The lack of paid family and medical leave is likely to have been felt especially acutely during the COVID19 pandemic, because of the surge in health and caregiving needs during this period. Workers in the service sector – many employed in essential sectors such as grocery, pharmacy, and delivery – found themselves particularly exposed and unprotected while working through the pandemic. Many of these workers do not qualify for job-protected leave under the Family Medical Leave Act and do not receive employer-provided paid leave.

This brief examines service sector workers' need for and use of paid family and medical leave during the COVID19 pandemic using new data from The Shift Project. Our analysis draws on 8,500 responses from workers across the U.S. and an additional 990 workers in Washington State. We identify the following key gaps in the use of leave among U.S. service sector workers:

- ▶ **Half of workers who experienced a qualifying event - a new child, a personal health need, or a caregiving need - did not take any leave from their job.**
- ▶ **Financial barriers were a major impediment to leave-taking.**
 - ▶ **Among workers who either did not take leave or did not take as much leave as they needed, nearly three-quarters of workers (71%) indicated the reason was that they could not afford to.**
 - ▶ **We asked a subset of workers - those working in Washington State - what it would take to allow them to take leave. Half of these workers report that they would need at least 80% of their pay and 4 in 10 workers would need 100% of their pay to make leave taking possible.**
- ▶ **Lack of job protection was also a barrier to leave taking. One third of workers cited fear of losing their job as the reason they did not take any or enough leave, and 25% of workers said they felt pressured to return to work.**

Introduction

Family and medical leave is typically used to recover from serious illnesses or injuries; birth, fostering, or adoption of a child; or to care for a family member with a serious illness or injury. Access to paid leave is linked to positive health and economic outcomes for workers and their families through decreasing recovery times, reducing maternal stress, supporting breastfeeding, and reducing voluntary job separations.¹

Despite these benefits, access to paid leave in the United States is uncommon and starkly unequal, with no universal provision of paid leave from work. The U.S. is one of the few industrialized countries that does not offer comprehensive paid leave with job protection. While some workers benefit from state-level laws that provide for paid family and medical leave, the large majority of American workers have no such protections and are left behind by employer policies that overwhelmingly benefit white collar salaried workers.

The lack of national paid leave makes work-life balance difficult for all workers, but especially difficult for low-wage hourly workers who are less likely to qualify for either job-protected leave under the Family Medical Leave Act or receive employer-provided paid leave.

Inequality in access to paid leave has been especially notable during the Covid-19 pandemic. The service sector workers that have kept the vital infrastructure of the country working—staffing grocery stores, packing in fulfillment centers, making deliveries, and serving customers in stores and restaurants—face heightened risks of infection and often insufficient workplace safety protections.² Yet, low-wage workers in the service sector are the among the least likely to have access to paid leave from their jobs to cope with serious illness, care for family members, or welcome a new child into their families.³

Around 27,100,000 people, 17% of the U.S. labor force, were employed in the retail and food-service sectors in the U.S. in 2020.⁴ In the Fall of 2020, The Shift Project surveyed 7,296 service sector workers employed at 103 of the largest firms in retail, grocery, delivery and fulfillment, and food service. Our data permit an unprecedented view of frontline workers' need for and access to paid leave and provide

unparalleled insight into the work and family lives of low-wage workers.

Qualifying Events and the Unmet Demand for Paid Leave

Over a quarter of workers (28%) we surveyed in Fall 2020 had experienced a qualifying leave event in the past 12 months. The most common qualifying event was related to one's own health (55%), followed by needing to care for a family member (46%), and for the birth of a child (14%). Fourteen percent of workers with a qualifying event experienced multiple such events over a 12-month period.

