

## Fact Sheet On Extended Time Off

### I. The Need for Extended Time Off

---

A. There have been significant changes in the demographics of the workforce over the past 30 years. More women and mothers are working, and there is an increase in the number of couples with children in which both parents work.<sup>1</sup> As a result, parents need extended periods of time off from the workplace for maternity and paternity purposes, as well as time to care for their young children. Additionally, increasing longevity has allowed the elderly population to grow. Many older individuals depend on the assistance and care of working family members, often on an extended basis and/or in different locations.<sup>2</sup> Evidence suggests that for these and other reasons, workers greatly need and desire EXTO.

- Nearly 2 million working age women, 15-44, had a child in the last year while employed.<sup>3</sup> Following the birth or adoption of a child, parents need extended time off.
  - According to the 2000 FMLA survey of employees, nearly 1 in 5, 20%, of workers who took FMLA leave utilized their *longest* leave to care for their newborn, newly adopted, or newly placed foster child.<sup>4</sup>
    - Data suggests these new parents feel forced back to work before they are ready, or are forced to leave the labor market. In one recent national survey, four out of five parents with children believe that new mothers are pressured to return to work too quickly.<sup>5</sup>
      - When asked what would be the ideal length of time for a mother who has a newborn to be able to stay home from her job to take care of her baby, 37% of adults indicated 3 months or less, about a quarter indicated 4 to 11 months, and just over 30% said the ideal length is a year or more.<sup>6</sup>
      - Perhaps not surprisingly, in the same national survey referenced above, respondents indicated that fathers should also get some time off when they have a new baby, but generally not as much time as mothers. More specifically, nearly three quarters of adults indicated new fathers should have three months off or less, 6% indicated 4 to 10 months, and only 3% indicated a year.<sup>7</sup>
- Workers also need time off to care for their own or a family member's personal illness or injury.
  - According to the 2000 FMLA survey of employees, among those who took FMLA leave, more than half, 52.4%, of workers used their leave to attend to their own health condition;<sup>8</sup> 13% reported taking leave to care for a parent, nearly 8% reported taking FMLA for maternity purposes and nearly 12% of leave takers reported using their leave to care for an ill child.<sup>9</sup>
    - The survey results also indicated more than half of longest leaves taken were for ten or fewer workdays. However, about a tenth of leave-takers took between 41 and 60 days. And another tenth reported taking leave for longer than the 60 days covered under the FMLA.<sup>10</sup>

- According to a national survey on caregiving, of 44.4 million caregivers, the majority, 59%, are employed and balancing work and caregiving responsibilities at the same time. In some instances, the burden of caregiving often forces workers to give up work entirely (6%), take a leave of absence (17%), or change from full-time to part-time work and/or take a less demanding job (10%).<sup>11</sup>

B. Available evidence also suggests the majority of employees need time off to address their personal and family needs, but that partial or full compensation would better enable employees to utilize this benefit.

- Despite the availability of leave provided to covered and eligible employees by the FMLA, many workers are unable to utilize this benefit due to lack of sufficient compensation. The 2000 survey of employees found that lack of pay was the number one reason workers who needed leave did not take it. Nearly 90% of those who needed leave, some of whom would not have received any compensation and some of whom would have received only partial compensation, said they would have taken leave if they had received some or additional pay.<sup>12</sup>
  - Among workers who took leave under the FMLA, the number one worry cited by more than half of leave takers was about having sufficient money to pay their bills.<sup>13</sup>
  - Among leave takers who did not receive full pay while on leave, nearly 10% reported that they had to rely on public assistance as a result of their diminished income.<sup>14</sup>
- Some employees do receive partial or full pay through various employer-sponsored time off policies, but extended paid time off is not uniformly available to all employees.
  - According to the 2000 survey of employees, approximately 65% of employees who took FMLA leave reported receiving *some* pay during their leave. When asked about the source of pay during their longest leave, 61% of leave takers reported sick leave, 40% reported vacation leave, and 26% reported personal leave. Nearly one in 5, 18%, reported temporary disability insurance.<sup>15</sup> Among those receiving pay during their leave, 43% reported they received pay from more than one source.<sup>16</sup>
    - In analyzing trends among those who *did* receive pay during their longest leave, the survey highlights considerable variation by demography. For example, male leave takers were more likely to receive pay (70%) than female leave takers (63%). In addition, salaried workers were more likely to receive pay (88%) than hourly workers (54%). Further, leave takers of relatively high education and income levels were more often paid while on leave, while younger employees (18-24), those who have never been married, those with less than a high school education, and those with household incomes of less than \$20,000 were especially unlikely to have been paid while on leave.<sup>17</sup>
  - According to a national survey, among employers that offer at least some time off for maternity or paternity purposes, 46% offered at least some replacement pay for women (excluding paid vacation and sick time), while only 13% offered at least some replacement pay for men.<sup>18</sup>
  - According to the same survey, of companies providing at least some pay to women during their time off for maternity purposes, most, 75%, fund this pay through general temporary disability insurance (TDI) plans.<sup>19</sup>

