

A HEALTHY
STANDARD:
PAID SICK DAYS IN OHIO

A REPORT FROM
POLICY MATTERS OHIO

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As always, I'm indebted to Mark, Max and Katrina Cassell. This paper is written in the hopes that working families in Ohio will have fewer occasions when they are forced to choose between doing their jobs and taking care of themselves and their children.

POLICY MATTERS OHIO, the publisher of this study, is a nonprofit, nonpartisan policy institute dedicated to researching an economy that works for Ohio. Policy Matters seeks to broaden debate about economic policy by doing research on issues that matter to working people and their families. With better information, we can achieve more just and efficient economic policy. Areas of inquiry for Policy Matters include work, wages, education, housing, energy, tax and budget policy, and economic development.

EXECUTIVE SUMMARY

Advocates in Ohio are circulating petitions to ensure that all eligible employees in Ohio can earn paid sick days. The proposal requires most employers to permit full-time employees to earn up to seven paid sick days and part-time workers to earn sick days on a pro-rated basis. Sick days could be used if the worker or an immediate family member needed to recuperate from physical or mental illness or injury, or to obtain preventive care or medical treatment.

Current federal law does not require employers to provide workers any paid days off. The Family and Medical Leave Act requires large employers to offer unpaid time off for serious circumstances like the birth of a child, but does not cover routine absences. This contrasts sharply with every other advanced industrialized nation. All of the other twenty nations ranked most competitive have policies requiring that workers be given paid time off when sick. Nations far less prosperous than the U.S. also have this basic standard.

Providing paid sick days can mean better disease containment, faster recuperation and earlier treatment. For workplaces, this can mean that fewer employees actually get sick, duration of illnesses can be shortened, workers can be more productive and savings can result. Children also recover more quickly when their parents care for them.

Most U.S. and Ohio workers are able to earn some paid sick days. About 58 percent of Ohio employees can stay home from work when they are sick on occasion without losing pay or worrying about losing their job. Although being able to earn paid sick days is extremely important to workers, many workers use very few sick days. Half of those who have paid sick days do not miss a single day of work in a year. Workers covered by paid sick days miss an average of 3.9 days of work a year for their own illness or injury plus an estimated 1.7 days to care for sick family members or see the doctor.

Despite the modest use of this basic standard, 42 percent of Ohio employees do not have paid sick days. Thus, more than 2.2 million Ohio workers must work when ill or forego pay. Some workers may fear that taking a sick day can put their job in jeopardy.

Adults in families with children substantially increased their hours of work over the past generation, making it more likely that a sick child does not have a parent who is at home. Yet access to paid sick days has not increased and only 30 percent of workers can use paid sick days to care for sick children. This means more than 3.55 million Ohio workers would have to forego pay to care for a sick child.

Access to paid sick days varies by occupation, pay, and industry in Ohio. Coverage is low in some occupations that have extensive public contact, such as retail trade (less than half); arts, entertainment and recreation (just over one-third); and accommodation and food service (less than one quarter). These three sectors combined have more than 670,000 Ohio workers without sick days. This encourages working while sick.

Rates of coverage are also low in some physically demanding jobs that might be particularly difficult or unsafe to perform when injured or ill. For example, just 25 percent of construction workers have paid sick days, leaving more than 170,000 Ohio construction workers unprotected by this basic standard. Nearly half of manufacturing workers – almost 400,000 Ohioans – cannot earn paid sick days.

Other sectors offer much better rates of coverage, with six sectors providing paid sick days to more than two-thirds of workers. Even in these relatively well-covered sectors, however, more than 100,000 Ohio workers are still left with no paid sick days.

Public sector workers are more likely to have paid sick days. Virtually all U.S. government or Ohio state employees can earn paid sick days. County and city coverage is more mixed.

Coverage is lower in low-wage occupations. Thus, those who can least afford an unpaid day are most likely to have to forego pay or work while sick. Only 21 percent of workers with wages in the bottom 25 percent of wage rates have paid sick days.

Middle-class Ohio workers also need better sick day coverage. Nearly half of those earning between the 25th and 50th percentiles don't have sick days, and nearly 40 percent of those earning between the median and \$21.65 an hour (the 75th percentile) have no sick days. Even among the top quarter of earners, up to three in ten have no paid sick days.

The Institute for Women's Policy Research concludes that providing paid sick days in Ohio would yield a net savings of more than \$1.00 per worker per week, from reduced spread of illness, reduced turnover, and a healthier workforce.

In addition to the Ohio action, a recently-introduced federal bill would provide paid sick days. Paid sick day legislation was introduced in 11 states this year and was passed in the city of San Francisco. In seven states, the law now says that employees can use sick days and other types of leave to care for ill family members.

A paid sick day standard would be good for Ohio. This policy would reduce the spread of disease, encourage preventive care and recovery, allow parents to be with sick children, and improve worker well-being. The cost is extremely modest and the savings exceed the costs. Most workers won't even take a sick day in a typical year, but having this basic standard will enable them to take this time when they need to. An economy as prosperous as ours, in which parents are expected to work, requires that we provide workers with the basic flexibility that allows them to manage their lives and their health.

INTRODUCTION

In every advanced industrial country and all of the top-ranked economies¹ except for the United States, employees are permitted to miss work on occasion when they are sick, without risking their jobs or having their pay cut. Many employers in Ohio and the United States have also chosen to provide some paid sick days, recognizing that productivity, colleagues, clients and workers themselves suffer if employees have to come in when they are sick.

A majority of Ohio workers can earn some paid sick days, but a substantial minority cannot.² Those who can earn paid sick days are able to stay home or seek treatment on limited occasions when they are too ill to attend work. Some employees are also able to stay home to care for a child who is too ill to attend school or for another family member who needs to be cared for. Public health experts say that this enables employees to recover more quickly and helps reduce the spread of disease.

Most employees whose employment terms include paid sick days don't actually take any sick days in most years. In fact, half of all workers with a paid sick day policy do not miss a single day of work during a year for illness.³

Although many workers won't use any paid sick days and most will use just a few days each year, having access to this policy means that working people are able to make smart choices when they are sick, rather than feeling that they have to choose between taking care of themselves and doing their job.

Providing paid sick days can mean that contagious diseases are better contained, duration of illnesses can be shortened, and early treatment can be obtained. For workplaces, this can mean that fewer employees actually get sick. It also means that employees who are in the workplace are more likely to be healthy and productive – a study in the *Harvard Business Review* argued that people coming to work when sick is more costly for businesses than absenteeism.⁴

A large minority of workers in Ohio, as in the rest of the United States, cannot earn paid sick days. This hurts the workers, puts their colleagues and customers at risk of getting contagious diseases, and hurts productivity. Employees who don't have paid sick days must either lose income or go to work when they or their children are sick. Since jobs without sick days are

¹ As ranked by the 2006-2007 Global Competitiveness report of the World Economic Forum.

² For the purposes of this paper, employees who are permitted to be compensated for any number of days when they are ill and not in attendance were considered to have paid sick days. If employees were only provided personal days that had to be approved in advance, that was not considered a sick day, because it could not be used if someone woke up ill and called in on the day of employment.

³ Hartmann, Heidi I, Ph.D., "The Healthy Families Act: Impacts on Workers, Businesses, the Economy and Public Health", Testimony before the U.S. Senate Committee on Health, Education, Labor and Pensions, February 13, 2007, page 9.

⁴ Hemp, Paul, *Presenteeism: At Work but Out of It*, Harvard Business Review, October 2004.

concentrated in lower-wage occupations, missing work may create economic hardship, sometimes severe. Workplaces that don't allow paid sick days may also have a workplace culture that makes employees feel they are putting their job at risk if they stay home.

Going to work when ill creates several negative consequences. First, workers may not be able to do their jobs well. Second, customers and colleagues may be exposed to contagious illnesses. Third, employees may prolong or worsen their own illness by failing to get rest or treatment that is needed. Finally, overall health care costs can be increased as preventive or early treatment is foregone.

When children are sent to school or child care despite being ill, similar problems result: diseases may spread through the school or care facility, children's illnesses may be prolonged or worsened, children are unable to learn and may make the teacher's job more difficult, and children can be made to feel that their parents aren't concerned about their health. Sometimes older children are kept out of school to care for younger siblings because parents fear missing a day will put their job at risk.⁵

When employees go to work or send their children to school while sick, there are social costs. Disease spreads more rapidly, but people who get sick may not be able to trace the illness back to the sick cook in a restaurant, the sneezing clerk at a store, or the ill classmate. This means that individual employers do not bear the entire cost of requiring their employees to work when sick. Failure to provide paid sick days can result in what economists call a negative externality – a situation in which some cost is borne by the general public. Basic economic theory calls for public intervention when there is a negative externality, because while some employers will choose to do what is most beneficial to society as a whole (allow workers to stay home), others will not. Public policy change can ensure that the standards that will best serve the public are put in place. This makes a paid sick day requirement an ideal area for public intervention. We would all be better off if Ohio required employers to allow employees to earn paid sick days, but some individual employers might not be inclined to make this choice themselves.

