



**Testimony in Support of House Bill 5413**  
**House Labor Committee**  
**Submitted by Douglas Hall, Ph.D.**  
**March 30, 2017**

The Economic Progress Institute supports House Bill 5413, **An Act Relating To Labor And Labor Relations— Healthy And Safe Families And Workplaces Act**, which lays the foundation for a healthy workforce, and a vibrant economy that works for everyone.

EPI is part of the Family Values @ Work network of coalitions in 24 states that have won 40 paid sick days laws guaranteeing 14 million more workers won't lose jobs or wages when they or a loved one is sick. These 40 jurisdictions that have passed earned sick leave legislation include our New England neighbors, Connecticut, Massachusetts, and Vermont, and some of our nation's largest cities (notably San Francisco, the District of Columbia, New York, Los Angeles, Chicago, and Philadelphia).

As with every workplace reform in this nation, opponents of earned sick time in every jurisdiction warned the sky would fall. They were wrong. They warned of unintended consequences of job loss and business flight. It never happened. What we know from our network is that, across the country, these 40 local economies where paid sick days policies have been implemented are thriving! Notably, Rhode Island's economy today is stronger than that of nearly every other state at the time they passed earned paid sick leave legislation (Figure 1).

Elise Gould from the Economic Policy Institute notes that "[T]he evidence from these jurisdictions has been overwhelmingly positive. The first jurisdiction to set a paid sick days standard was San Francisco, where employers have been required to offer earned paid leave since 2007. Fears that the law would impede job growth were never realized.

In fact, during the five years following its implementation, **employment in San Francisco grew twice as fast as in neighboring counties that had no sick leave policy."**

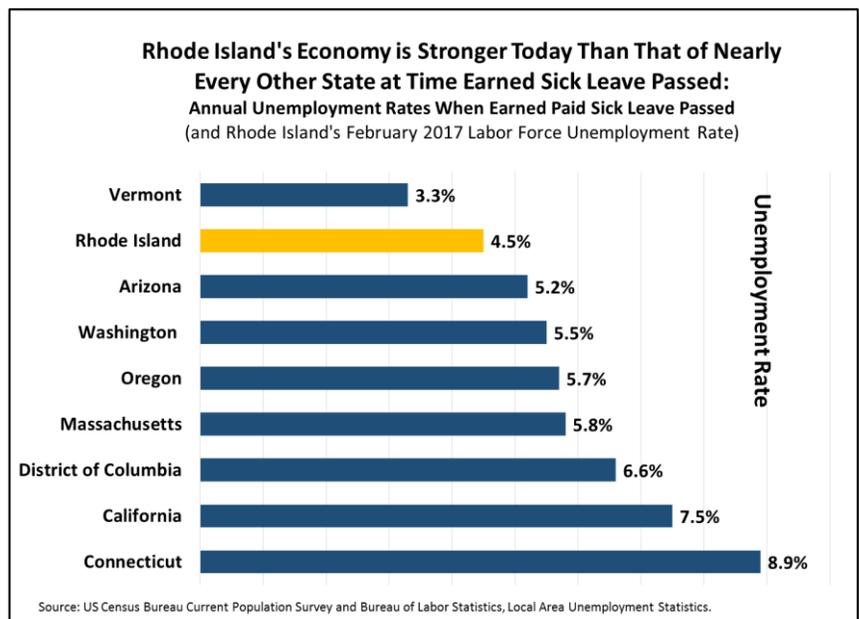


Figure 1

In fact, the results clearly show these laws' intended consequences: workers have been able to recover while still being able to provide for their families, they have lower levels of debt, higher rates of job retention, reduced reliance on emergency rooms for medical services, more kids getting vaccinations, and more adults able to get the medical care they need to maintain a strong and healthy workforce.

A report by the Center on Economic and Policy Research found that in neighboring Connecticut, the policy was implemented at little to no cost for business (consistent with findings from an Economic Policy Institute study prior to passage<sup>1</sup>), and that two years after initial implementation, more than three-quarters of employers were supportive of the law.<sup>2</sup>

A survey of American CEOs conducted last year indicated that a vast majority (73 percent) of those polled "by a prominent GOP polling and communications firm"<sup>3</sup> support paid sick days, while just 16 percent opposed paid sick days (Figure 2).

Provision of earned paid sick days results in significant savings for both employers and government:

- **Employer savings are considerable**, and include savings due to:
  - increased worker productivity,
  - Lower turnover rates
  - Reduced workplace contagion from reduced **presenteeism** (attending work while sick)
  - Fewer workplace injuries

More <b>paid sick time</b> for workers		More time off for workers who need to <b>care for sick children or relatives?</b>	
Total			Total
<b>73%</b>	<b>SUPPORT (Net)</b>		<b>83%</b>
27%	<i>Totally Support</i>		33%
24%	<i>Mostly support</i>		35%
22%	<i>Somewhat support</i>		15%
11%	<i>Neutral</i>		12%
12%	<i>Somewhat oppose</i>		2%
3%	<i>Mostly oppose</i>		2%
1%	<i>Totally oppose</i>		1%
<b>16%</b>	<b>OPPOSE (Net)</b>		<b>5%</b>

Figure 2

- **Government saves through savings to public health insurance programs**, through reduced reliance on emergency rooms for treatment of illnesses. With availability of paid sick time, an employee is able to schedule an appointment with his/her primary care provider for diagnosis and treatment. One recent study shows that extending earned paid sick leave to all those currently uncovered would save over **\$1.1 billion** annually, including savings of **\$517 million** to

<sup>1</sup> Douglas Hall and Elise Gould, *Measuring the Small Cost for Connecticut businesses*, Economic Policy Institute, 2011. <http://www.epi.org/files/page/-/pdf/pm177.pdf>.