- However, in line with previous evidence about the erosion of leave benefits, while 27% of organizations reported providing full disability pay after the birth of a child to new mothers in 1998, only 18% of organizations reported full pay after the birth of a child in 2005.<sup>20</sup>

## II. Access to Extended Time Off

A. Currently, EXTO is provided by employers under a variety of employer-sponsored benefits and government regulations. Some companies provide time off benefits within specific categories: e.g., vacation days, sick days, personal days, etc. Recent trends among employers, however, illustrate a shift towards the provision of Paid Time Off (PTO) programs. PTO programs replace traditionally distinct categorical time off programs with a single block of time, which typically includes *less* than the sum available under separate programs.<sup>21</sup> Regardless of plan type, evidence indicates that the amount of paid vacation, paid sick days, paid personal days, and paid time off days may be decreasing.<sup>22</sup> Moreover, a closer look at the available data reveals great disparities in access to various time off plans among employees.

- Data from 2006 employer surveys highlights differential access to EXTO according to various organizational and employee characteristics. For example, the National Compensation Survey of private sector organizations conducted by the U.S. Bureau of Labor Statistics illustrates disparate access among employees based on occupational category, full-time or part-time work status, and hourly wage.<sup>23</sup>

Employee access to EXTO by category of plan and employee occupational category, work status, and wage <sup>24</sup>								
WORKER CHARACTERISTICS	Paid sick leave	Paid vacations	Paid personal leave*	FAMILY LEAVE**		Paid jury duty leave	DISABILITY***	
				Paid	Unpaid		Short-term	Long-term
ALL workers	57%	77%	37%	8%	82%	70%	37%	29%
Occupational Category								
• White collar occupations	72%	83%	46%	11%	86%	80%	41%	40%
• Blue collar occupations	45%	79%	29%	4%	78%	66%	42%	22%
• Service occupations	38%	59%	24%	5%	75%	51%	21%	11%
Work Status								
• Full time	68%	90%	42%	9%	85%	78%	45%	36%
• Part time	22%	36%	19%	3%	70%	45%	12%	5%
Wage								
• Avg. wage less than \$15/hr	46%	69%	28%	5%	77%	60%	26%	16%
• Avg. wage \$15/hr or higher	73%	88%	48%	11%	88%	82%	52%	46%

\*BLS defined paid personal leave as a formal personal leave that allows employees to be absent with pay for a variety of reasons not covered by other specific leave plans.

\*\*BLS defines family leave as leave utilized for maternity, paternity, or new adoption purposes.

\*\*\*This includes workers participating, which means they have paid required contributions and fulfilled service requirements.

