

Paid Sick Days Lead to **Cost Savings** for All

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In addition to promoting a healthy workforce and community, paid sick days can save employers, taxpayers and families money. Yet, two in five private sector workers can't earn the basic paid sick time they need to care for themselves and their families when they are ill. Establishing a national paid sick days standard can help make businesses and governments more efficient while giving working families more financial stability – leading to a stronger economy for all.

Paid Sick Days Reduce Government Spending

Ensuring all workers can earn paid sick days can significantly reduce public expenditures. In particular, savings to the public would be generated through:

- ▶ **Savings to public health insurance programs.** Expensive emergency department use is much too high — and 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. A recent study shows that if all workers had paid sick days, 1.3 million emergency room visits could be prevented each year in the United States, saving \$1.1 billion annually. More than half of these savings — \$517 million — would go to taxpayer-funded health insurance programs such as Medicare and the State Children's Health Insurance Program.¹
- ▶ **Savings from reduced dependence on public assistance.** Wage and job loss due to illness are very real threats for workers without paid sick days. Nearly one in four workers report that they have lost a job or were threatened with job loss for taking time off due to personal or family illness.² Paid sick days provide wage and job security by allowing workers to take the job-protected time they need when illness strikes. This security is critical to families' economic stability. Particularly in tough economic times, job or income loss can cause workers and their families to fall into poverty and turn to public assistance and public programs that cost taxpayers money.

Paid Sick Days Promote Savings for Employers

Paid sick days provide long-term cost savings for employers, including:

- ▶ **Savings due to worker productivity.** "Presenteeism," or workers performing at less than full productivity because of illness, is estimated to cost employers \$160 billion per year — twice as much as the cost of absenteeism due to illness.³ Paid sick days allow workers to recover at home or seek needed medical attention in a timely manner — and then return to being productive workers more quickly.

▶ **Savings from reduced workplace contagion.**

Employees who work sick endanger business profits by putting the health and productivity of other workers — as well as customers — at risk. And adults without paid sick days are 1.5 times more likely than adults with paid sick days to report going to work with a contagious illness like the flu or a viral infection.⁴ An analysis of worker absence patterns during the 2009 H1N1 flu pandemic suggests that outbreaks lasted longer in workplaces that are less likely to have paid sick days.⁵

When San Francisco passed the nation's first paid sick days law in 2006, some employers expressed concern about the impact on their bottom line. Today, two-thirds of San Francisco employers support the law.

— Institute for Women's Policy Research, *San Francisco's Paid Sick Leave Ordinance, 2011*

Paid Sick Days Promote Economic Security for Families

Paid sick days provide workers the economic stability they need to care for themselves and their families. Access to paid sick days enables workers to:

- ▶ **Meet their families' basic needs each month.** Families without paid sick days have to risk their basic necessities when illness strikes. For a family without paid sick days, on average, 3.1 days of pay lost to illness are equivalent to the family's entire monthly health care budget, and 3.5 days are equivalent to its entire monthly grocery budget.⁶ Simply put, paid sick days help families make ends meet.
- ▶ **Avoid unnecessary health care expenses by obtaining timely primary and preventive health care.** Paid sick days allow workers and their families to access care, keeping undiagnosed problems or chronic conditions from going unattended. Workers without paid sick days are more likely to delay needed medical care for themselves and family members, potentially leading to major health problems — and higher medical costs — down the line.⁷

The Result: A Stronger Economy

Allowing all workers in the United States to earn paid sick days would result in significant savings to government programs; savings to employers from reduced presenteeism, contagion and turnover; and greater economic security — and more income to spend — for workers and their families. Paid sick days laws are the right prescription for these economic times.

The federal Healthy Families Act would set a paid sick days standard at the national level. For businesses with 15 or more employees, the bill would enable workers to earn up to seven paid sick days per year to deal with personal and family illness. Under the bill, it is estimated that 90 percent of private sector workers would have access to paid sick days.⁸

States are leading the way. In 2011, Connecticut became the first state and Seattle the fourth city to pass laws guaranteeing workers the right to earn paid sick days, and about 20 other states and localities across the country introduced paid sick days bills or had active campaigns. Support and momentum are building. Learn more at www.PaidSickDays.org.

¹ Miller, K., Williams, C., & Yi, Y. (2011, October 31). *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*. Institute for Women's Policy Research publication. Retrieved 21 November 2011, from <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>

² Smith, T., & Kim, J. (2010, June). *Paid Sick Days: Attitudes and Experiences*. National Opinion Research Center at the University of Chicago publication. Retrieved 19 December 2011, from <http://www.publicwelfare.org/resources/DocFiles/psd2010final.pdf>

³ Stewart, W., et al. (2003, December). 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. Retrieved 22 November 2011, from http://www.workhealth.org/whatsnew/whnewrap/Stewart%20etal_lost%20productive%20work%20time%20costs%20from%20health%20conditions%20in%20the%20US_%20Results%20from%20the%20American%20Productivity%20Audit%202003.pdf

⁴ See note 2.

⁵ Drago, R., et al. (2010, January). *Sick at Work: Infected Employees in the Workplace During the H1N1 Pandemic*. Institute for Women's Policy Research publication. Retrieved 2 June 2011, from <http://www.iwpr.org/publications/pubs/sick-at-work-infected-employees-in-the-workplace-during-the-h1n1-pandemic>

⁶ Gould, E., Filion, K., & Green, A. (2011, June 29). *The Need for Paid Sick Days: The lack of a federal policy further erodes family economic security*. Economic Policy Institute publication. Retrieved 12 August 2011, from <http://www.epi.org/page/-/BriefingPaper319.pdf?nocdn=1>

⁷ See note 1.

⁸ Joint Economic Committee of the U.S. Congress. (2010, March). *Expanding Access to Paid Sick Leave: The Impact of the Healthy Families Act on America's Workers*. Retrieved 19 December 2011, from http://jec.senate.gov/public/index.cfm?a=Files.Serve&File_id=abf8aca7-6b94-4152-b720-2d8d04b81ed6