Paid Family Leave and New Jersey's Service Sector Workforce

Executive Summary

Despite the widespread need to take leave from work when faced with a caregiving obligation or when welcoming a new child to the family, many workers in the U.S. lack comprehensive paid leave with job protection and so are forced to choose between taking care of their families or preserving their jobs. While the U.S. is one of only a few industrialized countries that does not offer comprehensive paid leave with job protection to its citizens, New Jersey has been at the vanguard of providing this valuable benefit so that workers can afford to take off the time they need.

We utilize survey data from 1,185 New Jersey service sector workers, collected in Fall 2021 as part of The Shift Project. Our data permit an unprecedented view of New Jersey's frontline workers' need for and access to paid leave and provide unparalleled insight into the work and family lives of low-wage workers.
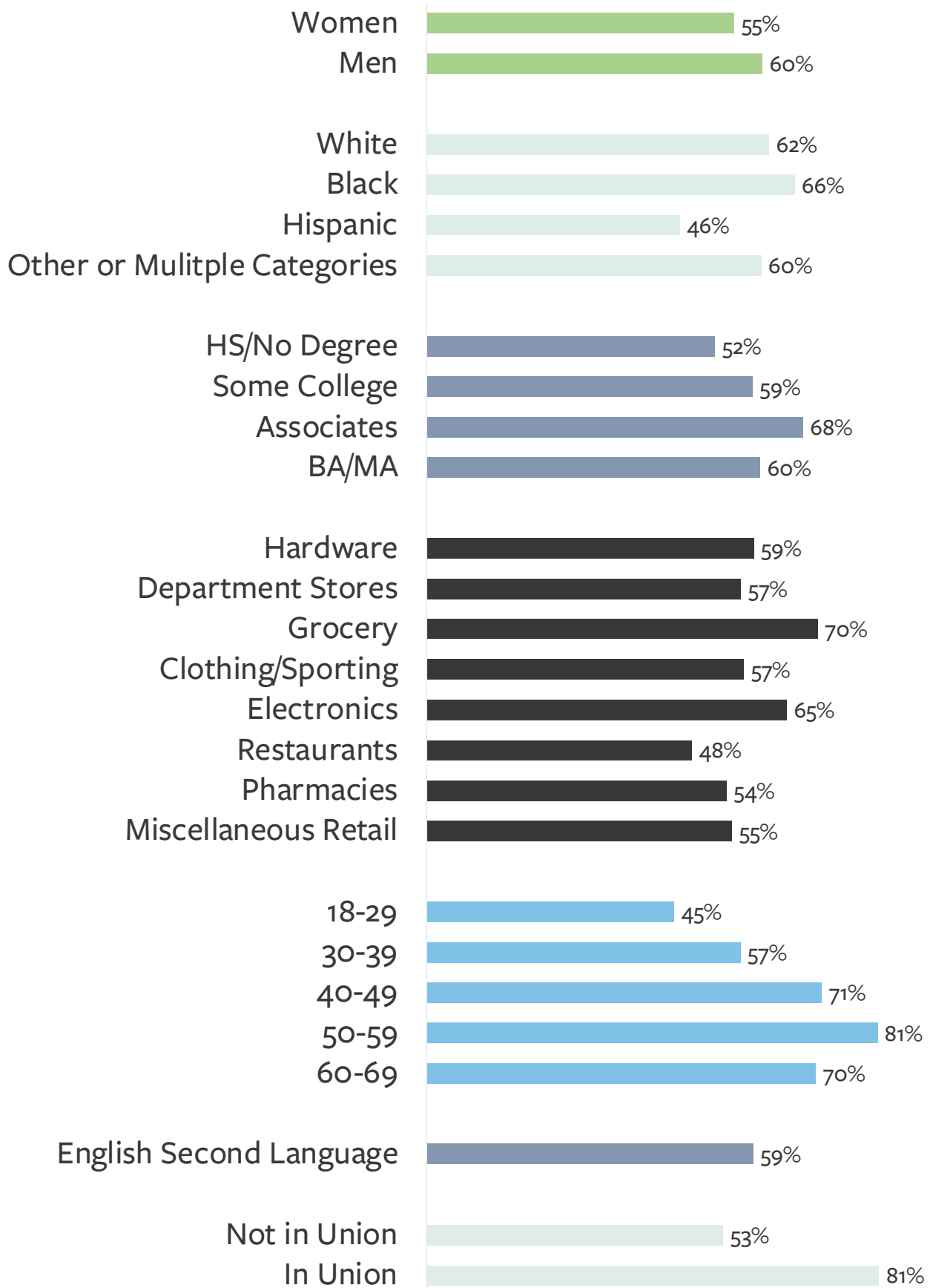
The Unmet Need for Paid Leave

We find that the need for paid leave is widespread among New Jersey service sector workers. Nearly a third of New Jersey workers (32%) we surveyed experienced a qualifying leave event covered under New Jersey's Family Leave Insurance (FLI) program in the past 12 months. Thirteen percent of workers experienced a caregiving event and 8% welcomed a new child. An additional 12% experienced both caregiving and a new child event in the past twelve months.

