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## Testimony Before the Senate Committee on State and Local Government

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**Submitted by: Feroza Freeland, Policy Manager of the Southern Office at A Better Balance**

A Better Balance is a non-profit advocacy organization that uses the power of the law to advance justice for workers, so they can care for themselves and their loved ones without jeopardizing their economic security. We have co-drafted model paid sick leave legislation that has been used and adapted in the 48 jurisdictions that have enacted paid sick leave laws across the country. Through our Southern Office, which is based in Nashville and serves states across the South, we have heard from countless workers who lack access to paid sick leave and are faced with an impossible choice between their health and their economic security.

**We urge you to vote yes on Senate Bill 379.** Tennessee law currently prevents localities from providing paid sick leave for their residents. Senate Bill 379 would simply allow municipalities to decide for themselves whether to enact paid sick leave laws, which improve health outcomes and ultimately benefit businesses and the economy. We applaud Senator Heidi Campbell for sponsoring this important legislation.

### **Far Too Many Workers Lack Access to Paid Sick Leave**

Nationwide, nearly 33 million private-sector workers do not have access to paid sick leave, with low-wage workers and people of color disproportionately less likely than other groups to have paid sick time.<sup>1</sup> For example, only 31% of workers in the bottom 10% of earnings have access to paid sick leave.<sup>2</sup> In the South specifically, nearly one in three workers does not have access to a single paid sick day.<sup>3</sup>

The COVID-19 pandemic has highlighted why it is critically important for all workers to be able to take the time they need to care for themselves and their loved ones without sacrificing their economic security. However, without guaranteed paid leave, many workers simply cannot afford

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<sup>1</sup> See "National Compensation Survey: Employee Benefits In The United States – March 2019," U.S. Dep't of Labor, Bureau of Labor Statistics (2019), Table 31, <https://www.bls.gov/ncs/ebs/benefits/2019/employee-benefits-in-the-united-states-march-2019.pdf>; "Latinos and Their Families Need Paid Sick Days," National Partnership for Women & Families (March 2020), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/latino-workers-need-paid-sick-days.pdf>; "African Americans and Their Families Need Paid Sick Days," National Partnership for Women & Families (January 2017), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/african-american-workers-need-paid-sick-days.pdf>.

<sup>2</sup> "National Compensation Survey: Employee Benefits In The United States – March 2019," U.S. Dep't of Labor, Bureau of Labor Statistics (2019), Table 31, <https://www.bls.gov/ncs/ebs/benefits/2019/employee-benefits-in-the-united-states-march-2019.pdf>.

<sup>3</sup> *Id.*

to stay home when they or a loved one are sick. Lacking access to paid sick leave does not only negatively impact individual workers and their families, it also endangers the health of their co-workers and the overall community, and costs businesses money by decreasing productivity and increasing employee turnover.

### **Paid Sick Leave Benefits Businesses**

Paid sick leave has been shown to provide benefits to businesses, like increased productivity, without significantly increasing costs.<sup>4</sup> Paid sick leave reduces the risk of “presenteeism”—the widespread phenomenon of workers coming to work with illnesses and health conditions that reduce their productivity—a problem that costs the national economy \$160 billion annually (\$234 billion after adjusting for inflation).<sup>5</sup> Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.<sup>6</sup> Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.<sup>7</sup>

Paid sick leave also helps reduce worker turnover, because workers with paid sick leave are less likely to leave their jobs.<sup>8</sup> This leads to reduced costs incurred from advertising, interviewing, and training new hires.<sup>9</sup> In general, worker turnover is estimated to cost employers 25-200% of a worker’s annual salary.<sup>10</sup>

These business benefits have been borne out in states and localities that have already enacted paid sick leave. In one city, an employer stated that before the city’s paid sick leave law passed, “There were concerns that I and other small businesses had. But as it turns out, it hasn’t had the kind of impact that I worried about. Not even close. And in fact, the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”<sup>11</sup>

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<sup>4</sup> Zoe Ziliak Michel, *The Business Benefits of Paid Sick Time*, CLASP (Mar. 2017), <http://www.clasp.org/resources-and-publications/publication-1/Business-Case-for-HFA-3.pdf>.

<sup>5</sup> Paid Sick Days are Good for Business, National Partnership for Women and Families (Oct. 2020), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/paid-sick-days-good-for-business-and-workers.pdf>.

<sup>6</sup> See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

<sup>7</sup> Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Env'tl. Med. 822, 826 (2017).

<sup>8</sup> Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

<sup>9</sup> Christine Siegarth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

<sup>10</sup> Asfaw, *supra* note 7, at 822.

<sup>11</sup> Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP, <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

Survey data shows that most employers in one city with a paid sick leave law were able to cover absences with cost-free measures, such as temporarily reassigning duties to other employees or putting some work on hold.<sup>12</sup> Given these results, employers have an overwhelmingly positive view of the paid sick leave law; 86% of employers surveyed described themselves as supportive of the law, with more than half saying they were “very supportive.”<sup>13</sup>

### **Paid Sick Leave Protects Public Health, Especially During a Pandemic**

Paid sick leave has broad public health benefits and helps reduce the spread of contagious illness.<sup>14</sup> It is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.<sup>15</sup> People without access to paid sick leave are more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to this critical protection.<sup>16</sup>

Even during the current pandemic, access to paid leave has been proven to help flatten the curve of COVID-19. A recent study showed that in states like Tennessee with no statewide paid sick leave guarantee, the emergency paid leave provisions under the federal Families First Coronavirus Response Act—which expired on December 31, 2020—prevented an estimated 400 COVID-19 cases *per day*.<sup>17</sup> In other words, our state had hundreds of fewer cases of COVID-19 *per day* because some Tennesseans gained temporary access to paid sick leave who otherwise would not have that protection. Without a federal paid leave law in place, communities in Tennessee must have the autonomy to reflect local preferences and conditions to continue to provide this important protection.