Because of these negative individual and public consequences, worker advocates, policy makers, public health advocates and working people themselves have begun to try to put in place public requirements for modest amounts of paid sick days.

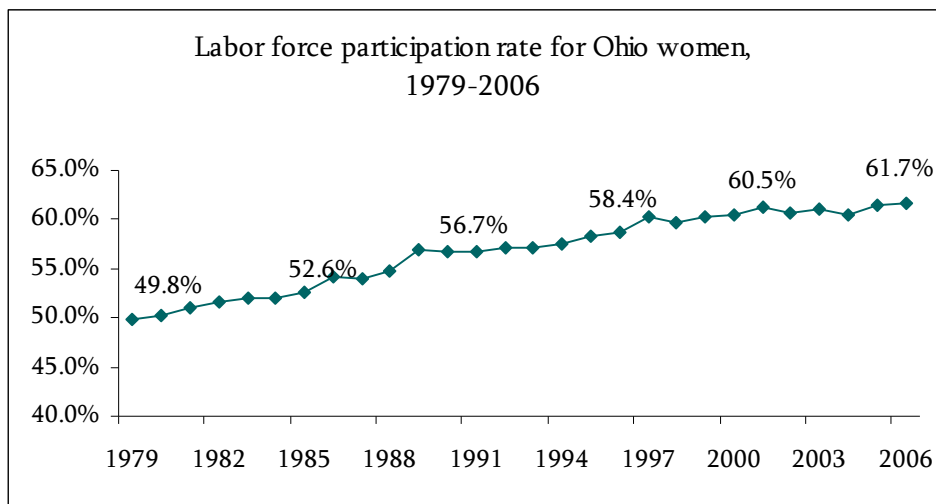
THE PAID SICK DAY MOVEMENT

Campaigns for paid sick days are gathering strength in Ohio, in other states, and at the federal level. There are several reasons for this. First, the nature of work has changed. More adults in families are working, women and mothers are far more likely to be working than in the past, and parents are working more hours. All of this means that when parents, children or elderly relative get sick, if they are to recuperate, someone often needs to take a day off of work.

⁵ Dodson, Lisa, Tiffany Manuel and Ellen Bravo, *Keeping Jobs and Raising Families in Low-Income America: It Just Doesn't Work* (Radcliffe Public Policy Center) 2002.

Figure 1 shows how labor force participation for Ohio women has increased over the past generation, from just under half of adult women to more than 61 percent. This figure includes 16-22 year olds, who may still be completing schooling, and also includes those above traditional retirement age, so work levels for women in the most common child-rearing ages, most of whom are between 22 and 58,⁶ are much higher. According to the American Community Survey of the U.S. Census Bureau, 66 percent of mothers with children under the age of six were working in 2006.

Figure 1



Source: EPI analysis of CPS data, all women over age 16

In addition to women increasing their workforce participation, families have increased the degree to which all adults in the household are working. Both single-parent and two-parent families have substantially increased their hours of work over the past generation. Table 1 shows the median number of hours worked annually, including only parental hours, by two-parent American families with children in 1979 and 2006. Two-parent families increased their hours by 17 percent between 1979 and 2006, to 3,488 hours, which equates to one full-time, year-round job with no time off, and a second job at more than 70 percent of full-time hours. Single-parent families are also working more than they used to, with the median single parent working more than 2,000 hours in 2006, essentially equivalent to one full-time, year-round job.⁷

⁶ Women in the U.S. begin their families over a wide range of ages. The average age of the mother when she has her first child is 25.1 according to the Centers for Disease Control. Some families' children are grown by the time the mother is 58, but many women are in their forties when they have their last child and might still be parenting in their late fifties. Responsibilities toward older parents may begin prior to children leaving home, as has been frequently documented in media stories about the "sandwich generation".

⁷ Forty hours a week for 52 weeks a year equates to 2,080 hours assuming no vacation days, sick days or holidays.

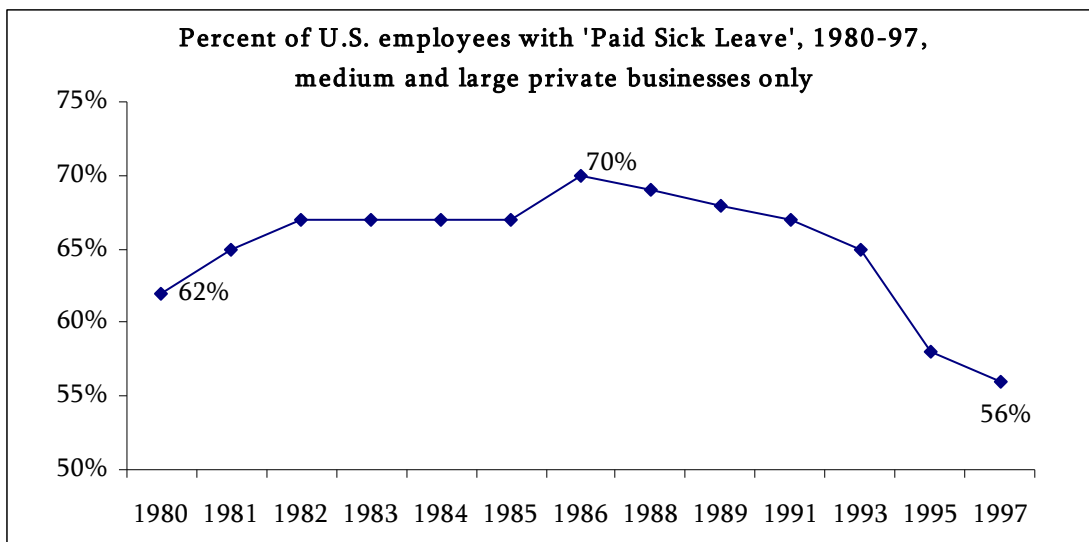
Table 1

| Average annual hours worked by median two-parent U.S. families with children, 1979 and 2006, parental hours only | | | |
|--|-------------------|-------------------|------------------|
| | Hours worked 1979 | Hours worked 2006 | Percent increase |
| Median married two-parent family | 2,983 | 3,488 | 16.9% |

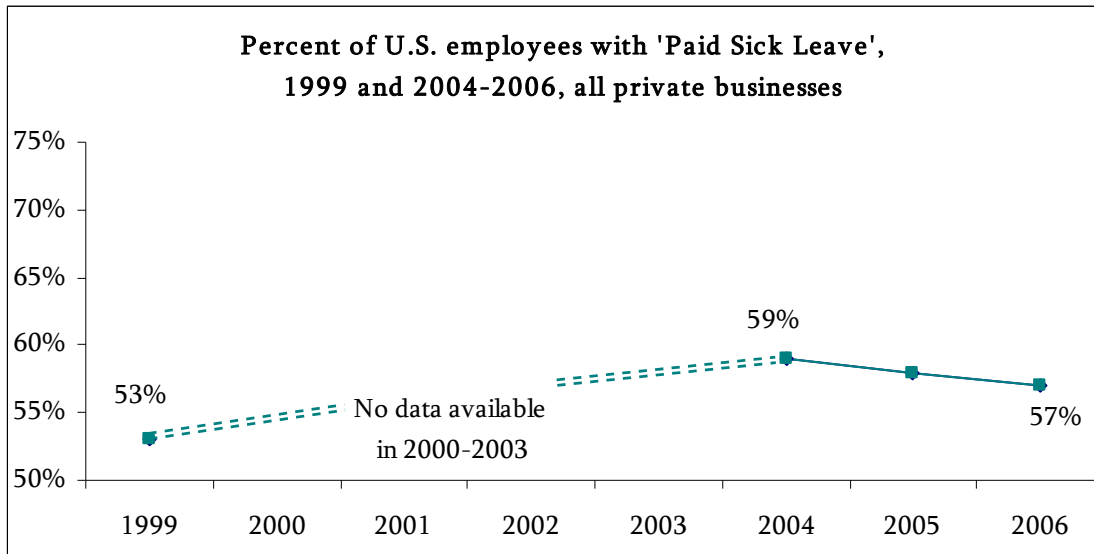
Source: Economic Policy Institute (EPI) analysis of Current Population Survey (CPS) data

With more families having both parents employed, when a child is ill, one parent must be able to be absent from work. But employers have not even increased access to traditional sick days, let alone to sick days that can be used to care for ill children. Figures 2 and 3 show the change in access to sick days, according to the Bureau of Labor Statistics.⁸ Because of changes in the BLS survey, the two graphs reflect slightly different trends, making it difficult to draw firm conclusions. What is clear is that, despite the dramatic increase in parental work effort, access to paid sick days has not increased, and a huge number of American workers are left unprotected by this basic standard.

Figures 2 and 3



⁸ A few notes about the chart are necessary. First, the BLS has not consistently collected the same statistics, so the chart is broken into two parts. From 1980 to 1997, the BLS collected data on overall access to what they called “sick leave” for **all medium and large private sector employees**. They then discontinued this series, but later resumed tracking the amount of what they called “sick leave” for **all private sector employees**. Although the BLS called it sick leave, based on other questions in the survey, it’s fairly clear that the Bureau was referring to paid days off for short-term illnesses, rather than extended leave for unusual circumstances, which is asked about in a separate question.