However, even in New Jersey, workers struggled to access sufficient leave. While ten percent of workers with qualifying events took leave and did not want more, many more were unable to access sufficient leave to their needs. The largest share of workers with a qualifying event took leave (59%) but wanted to take more leave. About a quarter of workers (26%) wanted to take leave but could not take it. In all, a large majority of workers who had a New Jersey paid leave event (85%) did not access the leave they needed.

Gaps in Awareness

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Figure 1: Respondents that have heard of NJ Paid Family Leave Law by Worker Characteristics

Characteristic	Percentage
Women	55%
Men	60%
White	62%
Black	66%
Hispanic	46%
Other or Mulitple Categories	60%
HS/No Degree	52%
Some College	59%
Associates	68%
BA/MA	60%
Hardware	59%
Department Stores	57%
Grocery	70%
Clothing/Sporting	57%
Electronics	65%
Restaurants	48%
Pharmacies	54%
Miscellaneous Retail	55%
18-29	45%
30-39	57%
40-49	71%
50-59	81%
60-69	70%
English Second Language	59%
Not in Union	53%
In Union	81%

We find that a lack of awareness may be a key barrier to sufficient leave taking. Overall, nearly two-thirds of workers reported awareness of FLI. Men and women had nearly equal levels of awareness, but we observed greater variation by race and ethnicity. Black workers (66%) were the most likely to have heard of the program compared to 62% of White workers. Less than half of workers (46%) who identified as Hispanic were aware of the law, and a slightly greater share (60%) of workers choosing more than one race or a different racial category had indicated knowing about the law. The 16 point percentage difference in awareness between Hispanic workers and White workers is particularly stark.

Barriers to Using FLI

New Jersey's Family Leave Insurance has the potential to be a crucial support for workers, especially low-wage service sector workers who cannot afford to take unpaid time off and whose employers rarely offer voluntary paid leave. But, among those service sector workers in our sample who wanted leave, only 36% applied for the program.

Awareness played a key role as nearly half these non-applicants (64%) reported not knowing about the program. Smaller shares reported not knowing how to apply (14% of non-applicants) or not having had time to apply (6% of non-applicants). Another 6% said they could not get the required documentation from their health provider and 4% tried but could not complete the application.

Among those 35% who wanted leave but did not take it, a familiar story emerged. Most said (85%) they simply could not afford it. Workplace stigma also loomed large over non-FLI users. A large share (40%) said they were afraid they might be fired and 36% said they felt discouraged by their employer. Workers were also afraid they would lose their health insurance (3%) and another share were confused about being eligible for leave (36%).

In the overall sample of New Jersey service workers, only 67% qualified for job protection under FMLA and 72%

Figure 7. FLI Funnel: From Eligibility to Receiving Benefits

100%	All Eligible for NJFLI
64%	Completed Application
59%	Received a Response
58%	Application Approved
57%	NJFLI Payment Received
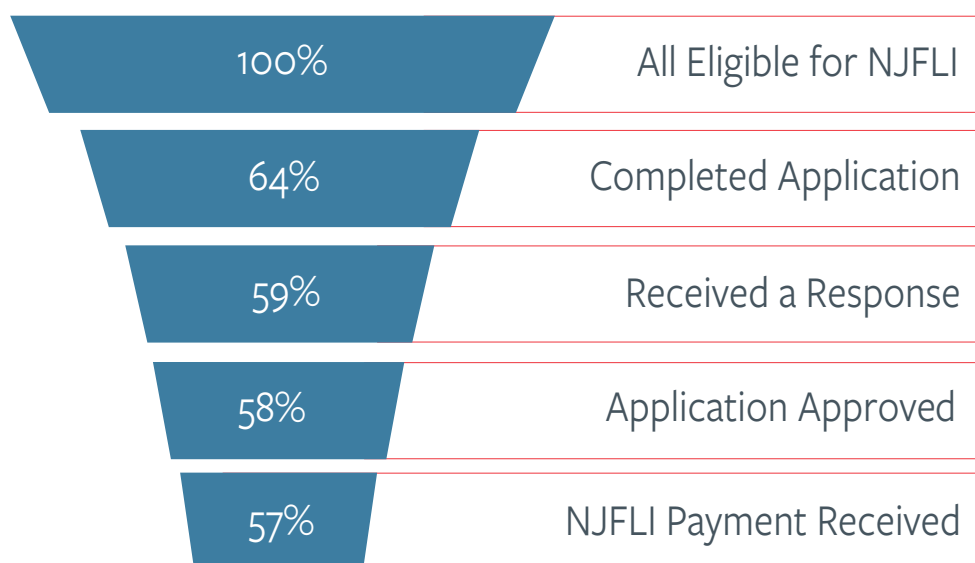
under NJFLA. The high degree of precarity, including fluctuating hours and high turnover that characterizes service sector jobs can keep workers from meeting the minimum requirements for these programs. Workers who utilized FLI were 13% more likely to qualify for FMLA and 11% more likely to qualify for NJFLA.

Policy Recommendations: Increasing Awareness

Workers look to employers for information about leave. If employers could point them to the appropriate paperwork and communicate that they are allowed to take leave, this would help low-wage workers access this program.

Implementing a Navigator program like that developed for Unemployment Insurance along with consulting hourly workers on program implementation would address barriers in the application process. Reviewing data about claimants would help to identify gaps in awareness and uptake.

There is a greater need for care leaves, but care claims are less common. This may require a rethinking of program delivery and outreach so more workers can utilize the program.

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