Paid Sick Days

What Does the Research Tell Us about the Effectiveness of Local Action?

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As real wages stagnate, racial disparities grow, and housing prices soar in cities across the US, local governments are increasingly adopting laws and regulations that aim to reduce inequalities and improve access to economic opportunity for their residents (Berube et al. 2018; Greene et al. 2016). These new local laws span a broad range of areas, from protections against discrimination to proactive steps to reduce housing costs or raise incomes. At the same time, states are increasingly enacting laws that limit or preempt local action in these areas, often relying on a thin or nonexistent evidence base to suggest that local regulation is inefficient or overly burdensome (Briffault et al. 2018; Einstein and Glick 2017).

In these four briefs, we explore and summarize the research on the effectiveness of local action in four areas: minimum wages, paid sick days, rent control, and inclusionary zoning. We also discuss general trends in state and local laws as well as opportunities to fill research gaps and improve evidence-based policymaking in each area.

Paid sick days permit workers to take time to recover from an illness or care for a sick family member, which can improve public health by slowing the spread of contagious illnesses and provide economic security to workers and their families. Public health officials advise workers and students to remain at home when suffering from a contagious illness. But low-income or otherwise economically insecure workers may lose pay when they miss work because they or a family member becomes sick. When workers attend work while suffering from an illness because of a lack of paid sick time, they risk reducing their on-the-job performance; extending or worsening their illness; or spreading their illness to customers, coworkers, and others. Paid-sick-days laws address these issues by requiring that employers allow workers to accrue paid sick time at a specified rate to be used for various reasons, including recovering from their own illnesses, accessing preventive care, or providing care to a sick family member. San Francisco adopted the nation’s first policy requiring employers to provide paid sick days in
2007; since then, paid-sick-days laws have been adopted in 11 states, the District of Columbia, and more than 30 localities.

The literature generally finds that employer implementation was not overly burdensome, and access to paid sick days lowers rates of presenteeism (the phenomenon of attending work while sick). Agreement in the literature is growing about the positive health benefits of access to paid sick days, including less emergency department use and greater use of preventive care. Because most state and local paid-sick-days laws are relatively new, large gaps remain in our understanding of the impacts of paid sick time, including how paid sick days affect economic mobility and opportunity. Further, although the literature illuminates racial and ethnic disparities related to access to paid sick time, little research has been conducted on how well paid sick time mitigates racial disparities in employment and health outcomes. In this brief, we synthesize the evidence on the effectiveness of local paid-sick-days laws and suggest areas in which further research could help policymakers, advocates, and the public improve local laws on paid sick days.

State and Local Trends

The nation’s first policy requiring employers to provide paid sick days was implemented in San Francisco in 2007. Connecticut became the first state in the nation to enact paid-sick-days legislation in 2012. The Connecticut law mandated that firms with 50 or more employees offer paid sick time to service workers; the San Francisco policy included no such exemptions based on firm size or industry. To date, paid-sick-days laws have been adopted in 11 states, the District of Columbia, and more than 30 localities. These states span several regions, from New England (Connecticut, Massachusetts, Vermont, Rhode Island), the West (California, Oregon, Washington, Arizona), the Mid-Atlantic (Maryland, New Jersey), and, nominally and most recently, the Great Lakes (Michigan). The localities that have passed paid sick days laws consist mostly of large cities and counties located in the above states, as well as New York City and Westchester County, NY; Philadelphia and Pittsburgh, PA; Minneapolis, St. Paul, and Duluth, MN; Chicago and Cook County, IL; and Austin and San Antonio, TX.

Many local paid-sick-days laws stipulate that employees accrue one hour of time for every 30 hours worked, although some jurisdictions mandate a lower rate of accumulation, such as one hour of time for every 35, 40, or 50 hours worked. Some localities cap the amount of sick time that can be accrued, oftentimes tying the limit to the size of the employer. A preponderance of localities specify that paid sick time can be used for reasons related to domestic violence or sexual assault as well as to care for oneself or a family member. Virtually all of the local laws include exemptions, many of them related to the amount of hours an employee works. For instance, the Tacoma, WA, law exempts employees who work less than 80 hours a year.

