

Testimony on Paid Sick Time – San Antonio City Council

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Thank you Mayor, Mayor Pro-Tem, Council Members. My name is Mia Ibarra, and I am Deputy Legislative and Policy Director at the Center for Public Policy Priorities. CPPP is an independent, nonprofit public policy organization that uses data and analysis to advocate for solutions that enable Texans of all backgrounds to reach their full potential. We envision a Texas where everyone is healthy, well-educated, and financially secure. By improving the health and financial security of working families, paid sick time can help us achieve this vision and make Texas the best state for hard-working people and their families.

CPPP has examined paid sick time policies passed and implemented in over 40 cities, counties and states across the country,ⁱ and I want to share some of the lessons we can learn about the economic and fiscal impacts of paid sick time from the extensive policy and academic research available to us on this issue.

Business Impacts

We know San Antonio business owners care deeply about the health and well-being of their communities and employees. That's why many employers already have paid sick time policies in place, and many support policies that level the playing field by making paid sick time a standard for all businesses.

Cities of all shapes and sizes, with different economies and competitive pressures have found a way to ensure that workers do not have to choose between their job and caring for a child, or between paying the bills and getting the medical attention they need. Their policies may look different when it comes to the details, but in the end they all acknowledge that what's good for working families is good for the economy, and forcing workers to make these impossible choices puts us all at risk.

While there are some minimal costs of implementing paid sick time, including benefit and administrative expenses, a growing body of evidence from the many cities, counties and states indicates that paid sick time policies have little effect on employers' bottom lines while providing substantial benefits to businesses, workers, and the community as a whole.

The benefits to individual employers of implementing paid sick time policies include:

- **Reducing the spread of illness in the workplace to coworkers and customers.**
 - A 2017 study conducted by researchers at the University of Pittsburg, for example, found that access to paid sick time was associated with a higher probability of staying home for an employee's own illness or injury, influenza-like illness (ILI), or influenza, and for a child's illness or injury when controlling for gender, race and ethnicity, education, and income.ⁱⁱ
 - Another study published a year earlier in the leading journal of health policy, *Health Affairs*, found that both full- and part-time working adults without paid sick time were more likely than workers with that benefit to attend work when ill.ⁱⁱⁱ
- **Reducing the cost of turnover for employers.**
 - Workers are 25 percent less likely to leave their job over a 5-month period if they have the ability to earn paid sick time.
 - Research unsurprisingly indicates that paid sick time can make an especially important difference in job stability for workers with greater caregiving responsibilities.^{iv}
- **Increasing productivity.**

- Paid sick time help employers avoid the costs of “presenteeism” – working less productively while sick – by encouraging workers to recover at home.
- Researchers estimate that working sick Americans cost employers \$160 billion annually from decreased productivity and unnecessarily extended illnesses.^v

The dire predictions about paid sick time impacts on the economy aren’t supported by the available research and data. On the contrary, studies of localities with paid sick time show that employment growth, business growth, and wages have not been negatively affected by the laws:

- An analysis of unemployment rates in nearly 20 jurisdictions with paid sick time policies did not find increases in unemployment rates as a result of paid sick time laws.^{vi}
- In 2016, a comprehensive academic study analyzed data from every U.S. locality with a paid sick time policy to evaluate the claim that these laws cause decreased employment and wages. The authors found, with at least 90 percent statistical probability, that wages and employment did not decrease more than 1 percent across all localities.^{vii}
- Most Connecticut employers saw either no increases in costs or only negligible increases in costs due to that state’s paid sick time policy.^{viii}
- A study of Seattle’s policy found that the city’s paid sick time law did not cause businesses to shut down or relocate outside of the city.^{ix}
- In Washington, D.C., the policy did not discourage entrepreneurs from starting businesses or cause businesses to leave the district.^x
- A survey of New York City employers found that nearly 85 percent reported that the law had no effect on their overall costs, and a few employers even reported a decrease in costs.^{xi}

Community Impacts

- When workers are forced to choose between providing for their families and going in sick, it puts us all at risk. Occupations where workers have the most interaction with customers and the public (e.g. food service and child care) are also the least likely to have access to paid sick time.
- Here in San Antonio, worker access to paid sick time is especially low in these service occupations, which has important public health implications due to risk of contagion.^{xii}
- In addition to encouraging workers to stay home to recover from illness, rather than spreading contagious diseases, research has shown that preventive services such as cancer screening can be particularly vulnerable to a lack of paid sick time.^{xiii}

Paid sick time policies also improve the economic stability of workers and their families, strengthening our economy and reducing public expenditures on health care^{xiv} and anti-poverty programs:

- For example, we anticipate Austin to spend approximately \$3.8 million less annually on health care expenses after full implementation their paid sick time ordinance, mostly as a result of reduced short-term nursing home stays and emergency department use.^{xv}
- The community will also save about \$141,000 per year as a result of reduced norovirus outbreaks in nursing homes and long-term care facilities, with even larger savings going to the state.^{xvi}
- Studies conducted by researchers at Cleveland State University and Florida Atlantic University have also quantified the relationship between the lack of paid sick time and poverty, indicating that even when controlling for demographic and socio-economic characteristics, working adults without paid sick time are three times more likely to have incomes below the poverty line.^{xvii}
- Their findings show that people with no paid sick benefits are nearly 1.4 times more likely to receive Supplemental Nutrition Assistance Program benefits (SNAP) and nearly 1.5 times more likely to receive cash assistance.^{xviii}

