

# Latinos' Need for Paid Family and Medical Leave

Submitted to

**House Ways and Means Committee**

Submitted by

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## Introduction

UnidosUS, formerly the National Council of La Raza, is the largest national Hispanic\* civil rights and advocacy organization in the United States. For more than 50 years, we have worked to advance opportunities for low-and moderate-income Latino families so they can achieve economic stability and build wealth. In this capacity, UnidosUS, with its network of nearly 300 Affiliates—local, community-based organizations in 35 states, the District of Columbia, and Puerto Rico—provides education, health care, housing counseling, workforce development, and financial coaching programs to millions of citizens and immigrants in the United States annually.

For more than two decades, UnidosUS has been actively engaged in policies and programs that boost Hispanic employment, provide for safe and fair workplaces, and improve the financial well-being of Latinos. Our efforts combine original research, policy analysis, and advocacy to support policy solutions that will help advance the nation’s 28 million Latinos in the workforce.

Additionally, the UnidosUS Workforce Development program seeks to ensure that the Latino community’s ability to contribute and share in our nation’s economic opportunities by designing linguistically and culturally appropriate workforce development programs, supporting programs that empower Latino workers, and facilitating knowledge-sharing of best practices.

This statement provides a brief summary of the access of Latinos to paid family leave. Moreover, it describes how lack of access to paid family leave widens the racial wealth gap, increases economic insecurity, and is detrimental to the nation’s economy.

## Background

Latinos work hard. The Latino labor force participation rate of 65.9% is the highest of all major racial and ethnic groups in the United States.<sup>1</sup> In addition, Latinos represent a substantial portion of the American workforce. According to U.S. Census Bureau estimates, Latinos will represent more than 75% of the growth in the labor force in the next eight years, and will compose one-out-of-five workers by 2024.<sup>2</sup>

Despite their high levels of labor force participation, Latinos lag behind other races and ethnicities in terms of earnings, benefits, and job quality; leaving many Latino workers and their families struggling to make ends meet.<sup>3</sup> The concentration of Latinos in low-wage jobs leaves them with few employee benefits and constrains their ability to achieve economic security and build wealth.<sup>4</sup> This is especially true for Latinas, who are concentrated in low-wage industries and occupations, earning on average just \$5.38 an hour, compared to \$15.96 per hour by White men in 2017.<sup>5</sup>

Even though the Family Medical Leave Act of 1993 (FMLA) provides guaranteed unpaid, job-protected leave for eligible workers who need time off from work to care for their own illness, care for a new child, or to care for a seriously ill family member; a large percentage of workers

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\* The terms “Hispanic” and “Latino” are used interchangeably by the U.S. Census Bureau and throughout this document to refer to persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, Spanish, and other Hispanic descent; they may be of any race.

are ineligible for FMLA protections. The FMLA only covers 55.9% of all workers, leaving 49.3 million employees (44.1%) ineligible under the FMLA.<sup>6</sup> Under the current law, 50% of working parents and 43% of women of childbearing age (18-44), are also not eligible for job-protected leave under the FMLA.<sup>7</sup> Latinos are the least likely of any racial or ethnic group to be eligible for FMLA job-protected leave.<sup>8</sup> Of all races and ethnicities, Latino working parents have the lowest rates of FMLA eligibility combined with the ability to afford to take unpaid time off of work, with less than 21%.<sup>9</sup>

Many low-wage workers or workers of color are unable to afford to take unpaid leave. The Heller School for Social Policy and Management at Brandeis University estimates that even though 54% of working parents are eligible for FMLA leave, only 34% of parents are eligible and can afford to take unpaid leave.<sup>10</sup> This is especially concerning, because Latino children represent approximately 25% of the U.S. population of children and Latinos are the only group in which the majority of households have children.<sup>11</sup>

## The Economic Consequences of Latinos' Lack of Access to Paid Family Leave

The vast majority of working people in the United States do not have access to paid family leave through their employer,<sup>12</sup> and Latinos are the least likely of any racial or ethnic group to have access to paid family leave through their employer.<sup>13</sup> Latinos have the lowest rates of access to paid parental leave at 25.1%, half the rate of Whites which is at 49.7%.