Twenty-two states have passed preemption laws preventing localities from requiring employers to provide paid sick time. These include four states that concurrently passed statewide laws that prohibit localities from establishing paid-sick-days requirements that differ from existing state standards. A mounting preemption effort in Texas, which contends that local paid-sick-days laws passed in the state
place businesses in those jurisdictions at a competitive disadvantage relative to businesses located in jurisdictions that do not require them, is emblematic of the case for preemption in other states. Proponents of preemption in Texas also claim that the Austin ordinance disadvantages working families who require a dual income, live within city limits, and employ caretakers for their children while at work.

Research on Impacts

There is a moderate but growing body of evidence on the impacts of paid sick time. This research scan reviewed 23 studies dating from 2008 to 2018. Of the 23 studies examined, nine are institutional self-published reports, nine are peer-reviewed journal articles, and five are academic working papers. Three studies in this scan look at state laws, 6 look at local laws, 4 look at both state and local laws, and 10 do not focus on any laws. These 10 studies explore the impacts of access to paid sick time, regardless of whether that access was mandated by state or local law or provided voluntarily as a fringe benefit by an employer. Fifteen of the studies assessed impacts of paid-sick-days laws on businesses, including six that surveyed employers. Other studies assessed use of paid sick time and impacts on wages, job separations, presenteeism, unemployment and labor force participation, and occupational injuries. Five of the studies examined health-related outcomes, such as receipt of preventive health care services, frequency of emergency department use, and the likelihood of suffering a workplace injury.

General Effectiveness of Paid-Sick-Days Laws

Twelve of the studies found beneficial impacts of access to paid sick days, five studies found mixed results or minimal impacts, and two found detrimental impacts. Two studies focused solely on access to paid sick days and did not investigate its impacts. The literature generally finds that employer implementation was not overly burdensome, and access to paid sick time lowers rates of presenteeism. The research suggests that workers feel more satisfied and secure with paid sick time and that employment, wages, and labor force participation are not significantly reduced by paid sick time mandates. Research also suggests that providing near-universal access to paid sick time can help reduce racial disparities in labor market and health outcomes. Agreement is growing across the literature about the positive health benefits of access to paid sick time, including less emergency department use, and the likelihood of suffering a workplace injury.

To place paid sick time in perspective, consider that a record number of private-sector workers (71 percent) have access to paid sick days, according to July 2018 data from the US Bureau of Labor Statistics. However, 34.2 million US workers still cannot earn paid sick time to recover from illness, care for a sick family member, or seek preventive care. Further, stark disparities persist among workers regarding access to paid sick time based on race and ethnicity, occupation, supervisory status, and annual individual earnings. Hispanic, low-wage, part-time, immigrant, and service-industry workers are less likely to be covered than their peers. A 2016 paper that explored the sick time landscape in the US revealed that across different groups, middle-aged full-time employees in finance or public administration had coverage rates of 80 to 90 percent, while part-time and low-income service sector
workers with children have significantly lower coverage rates, below 30 percent (Susser and Ziebarth 2016).

Effects of Paid-Sick-Days Laws on Employers

As mentioned, proponents of state preemption of local paid sick time ordinances claim that these laws put subjected businesses at a competitive disadvantage relative to peers in surrounding jurisdictions. This scan reviewed six studies that surveyed employers in different locations across the nation following implementation of paid-sick-day ordinances. These locations were New York, NY; Jersey City, NJ; Seattle, WA; San Francisco, CA; and Connecticut. Several of these studies also included surveys of employees. The six employer surveys provide evidence that paid-sick-days laws did not hurt business profitability, were not overly onerous to administer, maintained or improved employee productivity, and were supported by a decisive majority of employers.

