

# THE BUSINESS CASE FOR **PAID SICK LEAVE**

# What is Paid Sick Leave?

Paid sick leave is time off from work that is paid to employees. Paid sick time typically covers injury or short-term illness and may also include reproductive and maternal health needs (such as fertility and prenatal appointments).

**DID YOU KNOW?** While 75% of workers in the private sector receive paid sick leave that still means more than 34 million workers do not have access to paid sick leave.1

### **Improved Retention Rates**

Paid sick days reduce turnover and improve retention rates.<sup>2</sup>

- Studies show that access to paid sick leave reduces job turnover rates by at least 25% with a measurable impact on reducing turnover for working mothers.3
- · Implementing paid sick leave policies in the restaurant industry has reduced turnover rates by 50%.4

## **Higher Productivity**

- Paid sick leave reduces "presenteeism" or going to work while sick (being present but less productive), which reduces the risk of spreading contagious diseases to other employees and customers. When sick workers are able to stay home to recover, it lessens the risk of contagion, making workplaces healthier and employees more productive.
- Workers can obtain timely medical care and recover faster from illness, enabling them to get back to work sooner and reducing health care costs.
- Providing paid sick leave reduces the number of total absences resulting from contagious illness, saving employers a collective \$2.4 billion in productivity losses per year.6

# **Net Positive Impact on Business Expenses**

Paid sick leave pays for itself.

- Incremental costs of paid sick leave for employers is minimal. On average, employers incur an additional 2.7 cents per worker per hour to cover paid sick leave.<sup>7</sup>
- Offering paid sick leave can lower total healthcare expenses. 20% of employees without paid sick days have sought care in a hospital emergency room-which costs much more than primary care visits or telehealth sessions—because they "were unable to take off from work to get medical care during normal job hours," while only 10% of those with paid sick days had needed to do so. Similarly, 18% of employees without paid sick days took a family member to a hospital emergency room because they could not take off from work, while only 7% of those with paid sick days had
- Businesses providing paid sick days are less likely to fail in their first years of operation than other firms.8

#### **CITATIONS**



- 1. <a href="https://allincities.org/toolkit/paid-sick-leave">https://allincities.org/toolkit/paid-sick-leave</a>
- 2. <a href="https://nationalpartnership.org/wp-content/uploads/2023/02/paid-sick-days-good-for-business-and-workers.pdf">https://nationalpartnership.org/wp-content/uploads/2023/02/paid-sick-days-good-for-business-and-workers.pdf</a>
- 3. <a href="https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3825168/">https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3825168/</a>
- 4. <a href="https://www.patriotsoftware.com/blog/payroll/sick-pay/">https://www.patriotsoftware.com/blog/payroll/sick-pay/</a>
- 5. <u>https://www.jec.senate.gov/public/ cache/files/646d2340-dcd4-4614-ada9-be5b1c3f445c/jec-fact-sheet---economic-benefits-of-paid-leave.pdf</u>
- 6. <u>https://nationalpartnership.org/wp-content/uploads/2023/02/paid-sick-days-good-for-business-and-workers.pdf</u>
- 7. <a href="https://equitablegrowth.org/paid-sick-leave-improves-public-health-outcomes-and-supports-u-s-workers-at-a-relatively-low-cost-to-employers/">https://equitablegrowth.org/paid-sick-leave-improves-public-health-outcomes-and-supports-u-s-workers-at-a-relatively-low-cost-to-employers/</a>
- 8. <u>https://nationalpartnership.org/wp-content/uploads/2023/02/paid-sick-days-attitudes-and-experiences.pdf</u>