The consequences of the lack of paid family leave for Latinos are especially severe because it exacerbates the racial wealth gap, impedes economic stability and security, and weakens the nation's economy as a whole.

### Paid Family Leave and the Racial Wealth Gap

The amount that an employee earns in their paycheck is only one of the types of compensation a worker can attain through their employment. Employers also provide employees with workplace benefits, such as employer-sponsored health insurance, paid time off from work, or a retirement plan. According to the Institute on Assets and Social Policy at Brandeis University, one-third of a working person's compensation comes from the workplace benefits available to them.<sup>14</sup>

Longstanding discriminatory practices present in the workplace have concentrated workers of color, especially Latinos, in occupations and industries that are both low-paid and that provide few workplace benefits.<sup>15</sup> For many employees, the workplace can be a crucial access point for wealth-building opportunities, through paid sick leave, paid family leave, and flexible schedules, which increases workplace and economic stability. According to the the Heller School, "employment benefits are the most direct contributors to wealth-building via the workplace."<sup>16</sup>

### Paid Family Leave and Economic Security

Most workers will experience at least one event that prevents them from working during their work-lives. When this event occurs, some workers will have access to paid leave through their employers, but statistically these workers are likely to be disproportionately White, older,

professionals with higher wages.<sup>17</sup> As a result, people of color, workers in service occupations, low-wage workers, and younger workers are faced with two options: take an unpaid leave of absence or leave their job voluntarily. Either option wreaks havoc on their short and long-term economic security.

According to the Center for American Progress, working families in the United States suffer at least \$20.6 billion in lost wages each year because they lack access to paid family and medical leave.

## Paid Family Leave and the Nation's Economy

The United States is an outlier among all other advanced economies, and developing nations, in terms of paid family leave. Other developed countries provide greater access to paid maternity leave, while the United States does not.<sup>18</sup> Women are more often affected by the lack of paid family leave program because of the physical realities of childbirth and because mothers and their adult daughters are the most likely to provide care to children or aging parents.<sup>19</sup> While the labor force participation of women in the United States has remained high, it has declined compared to other advanced economies, mostly due to the lack of paid family leave.<sup>20</sup> According to the former U.S. Department of Labor Chief Economist, Heidi Shierholz, the United States would have an additional five million women in the labor force and more than \$500 billion in additional economic growth per year, if women participated in the labor force at the same level as women in Canada or Germany.<sup>21</sup>

## Conclusion

Latinos, like the vast majority of workers in the United States, have inadequate access to paid family leave. Without this important benefit, many Latino workers will be faced with the difficult choice of either making ends meet or taking care of themselves or a loved one at the expense of their economic security. This lack of paid family leave not only harms Latino families, it also weakens the U.S. economy.

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<sup>1</sup> UnidosUS. "Latino Jobs Report: U.S. Employers Add 236,000 Jobs in April." May, 2019. Accessed May 20, 2019. [http://publications.unidosus.org/bitstream/handle/123456789/1945/unidosus\\_latinojobsreport\\_may2019.pdf?sequence=3&isAllowed=y](http://publications.unidosus.org/bitstream/handle/123456789/1945/unidosus_latinojobsreport_may2019.pdf?sequence=3&isAllowed=y).

<sup>2</sup> U.S. Department of Labor, Bureau of Labor Statistics. "Labor Force Projections to 2024: The Labor Force is Growing, but Slowly." December, 2015. Accessed on May 20, 2019. <https://www.bls.gov/opub/mlr/2015/article/labor-force-projections-to-2024.htm>.

