

Our Economy Needs Family Values at Work Now More than Ever

Keeping the nation's workers employed is a key priority in these difficult times. Especially during a recession, losing a job can be catastrophic for employees and their families, and can add demands on already strained state services. That's why a policy such as paid sick days¹ is an essential **job retention** strategy. It allows ill workers to care for themselves rather than lose their jobs, reduces the spread of

disease to co-workers and consumers, and increases employer productivity.

Today in the U.S., two-fifths of the private sector workforce, and three out of four of the lowest-wage workers, have no paid sick days.² These numbers are expected to grow during the current recession.³ Among those who do have paid sick days, most can't use them to care for a sick family member.⁴ Half the private sector workforce lack access even to unpaid leave under the Family and Medical Leave Act (FMLA).⁵

These facts spell **JOB LOSS**. With or without access to these basic standards, workers must care for themselves and their families. Absence from work can mean a loss of income and often disciplinary action – including being fired.

Job loss spells big costs for business in lost productivity, recruitment and training costs. Experts estimate replacing a salaried employee costs 150 percent of compensation. Even replacing an \$8/hour worker costs an average of \$5500 per person.⁶

And job loss puts a burden on taxpayers in the form of public services and assistance. When jobs are hard to find, those who lose employment because they were sick or cared for a sick loved one may have to use forms of public assistance, including food stamps, subsidized health care, or even welfare grants.

Fortunately, there is a simple policy solution – a new minimum standard of paid sick days – that will help keep people on their jobs, spur productivity, and save business expensive turnover costs. This new standard will also cut down on the cost of health care.

- **A minimum number of paid sick days will bring no new cost to many businesses who already offer this time or can adjust other time off to meet the need.**
- **Employers who add days will experience greater health care savings, reduced costs from “presenteeism” (people coming to work sick, which costs employers an estimated \$180 billion a year – more than the estimated \$118 billion cost of absenteeism),⁷ increased productivity and greater job stability. A recent study estimates that employers in Massachusetts, for instance, would save \$130 million annually as a result of paid sick days legislation.⁸**
- **When employees take time off to get better, they often shorten absences by preventing health from worsening and minor problems from turning into major ones.⁹ This also reduces employer costs.**

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- Reducing the number of people coming to work sick or sick children attending school decreases contagion and helps stop the spread of disease in the workplace, child care center, or school.¹⁰
- Children recover from illness or surgery more quickly when their parents are present to care for them.¹¹
- The ability to see family doctors during working hours would cut down on costly use of emergency rooms.¹²

In the past during bad economic times, the federal government has helped by creating needed minimum standards. Today the government can again play that role:

- **Ensure a minimum standard of paid sick days for routine illness.**

- **Ensure that all workers are covered.**
- **Explore ways to assist employers in transitioning to new standards.**
- **Ensure that jobs created through stimulus funds are good jobs which include paid sick days.**

Bad times are the worst times for people to lose a job. Policies that value families at work are **job keepers**.¹³ Paid sick days means workers hold on to their pay, helping them maintain a stable stream of income. The money gets spent in their communities. That in turn spurs our economy and helps our country recover.

After recovery, these measures will continue to support economic stability for families and businesses and help ensure that our economy puts family values to work. ■

This fact sheet was developed by Family Values @ Work: A Multi-State Consortium, eleven state coalitions working for policies such as paid sick days and family leave insurance.

For more information, contact Family Values @ Work, valuefamiliesatwork.org, or the National Partnership for Women and Families, nationalpartnership.org.

(Endnotes)

- 1 Essential to the standard is that use of the sick days cannot trigger actions that lead to discipline, loss of income or loss of advancement opportunities.
- 2 Kramer, Natalie, and Alan Zilberman. 2008. "New Definitions of Employee Access to Paid Sick Leave and Retirement Benefits in the National Compensation Survey." U.S. Department of Labor, Bureau of Labor Statistics. www.bls.gov/opub/cwc/cm20081219ar01p1.htm
- 3 According to BLS statistics, only a third (36.3 percent) of displaced workers—those whose jobs disappeared because the plant or company closed or moved, there was insufficient work for them to do, or their position or shift was abolished—re-entered the workforce with a job that was both full-time and paid as much as the one they lost. Lower paying jobs are also less likely to have paid sick days.
- 4 Lovell, Vicky, No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave, Institute for Women's Policy Research, 2004, p.10, available online at <http://www.iwpr.org/pdf/B242.pdf>.
- 5 Ross Phillips, Katherine, Getting time off: Access to Leave Among Working Parents, Urban Institute, 2004, available online at http://www.urban.org/UploadedPDF/310977_B-57.pdf.
- 6 "Compilation of Turnover Cost Studies: \$8.00 per hour employee in the USA," Sasha Corporation, undated, available online at <http://www.sashacorp.com/turnframe.html>.
- 7 Cornell study cited in Levin-Epstein, Jodie, Presenteeism and Paid Sick Days, Center for Law and Social Policy, February 2005, available online at <http://www.clasp.org/publications/presenteeism.pdf>.
- 8 Lovell, Vicky, Kevin Miller, and Claudia Williams. 2009. Valuing Good Health in Massachusetts: A Cost-Benefit Analysis. Washington, DC: Institute for Women's Policy Research (February).
- 9 Grinyer, Anne, and Vicky Singleton. 2000. "Sickness Absence as Risk-Taking Behavior: A Study of Organizational and Cultural Factors in the Public Sector." *Health, Risk and Society* 2 (March): 7-21.
- 10 Heymann, S. Jody, Alison Earle, and Brian Egleston. 1996. "Parental Availability for the Care of Sick Children." *Pediatrics* 98 (August): 226-230. A 2008 study by Human Impact Partners in San Francisco demonstrates significant benefits to health as a result of paid sick days. http://www.sfpbes.org/work_sick_day.htm. The Centers for Disease Control and Prevention recommend keeping children home from school for 24 hours after their fevers have subsided to prevent the spread of illnesses like the flu. cdc.gov/flu/professionals/flu/gallery/2007-08/text/parents_guide_508.rtf
- 11 Palmer, Sarah J. 1993. "Care of Sick Children by Parents: A Meaningful Role." *Journal of Advanced Nursing* 18 (February): 185-191.
- 12 http://www.boston.com/news/local/massachusetts/articles/2008/11/29/many_continue_to_rely_on_ers/?s_campaign=8315
- 13 A recent study shows job growth was strong in San Francisco compared with other Bay Area counties following implementation of a new paid sick days standard in San Francisco on February 5, 2007, http://www.iwpr.org/pdf/B264_JobGrowth.pdf.