Source: Analysis of Bureau of Labor Statistics' Employee Benefits Survey, 1980-2006, downloaded July 2007 at <<http://data.bls.gov/PDQ/outside.jsp?survey=eb>>

In addition to increased responsibilities of working adults toward their children, it is increasingly the case that people are working when their own parents or in-laws begin needing more care from adult children. While in a previous generation, stay-at-home mothers might have been available to care for aging parents, providing that care may now also mean a lost work day. The Institute for Women's Policy Research analysis of data from the National Alliance for Caregiving finds that there are nearly nine million full-time workers in the United States providing care to adults, most often their parents.

OHIO EXPERIENCE

Advocates in Ohio are currently circulating petitions to ensure that all eligible Ohio employees can earn paid sick days. The proposal would only cover employers with 25 or more employees. These employers would be required to permit those working thirty or more hours a week to earn up to seven paid sick days. Employees working fewer than thirty hours a week or fewer than 1,560 hours a year could earn paid sick days on a pro-rated basis. Employees could use sick days to recuperate from physical or mental illness or injury, or to obtain preventive care or medical treatment. Paid sick days could also be used if a child, spouse or parent was physically or mentally ill or injured, or needed to obtain preventive care or medical treatment.⁹

Employees would earn sick days by working. Workers would begin earning paid sick days upon hire, but employers would not be required to allow them to use paid sick days until they had been employed for at least 90 days at that employer. Sick days would accumulate monthly, so that a full-time employee would be eligible for 3.5 sick days after six months, and for seven days after twelve months. Employers would not be required to allow accrual of

⁹ This summary is from the language in the Ohio Healthy Families Act Initiative, the full text of which can be found in Appendix A.

more than seven days from one year to the next. Employers would also not be required to allow employees to convert un-used sick days into cash.

Employers could require that workers inform them that they are not able to come in, provide reasons for the absence, and provide estimates of the duration of the absence. Employees absent for more than three consecutive days could be required to provide certification of the illness or injury from a health professional. Employers would not be permitted to reduce their existing leave policies in response to the new law and employers would be encouraged to provide a more generous leave policy than that required by this law.

Advocates are circulating petitions to submit an initiated statute to the Ohio General Assembly. The Assembly will consider the petition if advocates gather at least 120,000 signatures from at least 44 of the 88 counties in Ohio. If the Assembly enacts the proposal, the measure becomes law. If the Assembly fails to enact the proposal, passes it in amended form, or takes no action within four months of the proposal's introduction, then advocates may circulate additional petitions to place the initiative on the ballot in 2008.¹⁰

WHO CARES? ACCESS TO PAID SICK DAYS IN OHIO

Although a majority of Ohio workers can earn some paid sick days, a substantial minority cannot. Data from the U.S. Bureau of Labor Statistics shows that about 58 percent of Ohio employees are able to earn paid sick days.¹¹ This policy is not required by law, so it varies widely from workplace to workplace. But many employers have decided to provide – or their employees have negotiated – some ability for workers to earn paid sick days.

For the other 42 percent of Ohio employees, however, this provision is not in place. This means that more than 2.2 million Ohio workers are forced to work when ill or forego pay.¹²

¹⁰ "Procedure for an Initiated Statute" at Ohio Secretary of State website. Link found August 2007 at <http://www.sos.state.oh.us/sos/ElectionsVoter/OhioElections.aspx?Section=4>, and, "The basic steps to an initiative in Ohio," Initiative and Referendum Institute, University of Southern California, www.iandrinstitute.org/ohio.htm.

¹¹ This analysis and most of the following tables use the Institute for Women's Policy Research (IWPR) Paid Sick Days Estimator, available at www.iwpr.org. The Estimator uses IWPR analysis of the U.S. Bureau of Labor Statistics' March 2006 National Compensation Survey (Vicky Lovell, *Taking Care: Adequacy and Equity of Paid Leave*, forthcoming), adjusted for eligibility with data from the November 2005 through October 2006 U.S. Bureau of Labor Statistics' Job Openings and Labor Turnover Survey, to calculate the percent of workers, by industry, lacking paid sick days at the national level. Data on the number of workers in Ohio, by industry, are from the U.S. Bureau of Labor Statistics' Quarterly Census of Employment and Wages (downloaded from <http://data.bls.gov/cgi-bin/dsrv?en>). The model assumes that if a certain percentage of workers in a particular sector have paid sick days nationally, that the same percentages hold true for Ohio. We then determine Ohio's overall rates of coverage based on Ohio's sectoral mix of employment.

¹² Workers with a paid time off program that can be used for sickness are included as having a paid sick day policy.

In the Ohio retail trade, accommodation and food service sectors combined, sectors with significant interaction with the public, there are more than 670,000 workers who will not be paid if they stay home or go to the doctor when sick. Table 2 displays the percent of workers nationally with and without access, and the number of Ohio workers lacking access to paid sick days by industry.

Table 2

| Private sector worker access to paid sick days, United States and Ohio, 2006 | | | |
|---|---|--|--|
| Industry | U.S. workers with paid sick days | U.S. workers without paid sick days | Number of Ohio workers without paid sick days |
| Manufacturing | 52% | 48% | 389,466 |
| Retail trade | 45% | 55% | 337,344 |
| Accommodation & food service | 22% | 78% | 336,797 |
| Admin & waste services | 31% | 69% | 216,250 |
| Construction | 25% | 75% | 173,610 |
| Health care & social assistance | 71% | 29% | 91,904 |
| Other services | 49% | 51% | 83,935 |
| Transportation & warehousing | 66% | 34% | 73,253 |
| Professional & technical service | 69% | 31% | 72,144 |
| Wholesale trade | 71% | 29% | 68,082 |
| Arts, entertainment, & recreation | 35% | 65% | 44,125 |
| Finance & insurance | 82% | 18% | 41,009 |
| Educational services | 68% | 32% | 27,179 |
| Real estate & rental | 67% | 33% | 23,253 |
| Information | 74% | 26% | 22,927 |
| Management | 77% | 23% | 22,910 |
| Mining | 48% | 52% | 5,557 |
| Utilities | 85% | 15% | 2,983 |
| Total Ohio private sector workers without paid sick days | | | 2,132,729 |

Source: Institute for Women's Policy Research (IWPR) analysis of the March 2006 National Compensation Survey, the November 2005-October 2006 Current Employment Statistics and the November 2005-October 2006 Labor Turnover Survey.

The sectoral mix of private sector workers denied the ability to earn paid sick days is problematic because rates of coverage are low in occupations that have extensive contact with the public, such as retail trade and accommodation and food service. Less than one quarter of workers in accommodation and food service, just over one third in arts, entertainment and recreation, and less than half of workers in retail trade and other services can earn paid sick days. This can mean that diseases are more difficult to contain, and that customers and diners are exposed to contagious illnesses.

Rates of coverage are also low in some physically demanding jobs that might be particularly difficult or unsafe to perform when injured or ill. For example, just 25 percent of construction workers have paid sick days. That means more than 173,000 Ohio construction workers cannot earn paid sick days. Since these workers operate dangerous equipment, balance on high scaffolding, and do other tasks where they can hurt themselves or others, this is an occupation where we have a public interest in ensuring that those on the job are not under the weather. A study reported on in an occupational environmental medical magazine finds an increased risk of injury among workers who are feeling ill.¹³

Manufacturing has much better rates of coverage than construction or food service, but tops the list in terms of number of workers without coverage. We estimate that more than 389,000 manufacturing workers in Ohio lack access to paid sick days. Like construction workers, these employees often work with dangerous equipment and can be at increased risk for injury if they are not feeling well.

Other sectors offer much better rates of coverage, according to analysis of government data sources by the Institute for Women's Policy Research.¹⁴ In utilities, management, information, educational services, real estate and rental, and finance and insurance, more than two-thirds of workers can earn paid sick days. Even in these relatively well-covered sectors, however, more than 100,000 Ohio workers are still left with no paid sick days.

Public sector workers are more likely to have access to paid sick days than most private sector workers. Virtually all of those who work for the United States government are able to earn paid sick days. All state of Ohio workers under the union contract have paid sick days – full-time employees can earn 80 hours of paid sick days a year, and part-time workers have a lesser amount. More than eight in ten state and local government employees nationwide have paid sick days. Table 3 shows the percent and number of federal and state workers in Ohio with and without access to paid sick days, and the percentage of local government employees without paid sick days nationally, along with an estimated number of Ohio local government employees without such days.

¹³ Sorock, GS, DA Lombardi, R. Hauser, EA Eisen, RF Herrick and MA Mittleman, "A case crossover study of transient risk factors for occupational acute hand injury," *Occupational Environment Medicine* 2004.

¹⁴ Institute for Women's Policy Research (IWPR) analysis of the March 2006 National Compensation Survey, the November 2005-October 2006 Current Employment Statistics and the November 2005-October 2006 Labor Turnover Survey.

