

UNNECESSARY LOSSES TO AFRICAN AMERICAN WORKERS

When a person temporarily leaves their employment because of the arrival of a child, illness of a family member, or her or his own illness, economic costs arise for three groups: workers, employers and society. Workers in the U.S. lose enormous amounts in earnings from absence due to illness and family care -- an estimated \$100 billion annually. Of these losses, at least \$12 billion can be attributed to the lack of job protected leave. In addition, there are substantial outlays by taxpayers for unemployment compensation, welfare payments, Supplemental Security Income, etc. when workers do not have the right to return to their jobs -- an estimated \$4.3 billion.

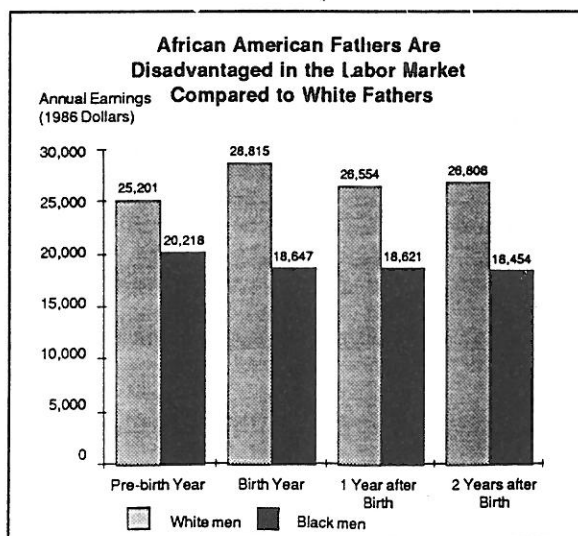
Yet, the debate continues on whether to pass the "Family and Medical Leave Act (FMLA)," which (as stated in the purpose of the Act) is to "help family members and workers balance both family and work aspects of their lives, to promote the economic security and stability of families, and to entitle employees to take reasonable parental or medical leave without risk of termination by employers." Data from the report: **Unnecessary Losses: Costs to Americans of the Lack of Family and Medical Leave** by the Institute for Women's Policy Research (IWPR), show that the costs to workers and taxpayers of the current lack of national policy are **many times greater** than the costs to business of having a national policy.

Having a national leave policy would reduce the costs to workers and society of the socially necessary tasks of childbirth, child care and eldercare, or of illness, because having the right to return to their jobs would reduce unemployment and earnings losses for workers who must be absent for those reasons. Given our nation's long-term economic problems these are costly losses our nation can not afford.

The losses due to childbirth and illness are even greater for African American workers for a number of reasons. African American workers earn less than their white counterparts; they experience more unemployment in general and particularly after child birth and illness. As the data from Unnecessary Losses show:

- **African American women who had babies earned \$1,600 less in the year before the birth of a baby than white women.** Two years following the birth, their income had dropped by an additional 15 percent. Although the gap between African American and white women's annual earnings closed, this was because **African American women worked as much as 400 hours more than white women** the year after the birth. These additional hours of work reflect the special needs of African American mothers to stay in the labor force and earn a living.

- **The economic circumstances of African American fathers worsened in the years following a birth or adoption compared to white fathers.** The nearly \$5,000 gap in the annual earnings in the pre-birth year (\$25,201 for white fathers and \$20,218 for African American fathers) increased to a gap of over \$8,000 by the second year after birth (see chart below).



Source: IWPR, *Unnecessary Losses*, April 1990.

- **The number of unemployment hours for both African American mothers and fathers significantly increased compared to white mothers and fathers after the birth of a child; almost an additional two**

-continued-

weeks of extra unemployment for African American mothers and almost an additional four weeks for African American fathers.

- **New mothers (regardless of race) who had no leave (other than vacation) for the birth of a child were in significantly worse economic circumstances than women who had leave.** (Not surprisingly, women with no leave other than vacation, earned over **\$5,000 less** annually than women with leave. These women most likely worked in less desirable jobs.)

- When workers get sick, they suffer economic losses in the form of lost wages, lower annual earnings, and reduced hours of employment. The costs for African American women and men were higher than that for their white counterparts. For example, **the average African American male worker with illness lost \$6,226 more in earnings than the average ill white male worker. The average African American female worker with illness lost \$650 more in earnings than the average ill white female worker** (see chart next column).