A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick<sup>18</sup>, and in 2011, nearly

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<sup>12</sup> Eileen Appelbaum and Ruth Milkman, “No Big Deal: The Impact of New York City’s Paid Sick Days Law on Employers,” Center for Economic and Policy Research and the Murphy Institute of the City University of New York (September 2016), p. 19, <http://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

<sup>13</sup> *Id.*, p. 28.

<sup>14</sup> Vicky Lovell, *Paid Sick Days Improve Public Health by Reducing the Spread of Disease*, Institute for Women’s Policy Research (Feb. 2006), <https://iwpr.org/wp-content/uploads/wpallimport/files/iwpr-export/publications/B250.pdf>.

<sup>15</sup> Supriya Kumar et al., The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic, 102 *Am. J. Pub. Health* 134 (Jan. 2012), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

<sup>16</sup> Tom W. Smith & Jibum Kim, Paid Sick Days: Attitudes and Experiences, Nat’l Opinion Res. Ctr. at U. of Chi. (June 2010), <https://www.issuelab.org/resource/paid-sick-days-attitudes-and-experiences.html>.

<sup>17</sup> Stefan Pichler et al., *COVID-19 Emergency Sick Leave Has Helped Flatten The Curve in The United States*, Health Affairs (October 2020), <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>.

<sup>18</sup> Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation’s Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.<sup>19</sup>

Finally, workers with paid sick leave are more likely to seek preventive care than those without it, leading to better health outcomes and saving public money. Workers with access to paid sick days report better general health than workers without it and are less likely to delay preventive medical care for themselves or their loved ones.<sup>20</sup> Because of their ability to seek preventive care, workers with paid sick days are also less likely to use hospital emergency departments, reducing national emergency department visits and medical costs by \$1.1 billion annually.<sup>21</sup> During the current public health emergency, it is more critical than ever to reduce the burden on our already-strained healthcare system.

### **Tennessee Voters Overwhelmingly Support Paid Sick Leave**

According to a July 2020 poll, 69% of Tennessee voters believe that state government should play a role in ensuring workers have access to paid sick days and paid family leave, including 63% of Independent voters and 55% of Republican voters.<sup>22</sup> Regardless of political party, large majorities of voters across the country also recognize the need for paid sick leave and support paid leave laws. In one recent poll, 87% of voters said that they supported paid sick leave and paid family leave for workers impacted by the COVID-19 pandemic, including 91% of Democrats, 86% of Republicans, and 71% of Independents.<sup>23</sup> Paid sick leave laws have been passed in a wide range of jurisdictions, from Arizona and San Antonio, TX to Colorado and Duluth, MN, to name a few. Across party lines, voters also overwhelmingly say that they are more likely to support elected officials who support paid sick days legislation.<sup>24</sup>

### **Conclusion**

Local leaders across Tennessee want the authority to make their own decisions about whether to provide paid sick leave in their communities. In 2020, the city councils of Chattanooga, Nashville, and Memphis passed resolutions urging private employers to provide paid sick leave.

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<sup>19</sup> Steven Sumner et al., Factors Associated with Food Workers Working While Experiencing Vomiting or Diarrhea, 74 J. Food Protection 215 (2011), [http://www.cdc.gov/nceh/ehs/ehsnet/Docs/JFP\\_ill\\_food\\_workers.pdf](http://www.cdc.gov/nceh/ehs/ehsnet/Docs/JFP_ill_food_workers.pdf).

<sup>20</sup> Kevin Miller et al., Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

<sup>21</sup> *Id.*

<sup>22</sup> Multi-State Poll: Tennessee Findings, State Innovation Exchange (July 2020), p. 13, [https://stateinnovation.org/wp-content/uploads/2020/09/TSPolling\\_TN\\_SiX\\_Deck\\_d4\\_2020.09.16.pdf](https://stateinnovation.org/wp-content/uploads/2020/09/TSPolling_TN_SiX_Deck_d4_2020.09.16.pdf).

<sup>23</sup> Vicki Shabo, *High Levels of Bipartisan Public Support for National Emergency Paid Sick Days and Medical Leave in the Wake of COVID-19*, New America (April 10, 2020), p. 5.

<sup>24</sup> *Id.*, p. 4.



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Nashville and Memphis also called on state leaders to return this authority back to local governments. Senate Bill 379 would simply allow local leaders to assess the situation in their communities and decide whether and how to address the issue of paid leave.

As Governor Bill Lee stated nearly one year ago during his COVID-19 briefing, “Local governments know better than we do what is needed in their local communities.”<sup>25</sup> We urge you to grant our local leaders the authority to make the decisions that are best for their communities by voting yes on Senate Bill 379.

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<sup>25</sup> Gov. Bill Lee Gives an Update on COVID-19 in Tennessee, (March 17, 2020), <https://www.youtube.com/watch?v=oWhSefisUwE&t=851s>, at 13:29.