- Data collected by the BLS reveals that the average days of paid vacation available to employees varies considerably based on an employee's length of service, occupational category, work status, and wage.<sup>25</sup>

Average Days of Paid Vacation By Length of Service <sup>26</sup>							
WORKER CHARACTERISTICS	Years of Service						
	After 1	After 3	After 5	After 10	After 15	After 20	After 25
• ALL workers	8.9	11.1	13.6	16.2	17.8	18.6	19.3
Occupational Category							
• White collar occupations	10.2	12.1	14.7	17.4	19.1	19.9	20.6
• Blue collar occupations	7.1	9.6	11.6	14.4	15.9	17.1	17.8
• Service occupations	8.0	10.5	13.6	15.7	16.6	17.0	17.4
Work Status							
• Full time	9.1	11.3	13.7	16.4	18.0	18.9	19.5
• Part time	7.3	9.4	12.4	14.5	15.7	16.4	17.0
Wage							
• Avg. wage less than \$15/hr	7.7	10.2	12.6	15.0	16.4	17.0	17.4
• Avg. wage \$15/hr or higher	10.3	12.0	14.7	17.5	19.3	20.3	21.2

- Extended time off designated for the care of newborns or newly adopted children is not widely available nor equally accessible.

Employer provision of paid Maternity, Paternity, or Adoption time off by organization size and industry <sup>27</sup>			
ORGANIZATION CHARACTERISTICS	Paid Maternity Leave* <i>*other than what is covered by Short Term Disability</i>	Paid Paternity Leave	Paid Adoption Leave
ALL Organizations	12%	13%	16%
• Average number of days	42	33	39
Organization size			
• Small organizations (1-99 employees)	10%	12%	14%
• Medium organizations (100-499 employees)	11%	14%	13%
• Large organizations (500 or more employees)	17%	16%	27%
Industry			
• Educational Services	25%	25%	25%
• Finance	22%	11%	19%
• Government	28%	24%	28%
• Health	12%	17%	20%
• High Tech	5%	19%	14%

• Manufacturing (durable goods)	8%	15%	10%
• Services (nonprofit)	4%	7%	14%
• Services (profit)	11%	8%	5%

- A series of annual surveys of human resource executives illustrates that the prevalence of PTO programs has more than doubled over the past eight years. While 25% of organizations surveyed in 1998 reported offering PTO programs, twice that amount, 53%, reported offering PTO programs in 2006.<sup>28</sup>
  - Despite growth in the overall provision of PTO programs by employers, evidence from a recent survey conducted by the Society of Human Resource Management (SHRM) reveals differential access to these programs by organizational size and industry.<sup>29</sup>

Employer provision of PTO plans by organization size and by industry <sup>30</sup>	
ORGANIZATION CHARACTERISTICS	PTO plan
• ALL Organizations	53%
Organization size	
• Small organizations (1-99 employees)	59%
• Medium organizations (100-499 employees)	46%
• Large organizations (500 or more employees)	57%
Industry	
• Educational Services	43%
• Finance	51%
• Government	59%
• Health	78%
• High Tech	48%
• Manufacturing (durable goods)	53%
• Services (nonprofit)	50%
• Services (profit)	53%

- Additional evidence shows that despite the growing need for time off to handle personal or family needs, many workers are still without access to or are unable to utilize such policies.
  - The Family and Medical Leave Act of 1993 (FMLA) permits eligible workers to take up to 12 weeks per year of unpaid time off for medical or for family care reasons. However, only about 60% of employees in the U.S. work for employers that are covered by the FMLA and are eligible for FMLA and the majority of all workers (78%) report they would be financially unable to take advantage of unpaid FMLA leave.<sup>31</sup>
  - Those who have the greatest need for paid EXTO are least likely to have access to such a benefit.

- Approximately one in five working parents with incomes below 200% of the Federal Poverty Level (FPL) have no paid leave of any kind – no paid sick days, paid vacation, paid maternity/paternity, or paid personal days off.<sup>32</sup>
- Additionally, according to the 2000 FMLA survey of employees, those employees who needed leave but were unable to take it were more likely to be hourly workers, separated/divorced/widowed, and/or have children living at home.<sup>33</sup>
- Findings from the Family and Work Institute's (FWI) 2005 National Survey of Employers suggest that employers are not fully complying with the federal FMLA. For example, according to the survey, among employers with 50-99 employees at a single location – and therefore employers who would be covered under the FMLA – up to 30% report offering *fewer* than 12 weeks of *unpaid* family leave.<sup>34</sup>
- Further illustrating trends of disparate access, the FWI survey revealed that 73% of organizations report allowing *some* employees to take extended career breaks for caregiving or other family/personal responsibilities, while only 57% of organizations report providing this policy to *all or most* employees.<sup>35</sup>

B. Time off programs designed to enable professional development, advanced education, sabbaticals, time off for service work, or to provide employees time off for other personal reasons are evolving, but are not yet widely available or equally accessible to all employees.

