



INSTITUTE FOR WOMEN'S POLICY RESEARCH  
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**Testimony of Claudia Williams, Research Analyst**

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**Before the Public Health and Human Services Committee of the Philadelphia City Council  
regarding Bill 130004, Promoting Healthy Families and Workplaces**

Thank you for the opportunity to address the question of how a paid sick days policy would impact employers, workers, families, and the general public in Philadelphia. The Institute for Women's Policy Research (IWPR) conducts reliable data analysis and disseminates its findings to inform policy, address the needs of women, promote public dialogue, and strengthen families, communities, and societies.

We estimated the costs and benefits of the of the earned sick days policy the Philadelphia legislature is currently considering. Our report, [\*Valuing Good Health in Philadelphia: The Costs and Benefits of Earned Sick Days\*](#), contains extensive detail regarding our estimation methodology and is available on the IWPR website, [www.iwpr.org](http://www.iwpr.org). Our data reveals that approximately 182,600 Philadelphia workers currently lack paid sick days. About 123,900 workers in Philadelphia currently have no paid leave benefits of any kind (including vacation), and 114,600 are eligible to receive new leave under Bill 130004. Our data also shows that the lack of earned sick days is especially common in jobs requiring frequent contact with the public and result in important public health consequences. Less than one-quarter of food preparation and serving workers are estimated to have earned sick days coverage.

Our analysis shows that if Bill 130004 is enacted it will create modest cost-savings for employers. Employers are projected to see the cost of implementing this new policy defrayed by a reduction in costs associated with employee turnover, increased productivity and reduced contagion of communicable diseases. Philadelphia employers are expected to expend \$51.2 million in providing new earned sick days for employees, but providing new earned sick days is expected to yield benefits of \$51.7 resulting in a net savings for Philadelphia's employers of approximately \$500,000 annually. This research is strongly supported. Between 1992 and 2007, nearly a dozen independent studies found that turnover has costs for business of up to one-fifth of a worker's salary. In addition to the savings to employers listed above, IWPR also estimates savings of \$25 million to workers, their families, and the broader community. A part of these savings are derived from reduced emergency department visits. 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 we conducted shows that, if all workers had paid sick days, 12,000 emergency department visits could be prevented each year in Philadelphia, saving approximately \$10.3 million annually.

Additional savings come from reduced nursing home stays, and improved public health through reduced spread of flu and norovirus outbreaks. The savings associated with disease spread are likely to be underestimated as they only account for a subset of contagious illness. A comprehensive accounting of the spread of all common contagious diseases would reflect much higher savings.

Indirect and long-term health and economic benefits of earned sick leave policies have not been estimated by IWPR, but are likely to be substantial. I welcome questions regarding the monetary costs and benefits of implementing the proposed law in Philadelphia, as well as questions about paid sick leave policies in general. Thank you.