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

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About 5.7 million people who hold jobs in seven 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 access to paid sick days. 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, the typical worker used only three, and reports of abuse were exceptionally rare. San Francisco’s economy has continued to grow since the law’s implementation, with job and business growth rates among small and large businesses outperforming those of neighboring counties, including in the sectors most affected by the law, such as retail and food service. In 2011, PricewaterhouseCoopers named San Francisco the third best city for opportunity in the world.

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. A 2013 audit 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. In 2013, 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.

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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{10}

\textbf{Seattle}

Seattle’s Paid Sick and Safe Time Ordinance took effect on September 1, 2012, and covers about 450,000 workers.\textsuperscript{11} Research prepared for the Office of the City Auditor by the University of Washington found that the number of firms, the number of Seattle employees and total wages in the city increased, and employer growth was significantly stronger in Seattle than in Bellevue, Everett and Tacoma combined in the year following the ordinance’s implementation, controlling for factors such as seasonal variation. Nearly 70 percent of employers say they experienced no administrative difficulties with implementation.\textsuperscript{12} Similarly, a small business association study released a year after the law was implemented also found no evidence that the law had a negative impact on the economy.\textsuperscript{13} Overall, 70 percent of employers report supporting the law and nearly half (45 percent) say they are very supportive of it.\textsuperscript{14}

\textbf{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 have passed paid sick days legislation. New York City, Portland, Ore., Jersey City and Newark, N.J., all have laws that have taken effect in 2014. The state of California, the cities of San Diego, Calif., Eugene, Ore., and towns in New Jersey have recently passed laws, and more victories are on the horizon.

14 See note 12.

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