



the work and family legal center

Headquarters

250 West 55th Street, 17th Floor
New York, NY 10019
tel: 212.430.5982

Southern Office

701 Bradford Ave.
Nashville, TN 37204
tel: 615.915.2417

DC Office

815 16th Street NW, Suite 4162
Washington, DC 20005

Colorado Office

303 E. 17th Ave., Suite 400
Denver, CO 80203

abetterbalance.org | info@abetterbalance.org

Paid Sick Time is Good for Business, Families, and Public Health

Paid Sick Time Directly Benefits Businesses:

- A twenty-year meta-analysis published by the American Journal of Industrial Medicine in 2022 found that paid sick time benefits employers in many ways, primarily through reduced “presenteeism” (lost employee productive time due to health issues), improved employee job satisfaction, improved employee retention and ease of hiring, and improved employee health and safety.¹
- The Journal of Occupational and Environmental Medicine found that just one of these benefits, reduced presenteeism, can outweigh the employer costs of employee absences from paid sick time.²
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.³
- Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁴
- On average, paid sick time is estimated to only cost employers an additional gross 2.7 cents per hour per employee.⁵
- Paid sick time is shown to reduce turnover among employees,⁶ which saves businesses money on turnover costs such as interviewing and training.⁷ In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker’s annual compensation.⁸

Paid Sick Time Benefits the Public Health, which Benefits the Economy:

- National access to paid sick days would result in approximately \$1.1 billion in savings in hospital emergency department costs each year. This is because workers would not need to rely as heavily on emergency room visits (since they could better address health concerns before they become emergencies, and regular medical care could be sought more easily during the workday).⁹
- Of those savings, \$500 million would go to publicly funded health insurance programs such as Medicare, Medicaid, and SCHIP.¹⁰
- Access to paid sick time increases workers’ use of preventive care, making them more likely to visit a doctor, undergo cancer screenings, and get recommended procedures such as mammograms.¹¹
- Even before the COVID-19 pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.¹²
- Workers without paid sick time are more likely to struggle to afford monthly bills like groceries, rent, and utilities,¹³ more likely to have difficulty paying off long-term expenses like debt and medical bills,¹⁴ and 25% more likely to experience job loss.¹⁵

- Economic instability incurred by a lack of paid sick time also has clear harms to individuals' health: lost income worsens mental health, aggravates chronic health conditions, and results in academic disruption for children.¹⁶

Paid Sick Time Keeps Employees Healthy at Work:

- Paid sick time increases workers' access to necessary care and reducing the time needed to recover from illness.¹⁷
- Without paid sick time, people are 1.5 times more likely to go to work with a contagious illness like the flu.¹⁸
- Access to paid sick time has been proven to reduce the spread of contagion, and workers are more likely to get vaccinated for diseases like the flu when they can utilize paid sick time to do so.¹⁹
- The benefits are especially clear for essential service-sector workers: workers in these industries are among the least likely to have access to sick time, but they have some of the highest rates of contact with the public. Only 45% of retail and fast-food workers have paid sick time,²⁰ and only 28% of restaurant workers report having access to paid sick time.²¹
- Paid sick time reduces on-the-job injuries by 28%.²²

Paid Sick Time Has Been Proven to Work Well for Businesses:

- Business practices don't have to change to keep up with paid sick leave laws.
 - A 2023 poll by Small Business Majority found that 85% of small businesses owners in California support paid sick leave as a policy, and support the law's 2023 expansion to entitle workers to a greater amount of paid sick time.²³ Many small business owners cite the ability to compete with larger businesses, who may already offer such benefits to employees, as their reason for supporting the expansion of paid sick time.²⁴
 - In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.²⁵
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.²⁶
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.²⁷



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- In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,²⁸ and in general, job growth continued on an upward trend.²⁹
- After New York City’s paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁰ On the law’s first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, “the city has had steady job growth and the lowest unemployment in six years.”³¹
- Workers don’t abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³²
- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.³³
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”³⁴ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”³⁵
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later expanded their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

¹ See Candice Vander Weerd et al., *Is Paid Sick Leave Bad for Business? A Systematic Review*, 66 AM. J. INDUS. MED. 429, 438 (Feb. 2023).

² See *Fact Sheet: Paid Sick Days are Good for Business*, NAT’L P’SHIP FOR WOMEN & FAMILIES (Nov. 2023), <https://nationalpartnership.org/wp-content/uploads/2023/02/paid-sick-days-good-for-business-and-workers.pdf>.

³ 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).

⁴ 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 & Envtl. Med. 822, 826 (2017).

⁵ See Catherine Maclean et al., Washington Center for Equitable Growth, *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 18 (Washington Center for Equitable Growth, Working Paper, 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.



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⁶ 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/>.

⁷ Christine Siegwath Meyer et al., Work-Family Benefits: Which Ones Maximize Profits?, 13 J. Managerial Issues 28 (2001).

⁸ Heather Boushey & Sarah Jane Glynn, There Are Significant Business Costs to Replacing Employees, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacingemployees/>.

