

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

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Millions of people in 39 jurisdictions in the United States are or will soon be legally guaranteed the right to earn paid sick days they can use to recover from illness or care for ill family members. Paid sick days help keep families financially secure, workplaces and communities healthy, and businesses and the economy strong. A growing body of evidence from the longest-standing laws shows **paid sick days make business and economic sense.**

## San Francisco

San Francisco's groundbreaking Paid Sick Leave Ordinance took effect on February 5, 2007, covering all workers in the city and extending access to approximately 59,000 workers who previously could not earn paid sick time.<sup>1</sup> Three years after the law's implementation, **70 percent of employers reported no effect on profitability** (another 15 percent said they didn't know) and more than **two-thirds of employers expressed support for the law.** Although many workers can earn up to nine paid sick days under the law, the typical worker used only three days.<sup>2</sup> San Francisco's economy remained strong after the law's implementation, with higher rates of job and business growth than neighboring counties, including in the sectors most affected by the law, such as accommodation and food service.<sup>3</sup> In 2016, PricewaterhouseCoopers named San Francisco the **second best city for opportunity in America and the eighth best in the world.**<sup>4</sup>

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**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)

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## Washington, D.C.

The District of Columbia's Accrued Sick and Safe Leave Act of 2008 took effect on May 13, 2008, extending access to 220,000 private sector workers who previously could not earn paid sick time.<sup>5</sup> A 2013 review 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.**<sup>6</sup> In 2013, the D.C. Council expanded the original law to cover tipped restaurant and bar workers – workers who are likely to be both low-wage and without access to paid sick days – and to allow all workers to begin accruing paid sick time earlier in their job tenures, extending access to an additional 20,000 workers.<sup>7</sup>

## Connecticut

Connecticut was the first state to enact a paid sick days law. It took effect on January 1, 2012, extending access to approximately 200,000 workers who previously could not earn paid sick time,<sup>8</sup> including those with the highest rates of contact with the public but the lowest rates of access to paid sick time.<sup>9</sup> A survey of employers found that **the law has had a minimal effect on costs, and the vast majority of employers have not reported making changes, such as increasing prices or reducing employee hours**, because of it. Employers identified several positive effects, including **improved employee productivity and morale**, and more than three-quarters expressed support for the law.<sup>10</sup> Further, data from the Connecticut Department of Labor show job growth across industries since the law's implementation, including in the most affected industry – leisure and hospitality.<sup>11</sup>

## Seattle

Seattle's Paid Sick and Safe Time Ordinance took effect on September 1, 2012, covering nearly all workers in the city and extending coverage to approximately 150,000 workers who previously could not earn paid sick time.<sup>12</sup> 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 and **70 percent of employers say they support the law**.<sup>13</sup> And a small business association study released a year after the law was implemented found **no evidence that the law had a negative effect on the economy**.<sup>14</sup>

## Jersey City

The Jersey City Earned Sick Time Ordinance took effect on January 24, 2014, covering more than 30,000 workers who previously could not earn paid sick time.<sup>15</sup> A report issued by the Rutgers Center for Women and Work found that one year after the law took effect, **80 percent of businesses were providing earned sick days and nearly 62 percent of businesses did not need to change their policies to adhere to the law**. Businesses that did change their policies reported significant benefits, including **a reduction in the number of sick employees coming to work, an increase in productivity, an improvement in the quality of new hires and a reduction in employee turnover**.<sup>16</sup> Jersey City is now one of 13 New Jersey cities that have adopted paid sick days laws.

## New York City

New York City's Earned Sick Time Act took effect on April 1, 2014, covering approximately 1,400,000 workers who previously could not earn paid sick time.<sup>17</sup> A year and a half after the law's implementation, **86 percent of employers expressed support for the law and 96 percent reported no effect or a positive effect on productivity**. Although most workers can earn up to five paid sick days a year, workers typically used only three days.<sup>18</sup> A report

from the New York Department of Consumer Affairs found that New York City's economy thrived in the first year since the law's implementation. **The number of businesses in the city grew and consumer prices fell. The unemployment rate was the lowest it had been in six years, labor force participation was the highest on record, and private sector employment grew 3.3 percent**, adding 112,300 jobs. **Job growth remained strong in the industries that historically did not provide paid sick time – rising an average of 3.1 percent** – including in: arts, entertainment and recreation; retail trade; accommodations and food services; construction; and administration, support and waste services.<sup>19</sup>

## More Positive Evidence on the Horizon

Seven states and 32 localities have or will soon have paid sick days laws in place.<sup>20</sup> These and future laws will add to the growing body of evidence showing that paid sick days are good for all – and that a national standard is needed.

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The National Partnership for Women & Families is a nonprofit, nonpartisan advocacy group dedicated to promoting fairness in the workplace, access to quality health care and policies that help women and men meet the dual demands of work and family. More information is available at [NationalPartnership.org](http://NationalPartnership.org).

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