

New data from the U.S. Bureau of Labor Statistics (BLS) for the New York City metropolitan area puts to rest the debate about the cost of paid sick days to business and the number of New Yorkers who currently have access to some paid leave time when they or a family member becomes ill.

Why This Matters:

New York City's Paid Sick Time Act was introduced in the City Council last year, and reintroduced this past March with changes to address concerns of council members and the small business community. The bill now would require all employees in New York City earn a modest amount of paid sick time: 5 days a year at firms with fewer than 20 employees, and 9 days at firms with 20 or more employees. It has a veto-proof majority, 36 out of 51 Council Members supporting the bill.

The Council's Speaker Christine Quinn has not brought the measure to a vote, and has sought additional data on the extent of the problem and costs of expanding leave to those who need it. Business leaders have questioned research estimates from advocates of paid sick time on both the cost and availability of sick days while advocates have raised serious questions about the integrity of the business community's own data. Finally, the BLS provides definitive answers from a uniquely objective source.

The Facts:

Lack of Sick leave

The BLS data confirms many workers are without paid sick days. A slightly higher percentage of New York area private sector workers have access to paid sick leave than across the country: 73% versus 62% nationally.

The BLS included commuters and suburban workers, who are more likely to be higher-income and to have paid sick days and less likely to mirror New York City's service-heavy economy. Moreover, the BLS surveys establishments, asking employers about their policies, and thus leaving out workers most low-wage domestic workers and the self-employed, two groups generally without paid sick time.

Vulnerable Populations

Consistent with national data, the BLS data confirm private sector low-wage workers, service workers, and workers in smaller firms largely lack paid sick days. The wide disparities include:

- 37% percent of bottom wage quarter workers get sick leave versus 84% of the top quarter.
- Barely half (54%) of private industry service workers have paid sick leave compared to 86% of management and professional workers.
- And, while 62% of workers in firms with fewer than 100 employees have sick leave, 87% of those in firms of 500 or more have paid sick time.

Low Cost of Sick leave

The BLS reports that providing paid sick leave in the New York City region currently costs just 39 cents per hour worked or 1.1% of total compensation for private industry workers in the New York area. While still a minimal cost, it exceeds the comparable national BLS cost findings of 23 cents per hour worked, or 0.8% of total compensation; the difference is likely due to the inclusion of the higher wages of suburban workers and the higher wage levels among New York's most well-compensated employees, most of whom already receive paid sick days.

Validates Past Research

These numbers are well in line with past research on the topic, and should end calls for further study.

The Unheard Third, conducted for The Community Service Society (CSS) by the national Lake Research Partners, last year found 48% of working New Yorkers are without paid sick days, likely a higher number than the BLS because CSS surveys only New York City households. In line with the BLS, they found that just over a third of low-wage earners have access to paid sick leave.

In October 2009, the Institute for Women's Policy Research estimated the cost of paid sick days in New York City would be 23 cents per hour worked for larger firms and 15 cents per hour worked for smaller firms, lower because fewer sick days would be required annually and because of lower wages at small businesses.

Claims that even these minimal costs could hurt jobs or cause businesses to close or move have also been refuted by San Francisco, the first U.S. city to adopt a paid sick days law, where the costs have been minimal and easily absorbed. *The Wall Street Journal* reported that "the burden, according to Senior Vice President [of the San Francisco Chamber], has been minimal." And the Drum Major Institute found that between December 2006, immediately before the paid sick leave law and December 2009, employment remained stronger in San Francisco than in neighboring counties without such a law.