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**TESTIMONY ON SB 698:
Maryland Earned Sick and Safe Leave Act**

TO: Hon. Thomas Middleton, Chair, and members of the Senate Finance Committee
FROM: Claudia Williams, IWPR Research Analyst.
DATE: February 27, 2013

Thank you for the opportunity to address the question of how an earned sick days policy would impact employers, workers, families, and the general public in Maryland. The Institute for Women's Policy Research (IWPR) conducts rigorous research and disseminates its findings to address the needs of women, promote public dialogue, and strengthen families, communities, and societies. IWPR supports SB 698 (Maryland Earned Sick and Safe Leave Act) because research shows that businesses and communities will benefit greatly from providing workers with earned sick time.

We recently released a briefing paper that presents earned sick days access rates data disaggregated by demographic characteristics in Maryland. Our data reveals that more than 700,000 private sector employees lack even a single earned sick day, and that low-income workers, people concentrated in the services occupations and people of color, in particular Latinos, are very unlikely to have access to sick leave. Our data also shows that the lack of earned sick days is especially common in jobs requiring frequent contact with the public, resulting in important public health consequences. Less than one-quarter of food preparation and serving workers are estimated to have earned sick days coverage.

We also estimated the costs and benefits of the of the earned sick days policy the Maryland legislature is currently considering. Our report [*Valuing Good Health in Maryland: 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. Our analysis shows that if SB 698 is enacted as drafted with maximum coverage for all workers, 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 and reduced contagion of communicable diseases. Maryland employers are expected to expend \$192 million in providing new earned sick days for employees, but providing new earned sick days is expected to yield benefits of \$195 million, resulting in a net savings for Maryland's employers of \$3 million annually.

In addition to the savings to employers listed above, IWPR also estimates savings of \$64 million to workers, their families, and the broader community. These savings are derived from reduced emergency department visits; reduced nursing home stays; and improved public health through reduced spread of contagious diseases. The savings associated with disease spread are likely to be underestimated as they only account for a subset of contagious illness (the flu and norovirus). 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 Maryland, as well as questions about paid sick leave policies in general. Thank you.