



New Jersey Time to Care Coalition

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EARNED SICK DAYS

Smart Business for New Jersey Establishments

Earned sick days are not only good for the health and well-being of workers and their families, they are also good for New Jersey businesses. By allowing workers to earn paid sick days, employers can increase productivity and morale, reduce turnover, and save money in the long run.

- **Increased Productivity:** Earned sick days help to decrease productivity losses that businesses experience when employees work sick – known as “presenteeism.” Research estimates that presenteeism reduces business productivity by 7% to 28%.¹ Additionally, a 2007 study by the Society of Human Resources Management estimates cost employers \$180 billion annually, surpassing the cost of absenteeism.²
- **Healthier Workplace and Workforce:** Workers who come to work sick risk the spread of infection disease and endanger the health and productivity of other workers – as well as the health of customers and the public.³
- **Cost Savings: Reduced Turnover, Greater Workforce Attachment.** Earned sick days result in reduced turnover which leads to reduced costs in advertising, interviewing, and training new hires. This is particularly important in lower-wage industries where turnover is highest.⁴

Studies in San Francisco, Washington D.C., Seattle, and Connecticut, where paid sick leave ordinances have been adopted, provide evidence the laws are working well for most employers and actually make business and economic sense.

- Three years after implementation of San Francisco’s law, more than 70 percent of employers reported no impact on profitability (another 15 percent said they didn’t know) and two-thirds of employers expressed support for the law.⁵
- A report by the Office of the District of Columbia Auditor found that Washington DC’s paid sick days law “did not have the economic impact of encouraging business owners to move a business from the District nor did the law have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁶
- Since Seattle’s Paid Sick and Safe Time Ordinance took effect in 2012, the county has seen stronger job growth and lower unemployment rates than Washington State and the nation.⁷
- A recent survey of Connecticut employers found that the law has had a minimum impact on costs and few employers have made adjustments such as increasing prices or reducing employee hours.⁸

Providing earned sick days to New Jersey workers is the right thing to do. It is also the smart thing to do. Businesses that provide earned sick days to workers to care for their own health needs or that of a loved one benefit from increased commitment and productivity – it’s a win win policy for workers, businesses, and the community.

“Providing families with time to care means strong families, strong workplaces, and strong communities.”



Additional Resources:

How Your Business can Benefit from Paid Sick Days: <http://familyvaluesatwork.org/wp-content/uploads/2011/10/Business-Outreach-Trifold-Brochure.pdf>

Impact of San Francisco Sick Days Policy on Workers and Businesses:
<http://www.iwpr.org/publications/pubs/San-Fran-PSD>

Impact of Connecticut Sick Days Law on Workers and Businesses:
<http://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>

Impact of Seattle Sick Days Ordinance on Workers and Businesses:
<http://washington.mainstreetalliance.org/files/2013/09/PSD-1-Year-Report-Final.pdf>

How much does Employee Turnover Really Cost Your Business:
http://www.cepr.net/calculators/turnover_calc.html

Paid Sick Days: Low Cost, High Reward for Workers, Families and Communities:
<http://nationalpartnership.org/research-library/work-family/psd/paid-sick-days-low-cost-high-reward.pdf>

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¹ Hall, Douglas, Elise Gould, 2011. *Paid Sick Days: Measuring the small cost for Connecticut businesses.*

² Weaver, R. (2010, June 8). Cost of presenteeism surpasses absenteeism. Retrieved March 8, 2012 from <http://www.examiner.com/human-capital-in-detroit/cost-of-presenteeism-surpasses-absenteeism>.

³ Human Impact Partners, 2011. "A Health Impact Assessment of Paid Sick Days Policies in New Jersey." http://njtimetocare.com/sites/default/files/06_A%20Health%20Impact%20Assessment%20of%20Paid%20Sick%20Days%202011.pdf. Accessed on 8/11/2014. See Also, M. Keech, A.J. Scott, and P. J. J. Ryan, "The Impact of Influenza and Influenza-Like Illness on Productivity and Healthcare Resource Utilization in a Working Population," *Occupational Medicine* 48 (February 1998): 85-90.

⁴ Institute for Women's Policy Research, October 2013. "Valuing Good Health in the District of Columbia: The Costs and Benefits of the Earned Sick and Safe Leave Amendment Act of 2013." Accessed on 8/11/2014.

⁵ Drago R. and Lovell, S. (2011, April). San Francisco's Paid Sick Leave Ordinance: Outcomes for Employers and Employees. Institute for Women's Policy Research Publication. Retrieved 31 January 2014, from www.iwpr.org/publications/pubs/San-Fran-PSD

⁶ Audit of the Accrued Sick and Safe Leave Act of 2008, Office of the District of Columbia Auditor, <http://dcauditor.org/reports/audit-accrued-sick-and-safe-leave-act-2008>.

⁷ The Main Street Alliance of Washington. (2013, September). Paid Sick Days and the Seattle Economy: Job growth and business formation at the 1-year anniversary of Seattle's Paid Sick and Safe Leave law. Retrieved from <http://washington.mainstreetalliance.org/files/2013/09/PSD-1-Year-Report-Final.pdf>

⁸ Appelbaum, E., & Milkman, R. (2014, January). Good for Business? The Case of Paid Sick Leave in Connecticut. Center for Economic and Policy Research. Retrieved from <http://www.cepr.net/index.php/blogs/cepr-blog/is-paid-sick-leave-good-for-business>

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