Table 3

| Public Sector Worker Access to Paid Sick Days, U.S. and Ohio, 2006 | | | |
|---|---|--|--|
| | Percent without paid sick days, Ohio | Percent with paid sick days, Ohio | Number without paid sick days, Ohio |
| Federal | 0% | 100% | 0 |
| State | 0% | 100% | 0 |
| | Percent without paid sick days, U.S. | Percent with paid sick days, U.S. | Number without paid sick days, Ohio |
| Local | 15% | 85% | 79,984 |
| Total public sector workers without paid sick days in Ohio | | | 79,984 |

Sources: Institute for Women’s Policy Research analysis of the March 2006 National Compensation Survey, the November 2005-October 2006 Current Employment Statistics and the November 2005-October 2006 Labor Turnover Survey; Ohio Revised Code Sections 124.382, 124.383, and 124.384, available at: <http://codes.ohio.gov/orc/124>; Ohio Administrative Code Sections 123:1-32-01, 123:1-32-02, 123:1-32-05, 123:1-32-06, 123:1-32-08, 123:1-32-09, 123:1-32-10, and 123:1-32-11, at: <http://codes.ohio.gov/oac/123%3A1-32>

Although the majority of Ohioans can earn some paid sick days, when public and private sector workers are considered together, as mentioned, more than 2.2 million Ohio employees cannot earn paid sick days.

MIDDLE-CLASS AND LOW-WAGE WORKERS

Rates of coverage tend to be lower among lower-wage occupations. Middle-class employees also have lower coverage than very high-wage workers. This means that employees who can least afford an unpaid day are most likely to be put in the position of having to forego pay or work while sick. Although more than 58 percent of employees have a paid sick day policy, rates of coverage are significantly less than half that for low-wage workers in the private sector. For workers whose wages fall in the bottom 25 percent of wage rates, earning less than \$9.23 an hour, only 21 percent are able to earn paid sick days. Given that these workers often struggle to meet basic expenses, this extremely low coverage level creates a powerful disincentive to get preventive care or take recovery time.

Rates of coverage are also quite low for middle-class employees. Just over half (54 percent) of those earning up to \$13.49 per hour have paid sick days in the United States. Even for more comfortable employees – those earning up to \$21.65 an hour – close to 40 percent lack the ability to earn paid sick days. This presents a troubling dilemma to middle-class Ohio workers. Table 4 shows whether workers can earn paid sick days, by national wage quartiles.

Table 4

| Access to paid sick days in private sector, by wage level, U.S., 2006 | | |
|--|-------------------|------------------------------------|
| Wage quartile | Wage range | Percent with paid sick days |
| Lowest 25 percent | Less than \$9.23 | 21% |
| 25 th to 50 th percentile | \$9.23-\$13.49 | 54% |
| 50 th to 75 th percentile | \$13.50-\$21.65 | 62% |
| 75 th to 100 th percentile | \$21.66 or more | 72% |

Note: Excludes agricultural, military, private household and self-employed workers.

Source: IWPR analysis of March 2006 NCS, November 2005-October 2006 CES and November 2005-October 2006 Job Openings and Labor Turnover Survey.

QUALITY OF POLICY

When lower-earning workers do have a sick day policy, they average fewer paid sick days than do higher-wage workers. Workers in the top quartile average ten paid sick days after one year and 12.7 paid sick days after ten years with the same employer. Middle-income workers also earn fewer paid sick days than do higher-income workers if they earn them at all – those between the 25th and 75th percentile in earnings average just over seven paid sick days a year after a year seniority, and add only about 1.3 additional days after ten years at the same workplace. Bottom-quartile workers who have paid sick days average just 6.5 days a year and get only one additional day on average after ten years of job tenure.

Many employees have to wait a long time to be eligible for paid sick days even if they work for an employer who offers them. The bottom 25 percent of wage-earners must wait nearly 3.5 months to be eligible for sick days if they get them at all. Middle-income earners must also wait between 2.33 and 3.12 months on average. Top earning workers average a shorter waiting period. Table 5 shows numbers of paid sick days after one and ten years, and waiting periods, on average, by wage level.

Table 5

| Waiting periods and average number of paid sick days by years of private sector job tenure by wage quartile, for workers with paid sick days, 2006 | | | |
|---|--|------------------|--|
| Wage Quartile | Number of paid sick days after: | | Number of months between hire and eligibility |
| | One Year | Ten years | |
| Top (75 th -100 th) | 10.0 | 12.7 | 1.91 |
| Upper middle (50 th -75 th) | 7.8 | 9.1 | 2.33 |
| Lower middle (25 th -50 th) | 7.1 | 8.4 | 3.12 |
| Bottom (lowest 25%) | 6.5 | 7.5 | 3.48 |
| All | 8.1 | 9.8 | 2.59 |

Notes: Excludes agricultural, military, private household and self-employed. Cutoffs for wage quartiles: less than \$9.23, \$9.23-\$13.49, \$13.50-\$21.65 and \$21.66 or more.

Source: IWPR analysis of March 2006 NCS, November 2005-October 2006 CES and November 2005-October 2006 Job Openings and Labor Turnover Survey.

Although the data on waiting periods and number of days confirms that the measure being debated in Ohio would assist many workers, it also affirms that the provisions of the Ohio measure are consistent with what has worked well for more conscientious employers. Those employers who do offer paid sick days typically provide at least seven days, the standard being debated in Ohio. The ninety-day waiting period is also similar to what many employers already provide. Workers who earn above the middle and get paid sick days usually do not have to wait this long to be eligible. Thus, the standards being debated in Ohio are in line with what many employers have put in place.

USED WITH CAUTION

Although being able to earn paid sick days is extremely important to workers, most workers use very few sick days. In fact, even among workers who have paid sick days, zero is the most typical number of days taken off for illness in a year. Half (53.7 percent) of those with this benefit do not miss a single day of work in a year, according to IWPR analysis of the 2004 National Health Interview Survey. Workers covered by paid sick days miss an average of 3.9 days of work a year for their own illness or injury.

If provided with a policy that allows time off for doctor visits, IWPR estimates that workers will take an additional 1.3 days per year on average to care for family members, and less than an additional half day per year on average for doctor visits.

Of course, use varies widely depending on need – parents with young children, adults with elderly parents, workers exposed to more contagious diseases in the workplace and workers with a chronic condition might use significantly more sick days in a year. But it is notable that, modest as a seven-day standard is, the average worker will not take all seven of these days in a typical year.

CARING FOR KIDS

Children, whose immune systems are still developing, may catch more colds and minor illnesses than adults, but even adults who have paid sick day policies often cannot use those days to care for their sick children. Seven states have put in place requirements that when employers do offer paid sick days, those days must be made available to care for sick children. IWPR estimates that only about 30 percent of workers have paid sick days for staying home with ill children.¹⁵ This means more than 3.55 million Ohio employees would have to forego pay if they needed to stay home to care for a sick child or other sick family member.

The inability to take paid days to care for sick children on occasion is problematic for a number of reasons. First, workers may feel pushed to send their child to school or child care despite being ill. Second, workers may decide that keeping an older child home to care for the younger child is less risky economically and professionally than staying home themselves.

¹⁵ Lovell, Vicky “No Time to Be Sick: Why Everyone Suffers When Workers Don’t Have Paid Sick Leave”, Institute for Women’s Policy Research, at <http://www.iwpr.org/pdf/B242.pdf>

While this may seem to make sense for a family in a bind, it is not good policy for either the older child or the younger one.

“I have had problems with kids staying home to take care of siblings, and certainly this affects their education,” said George Wood, the Principal of Federal Hocking High School in Stewart, Ohio.¹⁶ “The bottom line is that parents should be the primary care-givers for children, not their brothers or sisters. If parents have the flexibility to take care of kids when they are ill, that means that siblings will not have to miss school.”

Most schools and day care centers have policies requiring children to be sent home if they have a fever, putting parents in the difficult position of losing income and risking their job or violating the rules of their child’s school or day care center. In fact, policy should encourage parents to be with their children when they are not well. Children recover faster when their parents care for them, according to a study in *Pediatrics* magazine.¹⁷

Interestingly, while child care centers rightly require children to be sent home when ill, few child care workers themselves have access to paid sick days according to the Center for Law and Social Policy.¹⁸ Given their close contact with children, the frequency with which children get sick, the interest in reducing spread of disease among kids, and the physical nature of the job, this is a particularly unfortunate occupation to saddle with low rates of sick day coverage.

AN OUNCE OF PREVENTION

Preventive health care is crucial to long-term well-being for children and adults. Good preventive care can lead to better overall health, early detection and treatment of problems, shorter treatment times, and lower overall health care costs. The American Academy of Pediatrics recommends that babies and children see the pediatrician 6-8 times in the first year, twice in the second year and about once a year thereafter. After about age four, children should also see the dentist twice a year.¹⁹

Healthy adults need semi-annual dental appointments and annual or biannual physicals for cancer and diabetes screening, cardiovascular fitness assessment, flu shots, and to receive information about nutrition, exercise, alcohol and tobacco use, and other aspects of healthy

¹⁶ Interview with author, August 4, 2007.

¹⁷ S. Jody Heymann, Alison Earle and Brian Egleston, “Parental Availability for the Care of Sick Children,” *Pediatrics* 98 (August 1996) 226-230.

