

July 25, 2018

Testimony on Earned Sick Leave – House Committee on Business and Industry

Mia Ibarra, Deputy Legislative and Policy Director – ibarra@cPPP.org

Paid sick days (also known as earned sick leave, earned sick time, paid sick leave, and paid sick time) refers to time off, usually accrued based on the number of hours worked, that an employee can use to care for their own or a family member's health needs. Local jurisdictions – including some in Texas – have taken the lead in protecting public health and improving standards for workers, and 44 cities, counties, states, and Washington, D.C. have passed paid sick days policies to date.ⁱ Paid sick days improve public health and, by improving the productivity, health, and financial security of working families, benefit businesses and the economy as a whole.

Business Benefits

Texas business owners care deeply about the health and well-being of their communities and employees. That's why many Texas employers already have paid sick days policies in place, and many support policies that level the playing field by making paid sick days a standard for all businesses. The benefits to individual employers of implementing paid sick days 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 days 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 days 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 days. Research unsurprisingly indicates that paid sick days can make an especially important difference in job stability for workers with greater caregiving responsibilities.^{iv}
- **Increasing productivity.** Paid sick days 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

While there are some minimal costs of implementing paid sick days, including benefit and administrative expenses, research shows that the benefits to employers usually outweigh the costs. A growing body of evidence, including surveys of business owners, indicates that paid sick days policies have little effect on employers' bottom lines while providing substantial benefits to businesses, workers, and the community as a whole. For example:

- Most Connecticut employers saw either no increases in costs or only negligible increases in costs due to that state's paid sick days policy.^{vi}
- A study of Seattle's policy found that the city's paid sick days law did not cause businesses to shut down or relocate outside of the city.^{vii}
- In Washington, D.C., the policy did not discourage entrepreneurs from starting businesses or cause businesses to leave the district.^{viii}
- 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.^{ix}

Community Benefits

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 days.^x A report on the Houston-area restaurant industry, for example, found that 74 percent of workers were preparing and handling food while sick.^{xi}

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 days.^{xii} This outcome may seem obvious, but the life-or-death implications of this should not be understated. A recent study published in the *International Journal of Environmental Research and Public Health* provides empirical evidence on the linkages between paid sick days and mortality indicates that paid sick days can help reduce health inequities and alleviate the population burden of mortality among working adults in the U.S. (i.e., the difference between the expected standard age and the age when deaths actually occur across our population).^{xiii}

Paid sick days 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. Studies conducted by researchers at Cleveland State University and Florida Atlantic University have quantified the relationship between the lack of paid sick days and poverty, indicating that even when controlling for education, race, sex, marital status and employment, working adults without paid sick days are three times more likely to have incomes below the poverty line. Their findings also 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.^{xv}

The Need for Public Leadership

Many Texas business owners are committed to providing good jobs that pay a living wage and ensure workers can earn paid sick days. Unfortunately, not all businesses share this commitment. An estimated 4.3 million Texas workers – or 40 percent of the total workforce – lack access to paid sick days. What’s more troubling is that the likelihood that a Texas worker will be able to earn paid sick days at their job varies greatly by race and ethnicity, occupation, and the number of hours worked per week.^{xvi} 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 days at work.^{xvii} By ensuring that all workers can earn paid sick days, the state and local governments in Texas can improve the health, safety and economic security of our communities.

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

^{vii} 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.

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

^{ix} 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).

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

^{xi} [Behind the Kitchen Door: Extreme Inequality and Opportunity in Houston’s Vibrant Restaurant Economy](#), Restaurant Opportunities Center of Houston (2015). This report draws on drawing on 553 worker surveys and interviews with both workers and employers. Fewer than 7 percent of workers surveyed indicated that they had access to paid sick time.

-
- ^{xii} 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).
- ^{xiii} Kim, Daniel, [Paid Sick Leave and Risks of All-Cause and Cause-Specific Mortality among Adult Workers in the USA](#), International Journal of Environmental Research and Public Health (2017).
- ^{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} Stoddard-Dare, Patricia, et al., [Paid sick leave status in relation to government sponsored welfare utilization](#), American Journal of Orthopsychiatry (2018).
- ^{xvi} Milli, J., [Access to Paid Sick Time in Texas](#), Institute for Women's Policy Research (March 2017).
- ^{xvii} Ibid
-

For more information or to request an interview, please contact Oliver Bernstein at bernstein@cphp.org or 512.823.2875.

About CPPP

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. Learn more at CPPP.org.

[Website: cphp.org](http://Website:cphp.org) Twitter: [@CPPP_TX](https://twitter.com/CPPP_TX) Facebook: Facebook.com/bettertexas