



INSTITUTE FOR WOMEN'S POLICY RESEARCH  
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**The Costs and Benefits of Paid Sick Days**

**Testimony of Jeffrey A. Hayes, Ph.D.  
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**Before the Civil Service and Labor Committee  
of the New York City Council regarding  
Proposed Int. No. 97-A: The "Earned Sick Time Act"**

**March 22, 2013**

Chairman Nelson and members of the Committee,

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 New York City. 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's research finds that that businesses and communities in New York City will benefit greatly from providing workers with earned sick time as proposed in the Earned Sick Time Act.

Using the amended parameters of the bill, and publicly available data, IWPR has re-estimated the anticipated costs and some of the anticipated benefits of the currently proposed legislation using data collected by the U.S. Bureau of Labor Statistics, the Centers for Disease Control and Prevention, the New York City Department of Health and Mental Hygiene, and the U.S. Census Bureau.

The current proposed bill states that workers in businesses with fewer than five employees will receive job protection for up to five unpaid sick days and workers in businesses with five or more employees will be able to earn up to five paid sick days per year.

Using government statistics on paid sick leave usage figures among covered, we estimate that workers earning leave under the "Earned Sick Time Act" will to take an average of 2.2 days annually out of a maximum of five that may be accrued. This is an average number of sick days used among workers with access to paid leave if they had a maximum of 5 days to use. The cost of implementing this law is estimated at 18 cents per hour worked for employees receiving new paid leave, or about \$6.31 per week (in 2012 dollars) for the average New York City worker. Providing earned sick days is also expected to yield benefits to businesses from savings due to reduced turnover, increased productivity, and reduced contagion of communicable diseases in the workplace that offset the costs of wages paid during covered work absences.

IWPR has also updated estimates quantifying the savings that earned sick days would bring by reducing the number of emergency department visits among working adults and their dependent children in New York City. The revised estimate anticipates that the community will save approximately \$70 million annually in health care expenditures. Of these savings, about \$56 million are estimated savings for public health insurance programs.

These estimates assume that all workers eligible for paid leave under the new policy would know about their new earned sick days. On the contrary, during the early years of the program, it is likely that many workers will be unaware of their new leave benefits and not take any time off under the new law. In particular, workers may not be aware of the multiple uses allowed by the law. Thus, both costs and benefits in the early years of a new program may be considerably lower than these estimates.

For more details of our methodology and findings and our critique of the Five Borough Chamber Alliance, I refer you to IWPR's 2009 report and the open letter from Dr. Kevin Miller of November 30, 2009. I welcome questions regarding the monetary costs and benefits of implementing the proposed law in New York City, as well as questions about paid sick leave policies generally.