In terms of profitability, majorities of employers across several cities report little to no impact on their bottom line. In New York, nearly 85 percent of employers reported that the new law did not affect their overall business costs, and less than 2 percent reported a decline in overall costs. Among the 14 percent of employer respondents reported an impact on costs, 9 percent reported a cost increase of less than 3 percent in their overall costs, 3 percent reported an increase of 3 percent or more, and 2 percent reported an increase in costs but were unsure of the exact percentage (Appelbaum and Milkman 2016). In contrast, researchers in Connecticut found that 47 percent of employer respondents reported no change in costs, while 30 percent reported increases of 2 percent or less, and 11 percent of employers reported cost increases of 3 percent or more (Appelbaum et al. 2014). One San Francisco study found that employer profitability did not suffer, with 71 percent reporting that their profitability was about the same and 14 percent of employer respondents reporting lower profitability (Drago and Lovell 2011). Similarly, another report on the impacts of San Francisco’s paid sick time ordinance discovered that 19 percent of all surveyed firms reported lower profitability (Colla et al. 2014).

Several studies indicate modest barriers to implementation and administration of paid-sick-days policies. One study of Seattle’s paid sick-days ordinance found that 32 percent of employers had difficulties with the required administrative tasks, such as working with payroll vendors. However, those challenges were short term, and the majority of employers saw no effect on profitability (Romich et al. 2014). A case study of 26 San Francisco employers revealed that most were able to implement the mandate with minimal impacts on their business in the first year (Waters Boots, Martinson, and Danziger 2009).

Looking at productivity, two citywide surveys show promising results for employers. The New York survey found that more than 94 percent of businesses reported that the paid-sick-days law had no effect on productivity, 2 percent reported that productivity increased, and 4 percent reported that productivity decreased (Appelbaum and Milkman 2016). In Jersey City, researchers found that roughly one-third of businesses observed increases in productivity (Lindemann and Britton 2015).
In three jurisdictions, large majorities of employers noted their support for the paid sick days requirement. In Seattle, 70 percent of surveyed employers reported support for the paid-sick-days ordinance (Romich et al. 2014). In San Francisco, two-thirds of employers expressed support for the law, with one-third declaring they were “very supportive” (Colla et al. 2014). In Connecticut, 18 months after implementation of the law, more than three-quarters of surveyed employers expressed support for it (Appelbaum et al. 2014).

Studies have revealed high coverage rates after implementation of paid-sick-days laws. In Jersey City, researchers discovered that approximately 80 percent of employers surveyed were providing paid sick days to their workers, and roughly 62 percent indicated that they had not needed to change their policies in response to the law (Lindemann and Britton 2015). In Seattle, virtually all employers (96 percent) offered some paid sick days to their full-time employees, and 62 percent covered their part-time employees (Romich et al. 2014). The share of firms offering paid sick time in San Francisco grew from 73 percent in 2006 to 91 percent in 2009, and nearly 60 percent of firms did not make any changes to their sick-time policy (Colla et al. 2014).

Effects of Paid-Sick-Days Laws on Employees

The research has also identified many benefits for workers. Three surveys of affected workers reveal they have higher job satisfaction, appreciate of the added protection and benefit, and generally feel better off, even if they had paid sick time available to them before the mandate. Among those employees in Jersey City who had been with their employers for more than one year, nearly 36 percent reported that their employers were more supportive of taking sick time, and roughly 37 percent indicated higher job satisfaction. Moreover, among workers who noted they had more sick days available because of the law, 84 percent reported that their employers were more supportive of taking sick time, and 72 percent reported higher job satisfaction (Lindemann and Britton 2015). Workers who did not have paid sick time before the ordinance in Seattle reported they appreciated having a “safety net” that allows them to take time off to care for themselves or their sick family members (Romich et al. 2014). More than half of San Francisco employees with access to paid sick time reported benefiting from the ordinance because their employer became more supportive of usage, the number of sick days provided increased, or they were better able to care for themselves or family members (Drago and Lovell 2011).

The literature is growing on the health impacts of paid-sick-day laws. Workers who lack paid sick time could defer or avoid preventive care, which may lead to the need for medical care at later stages of disease progression and at a higher cost for workers and the American health care system as a whole. One study found that a sample of working adults ages 18 to 64 without paid sick time were significantly less likely to report having used six of eight preventive health services in the past 12 months (DeRigne et al. 2017). A similar research effort found that those without paid sick time were three times more likely to forgo medical care for themselves and 1.6 times more likely to forgo medical care for their family than working adults with paid-sick-time benefits. Moreover, the lowest-income group of workers without paid sick time were at the highest risk of delaying and forgoing medical care for themselves and
their family members (DeRigne, Stoddard-Dare, and Quinn 2016). A study that examined sick time mandates in the District of Columbia and Connecticut found significant decreases in the aggregate rate of illness-related time taking (Stearns and White 2018). These results suggest that mandated sick-time policies can provide substantial positive public health externalities by allowing sick workers to stay home rather than attend work and spread their illness to customers and coworkers.

