



EARNED SICK DAYS: KEY EVIDENCE

Earned sick days help strengthen the economy.

When working families have enough money in their pockets to cover the basics, the whole economy gains. Losing even a day's wages – or worse, a job - undermines families' ability to contribute to the economy and forces many to need public programs to keep their families afloat.

Facts:

- Nearly one quarter of adults in the US have **been fired or threatened with job loss** for taking time off to recover from illness or care for a sick loved one.
- A single parent with two children earning \$10 per hour and working full time **would slip below the federal poverty line** if he or she had to miss a single day of work in a month.
- For a low-income family without paid sick days, going just **3.5 days** without wages is the equivalent to losing a month's groceries.
- **Economists say** job retention policies like paid sick days help reduce unemployment and strengthen the economy. Access to paid sick days **reduces the likelihood of job separation** by at least 25%.
- Economies in locations that have implemented paid sick days are doing well.
 - More than two in three businesses in San Francisco support their city's paid sick days law and **six in seven employers** report no negative impact on profitability. The city **experienced better job growth than 5 surrounding counties** without earned sick time.
 - In 2011, four years after San Francisco's sick time law was implemented, **PriceWaterhouseCoopers** ranked San Francisco as one of the top cities in the world to do business in. Even the chief lobbyist against the bill in San Francisco **told Businessweek** it's "the best public policy for the least cost. Do you want your server coughing over your food?"
 - Connecticut enacted the first statewide paid sick days law, and the Department of Labor reports that since the passage of paid sick days in 2011, employment has grown in Connecticut's [Leisure and Hospitality](#) and [Education and Health Services](#) sectors, the two most impacted by the new law.
 - A **study by Eileen Appelbaum and Ruth Milkman** showed more than three-quarters of Connecticut employers are supportive of the law. The authors found that the law had minimal effects on businesses. Businesses most frequently covered absent workers by assigning the work to other employees, a solution which has little effect on costs. Since the implementation of the paid sick days law, Connecticut employers saw decreases in the spread of illnesses and increases in morale, **among many more effects**.
 - In the **first year of implementation of New York City's** paid sick days law, the city experienced the lowest unemployment rate in 6 years and the highest labor force participation rate in its history. The city added both new businesses and new private sector jobs, including in sectors that historically did not provide paid sick days previously. Prices fell by 0.5 percent, suggesting business owners did not increase prices as a result of paid sick days.

- A **report by a small business group in Seattle** showed that King County has continued to outpace the state in job growth since the paid sick and safe leave ordinance was passed, and Seattle has maintained its share of revenues and businesses, including in the retail and restaurant sectors.
- Program administrators confirm these are not a burden on business. Donna Levitt, Division Manager, San Francisco Office of Labor Standards Enforcement, **told Connecticut legislators** in 2011, “Since [the PSLO took effect in February of 2007,] we have heard relatively few complaints I am not aware of any employer in San Francisco who has reduced staff or made any other significant change in their business as a result of the sick leave ordinance.”
- Small business owners cite **lack of sales as the greatest obstacle to recovery**. As many employers say, “Your workers are my customers. I need them not to lose a job or paycheck when they’re sick so they can come to my shop.”
- Data analysis show that providing paid sick days under any alternative model policy increases the amount of paid time workers are able to take for medical and family needs, as intended, and that **costs to employers are reasonable**, ranging from 0.10 percent to 0.29 percent of payroll.
- Presenteeism, (the cost of employees’ lower productivity when working sick) **costs employers \$160 billion annually** – considerably more than the cost of absenteeism.
- According to one study, workers on average reported being **46 percent less effective** when they were sick at work.
- Earned sick days can reduce emergency room visits and **save \$1.1 billion a year**.
- Earned sick days can reduce inequality. **Hispanic workers** are less likely to have access to paid sick days, as are **rural workers**.

Small businesses support earned sick days because it's good for their bottom line.

Facts:

- Earned sick days result in reduced turnover, which saves businesses money. Replacing workers **typically costs from 20 to 200 percent** of a worker’s annual compensation.
- Workers’ access to paid sick days **reduces the probability of job separation** by at least 2.5 percentage points, or 25 percent.
- Earned sick days help to decrease the productivity lost when employees work sick.
- After **implementation of paid sick days in Connecticut**, over a quarter of employers reported improved morale, 12.5% reported increased employee motivation, 10.6% reported increased loyalty, and 14.9% reported increased productivity.
- Chambers of Commerce lobby against paid sick days. But a **leaked study** of their member businesses by LuntzGlobal shows overwhelming support for the issue.