¹⁸ Levin-Epstein, Jodie, “Get the Prescription: Child Care Worker Need Paid Sick Days,” Center on Law and Social Policy, July 2006.

¹⁹ See: Massachusetts Academy of Pediatric Dentistry, downloaded August 2007, <http://www.mapd.org/Frame-3-parentinformationpage3.html?refresh=1176317447369>, and “You and Your Pediatrician: Guidelines for Parents.” 1992. Prepared by the American Academy of Pediatrics. Available at www.crestwoodpediatric.com/pdffiles/papers/HE002701.pdf.

living.²⁰ Preventive health care needs increase during a healthy pregnancy, when women should see their obstetrician or midwife once a month early on and more frequently in the third trimester. Because of the hours that doctors' offices are open, most preventive care must occur during the normal work week. Having a paid sick day policy that covers doctor visits enables workers to address these preventive health needs without jeopardizing their financial situation. It also signals to workers that getting such preventive care is a legitimate and necessary part of a healthy lifestyle, thus increasing the likelihood that workers will get such care. Currently, while 58 percent of workers nationally have a paid sick day policy, only 33 percent are officially covered for doctor visits.²¹ Extending the ability to use sick days for doctor visits will improve workers' preventive health care practices while adding only very modestly to the number of hours taken off each year.

TREATING ILLNESS AND INJURIES

Healthy people need to see physicians and dentists regularly, and even those in good health catch mild diseases. When people do get ill, public health advocates want them to take time to recuperate. Doing so reduces the spread of diseases and helps ensure a faster recovery. "It's counterproductive for employees to come to work when they're sick," says Matt Carroll, the Director of the Cleveland Department of Public Health.²² "Not only do they make other employees sick, but an ill employee may be sick longer by failing to take a day off. It's not realistic or rational for employees to have a job that does not allow time off for illness." Carroll's view echoes that of national public health experts.²³

Minor colds and more debilitating contagious diseases can spread with casual contact in any work setting. According to IWPR, the flu accounts for 10 to 12 percent of illness-related work absences. People with the flu remain contagious for up to seven days after symptoms appear and the workplace is often where the flu is spread. That's why the Centers for Disease Control and Prevention recommend that patients don't return to work until they are completely recovered from the flu.²⁴ Other viruses can also spread at the workplace, particularly if workers handling food are exposed.

When workers don't have paid sick days, they are more likely to go to work despite being ill. A survey of New York City restaurant workers found that 52 percent went to work when

²⁰ Preventive Health Care Guidelines, Unity Health Care, downloaded July 21, 2007, http://www.unityhealth.com/intranet/groups/pubweb/documents/unity_nativefile/005161.pdf.

²¹ Lovell, Vicky "No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave", Institute for Women's Policy Research, at <http://www.iwpr.org/pdf/B242.pdf>

²² Interview with author, July 30, 2007.

²³ Watkins, Marilyn, *Paid Sick Days - Public Health Benefits*, Economic Opportunity Institute, at <http://www.eoionline.org/MinimumPaidLeave/PaidSickLeavePublicHealthBenefits.pdf>, downloaded August 2007.

²⁴ Lovell, Vicky "Paid Sick Days Improve Public Health by Reducing the Spread of Disease", IWPR Fact Sheet #B250, at www.iwpr.org.

sick.²⁵ Doing so means that they are working at reduced productivity, spreading illness, and possibly taking a safety risk if the job has a physical component.

SAVINGS FROM SICK DAYS

By reducing the spread of disease, speeding up recoveries, encouraging preventive care, encouraging parents to be with their ill children, and improving the health of the workforce, paid sick days provide a low-cost way to improve worker and societal well-being. While the principal reason for having the policy is not economic, paid sick days are likely to save economic resources in the long run.

The Institute for Women's Policy Research (IWPR) concludes that requiring employers to give workers the right to earn paid sick days would result in a net savings in Ohio.²⁶ More detailed information on IWPR's methodology is provided in Appendix B. IWPR estimates that the cost for providing paid sick days in Ohio would equate to an extremely modest \$3.13 per Ohio worker per week before savings are figured in. However, IWPR also finds that the savings from providing paid sick days in Ohio would equate to \$4.39 per worker per week, as Table 6 shows. On a net basis then, Ohio employers would save more than \$1.00 per worker per week, if a policy allowing workers to earn paid sick days were put in place. The savings are estimated for the federal sick leave proposal which differs slightly from the Ohio proposal.²⁷ These savings would come from reduced spread of illness, lower productivity losses for sick workers on the job, reduced turnover, and a healthier workforce.²⁸

²⁵ Levin-Epstein, Jodie, "Here's a Tip... When Restaurant and Hotel Workers Don't Have Paid Sick Days, It Hurts Us All," Center for Law and Social Policy, February 2007.

²⁶ Based on per-worker per-week costs (averaged over all Ohio workers) and savings for the proposed Healthy Families Act, as reported in *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act* (Vicky Lovell, 2005). That estimate used data from the 2004 Current Population Survey Annual Social and Economic Supplement and other sources to estimate the impact of the federal Healthy Families Act, in 2003 dollars. Those figures have been inflated to 2006 dollars for this tool using the U.S. Bureau of Labor Statistics' Inflation Calculator at <http://www.bls.gov/cpi/>. The national-level estimate from *Valuing Good Health* is adjusted to individual states' wage levels using the BLS' Quarterly Census of Employment and Wages (<http://data.bls.gov/cgi-bin/dsrv?en>).

²⁷ Both proposals allow for seven days of paid leave for full-timers, and for part-timers to earn leave on a pro-rated basis. However, the federal proposal exempts employers with fewer than 15 employees, while the Ohio proposal exempts employers with fewer than 25 employees. This means that both the costs and savings of the Ohio plan could be slightly lower than the costs and savings of the federal plan, reflected here. The net savings would still exceed \$1.00 per worker per week.

²⁸ Savings estimates do not include several items that could add to savings – for example, these estimates only considered spread of influenza, not spread of common colds, mononucleosis, strep throat and conjunctivitis (pink eye) – all contagious diseases for which transmission estimates were not available.

Table 6

| Estimated costs and savings of paid sick days in Ohio | | | |
|---|-----------------------------|---------------------------|---------------------------------|
| | Savings per worker per week | Costs per worker per week | Net savings per worker per week |
| | \$4.39 | \$3.13 | \$1.25 |

Source: IWPR analysis of BLS data (see footnote 26). Measures impact of federal Family Leave Act, which differs slightly from Ohio proposal.

These calculations on savings do not include any potential savings from reduced health expenses when preventive care is used instead of emergency care. A study in the journal *Pediatrics* found that low-income children who saw a dentist by age one had average annual dental costs that were nearly 40 percent lower than children who first saw a dentist after age one.²⁹ Hospitals and some insurance plans are starting to recognize the potential savings in treating patients early. A 2006 *New York Times* article on costs of treating the uninsured describes hospitals and health systems that are providing free preventive care, which they find to be less costly than later provision of emergency care for those with chronic conditions.³⁰

While reasonable observers could differ about the exact predictions of savings and costs from a paid sick day standard, what is clear is that costs will be extremely modest, public health and worker well-being will be improved, and some savings could be realized from this basic standard.

STATUS IN OTHER STATES

Advocates in many other states are, like those in Ohio, pushing for state and local leadership on paid sick days. So far in 2007, paid sick days legislation has been introduced in ten states plus the District of Columbia. The states include Connecticut, Florida, Maine, Maryland, Massachusetts, Minnesota, Missouri, North Carolina, Pennsylvania and Vermont.³¹ Other states where bills have been introduced in previous years or are soon expected include Montana, Wisconsin and Washington. The law has not yet passed in any state, but the campaigns are growing more active. In the city of San Francisco, citizens voted to provide residents with nine paid sick days per year. A similar campaign in Madison, Wisconsin was unsuccessful and there may be an April 2008 ballot initiative on the issue in Milwaukee.

Of the bills currently or recently introduced, most call for between 6.5 and ten days annually, almost all cover part-time workers on a pro-rated basis and almost all allow the sick days to be used to care for a sick family member, according to a summary prepared by the National Partnership for Women & Families.

²⁹ Savage Matthew, Lee Jessica, Kotch Jonathan, and Vann Jr. William. "Early Preventive Dental Visits: Effects on Subsequent Utilization and Costs". *Pediatrics* 2004; 114 pp.418-423

³⁰ Eckholm, Eric, "Hospitals Try Free Basic Care for the Uninsured," *New York Times*, October 25, 2006.

³¹ Lovell, "No Time to be Sick".

In addition to efforts to require employers to provide paid sick days, seven states have succeeded in enacting laws that otherwise assist employees in caring for sick family members. In California, Connecticut, Hawaii, Maine, Minnesota, Washington, and Wisconsin, the law now says that employees who have paid sick days can use accrued paid sick days and other types of paid and unpaid leave to care for ill family members. However, employees whose firms don't offer paid sick days remain unprotected.