<sup>3</sup> UnidosUS. "Latinos and the Great Recession: 10 Years of Economic Loss and Recovery." March, 2019. Accessed May 20, 2019. [http://publications.unidosus.org/bitstream/handle/123456789/1932/unidosus\\_latinosgreatrecession.pdf?sequence=1&isAllowed=y](http://publications.unidosus.org/bitstream/handle/123456789/1932/unidosus_latinosgreatrecession.pdf?sequence=1&isAllowed=y).

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> Jorgensen, Helene & Eileen Appelbaum. "Expanding Federal Family and Medical Leave Coverage: Who Benefits from Changes in Eligibility Requirements." February, 2014. Accessed May 20, 2019. <http://cepr.net/documents/fmla-eligibility-2014-01.pdf>

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<sup>7</sup> Brandeis University, Heller School for Social Policy and Management. "Inequities in Eligibility for FMLA Leave." Accessed May 20, 2019.

<http://www.diversitydatakids.org/files/Policy/FMLA/Capacity/Inequities%20in%20FMLA%20eligibility.pdf>

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Brandeis University, Heller School for Social Policy and Management. "Challenges with Taking FMLA Leave." Accessed May 20, 2019.

<http://www.diversitydatakids.org/files/Policy/FMLA/Capacity/Challenges%20with%20taking%20family%20leave.pdf>.

<sup>11</sup> McArdle, N. et al. "The changing face of households with children in large metropolitan areas." 2012. Accessed on May 20, 2019. <http://diversitydata.org/Publications/Household%20Composition%20Brief.pdf>.

<sup>12</sup> U.S. Bureau of Labor Statistics. "Employee Benefits in the United States, National Compensation Survey." Table 32, civilian workers. September, 2017. Accessed May 20, 2019.

<https://www.bls.gov/ncs/ebs/benefits/2017/ebbl0061.pdf>.

<sup>13</sup> Glynn, Sarah Jane & Jane Farrell. "Latinos Least Likely to Have Paid Leave or Workplace Flexibility." November 20, 2012. Accessed on May 20, 2019.

<https://www.americanprogress.org/issues/economy/reports/2012/11/20/45394/latinos-least-likely-to-have-paid-leave-or-workplace-flexibility/>.

<sup>14</sup> Sullivan, Laura, et al. "Not Only Unequal Paychecks: Occupational Segregation, Benefits, and the Racial Wealth Gap." April, 2019. Accessed on May 20, 2019. [https://heller.brandeis.edu/iasp/pdfs/racial-wealth-equity/asset-integration/occupational\\_segregation\\_report\\_40219.pdf](https://heller.brandeis.edu/iasp/pdfs/racial-wealth-equity/asset-integration/occupational_segregation_report_40219.pdf)

<sup>15</sup> Ibid.

<sup>16</sup> Ibid.

<sup>17</sup> Glynn, Sarah Jane, et al. "Who Gets Time Off? Predicting Access to Paid Leave and Workplace Flexibility." 2016. Accessed on May 20, 2019. <https://www.americanprogress.org/issues/labor/report/2016/04/26/134824/who-gets-time-off/>

<sup>18</sup> Addait, Laura, et al. "Maternity and paternity at work: Law and practice across the world." 2014. Accessed May 20, 2019. [http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_242615.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_242615.pdf)

<sup>19</sup> AARP Public Policy Institute. "Caregiving in the U.S." June 2015. Accessed on May 20, 2019. [http://www.caregiving.org/wp-content/uploads/2015/05/2015\\_CaregivingintheUS\\_Final-Report-June-4\\_WEB.pdf](http://www.caregiving.org/wp-content/uploads/2015/05/2015_CaregivingintheUS_Final-Report-June-4_WEB.pdf).

<sup>20</sup> Blau, Francine, and Lawrence Kahn. "Female Labor Supply: Why Is the US Falling Behind?" 2013. <https://www.aeaweb.org/articles?id=10.1257/aer.103.3.251>

<sup>21</sup> Shierholz, Heidi. "Paid leave is Good for Business." December 19, 2014.