Additional research on the health impacts of paid sick time reveals that the availability of paid sick time is associated with lower likelihood of emergency department use, for both moderate users (one to three times a year) and repeated users (four or more times a year). After controlling for confounding factors, those with paid sick time are 14 percent less likely to be moderate emergency department users and 32 percent less likely to be repeated emergency department users (Bhuyan et al. 2016).

Finally, researchers found that workers with access to paid sick time were, on average, 28 percent less likely than workers without access to paid sick time to suffer a nonfatal occupational injury. The association between the availability of paid sick time and the incidence of occupational injuries varied across sectors and occupations, with the greatest differences occurring in high-risk sectors and occupations. This finding is likely driven by the observation that workers who are physically sick or psychologically stressed are more likely to be fatigued or taking medications, which can impair their ability to perform their job safely and therefore increase their likelihood of suffering a workplace injury (Pana-Cryan, Asfaw, and Rosa 2012).

How Effective Are Paid Sick Days at Improving Economic Opportunity?

The evidence presented in the literature on impacts related to reducing income inequality, supporting upward mobility, or decreasing poverty is sparse, but many health-related findings have indirect implications for other facets of economic opportunity. In terms of conventional labor market impacts, a report that examined the labor market impacts of paid sick time mandates in San Francisco, CA; Connecticut; Seattle, WA; New York, NY; Portland, OR; Jersey City, NJ; and Newark, NJ, did not find significant evidence that employment and wage growth were meaningfully reduced by these mandates (Pichler and Ziebarth 2016a). A study of Connecticut’s paid-sick-days law found that employees in Connecticut ages 20 to 34 saw a 24-hour reduction in annual hours worked (Ahn 2016). A second Connecticut study found that the paid-sick-days law increased unemployment by a modest amount but produced economically insignificant changes in labor force participation rates (Ahn and Yelowitz 2015). A paper examining the impacts of paid sick days (provided either because of a mandate or voluntarily) found paid sick time decreases the probability of job separation at least 25 percent (Hill 2013).

As mentioned, because higher-wage earners are more likely to be covered by an employer’s paid-sick-day policy when not mandated by law, universal requirements can help level the playing field. A 2008 study found that access to paid sick time was lower among children in low-income families than among those in families with higher income. Within low-income families, children without at least one full-time worker in the household were especially likely to lack access to this benefit, as were children whose parents work for small employers. Among children whose parents had access to paid sick time,
parents were more likely to take time away from work to care for themselves or others (Clemans-Cope et al. 2008).

Although research that relates directly to economic outcomes for workers is limited, the robust literature cited previously on the health impacts of paid-sick-days laws could also indirectly lead to improvements in economic opportunity. By encouraging greater use of preventive health care services, decreasing the likelihood that workers delay needed medical care, reducing the spread of contagious illnesses, and decreasing workers’ likelihood of suffering a workplace injury, paid sick time can minimize the frequency and duration of health-related work absences and help workers avoid or escape poverty and advance in their career.

**How Effective Are Paid Sick Days at Reducing Racial Disparities?**

Several studies in this scan examined the impacts of paid-sick-days laws through the lens of racial equity. An analysis of San Francisco’s paid-sick-days ordinance found that black, Latino, and low-wage workers most often benefited from the law and were also those most likely to report employer noncompliance (Drago and Lovell 2011). One study on access to paid sick time found that Hispanic workers are much less likely to have paid sick days than non-Hispanic white, Asian, or black workers. One explanation for this finding is that Hispanic workers tend to be overrepresented in occupations with low paid-sick-time access, such as in the service sector. Among Hispanic and black workers, women are more likely than men to have access to paid sick days. White men, however, are more likely than white women to have access to paid sick days. Immigrants are substantially less likely than their US-born counterparts to have access to paid sick days (Xia et al. 2016).