⁹ See Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, INST. FOR WOMEN'S POL'Y RSCH., at iii & 14-15 (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

¹⁰ *Id.*

¹¹ See Lucy A. Peipins, *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC PUB. HEALTH (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

¹² Stefan Pichier & Nicholas R. Ziebarth, The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

¹³ See Elise Gould & Jessica Schieder, *Work Sick or Lose Pay? The High Cost of Being Sick When You Don't Get Paid*, ECON. POL'Y INST., at tbl 1 (June 28, 2017), <https://www.epi.org/publication/work-sick-or-lose-pay-the-high-cost-of-being-sick-when-you-dont-get-paid-sick-days/>.

¹⁴ See LeaAnne DeRigne et al., *Working U.S. Adults without Paid Sick Leave Report More Worries about Finances*, 45 J. OF SOC. SERV. RSCH. 570 (2019), <https://www.tandfonline.com/doi/abs/10.1080/01488376.2018.1481176>

[<https://web.archive.org/web/20240213202622/https://www.tandfonline.com/doi/abs/10.1080/01488376.2018.1481176>]; see also Ann Huff Stevens, *The Human Downsides of Job Loss in Good Times and Bad*, SCHOLARS STRATEGY NETWORK (June 5, 2018), <https://scholars.org/contribution/human-downsides-job-loss-good-times-and-bad>.

¹⁵ See Heather D. Hill, *Paid Sick Leave and Job Stability*, 40 WORK & OCCUPATIONS, no. 2 (Nov. 12, 2013), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC382516/>.

¹⁶ See A Better Balance, *Sick Without a Safety Net*, A BETTER BALANCE (May 2023),

<https://www.abetterbalance.org/sick-without-a-safety-net/>, citing Ann Huff Stevens, *The Human Downsides of Job Loss in Good Times and Bad*, SCHOLARS STRATEGY NETWORK (June 5, 2018), <https://scholars.org/contribution/human-downsides-job-loss-good-times-and-bad>.

¹⁷ National Partnership for Women & Families, *Paid Sick Days Improve Public Health by Reducing the Spread of Disease*, NAT'L P'SHIP FOR WOMEN AND FAMILIES (Nov. 2022), <https://nationalpartnership.org/wp-content/uploads/2023/02/paid-sick-days-improve-our-public-health.pdf>; see also Tom Smith & Jibum Kim, *Paid Sick Days: Attitudes and Experiences*, NAT'L OP. RSCH. CTR. AT THE UNIV. OF CHI. PUBL'N, 6 (June 2010), <https://nationalpartnership.org/wp-content/uploads/2023/02/paid-sick-days-attitudes-and-experiences.pdf> (finding that without paid sick leave, workers are twice as likely to go to the emergency room, and twice as likely to send their sick child to school or daycare, because they are unable to take time off of work to care for them).

¹⁸ See Tom W. Smith & Jibum Kim, *Paid Sick Days: Attitudes and Experiences*, 22, NATIONAL OPINION RESEARCH CENTER AT THE UNIVERSITY OF CHICAGO (June 2010); see also Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness During the 2009 H1N1 Pandemic*, 102 AM. J. PUB. HEALTH 134, 139 (2012) (finding that widespread access to paid sick leave would have prevented up to 5 million cases of influenza during the H1N1 pandemic).



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¹⁹ See Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-like Illness Among U.S. Workers*, 36 VACCINE 7316, 7320 (Nov. 2018),

<https://www.sciencedirect.com/science/article/abs/pii/S0264410X18314051?via%3Dihub>.

²⁰ See Daniel Schneider & Kristen Harknett, *Essential and Vulnerable: Service-Sector Workers and Paid Sick Leave*, THE SHIFT PROJECT (Apr. 2020),

https://shift.hks.harvard.edu/files/2020/04/Essential_and_Vulnerable_Service_Sector_Workers_and_Paid_Sick_Leave.pdf.

²¹ See THE IMPACT OF COVID-19 ON RESTAURANT WORKERS ACROSS AMERICA, RESTAURANT OPPORTUNITIES CENTERS UNITED, 2 (Feb. 2022), <https://restaurant.org/NRA/media/Downloads/PDFs/advocacy/2022/COVID-19-Restaurant-Impact-Survey-January-2022.pdf> (finding that 72% of surveyed restaurant workers reported having no access to paid sick leave).

²² See Abay Asfaw et al., *Paid Sick Leave and Nonfatal Occupational Injuries*, 102 AM. J. OF PUB. HEALTH, e59, e62 (2012).

²³ Small Business Majority, *Opinion Poll: California Small Business Owners Support Expanding Paid Family Leave Protections, Increasing Paid Sick Days*, (July 2023), available at

<<https://smallbusinessmajority.org/sites/default/files/research-reports/ca-small-business-support-paid-family-leave-and-paid-sick-days.pdf>> (accessed Oct. 10, 2023).

²⁴ *Id.*

²⁵ Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

²⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15, 13 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

²⁷ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwprgeneral/job-growth-strong-with-paid-sick-days/>.

²⁸ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014),

<https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportwAppendices.pdf>.

²⁹ *Id.* at 35.

³⁰ Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23-24 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³¹ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 17 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ *Id.* at 28.

³⁴ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

³⁵ Main Street Alliance of Washington, "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" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.