Despite the prevalence of these events among service sector workers, only half of workers who experienced a qualifying event took some type of leave from their job. There were also notable demographic disparities among leave takers with only 37% of Black workers taking leave compared to 52% of white workers and 48% of Hispanic workers. (Table 2)

Simply taking leave does not adequately capture the complex set of decisions that workers face when contending with illness and caregiving responsibilities. We also asked workers if they were satisfied with their leave. Thirty-three percent of workers who experienced a major life event did not take leave but wanted to. Another 33% of workers took leave but wanted to take more time off. (Table 2)

Together, a large majority of workers who had a qualifying event (66%), and a significant minority of all workers (18%), did not access the leave that they needed. (Table 2)

Results from our survey are consistent with prior research showing that leave taking varies by gender and race. We find that women and men were both equally likely to take leave for a qualifying event but more women than men (69% vs 62%) felt unsatisfied with their leave. A smaller percentage of white workers (63%) felt this way compared to Hispanic workers (68%) and Black workers (72%). Seventy-seven percent of workers identifying with two or more racial categories were unhappy with their access to leave. (Table 2)

Barriers to Leave Taking

Economic Barriers

Needing leave but not taking it, or not taking enough, is very common for service sector workers in our survey. When we asked workers why they did not take leave or did not take more leave, the most common reason by far was that they felt they could not afford it. Nearly three-quarters of workers unsatisfied with their leave (71%) said they could not afford to take more. (Table 2)

Evidence from the Shift survey suggests that workers in this sector struggle to get by. Workers earn a median wage of \$12.75 per hour, 66% report household incomes of less than \$50,000, and large shares report experiencing material hardships.

When facing serious illness or urgent caregiving responsibilities, unpaid or reduced-pay leave risks exacerbating this economic instability. Thirty-five percent of workers who were unsatisfied with their

leave reported that it was very difficult for them to cover all their expenses and pay their bills compared to 14% of workers who felt satisfied with their leave. One third of workers who were unsatisfied with their leave told us that they could not cope with a \$400 emergency expense, more than three times the share (10%) of workers who took all the leave they needed. (Figure 1)

We see the same patterns of intense financial fragility among workers who were unsatisfied with their leave when it comes to material hardships. Among workers who were unsatisfied with their leave situation, 34% said they have gone hungry, 33% have deferred medical care, 42% have difficulty paying utility bills, 16% have doubled up with family to save on housing, and 7% have stayed in a shelter or other non-regular housing in the past 12 months. This stark portrait of financial fragility among front-line workers points to the binding economic constraints on leave taking for workers without

Table 1. Qualifying Events in the Prior 12 Months, by Gender and Race/Ethnicity

	All	Women	Men	White, Non-Hispanic	Black, Non-Hispanic	Hispanic	Other/Multiple race, Non-hispanic
Qualifying Event, Among Whole Sample							
Any Event	28%	30%	26%	27%	35%	28%	31%
New child	4%	4%	3%	3%	7%	6%	4%
Personal medical needs	16%	17%	14%	16%	18%	13%	15%
Caregiving needs	13%	14%	12%	12%	16%	13%	14%
Multiple Events	5%	5%	4%	4%	6%	6%	4%
<i>N</i>	7296	4490	1702	5113	206	495	385
Qualifying Event, Conditional on Event							
New child	14%	15%	13%	11%	19%	22%	14%
Personal medical needs	55%	56%	54%	59%	51%	47%	50%
Caregiving needs	46%	47%	44%	33%	47%	47%	46%
Multiple Events	14%	17%	11%	14%	15%	15%	9%
<i>N</i>	2199	1217	456	1470	65	140	116

*The three types of qualifying events -- new child, personal medical needs, and caregiving needs -- are not mutually exclusive. For this reason, percentages for these three types of qualifying events sum to more than the percentage with "Any Event" in the top panel and to more than 100% in the lower panel.

Table 2. Leave Situation among Workers with Qualifying Events, by Gender and Race/Ethnicity

	All	Women	Men	White, Non-Hispanic	Black, Non-Hispanic	Hispanic	Other/Multiple race, Non-Hispanic
Took Leave	49%	49%	49%	52%	37%	48%	47%
(a) Qualifying event, took leave, did not want more	16%	15%	18%	20%	3%	11%	13%
(b) Qualifying event, took leave, wanted more	33%	34%	32%	32%	33%	38%	34%
(c) Qualifying event, no leave, did not want leave	18%	16%	20%	17%	25%	21%	11%
(d) Qualifying event, no leave, wanted leave	33%	35%	31%	32%	38%	30%	43%
Unsatisfied with leave (b) + (d)	66%	69%	62%	63%	72%	68%	77%
Satisfied with leave (a) + (c)	34%	31%	38%	37%	28%	32%	23%
N	2092	1299	450	1450	62	136	112

access to paid family and medical leave. Even in the face of serious illness or caregiving responsibilities, workers who are only just getting by cannot take the time they need to recover or provide care without sufficient pay. (Figure 1)

