

Paid Sick Days: Low Cost, High Reward for Workers, Families and Communities

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About 5.7 million people who hold jobs in six cities and one state in the United States are legally guaranteed the right to earn sick days they can use to recover from illness or care for family members. Paid sick days keep families financially secure, workplaces and communities healthy and productive, and businesses and the economy strong. A growing body of evidence assessing existing laws shows that **paid sick days make business and economic sense.**

San Francisco

San Francisco's groundbreaking Paid Sick Leave Ordinance, which covers all workers in the city, took effect on February 5, 2007. It guarantees 611,200 workers in the city access to paid sick days.¹ Three years after the law's implementation, more than **70 percent of employers reported no impact on profitability** (another 15 percent said they didn't know) and **two-thirds of employers expressed support for the law.** Although workers can earn up to nine paid sick days under the law, the typical worker used only three, and reports of abuse were exceptionally rare.² San Francisco's economy has continued to grow since implementation of the law, with job and business growth rates among both small and large businesses outperforming those of neighboring counties, including in the sectors most affected by the law, such as retail and food service.³ In 2011, PricewaterhouseCoopers named San Francisco the **third best city for opportunity in the world.**⁴

The impact of San Francisco's law on employers? "Minimal.... By and large, this has not been an employer issue. San Francisco's economy is booming."

— Jim Lazarus, senior vice president for policy, San Francisco Chamber of Commerce, *New York Times* (January 27, 2014)

Washington, D.C.

The District of Columbia's Accrued Sick and Safe Leave Act of 2008 took effect on May 13, 2008, extending paid sick days access to 307,000 private sector workers in D.C.⁵ A 2013 audit of the law by the Office of the District of Columbia Auditor found **no evidence that the law prompted businesses to leave the city or discouraged employers from establishing new businesses in it.**⁶ In 2013, buoyed by the success of the law and a rebounding economy, the D.C. City Council passed the Earned Sick and Safe Leave Amendment Act, which expands the original law to cover an additional 20,000 tipped restaurant and bar workers.⁷

Connecticut

Connecticut is the only state with a paid sick days law. It took effect on January 1, 2012, and applies to about 287,000 workers.⁸ A recent survey of employers found that the law has had a minimal impact on costs and few employers have made adjustments such as increasing prices or reducing employee hours because of it. Employers identified several positive effects of paid sick days, including **improved employee productivity and morale**, and more than three-quarters expressed support for the law.⁹ Further, data from the state's Department of Labor show job growth across industries since the law's implementation, including in the leisure and hospitality industry, which was most affected.¹⁰

Seattle

Seattle's Paid Sick and Safe Time Ordinance took effect on September 1, 2012, and covers about 450,000 workers.¹¹ A year after the law was enacted, a small business association study found **no evidence that the law had a negative impact on the economy**. Seattle is located in King County and comprises 44 percent of its workforce. Since the law took effect, the county has seen stronger job growth and lower unemployment rates than Washington state and the nation, and Seattle experienced lower inflation through mid-2013 than in the year prior. There were 7,200 more retail jobs and 3,200 more jobs in food and drinking establishments in King County during the first seven months of 2013 than for the same period in 2012 and, in Seattle, sales increased during the two quarters following the ordinance's implementation.¹²

More Positive Evidence on the Horizon

As the success of these policies and the benefits to workers, families, businesses and local economies have become clear, more cities across the country have passed paid sick days legislation. New York City, Portland, Ore., Jersey City and Newark, N.J., all have laws that have taken – or will take – effect in 2014, and more victories are on the horizon.

1 U.S. Bureau of Labor Statistics. (2013, December 18). *Covered establishments, employment, and wages in the 335 largest counties, second quarter 2013 (Table 1)*. Retrieved 2 January 2014, from <http://www.bls.gov/news.release/cewqtr.t01.htm>

2 Drago R. and Lovell, S. (2011, April). *San Francisco's Paid Sick Leave Ordinance: Outcomes for Employers and Employees*. Institute for Women's Policy Research Publication. Retrieved 31 January 2014, from <http://www.iwpr.org/publications/pubs/San-Fran-PSD> (based on median number of days taken by employees in San Francisco)

3 Petro, J. (2010, October). *Paid Sick Leave Does Not Harm Business Growth or Job Growth*. Drum Major Institute for Public Policy Publication. Retrieved 31 January 2014, from http://paysickdays.nationalpartnership.org/site/DocServer/Petro_DMI_Paid_Sick_Leave_Does_Not_Harm_2010_Unabbr_.pdf?docID=7721

4 PricewaterhouseCoopers & Partnership for New York City. (2011). *Cities of Opportunity*. Retrieved 31 January 2014, from <http://www.pwc.com/us/en/cities-of-opportunity/2011/pdfdownload.jhtml>

5 Williams, C., & Hayes, J. (2013, October). *Valuing Good Health in the District of Columbia: The Costs and Benefits of the Earned Sick and Safe Leave Amendment Act of 2013*. Institute for Women's Policy Research Publication; Williams, C. (2013, November 21), Personal communication. (Research Analyst, Institute for Women's Policy Research).

6 Branche, Y. (2013, June). *Audit of the Accrued Sick and Safe Leave Act of 2008*. Office of the District of Columbia Auditor. Retrieved 2 February 2014, from <http://dcauditor.org/sites/default/files/DCA092013.pdf>

7 Williams, C. and Hayes, J. (2013, October). *Valuing Good Health in the District of Columbia: The Costs and Benefits of the Earned Sick and Safe Leave Amendment Act of 2013*. Institute for Women's Policy Research Publication. Retrieved 2 February 2014, from <http://www.iwpr.org/publications/pubs/valuing-good-health-in-the-district-of-columbia-the-costs-and-benefits-of-the-earned-sick-and-safe-leave-amendment-act-of-2013>

8 Williams, C. (2014, January 7). Personal communication. (Research Analyst, Institute for Women's Policy Research).

9 Appelbaum, E., & Milkman, R. (2014, January). *Good for Business? The Case of Paid Sick Leave in Connecticut*. Center for Economic and Policy Research. Retrieved 2 February 2014, from <http://www.cepr.net/index.php/blogs/cepr-blog/is-paid-sick-leave-good-for-business>

10 Office of Research, Connecticut Department of Labor. (2014, January). *Nonfarm Employment/Residents Employed - State of Connecticut, Labor Market Information*. Retrieved 2 February 2014, from <http://www1.ctdol.state.ct.us/lmi/ctnonfarmemployment.asp>; Office of Research, Connecticut Department of Labor. (2014, January). *Leisure and Hospitality Sector - State of Connecticut, Labor Market Information*. Retrieved 2 February 2014, from <http://www1.ctdol.state.ct.us/lmi/sectors/leisure.asp>

11 Go Hollo, T. (2013, March 19). Personal communication. (Policy Associate, Economic Opportunity Institute).

12 The Main Street Alliance of Washington. (2013, September). *Paid Sick Days and the Seattle Economy: Job growth and business formation at the 1-year anniversary of Seattle's Paid Sick and Safe Leave law*. Retrieved 2 February 2014, from <http://washington.mainstreetalliance.org/files/2013/09/PSD-1-Year-Report-Final.pdf>