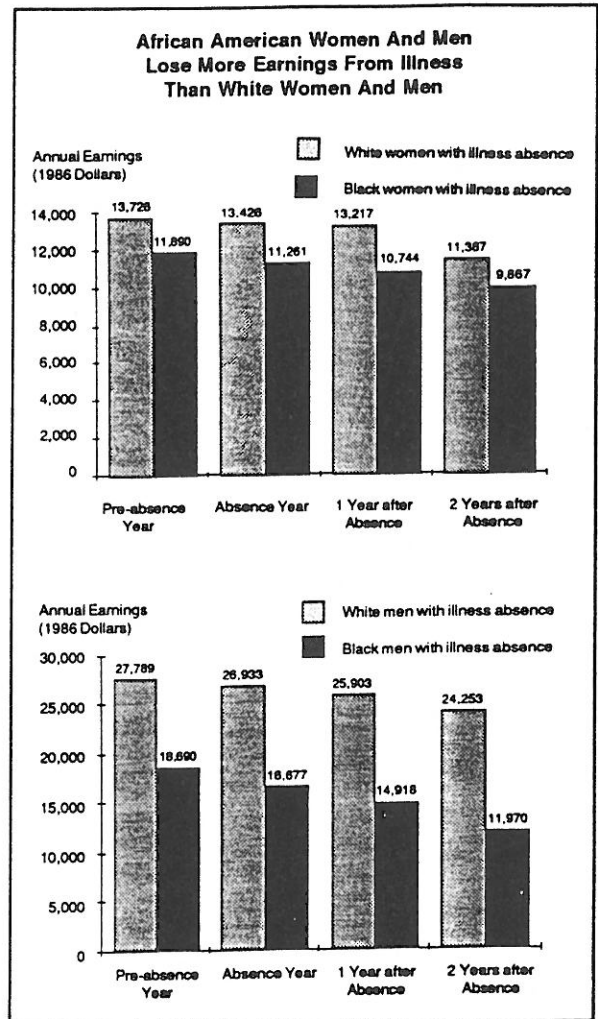
For white workers, both women and men lost about 23 percent of their pre-illness year earnings over three years of illness and post-illness, while African American women lost 32 percent and African American men lost 67 percent.

What Does Not Having Family and Medical Leave Mean?

Despite widespread agreement that employment policies should be responsive to the needs of working families, the United States does not have a national leave policy that would require minimum protections against job loss because of family and medical needs. **African American families are hit harder than other families, and the costs are great.**

During the last two decades, the number of African American women in the labor force has increased from already high percentages. Historically, women of color have always combined some form of wage work with dependent care without the benefit of public policies designed to help them manage both activities but at great personal cost. African American men experienced a disproportionate share of the job losses in durable manufacturing industries, as the U.S. economy shifted to a non-manufacturing based economy. (Not only did African American men suffer employment losses in industries where total employment declined, but they also suffered substantial losses in industries where total employment increased.)

The FMLA would provide African American women and men with the right to keep their job in the face of common life events such as childbirth



Source: IWPR, *Unnecessary Losses*, April 1990.

and illness. It would thus reduce their unemployment and earning losses.

In addition to the earnings losses that are sustained by workers because of childbirth and illness and lack of job-protected leave for these events, absence from work for these reasons involves substantial outlays by taxpayers, including employers, for unemployment compensation, welfare payments, Supplemental Security Income, etc. In the end, we all lose.

What You Can Do.

Support family and medical leave. Let your Senators and Representatives know how you feel. To learn more about legislative options in the states and nationally, contact the Women's Legal Defense Fund at (202) 986-2600. To receive a *full* copy of the report contact the Institute for Women's Policy Research.

Unnecessary Losses: Costs to Americans of the Lack of Family and Medical Leave was written by Roberta M. Spalter-Roth and Heidi I. Hartmann. This fact sheet was written by Janice Hamilton Outtz.