In the face of household budgets with no room for error, it is not surprising that frontline workers told us that to make leave taking possible, they would need nearly full wage replacement. In the Spring of 2020, we asked 990 workers in Washington State, “if you needed to provide care for a new child, a seriously ill family member, or to recover from a serious illness, how much of your normal pay would you need to receive in order to take time away from work?” We found that half of workers would need at least 80% of their pay and 4 in 10 workers would need 100% of their pay to make leave taking possible.

Fear of Job Loss

In addition to forgoing leave due to financial concerns, many workers do not take the leave they need due to fear of retaliation. One third of workers cited fear of losing their job as the reason they did not take any or enough leave and 25% of workers said they felt pressured to return to work. (Table 3)

Fear of retaliation varied across demographic groups. Men were more likely than women (38% vs 28%) to report they did not take any leave or did not take as much as they wanted because they feared losing their job. Hispanic workers (53%) were the most likely to say they felt pressure or feared losing their job as the reason for not taking any leave or enough leave, compared to Black workers (49%) and white workers (39%). (Table 3)

Workers may be hesitant to take job-protected leave under FMLA because managers and supervisors of service sector workers have a great deal of power over many aspects of their job and workers may fear that leave-taking could lead to other forms of retaliation. One third of workers cited fear of losing their job as a reason for not taking leave or enough leave. Looking within that group, 71% meet the qualifications for FMLA. Among those who felt pressured to return to work and also feared losing their job, 76% qualify for FMLA. Although a greater proportion of Black (73%), Hispanic (70%), and workers of more than one race (69%) qualify for FMLA than white workers (66%), our research suggests that workers of color are less likely to take leave. (Table 3)

Failure to Meet PMFL Requirements

Because The Shift Project targets surveys to workers at large national firms, we know workers in our sample work for firms that meet the size threshold required to gain job protected leave under FMLA. Yet, only 68% of workers in our sample would meet FMLA's 1-year tenure and minimum hours requirement. In a sector characterized by high turnover, involuntary part time, and unpredictable schedules, meeting these FMLA requirements is especially difficult for service sector workers.

Prior research from The Shift Project demonstrates that many workers in the service sector are in full-time positions but do not get the full number of hours from their employer each week. When workers consistently receive fewer than 24 hours per week, they are disqualified from job protected leave under FMLA. When workers try to increase their hours by taking a second job, they are still disqualified from job protected leave because they do not reach the required minimum number of hours at a single employer needed to qualify. Only about one in four

workers in our sample holding two part-time jobs qualified for FMLA job protection.

Figure 2 demonstrates how changes to the PMFL eligibility requirements could expand access to benefit more workers. We estimate that an additional 22% of workers in our survey would be eligible for job protected leave if the FMLA tenure requirement was reduced from 1 year to 6 months and the hours threshold was cut in half. Additional changes to these requirements that would result in greater coverage for workers are modeled in Figure 2.

If FMLA work tenure requirements were lowered to 6 months and the hours requirement removed, 91% of workers surveyed would qualify for job protected leave. This would include 93% of Black workers and 91% of Hispanic workers in our sample. (Figure 2)

Discussion

Retail, food service, and hospitality jobs are characterized by high turnover and unstable and unpredictable work scheduling practices. Such precarity is connected to material hardship by causing



income volatility, interfering with public benefits eligibility, over-burdening informal support networks, and even making it difficult to plan for the future.⁵ Given their high degree of financial fragility, service sector workers cannot afford to take leave without wage replacement and cannot risk taking leave without job protection. While job protection under FMLA helps some workers take leave (51% of FMLA-covered workers took leave compared to 44% of non-FMLA covered workers), many still did not take the leave they needed. One third of FMLA-covered workers that experienced a qualifying event did not take leave.