THE FEDERAL FIGHT

The Family Medical Leave Act provides unpaid protection to employees facing a serious medical situation or life event – the birth or adoption of a child, the care of a spouse, child or parent with a serious health condition, or the care of one's own serious health condition. Employees are entitled to up to twelve weeks of unpaid leave for these relatively rare life events. Under the law, employees cannot lose their jobs because they take this unpaid leave.³²

However, current federal law does not provide for paid sick days and employers are not required to provide workers with any paid time off when they are ill. While employees cannot be fired for taking unpaid leave for something that qualifies under the family leave act, they can be fired for more routine absences. Unless workers are covered by a collective bargaining agreement, employers may fire them with or without cause. So when employees are fearful that they will be fired for staying home for a minor illness, that fear is well-founded. Employers are permitted to and do fire workers simply for getting sick.³³

In this way, U.S. law contrasts sharply with the law in all other advanced industrialized nations. Of the twenty nations ranked by the World Economic Forum as most competitive, all except the U.S. have policies requiring that workers be given paid time off when sick. The most economically competitive countries are more likely to also provide paid sick days for workers to care for children's health and for the health needs of other adult family members.³⁴ Even countries much less prosperous than the U.S., however, have decided to make this relatively basic need a right. At least 145 nations require employees to be provided with paid sick days, with 117 providing a week or more annually.³⁵ Countries ranging from our prosperous competitors like Germany and Great Britain to struggling developing nations

³² Although the Family Medical Leave Act is extremely helpful to workers who qualify, many American employees do not, as coverage is limited to employees working more than 20 hours a week in workplaces with 50 or more employees.

³³ Examples of workers who lost their jobs after missing a day due to illness can be found in: "Ten things that could happen to you if you didn't have paid sick days," 9to5 National Association of Working Women, available at: <http://www.9to5.org/downloads/booklet.pdf>.

³⁴ Gornick, C. Janet and Hartmann Heidi "U.S. Trails Competitors in Pro-family Workplace Policies". May 24, 2007. www.epi.org

³⁵ Gornick and Hartmann.

like Ethiopia, Zambia and Mexico have found the resources to provide this standard.³⁶ By global standards, the guidelines being debated now in Ohio and the U.S. are fairly modest.

Although private employers in the U.S. are not required to provide paid sick days, most levels of government offer paid sick days. The federal government provides 13 paid sick days a year to full-time employees. State employees covered by the state contract in Ohio receive 80 hours of sick pay a year, and most local government employees around the country and in Ohio can earn paid sick days.³⁷

U.S. Senator Ted Kennedy (D-Massachusetts) and U.S. Representative Rosa DeLauro (D-Connecticut) introduced the Healthy Families Act in 2005 and again in 2007. This bill would require employers to allow full-time employees to earn up to seven paid sick days a year. Part-time employees would be able to earn paid sick days at a lesser level than that, depending upon their number of hours. Sick days could be used to recuperate from an illness, injury, or physical or mental condition; obtain medical diagnosis or treatment; or care for a family member with an illness, injury, medical condition or medical appointment.³⁸

Employers with 15 or more employees would be covered, and employees would be covered only if they worked at least 20 hours a week or 1,000 hours a year. The bill has been referred to the Subcommittee on Health, Employment, Labor and Pensions, and Senator Kennedy held a hearing on the bill in February 2007.

CONCLUSION

Allowing workers to earn paid sick days is a modest policy, whose savings exceed its costs. Every other industrialized country, all of the world's other most successful economies, and even nations much poorer than the United States have found a way to provide this healthy standard. Many Ohio employers also provide paid sick days, because they recognize that it is better for their customers, clients, workforce and productivity. Although most workers will use no paid sick days for illness in a typical year, having access to paid sick days is extremely important to working people. Particularly for parents, being able to stay home to care for a sick child on occasion, without fear of losing needed income or jeopardizing employment, is crucial, as emergency child care is extremely difficult to find, and children recover more quickly with parental care. Being able to take paid hours off to see a doctor makes it more likely that employees and their children will get preventive health care, which can increase overall health and reduce overall medical costs. All in all, a policy permitting employees to earn up to seven paid sick days will improve worker and child well being, reduce spread of

³⁶International Labor Organization website at

<http://www.ilo.org/public/english/dialogue/ifpdial/info/national/index.htm>

³⁷ *American Workers need paid sick days*, downloaded August 2007,

http://paysickdays.nationalpartnership.org/site/PageServer?pagename=psd_policy.

³⁸ The full text of the federal Healthy Families Act [HR 1542] can be found online at:

<http://www.govtrack.us/congress/billtext.xpd?bill=s109-108> or http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=109_cong_bills&docid=f:s1085pcs.txt.pdf.

disease, have savings that exceed the costs, and help ensure that those serving our food, caring for our children, and standing across the checkout counter from us are not ill. In a nation that expects people to work and contribute to the economy, a paid sick day policy helps ensure that workers can also take care of themselves and their families.

APPENDIX A

FULL TEXT OF PROPOSED LAW: THE HEALTHY FAMILIES ACT <http://www.sickdaysohio.org/pdfs/sickdayspetition.pdf/sickdayspetition.pdf>

Chapter 4114: Healthy Families Act

4114.01 Definitions

(A) “Child” means a biological, foster, or adopted child, a stepchild, a legal ward, or a child of a person standing in loco parentis, who is:

- (1) Under 18 years of age; or
- (2) 18 years of age or older and incapable of self-care due to a physical or mental disability.

(B) “Employee” and “employer” have the same definitions as those found in Article II, Section 34a of the Ohio Constitution, except that “employer” shall not include an employer who employs less than 25 employees.

(C) “Health Care Professional” means any person licensed under federal or state law to provide health care services, including, but not limited to, nurses, doctors, and emergency room personnel.

(D) “Parent” is defined as a biological, foster, or adoptive parent, a stepparent, legal guardian, parent-in-law, or an individual who stood in loco parentis when a person was a child.

(E) “Pro rata” with respect to benefits offered to part-time employees, means the proportion of each of the benefits offered to full-time employees that are offered to part-time employees that, for each benefit, is equal to the ratio of part-time hours worked to full-time hours worked.

(F) “Sick leave” is defined as an increment of compensated leave provided by an employer to an employee as a benefit of employment for use by the employee during an absence from employment for any of the reasons described in 4114.03(A) of the Revised Code.

4114.02 Accumulation of Sick Leave

(A) Employers shall provide each employee with not less than:

- (1) Seven (7) days of paid sick leave annually for employees working 30 hours or more a week; or
- (2) A pro rata amount of paid sick leave annually for employees working less than 30 hours per week or less than 1,560 hours per year.

(B) Sick leave shall begin to accumulate immediately, but no employer shall be required to grant accrued sick leave before ninety (90) days from the commencement of employment. Paid sick leave must accrue at least monthly and, after the initial ninety (90) day waiting period, may be used as it is accrued. At the employer’s discretion, sick leave may be loaned to the employee in advance of the accrual by such employee.

(C) Accrued sick leave provided under this section shall carry over from year to year, but this Act shall not be construed to require an employer to permit an employee to accumulate more than seven (7) days of sick leave per year.

(D) For periods of paid sick leave less than a normal workday, that leave shall be counted:

- (1) On an hourly basis; or
- (2) If less than an hour, in the smallest increment that the employer’s payroll system uses to account for absences or use of other leave.

(E) If the schedule of an employee varies from week to week, a weekly average of the hours worked over the 12-week period prior to the beginning of a sick leave period shall be used to calculate the employee’s normal workweek for the purposes of determining the amount of sick leave to which the employee is entitled.

4114.03 Use of Sick Leave

- (A) Sick leave accrued under this section may be used by an employee for any of the following:
- (1) An absence resulting from a physical or mental illness, injury or medical condition of the employee;
 - (2) An absence resulting from obtaining professional medical diagnosis or care, or preventive medical care, for the employee;
 - (3) An absence for the purpose of caring for a child, parent, or a spouse, who has any of the conditions or needs diagnosis or care described in paragraphs (1) or (2) above.
- (B) Employees shall make reasonable efforts to schedule leave in a manner that does not unduly disrupt the operations of the employer.
- (C) Sick leave shall be provided upon the oral or written request of an employee. Such request shall include:
- (1) The reason for the absences involved and expected duration of leave; and
 - (2) In cases in which leave is foreseeable at least seven (7) days in advance of such leave, seven (7) days notice shall be provided; or
 - (3) In cases in which leave is not foreseeable at least seven (7) days in advance of such leave, notice shall be given as soon as practicable once the employee becomes aware of the need for such leave.

4114.04 Certification

- (A) An employer may only require that a request for leave be supported by the certification of a health care professional if the leave period covers more than three (3) consecutive work days.
- (B) An employee must provide certification of a health care professional upon request to the employer in a timely manner, no later than thirty (30) days after the first day of leave. The employer shall not delay the commencement of the leave on the basis that the employer has not yet received certification.
- (C) Any health information possessed by an employer regarding an employee, employee's child, parent, or spouse shall:
- (1) Be maintained on a separate form and in a separate file from other personnel information;
 - (2) Be treated as confidential medical records; and
 - (3) Not be disclosed except to the affected employee or with the express permission of the affected employee.