UNNECESSARY LOSSES TO AFRICAN AMERICAN WORKERS

When a person temporarily leaves their employment because of the arrival of a child, illness of a family member, or her or his own illness, economic costs arise for three groups: workers, employers and society. Workers in the U.S. lose enormous amounts in earnings from absence due to illness and family care -- an estimated \$100 billion annually. Of these losses, at least \$12 billion can be attributed to the lack of job protected leave. In addition, there are substantial outlays by taxpayers for unemployment compensation, welfare payments, Supplemental Security Income, etc. when workers do not have the right to return to their jobs -- an estimated \$4.3 billion.

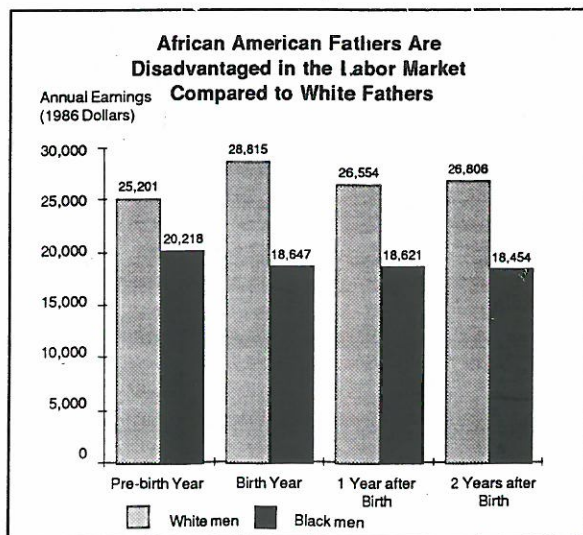
Yet, the debate continues on whether to pass the "Family and Medical Leave Act (FMLA)," which (as stated in the purpose of the Act) is to "help family members and workers balance both family and work aspects of their lives, to promote the economic security and stability of families, and to entitle employees to take reasonable parental or medical leave without risk of termination by employers." Data from the report: Unnecessary Losses: Costs to Americans of the Lack of Family and Medical Leave by the Institute for Women's Policy Research (IWPR), show that the costs to workers and taxpayers of the current lack of national policy are **many times greater** than the costs to business of having a national policy.

Having a national leave policy would reduce the costs to workers and society of the socially necessary tasks of childbirth, child care and eldercare, or of illness, because having the right to return to their jobs would reduce unemployment and earnings losses for workers who must be absent for those reasons. Given our nation's long-term economic problems these are costly losses our nation can not afford.

The losses due to childbirth and illness are even greater for African American workers for a number of reasons. African American workers earn less than their white counterparts; they experience more unemployment in general and particularly after child birth and illness. As the data from Unnecessary Losses show:

- **African American women who had babies earned \$1,600 less in the year before the birth of a baby than white women.** Two years following the birth, their income had dropped by an additional 15 percent. Although the gap between African American and white womens' annual earnings closed, this was because **African American women worked as much as 400 hours more than white women** the year after the birth. These additional hours of work reflect the special needs of African American mothers to stay in the labor force and earn a living.

- **The economic circumstances of African American fathers worsened in the years following a birth or adoption compared to white fathers.** The nearly \$5,000 gap in the annual earnings in the pre-birth year (\$25,201 for white fathers and \$20,218 for African American fathers) increased to a gap of over \$8,000 by the second year after birth (see chart below).



Source: IWPR, Unnecessary Losses, April 1990.

- **The number of unemployment hours for both African American mothers and fathers significantly increased compared to white mothers and fathers after the birth of a child; almost an additional two**

-continued-

weeks of extra unemployment for African American mothers and almost an additional four weeks for African American fathers.

- **New mothers (regardless of race) who had no leave (other than vacation) for the birth of a child were in significantly worse economic circumstances than women who had leave.** (Not surprisingly, women with no leave other than vacation, earned over \$5,000 less annually than women with leave. These women most likely worked in less desirable jobs.)

- When workers get sick, they suffer economic losses in the form of lost wages, lower annual earnings, and reduced hours of employment. The costs for African American women and men were higher than that for their white counterparts. For example, **the average African American male worker with illness lost \$6,226 more in earnings than the average ill white male worker. The average African American female worker with illness lost \$650 more in earnings than the average ill white female worker** (see chart next column).