Overall, our analysis points to the need for low-wage hourly workers in the service sector to both have greater access to job protection and paid leave. About half the workers who need leave do not take it, leading to deleterious impacts on the health and well-being of these workers and their families. Frontline workers in the service sector have suffered from increased exposure to infection, layoffs and furloughs during widespread pandemic shutdowns. Paid leave could prevent a future pandemic or life event from having catastrophic consequences.

As our data suggest, being able to afford leave goes hand in hand with job protection so workers do not

fear retaliation. The one-year tenure requirement and minimum hours threshold excludes many workers we surveyed from the only national unpaid leave program, and those same workers are also less likely to receive paid leave from their employer. A plan to provide workers with paid job protected leave will ensure a more equitable recovery from the Covid-19 pandemic.

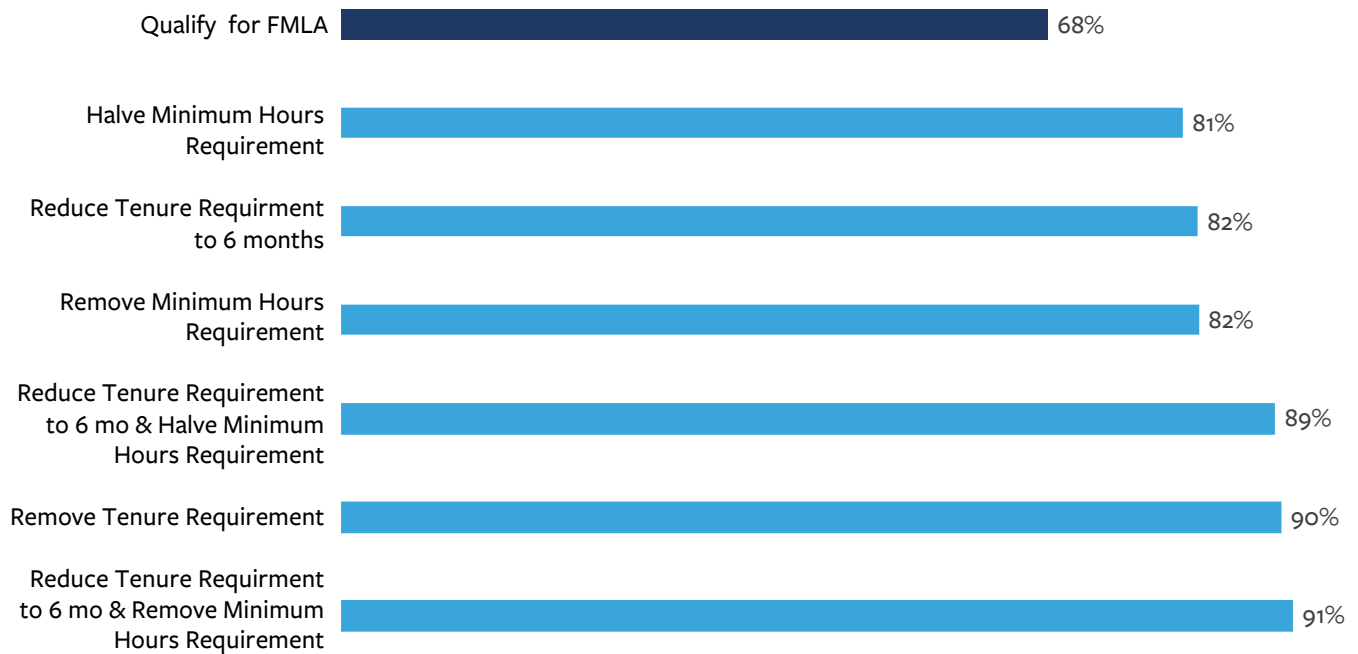
Much can be learned from the 6 states along with the District of Columbia with active paid leave programs.⁶ Research from California’s leave program showed that higher benefit amounts lead to longer leave duration because workers need not risk material hardship to take leave. New Jersey expanded paid leave in 2018 to offer a sliding scale for wage replacement for workers with low incomes. Unfortunately, for both states, workers must also qualify for FMLA in order to access certain types of job protected paid family and medical leave.