- Time off for attending/returning to school is becoming more available, but is still not equally accessible to all employees.
  - According to a recent national survey of employers, 83% of organizations allow *some* employees to take time off for education/training to improve skills while 55% of organizations allow this policy for *all or most* employees.<sup>36</sup> There is variability in access to this policy by organization size. While 55% of small organizations provide time off for education/training to *all* employees, only 42% of large organizations offer it to *all or most* employees.<sup>37</sup>
- The majority of companies do not provide time off for sabbaticals or volunteerism purposes. Again, access to these plans varies according to organization size and industry.

Employer provision of formal Sabbatical Leave by organization size and industry <sup>38</sup>		
ORGANIZATION CHARACTERISTICS	Sabbatical	
	Paid	Unpaid
• ALL Organizations	5%	22%
Organization size		
• Small organizations (1-99 employees)	1%	16%
• Medium organizations (100-499 employees)	0%	21%
• Large organizations (500 or more employees)	11%	29%
Industry		
• Educational Services	43%	52%
• Finance	12%	17%

• Government	7%	31%
• Health	10%	31%
• High Tech	0%	10%
• Manufacturing (durable goods)	0%	13%
• Services (nonprofit)	0%	11%
• Services (profit)	0%	16%

Employer provision of paid time off for volunteering by organization size and industry <sup>39</sup>	
ORGANIZATION CHARACTERISTICS	Paid time off for volunteering
ALL Organizations	20%
Organization size	
• Small organizations (1-99 employees)	15%
• Medium organizations (100-499 employees)	17%
• Large organizations (500 or more employees)	32%
Industry	
• Educational Services	19%
• Finance	42%
• Government	38%
• Health	12%
• High Tech	10%
• Manufacturing (durable goods)	23%
• Services (nonprofit)	11%
• Services (profit)	11%