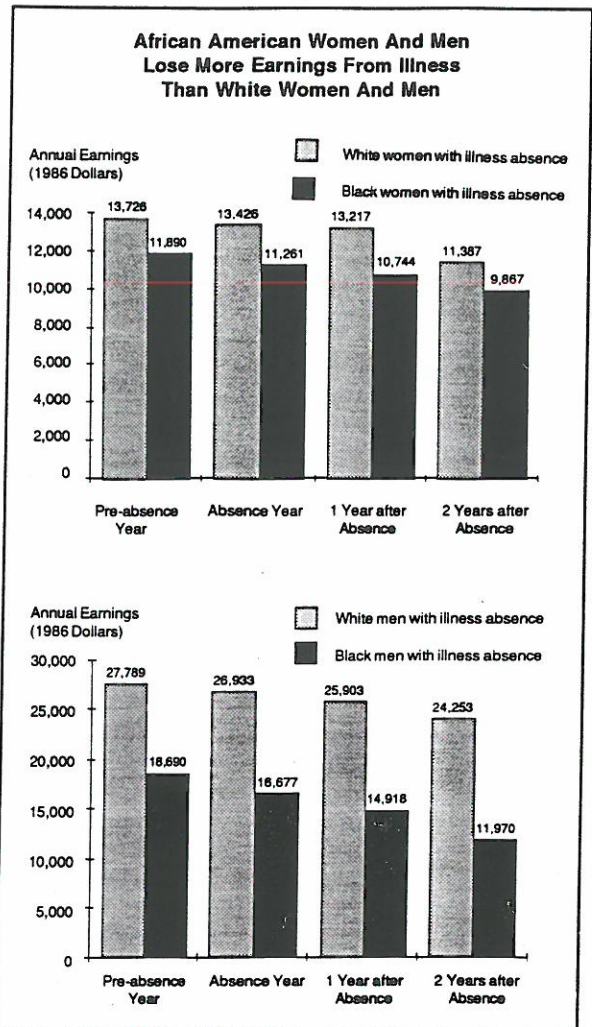
For white workers, both women and men lost about 23 percent of their pre-illness year earnings over three years of illness and post-illness, while African American women lost 32 percent and African American men lost 47 percent.

What Does Not Having Family and Medical Leave Mean?

Despite widespread agreement that employment policies should be responsive to the needs of working families, the United States does not have a national leave policy that would require minimum protections against job loss because of family and medical needs. **African American families are hit harder than other families, and the costs are great.**

During the last two decades, the number of African American women in the labor force has increased from already high percentages. Historically, women of color have always combined some form of wage work with dependent care without the benefit of public policies designed to help them manage both activities but at great personal cost. African American men experienced a disproportionate share of the job losses in durable manufacturing industries, as the U.S. economy shifted to a non-manufacturing based economy. (Not only did African American men suffer employment losses in industries where total employment declined, but they also suffered substantial losses in industries where total employment increased.)

The FMLA would provide African American women and men with the right to keep their job in the face of common life events such as childbirth



Source: IWPR, *Unnecessary Losses*, April 1990.

and illness. It would thus reduce their unemployment and earning losses.

In addition to the earnings losses that are sustained by workers because of childbirth and illness and lack of job-protected leave for these events, absence from work for these reasons involves substantial outlays by taxpayers, including employers, for unemployment compensation, welfare payments, Supplemental Security Income, etc. In the end, we all lose.

What You Can Do.

Support family and medical leave. Let your Senators and Representatives know how you feel. To learn more about legislative options in the states and nationally, contact the Women's Legal Defense Fund at (202) 982-2600. To receive a full copy of the report contact the Institute for Women's Policy Research.

Unnecessary Losses: Costs to Americans of Family and Medical Leave was written by Rita Spalter-Roth and Heidi I. Hartmann. This fact written by Janice Hamilton Outtz.

weeks of extra unemployment for African American mothers and almost an additional four weeks for African American fathers.

● **New mothers (regardless of race) who had no leave (other than vacation) for the birth of a child were in significantly worse economic circumstances than women who had leave.** (Not surprisingly, women with no leave other than vacation, earned over \$5,000 less annually than women with leave. These women most likely worked in less desirable jobs.)

