

Paid Sick Days are Good for Business

A Summary of Research Examining the Impact of a Paid Sick Days Policy on Businesses

✓ **Businesses support paid sick days**

- A 2015 nationwide poll of executives from small, medium, and large businesses (two-thirds of them chamber members) found that 83 percent support a public policy that gives workers time off to care for sick family members.ⁱ

✓ **Paid sick days do not increase business costs**

- Nearly 70 percent of Connecticut employers saw no or negligible increases in costs due to the policy. Connecticut's businesses most frequently covered absent workers by assigning their work to other employees.ⁱⁱ
- In Seattle, the majority of employers have found their policy has had no impact on profitability.ⁱⁱⁱ

✓ **Paid sick days do not cause businesses to close or inhibit the creation of new businesses**

- In Seattle, the policy did not cause businesses to shut down or relocate outside of the city.^{iv}
- In Washington D.C., the policy did not discourage entrepreneurs from starting businesses in or cause businesses to leave the district.^v

✓ **Some studies report paid sick days policies lead to increased employee productivity, improved employee health and morale, and reduced employee turnover**

- Over 40 percent of employers in Jersey City reported increased employee productivity and/or reduced turnover because of their policy.^{vi}
- 30 percent of surveyed Connecticut employers reported increases in employee morale and 15 percent reported decreases in the spread of illnesses at work as a result of their policy.^{vii}

✓ **Businesses already incur costs by not providing paid sick days through reduced productivity and increased worker turnover**

- Workers are 25 percent less likely to leave their job over a 5-month period if they have the ability to earn sick days.^{viii}
- Replacing workers can cost approximately 20 percent of an employee's annual compensation.^{ix}
- Researchers estimate that working sick Americans cost employers \$160 billion annually from decreased productivity and unnecessarily extended illnesses. This cost far exceeds the cost of absenteeism.^x

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- ⁱ Ziliak Michel, Zoe, [Chamber of Commerce Members Support Job Quality Legislation](#), CLASP, April 2016.
- ⁱⁱ Eileen Appelbaum, Ruth Milkman, Luke Elliott, and Teresa Kroeger, [Good for Business? Connecticut's Paid Sick Leave Law](#), Center for Economic and Policy Research, 2014.
- ⁱⁱⁱ Jennifer Romich, Wes Bignell, Racy Brazg, et al., [Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance](#), University of Washington, 2014.
- ^{iv} Jennifer Romich, Wes Bignell, Racy Brazg, et al., [Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance](#).
- ^v [Audit of the Accrued Sick and Safe Leave Act of 2008](#), Office of the district of Columbia Auditor, June 2013.
- ^{vi} Danielle Lindemann and Dana Britton, [Earned Sick Days in Jersey City: A Study of Employers and Employees at Year One, Rutgers Center for Women and Work](#), 2015.
- ^{vii} Eileen Appelbaum, Ruth Milkman, Luke Elliott, and Teresa Kroeger, [Good for Business? Connecticut's Paid Sick Leave Law](#).
- ^{viii} Heather D. Hill, [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.
- ^{ix} Boushey, H., & Glynn, S. J., [There Are Significant Business Costs to Replacing Employees](#), Center for American Progress Publication, November 2012.
- ^x 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](#), September 2015.