## (Endnotes)

- <sup>1</sup> Jacobs J.A., & Gerson, K. (2004). *The Time divide: work, family, and gender inequality*. Cambridge, MA: Harvard University Press, p. 43. (Nationally representative of non-institutionalized population 16 and over; based on authors' analysis of CPS data)
- <sup>2</sup> Jacobs J.A., & Gerson, K. (2004). p. 83.
- <sup>3</sup> Dye, J.L. (2005, December). *Current Population Reports: Fertility of American women, June 2004*. Washington, D.C. U.S. Census Bureau. Retrieved September 2006, from <http://www.census.gov/prod/2005pubs/p20-555.pdf>
- <sup>4</sup> Cantor, D., Waldfogel, J., Kerwin, J., McKinley-Wright, M., Levin, K., Rauch, J., Hagerty, T., & Stapleton-Kudela, M. (2001). *Balancing the Needs of Families and Employers: Family and Medical Leave Surveys 2000 Update*. Rockville, MD: Westat, p. 3.
- <sup>5</sup> Public Agenda (2000). *Necessary compromises: How parents, employers and children's advocates view child care today*. NY, NY: Author as cited in National Partnership for Women and Families (2005). *Expecting better: A state-by-state analysis of parental leave programs*. Washington, D.C.: Author, p. 6. Retrieved August 2006, from <http://www.nationalpartnership.org/portals/p3/library/PaidLeave/ParentalLeaveReportMay05.pdf>
- <sup>6</sup> Civitas Initiative, Zero to Three, & the Brio Corporation (2000). *What Grown-ups understand about child development: A national benchmark survey*. Washington, D.C.: p. 168. Retrieved September 2006, from <http://www.zerotothree.org/fullreport.pdf>
- <sup>7</sup> Civitas Initiative, Zero to Three, & the Brio Corporation (2000). p. 172.
- <sup>8</sup> Cantor, D., Waldfogel, J., Kerwin, J., McKinley-Wright, M., Levin, K., Rauch, J., Hagerty, T., & Stapleton-Kudela, M. (2001). p. 2-5.
- <sup>9</sup> It is important to note that these numbers add to over 100%; this is because some leave takers took more than one leave. Cantor, D., Waldfogel, J., Kerwin, J., McKinley-Wright, M., Levin, K., Rauch, J., Hagerty, T., & Stapleton-Kudela, M. (2001). p. 2-5.
- <sup>10</sup> Cantor, D., Waldfogel, J., Kerwin, J., McKinley-Wright, M., Levin, K., Rauch, J., Hagerty, T., & Stapleton-Kudela, M. (2001). p. 2-3.
- <sup>11</sup> National Alliance for Caregiving and AARP (2004, April). *Caregiving in the U.S.* Bethesda, MD, p. 6, p. 7, p. 65. Retrieved October 2006, from <http://www.caregiving.org/data/04finalreport.pdf>
- <sup>12</sup> Cantor, D., Waldfogel, J., Kerwin, J., McKinley-Wright, M., Levin, K., Rauch, J., Hagerty, T., & Stapleton-Kudela, M. (2001). p. 2-17.
- <sup>13</sup> All workers who took leave were presented with several items describing possible concerns they may have had about taking leave and were asked to indicate which ones were true for them. Therefore, some of the workers responding to this question may have received some compensation while on FMLA leave through an employer policy, while others may have been taking unpaid leave. Cantor, D., Waldfogel, J., Kerwin, J., McKinley-Wright, M., Levin, K., Rauch, J., Hagerty, T., & Stapleton-Kudela, M. (2001). p. 4-2.
- <sup>14</sup> Cantor, D., Waldfogel, J., Kerwin, J., McKinley-Wright, M., Levin, K., Rauch, J., Hagerty, T., & Stapleton-Kudela, M. (2001). p. 4-9.
- <sup>15</sup> Cantor, D., Waldfogel, J., Kerwin, J., McKinley-Wright, M., Levin, K., Rauch, J., Hagerty, T., & Stapleton-Kudela, M. (2001). p. 4-6.
- <sup>16</sup> Cantor, D., Waldfogel, J., Kerwin, J., McKinley-Wright, M., Levin, K., Rauch, J., Hagerty, T., & Stapleton-Kudela, M. (2001). p. 4-6.
- <sup>17</sup> Cantor, D., Waldfogel, J., Kerwin, J., McKinley-Wright, M., Levin, K., Rauch, J., Hagerty, T., & Stapleton-Kudela, M. (2001). p. 4-5.
- <sup>18</sup> Bond, J.T., Galinsky, E., Kim, S.S., & Brownfield, E. (2005). *2005 national study of employers*. New York, NY: Families and Work Institute, p. 12. Retrieved August 2006, from <http://familiesandwork.org/eproducts/2005nse.pdf>. This report is based on a nationally representative survey of 1,092 employers with 50 or more employees. The sample included both for profit and not for profit organizations.
- <sup>19</sup> Bond, J.T., Galinsky, E., Kim, S.S., & Brownfield, E. (2005). p. 12.
- <sup>20</sup> Bond, J.T., Galinsky, E., Kim, S.S., & Brownfield, E. (2005). p. 12-13.
- <sup>21</sup> This is a definition provided by the Society of Human Resource Management. See for example, S. F., & Morrison, T.M. (2006, September). *Paid-time-off programs: Giving employees more control over leave*. Alexandria, VA: SHRM. Retrieved September 2006, from [http://www.shrm.org/rewards/library\\_published/benefits/nonIC/CMS\\_018373.asp](http://www.shrm.org/rewards/library_published/benefits/nonIC/CMS_018373.asp)
- <sup>22</sup> The authors do express the caveat that this change might be accounted for by a change in methodology of the survey. Society for Human Resource Management (SHRM) (2004). *2004 Benefits survey report*. Virginia: Author, p. 47. This data is a cohort study based on a survey of human resource representatives from 459 member organizations from both the public and private, for-profit and not-for profit sectors.