4114.05 Posting Requirements

- (A) Every employer subject to sections 4114.01 to 4114.11 of the Revised Code, or to any rules issued thereunder, shall keep a summary of the sections, approved by the director of commerce, and copies of any applicable rules issued thereunder, or a summary of the rules, posted in a conspicuous and accessible place in or about the premises wherein any person subject thereto is employed. Employees shall be furnished copies of the summaries and rules by the state, on request, without charge.
- (B) An employer who willfully violates the posting requirements of this section shall be subject to a civil fine in an amount not to exceed \$100.00 for each separate offense.

4114.06 Rules

The director of commerce shall adopt rules in accordance with Chapter 119 of the Revised Code as the director considers appropriate to carry out the purposes of sections 4114.01 to 4114.11 of the Revised Code. The rules may be amended from time to time and may include, but are not limited to, proper notice of employees' protections under the Act, computations of paid sick time, proper accrual, and the retention of pertinent records.

4114.07 Effect on Current Leave Policies

- (A) Nothing in this Act shall be construed to discourage an employer from the adoption or retention of a paid leave policy more generous than the one required by this Act.

(B) An employer with a leave policy providing paid leave options shall not be required to modify such policy, if such policy offers an employee the option at the employee's discretion to take paid leave that is at least equivalent to the sick leave described in this section.

(C) An employer may not eliminate or reduce leave in existence on the date of enactment of this Act, regardless of the type of such leave, in order to comply with the provisions of this Act.

4114.08 Right to Collective Bargaining

Nothing in sections 4114.01 to 4114.11 of the Revised Code interferes with, impedes, or in any way diminishes the right of employees to bargain collectively with their employers through representatives of their own choosing in order to establish sick leave, paid leave, and other terms and conditions of employment in excess of the minimum paid sick days established in section 4114.01 to 4114.11 of the Revised Code.

4114.09 Employer Records

Employers shall retain records documenting hours worked by employees and paid sick leave taken by employees, for a period of three (3) years, and shall allow the director of the department of commerce access to such records to monitor compliance with the requirements of this Act.

4114.10 Prohibited Acts by the employer

(A) No employer shall hinder or delay the director of commerce in the performance of the director's duties in the enforcement of section 4114.01 to 4114.11 of the Revised Code, or refuse to admit the director to any place of employment, or fail to make, keep, and preserve any records as required under those sections, or falsify any of those records, or refuse to make them accessible to the director upon demand, or refuse to furnish them or any other information required for the proper enforcement of those sections to the director upon demand, or fail to post a summary of those sections or a copy of any applicable rules as required by section 4114.05 of the Revised Code. Each day of violation constitutes a separate offense.

(B) No employer shall interfere with, restrain, or deny the exercise of or the attempted exercise of any right provided in this Act;

(C) No employer shall discharge or in any manner discriminate against any employee for opposing any practice made unlawful by this Act, including:

(1) Discharging, or discriminating against any employee for making any complaint to the employee's employer, or to the director, that the employee has not been allowed to accrue or use sick leave in accordance with sections 4114.01 to 4114.11 of the Revised Code, or because the employee has made any complaint or is about to cause to be instituted any proceeding under or related to those sections, or because the employee has testified or is about to testify in any proceeding, or because the employee is assisting another in exercising such a right;

(2) Using paid sick leave taken pursuant to this Act as a negative factor in an employment action, such as hiring, promotion, or a disciplinary action; or

(3) Counting the use of paid sick leave under a no-fault attendance policy.

(D) No employer shall provide or agree to provide any accrued sick leave less than the amount applicable under sections 4114.01 to 4114.11.

(E) No employer shall otherwise violate sections 4114.01 to 4114.11 of the Revised Code, or any rule adopted thereunder. Each day of violation constitutes a separate offense.

4114.11 Enforcement

(A) Any employee or the attorney general may enforce the provisions of this statute by bringing a civil action against an employer to enforce the provisions of this section. The attorney general may conduct

an investigation to obtain voluntary conciliation of an alleged violation. Such an investigation shall not be a prerequisite to the bringing of a court action.

(B) Any employer who violates section 4114.01 to 4114.11 of the Revised Code shall be liable to any affected employee for:

(1) Damages equal to:

(a) The amount of:

i. Any wages, salary, employment benefits, or other compensation denied or lost to such employee by reason of the violation; or

ii. In cases in which wages, salary, employment benefits, or other compensation has not been denied or lost to such employee, any actual monetary losses sustained by the employee as a direct result of the violation up to a sum equal to ten (10) days of wages or salary for the employee;

(b) The interest on the amount described in subclause (i) calculated at the prevailing rate; and

(c) An additional amount as treble damages; and

(d) Reasonable attorney fees.

(2) For such equitable relief as may be appropriate, including employment, reinstatement and promotion.

APPENDIX B

Methodology for costs and benefits of paid sick days

The methodology for the cost-benefit analysis is described in a 21 page document available at <http://www.iwpr.org/pdf/B248.pdf>. This appendix summarizes that document.

Costs

The estimates for costs are based on estimates of:

1- Number of workers affected: How many workers will be affected, based on number of eligible workers (working in firms with 15 or more employees) according to analysis of Current Population Survey data; number of workers currently not provided any paid sick days; not provided the number of sick days guaranteed by the act; or provided sick days but not permitted to use those days to care for ill family members or doctor visits.

2- Number of paid sick days used by workers: How many days of paid sick leave workers will take is based on IWPR estimates of time taken for illness based on National Health Interview Survey;

` a. For own medical needs (if capped at seven, workers miss 1.8 days on average, compared to 1.3 days on average for those without paid sick days; if not capped at seven, workers miss 3.95 days on average with paid sick days and 3.35 days on average without the policy)

` b. For family care: According to the U.S. Department of Labor's 2000 Family and Medical Leave Act Survey of Employees, workers take 0.33 days of FMLA-type leave to care for ill children, spouses, and parents for every 1.0 days of own-health leave.

` c. For doctor visits: Workers with paid sick leave visit the doctor an average of 3.7 times per year (IWPR analysis of the 2003 NHIS). (Without paid sick leave, doctor visits average 3.1 annually.) These visits may be during or outside of work hours or may already be included in time off due to illness or injury in 2(a) above. We assume 3.7 hours of leave in additional doctor visits during work hours (0.4625 days). The analysis assumes that the average work-loss of 1.8 days calculated from the National Health Interview Survey includes own medical needs only, excluding doctor visits. However, due to respondent discretion in interpreting the survey's questions, reported work-loss "because of illness or injury" may include time off work to care for others and for doctor visits, in addition to time for workers' recuperation. To the extent that this occurs, our estimates may overestimate actual leave-taking.

d. For maternity leave and corresponding time for new mothers' partners: IWPR analysis of the 2004 CPS finds 2.40 million births nationally each year to employed mothers. IWPR assumes partners will take leave time in 77.01 percent of the cases where the mother is married and the father is employed and in half of the cases where the mother is unmarried, based on analysis of the CPS and BLS data. IWPR assumes that new mothers will take the maximum days allotted for prenatal care, maternal recovery, or care of the new baby. Men who take leave take 7.2 days on average according to Rutgers University Center for Women and Work (2005.) We already assume in 2(a) – 2(c) that workers take 2.8625 days, so we add 4.1375 days for this set of workers.

3- Dollar amount earned by workers: We calculate mean wages by wage quartile for non-maternity-related HFA use and use mean wages (by wage quartile) for new mothers for maternity-related HFA leave. Earnings are adjusted for work hours using the median work hours for full-time and part-time workers for these two groups of workers.

4- Dollar amount added to wage costs: Legally mandated payroll taxes (the employer's share of Social Security and Medicare taxes, plus federal and state unemployment insurance taxes and workers' compensation) amounting to 11.46 percent of wages (U.S. Bureau of Labor Statistics 2005) are added to wage costs.

5- Dollar amount of administrative expenses: Administrative expenses are estimated at 2.0 percent of wages. This is roughly one-third the average ratio of administrative costs to benefit payments for state Temporary Disability Insurance programs (TDI) in California, New Jersey, and Rhode Island (U.S. Social Security Administration 2005). TDI is somewhat similar to HFA leave in that both relate to workers' illness-related work absence, but TDI is more complex, involving collection of payroll taxes, evaluation of medical disability, tracking of health status, and long-term benefit periods.

6- Cost of replacing workers: The analysis assumes that employers incur the cost of what they pay the worker who is out on leave. If they don't replace the worker during this time, then they don't get the value of the work that they normally get, which is a cost. If they do replace the worker, they get the value of the work, but they have to pay for it twice.

Benefits

Providing paid sick days is likely to lead to improved health outcomes for workers and their families (Lovell 2004). Better health outcomes will reduce health-care expenditures and increase quality of life. We estimate some health-related benefits of paid sick days, but we know that we have not captured all potential benefits. Workers with inadequate paid time off work spend more time on the job at lowered productivity. These workers are currently paid their full wages for this reduced work effort. Taking an additional half day off work under the HFA will save employers the wages they would otherwise pay without any work of value being performed. Productivity losses related to presenteeism—ill employees going to work—will fall, as workers stay home when they are contagious and avoid passing the flu and other diseases to others.