<sup>2</sup> Eileen Appelbaum, Ruth Milkman, Luke Elliott, and Teresa Kroeger, *Good for Business? Connecticut's Paid Sick Leave Law*, Center for Economic and Policy Research, 2014. <http://cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

<sup>3</sup> Mary Bottari, "Highlights of Luntz Poll of American CEOs Shows Broad Support for Progressive Policies", PRWatch, April 2016 <http://www.prwatch.org/news/2016/03/13074/luntz-poll-american-ceos-shows-deep-support-progressive-policies>.

public health insurance programs such as Medicaid.<sup>4</sup> Other savings result from **reduced reliance on public assistance**, as nearly one in four employees report losing a job or being threatened with job loss for taking time off due to personal or family illness. Earned paid sick leave gives employees much needed economic security, which is critical to family stability.

One significant reason to pass paid sick leave legislation is that failing to do so further exacerbates disparities based on income. The Economic Policy Institute shows in stark terms that “rich people

have paid sick days [while] poor people do not.”<sup>5</sup> While only one in four (27 percent) of private-sector workers in the bottom ten percent of income earners has earned paid sick time, nearly nine in ten (87 percent) of top ten percent of earners have earned paid sick time. As seen in Figure 3, earned paid sick leave legislation in other jurisdictions in recent years has helped lower income workers begin to close that gap. Between 2014

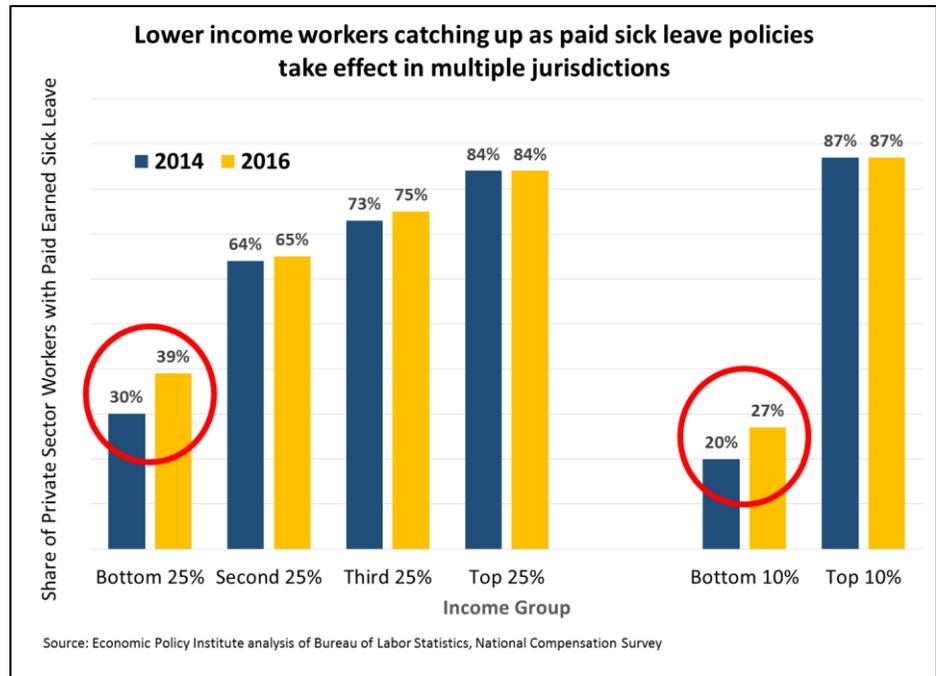


Figure 3

and 2016, the share of those in the bottom 25 percent income group with earned sick leave has grown from 30 percent to 39 percent, while the share of those in the bottom 10 percent with earned sick leave has grown from 20 percent to 27 percent.<sup>6</sup>

The economic case for providing earned paid sick leave to workers in Rhode Island is strong. We thank you for considering this important legislation, and urge you to pass H5315 out of committee.

<sup>4</sup> *Paid Sick Days Lead to Cost Savings for All*, National Partnership for Women and Families, 2015.

<http://www.nationalpartnership.org/research-library/work-family/psd/paid-sick-days-lead-to-cost-savings-savings-for-all.pdf>.

<sup>5</sup> Elise Gould, January 2015 “Rich People Have Paid Sick Days. Poor People Do Not.” *Economic Snapshot*.

<http://www.epi.org/publication/rich-people-have-paid-sick-days-poor-people-do-not/>

<sup>6</sup> Elise Gould, January 17, 2017. “Paid Sick Leave Provides economic and health security to over a million federal contract workers.” *Working Economics*. <http://www.epi.org/blog/paid-sick-leave-provides-economic-and-health-security-to-over-a-million-federal-contract-workers/>