- <sup>23</sup> The 2006 Bureau of Labor Statistics (BLS) National Compensation Survey (NCS) from which this data is derived included responses from 10,370 private industry establishments representing about 105 million workers. It is important to note that the data presented here differs from the SHRM data as it is a representative sample of private sector workers. Additionally, while SHRM data is presented in terms of the percentage of organizations reporting provision of particular plans, data from the BLS establishment surveys is extrapolated to provide an indication of the percentage of employees with access to particular plans. The BLS has not updated its survey of public sector (state and local government) establishments since 1998 and since that time the classification system and plan definitions utilized in the NCS survey have changed. Therefore it is not possible to provide public sector data that aligns with the recently released 2006 private sector surveys. See U.S. Bureau of Labor Statistics (2006, August). *National Compensation Survey (NCS): Employee benefits in private industry in the United States, March 2006*. Washington, D.C.: Author. Retrieved September 2006, from <http://www.bls.gov/ncs/ebs/sp/ebsm0004.pdf>
- <sup>24</sup> U.S. Bureau of Labor Statistics (2006, August). *National Compensation Survey (NCS): Employee benefits in private industry in the United States, March 2006*. Washington, D.C.: Author, p. 24. Retrieved September 2006, from <http://www.bls.gov/ncs/ebs/sp/ebsm0004.pdf>
- <sup>25</sup> While SHRM collects data according to yearly service intervals, the BLS collects data according to 1 year of service, 3 years of service, 5 years of service, and for each of the next 5 year increments up to over 25 years of service. Nonetheless, when comparable increments are compared, these statistics are fairly consistent.
- <sup>26</sup> The data included in this chart is from U.S. Bureau of Labor Statistics (2006, August). p. 26. However, it is important to note that the data for all employees by years of service parallels the data regarding average paid vacation days per year for all employees as presented in SHRM (2006, September). *2006 benefits survey report*. Alexandria, VA: Author p. 50. This is a cohort study based on a survey of human resource representatives from 385 member organizations from both the public and private, for-profit and not-for profit sectors.
- <sup>27</sup> SHRM (2006, September). p. 47-48.
- <sup>28</sup> SHRM (2006, September). p. 46.
- <sup>29</sup> See SHRM (2006, September). *2006 benefits survey report*. Alexandria, VA: Author.
- <sup>30</sup> SHRM (2006, June). p. 46.
- <sup>31</sup> Cantor, D., Waldfogel, J., Kerwin, J., McKinley-Wright, M., Levin, K., Rauch, J., Hagerty, T., & Stapleton-Kudela, M. (2001). p. 3-3.
- <sup>32</sup> Ross Phillips, K. (2004, April). *Getting time off: Access to leave among working parents*. Washington, D.C.: Urban Institute, p. 4.
- <sup>33</sup> Cantor, D., Waldfogel, J., Kerwin, J., McKinley-Wright, M., Levin, K., Rauch, J., Hagerty, T., & Stapleton-Kudela, M. (2001). p. 2-19.
- <sup>34</sup> Bond, J.T., Galinsky, E., Kim, S.S., & Brownfield, E. (2005). p. 10.
- <sup>35</sup> Bond, J.T., Galinsky, E., Kim, S.S., & Brownfield, E. (2005). p. 6.
- <sup>36</sup> Bond, J.T., Galinsky, E., Kim, S.S., & Brownfield, E. (2005). p. 6. It is important to note that the data available from this survey does not allow one to distinguish the way in which these organizations provide workers time off for education/training purposes. Some may be providing this time off in the form of flexible work arrangements (e.g. working a compressed work week to attend classes on one day, or altering starting and stopping times in order to leave work earlier in the day in order to attend an evening class) or in the form of extended time off (e.g. a complete departure from work for a period of time to complete an educational or training program).
- <sup>37</sup> Bond, J.T., Galinsky, E., Kim, S.S., & Brownfield, E. (2005). p. 6.
- <sup>38</sup> SHRM (2006, June). p. 47-48.
- <sup>39</sup> SHRM (2006, June). p. 47-48.