**Research Gaps**

The literature on the impacts of paid-sick-days laws is relatively recent and, as such, findings related to its direct effects on reducing racial disparities, improving health, and expanding economic opportunity are scare. Specifically, the literature on the impacts of mandating paid sick time do not directly address effects on income inequality, economic mobility, or poverty. Further, because many of the current state and local paid-sick-days laws have been enacted since 2015, the effects in those places have not been studied and benchmarked against previous research of early adopters. Another element to consider is that the states and localities that have enacted paid-sick-time legislation tend to be relatively prosperous regions with more labor market regulations and higher minimum wages. It is therefore unclear whether the outcomes in these jurisdictions would be generalizable to less prosperous regions and to jurisdictions with fewer labor market regulations (Pichler and Ziebarth 2016a).

In light of criticisms levied against paid-sick-time mandates, it would be useful to generate additional research related to implications for the competitiveness of firms, especially smaller firms, and for local jurisdictions. The business surveys cited here are illuminating, but it would be helpful to collect and analyze data from businesses more systematically and to use quasi-experimental research methods to compare impacts between jurisdictions and businesses that have such laws with places and firms that
lack them. Further, one argument used to support state preemption of local paid-sick-time mandates is that a “patchwork” of fringe benefit requirements across the state creates undue complexity for businesses and weakens the state’s economic attractiveness. But research on this theory is scarce, and further research can help us develop a more robust understanding of the potential impacts that varying fringe benefit requirements across a state have on business location or expansion decisions. Similarly, it would be worthwhile to investigate whether local conditions, such as concentration of employment in certain sectors, demographic trends, or pervasiveness of “voluntary” adoption of paid-sick-day policies, justify adoption of local paid-sick-day ordinances or affect the outcomes described above.

Other areas fertile for further research include investigating how requiring paid sick time affects employees’ long-term health, their labor market outcomes, their likelihood of staying in the labor market, and their likelihood of not receiving disability benefits in the long run (Ziebarth 2018).

Researchers could also test the degree to which employees attend work while sick or exploit paid sick time while not contagious, as well as how the general labor supply adjusts to paid-sick-time requirements. For instance, the frequency of working while sick could be studied for teachers or schoolchildren. An additional appropriate setting for examination would be at the firm level to test for contagious presenteeism behavior by employees with lots of customer contact. For example, contagious presenteeism behavior by health care workers can be life-threatening for patients but potentially minimized by paid sick time. More research is also needed to better understand the mechanisms by which contagious presenteeism leads to infections of coworkers and customers and how it affects overall workplace productivity (Pichler and Ziebarth 2016b).

Conclusion

The primary public policy goals of enacting paid-sick-days legislation are to improve public health by slowing the spread of contagious illnesses and to provide economic security to workers and their families. Paid sick time allows workers to take time to recover from illness or care for a sick family member without sacrificing income. Existing evidence suggests that implementation of paid-sick-days laws are not overly burdensome on employers, and access to paid sick time lowers rates of workers attending work while sick. Consensus is growing across the literature about the beneficial health impacts of access to paid sick time, showing that it leads to less emergency department use, greater use of preventive care, and reduced likelihood of suffering an injury on the job. However, given that the first local paid-sick-days ordinance was not enacted until 2007, followed by the first state paid-sick-days law in 2012, there remain impacts of paid sick time that have been studied minimally or not at all. For instance, the literature is silent on the extent to which paid sick time affects income inequality, economic mobility, and poverty. Also, although the literature illuminates racial and ethnic disparities related to access to paid sick time, little research has explored how well paid sick time mitigates racial disparities in employment and health outcomes.
Notes


7 After significant thought and deliberation, the authors have decided to use the term “Hispanic” to refer to people of Latin American origin living in the United States. We have decided to employ this term, and to make one exception, to align with the language used by research sources throughout the brief. However, we recognize that the term “Latinx” is more inclusive of way this group may self-identify. We strive to avoid language that is exclusive and will always attempt to explain the editorial rationale behind the labeling of certain groups.

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