In addition, workers with paid sick leave have lower voluntary turnover than workers without this leave (Cooper and Monheit 1993), so expanding access to paid sick leave will reduce employers' costs related to turnover. Involuntary turnover for workers who are fired for taking unauthorized leave will also decrease under the HFA, saving employers' additional expenditures for replacement costs. Finally, we anticipate that increasing the flexibility available to caregivers to respond to their families' chronic and acute medical needs will reduce nursing home stays. This will save private and public dollars while improving health outcomes for medically frail adults. The estimates for benefits are based on estimates of:

1- Wages currently paid to workers with low productivity: Goetzel et al. (2004) estimate the average total annual productivity loss, per employee, for the top 10 most costly health conditions at between \$1,566.63, using average productivity loss estimates, and \$217.07, using low productivity loss estimates (in 2001 dollars). Empirical studies document that workers with influenza have worse performance on

a variety of tasks than healthy workers. A study that used random assignment of experimentally induced colds and influenza found that “minor illnesses . . . have significant effects on performance efficiency” during both incubation and symptomatic periods (Smith 1989, 68). A follow-up study discovered that performance impairment continues even after clinical symptoms no longer appear (Smith 1990).

We estimate the costs currently paid by employers to eligible workers who, without paid sick leave, are on the job but less productive than usual. Analysis of the National Health Interview Survey finds that workers without paid sick leave miss an average of 0.5 fewer days due to illness and injury than workers with paid sick leave. Other research suggests that productivity during this extra time at work is 50 percent of normal (Nichol 2001).

2- Reduced turnover: Research establishes that having paid sick leave reduces voluntary job mobility by 5.58 percentage points for married men, 3.61 pp for married women, 5.75 pp for single women, and 6.43 pp for single men (Cooper and Monheit 1993), as workers choose to retain a valued employment benefit by staying in their current job. With paid sick leave expanded, some of this effect on voluntary turnover may be reduced, as more workers considering a job change will have paid sick leave both at their current job and at their potential new job. However, workers in firms with fewer than 15 employees will not be covered by the HFA (25 under the Ohio proposal), so important differences in paid leave quality among jobs will remain. Participating in paid sick leave under the HFA through a current job may also increase worker loyalty to the current employer, in response to having a more adequate leave benefit (which may be perceived as an employer initiative, rather than a public policy). In addition, having paid sick leave affects *involuntary* turnover, with decreased job terminations related to unauthorized work absences for ill workers and for workers caring for sick family members (Heymann 2000, Earle and Heymann 2002). Seven percent of women’s job separations are responses to health issues, and another 15 percent concern other family or personal reasons (Emsellem, Allen, and Shaw 1999). We lack data for accurately estimating the savings related to lowered involuntary turnover from the HFA. We believe it is reasonable to expect that any overestimation in savings from voluntary turnover in our analysis will be countered by savings in employer expenses from reduced involuntary turnover.

Turnover entails a variety of costs for employers, of which actual outlays to recruit a new worker are only a small portion. Low productivity of new hires, drains on the productivity of the new worker’s colleagues and supervisors, human resources processing time for exit and entry, training, and lost productivity during vacancies are also real costs to employers (Phillips 1990). A newly hired low-paid retail worker may lose sales—and customers—during the period the employee is learning about the employer’s products, and may mistakenly undercharge for products (Johnson and Tratensek 2001). Careful analyses of the range of impacts associated with turnover provide guidance on the true costs to employers. Phillips (1990) reports that replacing a mid-level manager costs 1.5 times the worker’s annual salary. An estimate by Johnson and Tratensek (2001) pegs turnover of retail workers earning \$7 an hour at \$6,241, or 43 percent of their annual pay. A widely cited rubric for figuring turnover costs places them at 25 percent of total compensation (Employment Policy Foundation 2002). We use the latter figure to estimate employers’ savings under the HFA from reduced turnover.

3- Reduced spread of the flu within workplaces; reduced overall absence and lowered productivity: Employers are increasingly aware of the cost of the spread of disease within workplaces that occurs when sick employees go to work, a practice known as presenteeism. Two of every five employers identify presenteeism as a problem for their organization (CCH Incorporated 2004a). As Dr. Richard Chaifetz notes, presenteeism can lead to “the spread of illness for an even greater reduction in productivity” than would be caused by an individual worker’s absence (ComPsych 2004). Firms with low employee morale are more likely to experience presenteeism than those with better morale (CCH Incorporated 2004b). Empirical research has documented the widely suspected link between presenteeism and contagion within workplaces. Li et al. (1996) find lower rates of respiratory and

gastrointestinal infection among nursing home residents when nurses have paid sick leave, demonstrating that the spread of disease is diminished (at least in workplaces involving intimate physical contact) when ill workers can stay home. Potter et al. (1997) report reduced disease and mortality among patients in long-term care hospitals when health-care workers are vaccinated against influenza. Because influenza (the flu) is highly contagious and accounts for 10 to 12 percent of all illness-related employment absences—about the same portion as musculoskeletal disorders (Keech, Scott, and Ryan 1998)—the impact of the Healthy Families Act leave on transmission of the flu virus is likely to be the largest consequence of increased paid leave on the spread of disease in the workplace. Longini, Koopman, Haber, and Cotsonis (1988) and Islam, O’Shaughnessy, and Smith (1996) each separately estimates the probability of an individual contracting influenza from community contacts at 16.4 percent and 16.8 percent respectively, suggesting that a contagious colleague is likely to infect 1.8 of every 10 co-workers. By a low estimate, 5 percent of healthy working adults will get the flu in a given flu season and will miss 1-5 days of work (Nichol 2001). Half of those out sick with the flu are attended by a caregiver, with an average work-loss of 0.4 days per caregiver (Keech, Scott, and Ryan 1998). Workers with the flu incur costs for doctor visits (45 percent seek medical care; Nichol 2001), hospitalizations (four per 10,000 flu cases; Nichol 2001), and purchase of medications and other treatments (Kavet 1977). In addition, the flu kills one in every 100,000 infected individuals (Nichol 2001). These factors are combined with workforce data to estimate savings from reduced spread of the flu in workplaces. We lack data to estimate savings from other contagious diseases.

4- Reduced expenditures for short-term nursing home stays: Workers with the flexibility to provide informal care for elderly, disabled, and medically fragile relatives may be able to reduce expenditures for health care, including paid care at home or in nursing homes that might otherwise be financed by Medicaid or Medicare. Individuals consider the level of informal care available to them in decisions about purchasing formal care. When adult children increase their hours of informal care for their single parents, the likelihood of purchasing home health care and nursing home services decreases, and lengths of stays in nursing homes and hospitals are reduced (Van Houtven and Norton 2004). Because informal care may increase elders’ ability to navigate the health care system, informal care increases hospital stays, outpatient surgery, and physician visits. A 10 percent increase in the number of hours of informal care provided to individuals aged 70 and older reduces the probability of entering a nursing home by 0.77 percentage points, from 8.6 to 7.83 (Van Houtven and Norton 2004). Elderly patients discharged from acute care wards return home at higher rates if they have children (McClaran, Berglas, and Franco 1996). Unmarried and childless individuals are more likely to enter nursing homes than others (Freedman 1993), as they less often have an informal caregiver to help them return home. With nearly 9 million full-time workers providing care to adults aged 50 and older (IWPR calculation from National Alliance for Caregiving and AARP 2004), nearly 1.5 million nursing facility patients at any one time (AHCA n.d.), or roughly 2.7 nursing home admissions per year (IWPR calculation from Mehdizadeh and Applebaum 2003, Table 1)—78 percent paid for by Medicare or Medicaid (AHCA n.d.)—and average annual per-patient costs of \$58,000 (MetLife 2004), savings to families and taxpayers from reduced nursing home utilization could be substantial. An even larger number of elderly individuals receive paid care at home (Lo Sasso and Johnson 2002). This group may be affected by their adult children’s work hours flexibility—having a child who can respond to medical crises may mean the difference between staying at home and transitioning to assisted living or nursing home facilities. Preventing short-term nursing home care of medically frail individuals saves money for families and taxpayers and leads to better health outcomes for the individuals themselves. Recognizing this, the government has stated that “preventing premature institutionalization is a major public health goal” (Sahyoun et al. 2001).

Distribution of the Costs and Savings

To illustrate distribution of costs and savings between employers, workers, families, and taxpayers, we assume all the costs are borne by employers. Employers also receive the largest share of the savings we were able to estimate.

Other benefits to measure when necessary data becomes available

We currently lack data to calculate the economic impact of all the consequences of workers not having adequate paid sick leave. These could include health care expenditures for workers who are sick longer because they don't take recuperation time, costs to employers of scheduling uncertainties, improved morale and productivity, health and health care utilization impacts when workers can't provide care; improvements in child health from parental care; improvements in adult health outcomes from family care; costs of keeping older kids out of school; costs from people leaving jobs entirely because they are incompatible with family responsibilities; reduced public assistance expenditures when jobs are lost; increased financial stability and well-being; and other variables.

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