

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.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, the typical worker used only three, and reports of abuse were exceptionally rare.² 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.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 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, 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 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.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.**¹³ Overall, **70 percent of employers report supporting the law** and nearly half (45 percent) say they are very supportive of it.¹⁴

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.

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., & 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., & 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 Publication. 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 Romich, J., et al. (2014, April 23). *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*. University of Washington Report. Retrieved 12 May 2014, from http://www.seattlemet.com/data/files/2014/4/attachment/194/PSSTO_UWReport_wAppendices_copy.pdf

13 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>

14 See note 12.

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