● When workers get sick, they suffer economic losses in the form of lost wages, lower annual earnings, and reduced hours of employment. The costs for African American women and men were higher than that for their white counterparts. For example, **the average African American male worker with illness lost \$6,226 more in earnings than the average ill white male worker. The average African American female worker with illness lost \$650 more in earnings than the average ill white female worker** (see chart next column).

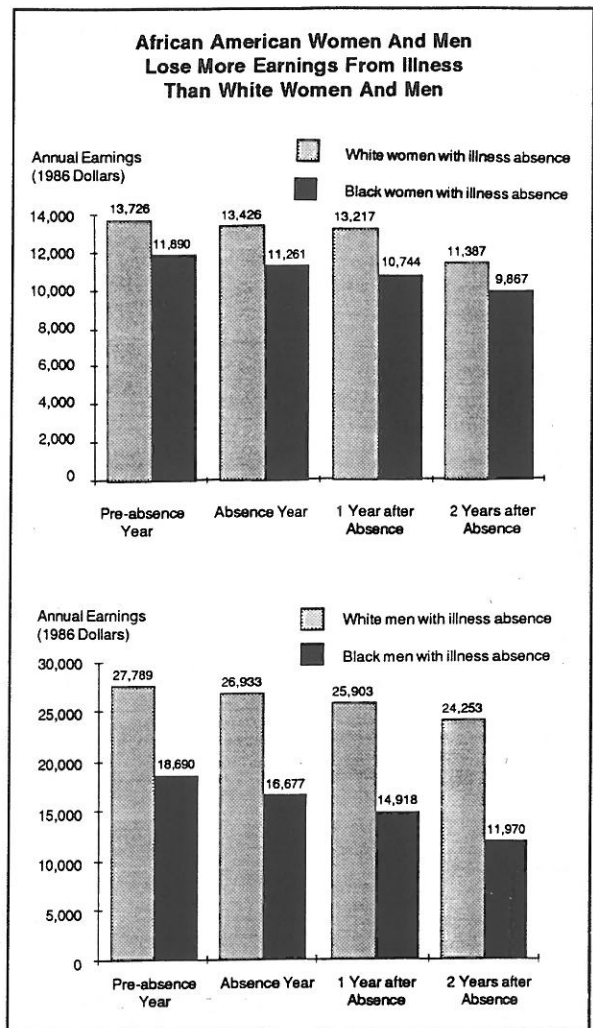
For white workers, both women and men lost about 23 percent of their pre-illness year earnings over three years of illness and post-illness, while African American women lost 32 percent and African American men lost 67 percent.

What Does Not Having Family and Medical Leave Mean?

Despite widespread agreement that employment policies should be responsive to the needs of working families, the United States does not have a national leave policy that would require minimum protections against job loss because of family and medical needs. **African American families are hit harder than other families, and the costs are great.**

During the last two decades, the number of African American women in the labor force has increased from already high percentages. Historically, women of color have always combined some form of wage work with dependent care without the benefit of public policies designed to help them manage both activities but at great personal cost. African American men experienced a disproportionate share of the job losses in durable manufacturing industries, as the U.S. economy shifted to a non-manufacturing based economy. (Not only did African American men suffer employment losses in industries where total employment declined, but they also suffered substantial losses in industries where total employment increased.)

The FMLA would provide African American women and men with the right to keep their job in the face of common life events such as childbirth



Source: IWPR, *Unnecessary Losses*, April 1990.

and illness. It would thus reduce their unemployment and earning losses.

In addition to the earnings losses that are sustained by workers because of childbirth and illness and lack of job-protected leave for these events, absence from work for these reasons involves substantial outlays by taxpayers, including employers, for unemployment compensation, welfare payments, Supplemental Security Income, etc. In the end, we all lose.

What You Can Do.

Support family and medical leave. Let your Senators and Representatives know how you feel. To learn more about legislative options in the states and nationally, contact the Women's Legal Defense Fund at (202) 986-2600. To receive a *full* copy of the report contact the Institute for Women's Policy Research.

Unnecessary Losses: Costs to Americans of the Lack of Family and Medical Leave was written by Roberta M. Spalter-Roth and Heidi I. Hartmann. This fact sheet was written by Janice Hamilton Outtz.