In 2019, Congress made inroads by creating a paid leave program for federal employees (FEPLA) and reintroducing the FAMILY Act which would transform FMLA into a national paid leave program. FEPLA gave most federal employees up to 12 weeks of paid parental leave for the fostering, birth or adoption of a child.⁷ The FAMILY Act would take the unpaid leave

Table 3. Reason for Not Taking Any Leave or Not Taking More Leave

	All	Women	Men	White, Non-Hispanic	Black, Non-Hispanic	Hispanic	Other/Multiple race, Non-Hispanic
Could Not Afford It	71%	71%	73%	71%	66%	72%	78%
Fear of Losing Job	32%	28%	38%	29%	41%	39%	28%
Pressure to Return to Work	26%	22%	33%	24%	25%	40%	17%
Pressure to Return to Work or Fear of Losing Job	43%	39%	49%	39%	49%	53%	37%
Fear of Losing Insurance	6%	5%	4%	8%	0%	5%	3%
Other	15%	16%	12%	16%	12%	13%	17%
N	1369	880	263	936	43	92	79

Figure 2. FMLA Coverage by Requirement Structure



provided by FMLA and make it paid.⁸ Employees would receive two-thirds of their wages (up to a cap of \$4,000 per month), but benefits would be no less than \$580 per month.

A national paid leave program would be an important win for families, but current proposals are not yet inclusive of the workers in this brief. Many workers said that a wage replacement of 80% or higher was necessary to afford leave. Additionally, those who work two jobs or who involuntarily work part-time do not qualify for FMLA and would not qualify for paid leave. Paid leave proposals should also incorporate additional penalties for employers that retaliate against workers for taking leave.

Elaine Zundl is Research Project Manager at The Shift Project
ezundl@hks.harvard.edu

Daniel Schneider is Professor of Public Policy and of Sociology at Harvard University.
dschneider@hks.harvard.edu

Julia Goodman is Assistant Professor of Health Systems Management & Policy at the Oregon Health & Science University and Portland State University School of Public Health
julia.goodman@pdx.edu

Kristen Harknett is Associate Professor of Sociology at the University of California, San Francisco.
kristen.harknett@ucsf.edu

Evelyn Bellew is Pre-doctoral Fellow at The Shift Project.
evelynbellew@hks.harvard.edu

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Methodological Appendix

The Shift Project has collected survey data from hourly service-sector workers employed at large retail and food establishments since the fall of 2016. This brief focused on a subsample of 8,500 respondents interviewed in October and November of 2020. The survey data collection was national in scope and the survey sample includes respondents from all 50 U.S. states and Washington, D.C. In addition, we oversampled Washington State residents about their experience with the state's paid leave law and analyzed those 990 respondents.

The Shift Project recruits survey respondents using online Facebook/Instagram advertisements, targeted to workers employed at large retail and food-service employers.

Those who responded to the Shift survey invitation were automatically routed to a survey landing page where they were asked to consent to participate in the study, then began the online self-administered survey using the Qualtrics platform. As an incentive, those who completed the survey and provided contact information were entered into a lottery for a \$500 gift card. The survey included modules on job characteristics, work schedules, demographics, economic stability, health, parenting, and child outcomes.

The survey recruitment approach yields a non-probability sample of workers, which may differ from the broader population of service-sector workers. To mitigate this potential bias, we have applied weights that adjust our sample to reflect the universe of service-sector workers in the United States.

We construct survey weights to adjust the demographic characteristics of the Shift survey sample to match the demographic characteristics of service-sector workers in the American Community Survey (ACS) for the years 2008-2019. We align the ACS sample with the Shift sample by selecting workers in the ACS who are employed in the same occupations and industries as the Shift sample.

For a detailed discussion of The Shift Project data collection, methodology, and data validation, see:

Schneider, D. and K. Harknett. 2019. "What's to Like?" Facebook as a Tool for Survey Data Collection." *Sociological Methods & Research*. <http://doi.org/10.1177/0049124119882477>.

Endnotes

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