Conclusion

While many business owners are committed to providing good jobs that pay a living wage and ensure workers can earn paid sick time, not all businesses share this commitment:

- Approximately 353,813 San Antonio workers – or 39 percent of the total workforce – lack access to paid sick time.
- What’s more troubling is that the likelihood that a San Antonio worker will be able to earn paid sick time at their job varies greatly by race and ethnicity, occupation, and the number of hours worked per week.^{xix}
- Without strong standards set by public policy, those who are the least likely to be able to get by without a day’s wages are also the least likely to earn paid sick time at work.^{xx}

We applaud this body for the leadership and vision that we all have come to expect from this city, and for sending a strong message today that San Antonio is serious about affordability, serious about equity, and serious about the health and financial security of working families in the city

ⁱ Family Values at Work, [Timeline of Wins](#), (2018).

ⁱⁱ Piper, K. Youk, A. Everette III, J. & Kumar, S. [Paid Sick Days and Stay-at-home Behavior for Influenza](#), PLoS One 12(2): e0170698. (2017).

ⁱⁱⁱ DeRigne, L. Stoddard-Dare, P, & Quinn, L. [Workers Without Paid Sick Leave Less Likely To Take Time Off For Illness Or Injury Compared To Those With Paid Sick Leave](#), Health Affairs, Vol. 35, No. 3 (March 2016).

^{iv} Hill, Heather D., [Paid Sick Leave and Job Stability](#), Work and Occupations (40)2: 143-173 (2013), As cited in: Milli, Jessica, Jenny Xia and Jisun Min, [Paid Sick Days Benefit Employers, Workers, and the Economy](#), Institute for Women’s Policy Research (July 2016).

^v Stewart, W., et al, [Lost Productive Health Time Costs from Health Conditions in the United States: Results from the American Productivity Audit](#), Journal of Occupational and Environmental Medicine, 45(12), 1234-1246 (December 2003), As cited in: National Partnership for Women and Families, [Paid Sick Days Lead to Cost Savings for All](#), (2015).

^{vi} Corley, D., et al., [Paid Sick Days and Paid Family and Medical Leave Are Not Job Killers](#), Center for American Progress (2017). In 16 out of the 19 localities below, unemployment did not rise one year after the implementation of paid sick days. In 2 of the 3 cities where unemployment did increase—Washington, D.C., and San Francisco—implementation of the paid sick day law directly coincided with the Great Recession. In the other city, Bloomfield, New Jersey, the unemployment increase was very slight. This dispels the idea that such policies directly lead to higher unemployment.

^{vii} Pichler, S. and Ziebarth, N.R., [Labor Market Effects of US Sick Pay Mandates](#), Bonn, Germany: Institute for the Study of Labor (2016).

^{viii} Appelbaum, Eileen, et al., [Good for Business? Connecticut’s Paid Sick Leave Law](#), Center for Economic and Policy Research (2014).

^{ix} Romich, Jennifer, et al., [Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance](#), University of Washington (April 2014). Prepared for the City of Seattle – Office of the City Auditor.

^x [Audit of the Accrued Sick and Safe Leave Act of 2008](#), Office of the district of Columbia Auditor, June 2013.

^{xi} Appelbaum, Eileen and Milkman, Ruth, [No Big Deal: The Impact of New York City’s Paid Sick Days Law on Employers](#), Washington: Center Economic and Policy Research (2016).

^{xii} Milli, J. and Williams-Baron, E. [Access to Paid Sick Time in San Antonio, Texas](#), Institute for Women’s Policy Research (May 2018).

^{xiii} Peipins, L. et al., [The lack of Paid sick leave as a barrier to cancer screening and medical care---seeking: results from the National Health Interview Survey](#), BMC Public Health. (12)520 (2012).

^{xiv} National Partnership for Women and Families, [Paid Sick Days Lead to Cost Savings for All](#), (September 2015). Workers without paid sick days are more likely to seek treatment at an emergency department because they can’t take time off to get care during regular business hours, resulting in increased costs for taxpayer-funded health insurance programs like Medicaid and Medicare.

^{xv} Milli, J., [Valuing Good Health in Austin, Texas: The Costs and Benefits of Earned Sick Days](#), Institute for Women’s Policy Research (February 2018).

^{xvi} Ibid. The cost of treating patients infected with norovirus is paid in great part with Medicaid and Medicare funds.

^{xvii} Stoddard-Dare, Patricia, et al., [Paid sick leave status in relation to government sponsored welfare utilization](#), American Journal of Orthopsychiatry (2018).

^{xviii} Ibid

^{xix} Milli, J., [Access to Paid Sick Time in Texas](#), Institute for Women’s Policy Research (March 2017).

^{xx} Ibid

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The **Center for Public Policy Priorities** is an independent public policy organization that uses research, analysis and advocacy to promote solutions that enable Texans of all backgrounds to reach their full potential.

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