

# OUTBREAK IN OHIO: COST OF THE 2008 NOROVIRUS INCIDENT IN KENT

## EXECUTIVE SUMMARY

An outbreak of norovirus in Kent, Ohio affected 509 individuals; 505 directly from dining at a Chipotle restaurant, and four through secondary contact with diners who were infected. Though it is not possible to say with certainty, interviews with the Commissioner of the Kent Department of Health suggest that it may have been passed on to diners from a worker who reported for work even though he or she had symptoms of norovirus.

Nationally, there are approximately 76 million cases of food-borne illness, resulting in 325,000 hospitalizations and 5,000 deaths per year in the United States. About 50 percent of all food-borne illness outbreaks in six different states were attributed to norovirus in one study; and at least 39 percent of these norovirus cases are associated with restaurant, catering, and food outlet locations. Because 85 percent of food service workers, roughly 339,745 people in Ohio (more than the entire population of Cincinnati), do not have paid sick days, such workers are encouraged to go to work sick, spreading germs and viruses to coworkers and consumers.

This report estimates the costs the community incurred as a result of the outbreak. Overall, this report finds that:

- The outbreak of norovirus cost the Kent community between \$130,233 and \$305,337 in lost wages, tuition paid by students for classes not attended, taxpayer education subsidies, lost income tax revenues, and health care costs.
- Paid sick days, as prescribed by the Ohio Healthy Families Act, would cost this Chipotle location between \$12,601 and \$26,087 annually.
- Even when the cost of paid sick days is estimated for all of Chipotle's restaurants nationwide (reported to be 704 in 2007), the cost of paid sick days represents only 1.7 percent of Chipotle's annual sales, and 6.3 percent of its labor costs, at most.
- The costs the community incurred as a result of the norovirus outbreak are at least five times the cost of providing paid sick days at this location.

Paid sick days, and specifically the Ohio Healthy Families Act, are a good way to minimize the degree to which workers contract and spread disease or endanger the health and welfare of others. The bill would also reduce the degree to which workers have to choose between earning an income and staying healthy. Requiring that workers be able to earn paid sick days will also ensure that businesses who have responsible policies are not bearing part of the cost for businesses with a less responsible approach.

This report outlines one specific incident where paid sick days might have prevented community costs in the form of lost wages, lost value of student-paid tuition, health care costs, and lost public funds from tax revenue. Norovirus outbreaks occur fairly frequently around the country and restaurants are one place where many people can be infected at once. Other viruses like influenza, rotavirus, viral meningitis, and E. coli can also spread in this manner. Allowing sick workers to stay home when infected could prevent some of these outbreaks.

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The following tables estimates costs of lost wages, student-paid tuition, health care, and public revenues that resulted from the norovirus outbreak. The table also estimates the cost of paid sick days to one Chipotle restaurant; on the high end with each employee using every sick day possible, and on the more-likely low end using information from the Bureau of Labor Statistics.

<b>Estimated Total Cost of 2008 Norovirus Outbreak to Taxpayers, Consumers, Community, and Chipotle</b>		
	<b>Low-End Estimate</b>	<b>High-End Estimate</b>
<b>Costs to Community</b>		
Lost wages	\$34,168	\$85,421
Lost student productivity	\$35,841	\$89,602
Lost value of tax-subsidized tuition	\$26,267	\$65,667
Healthcare	\$33,957	\$64,647
Lost income tax revenue from affected non-students*	\$4,841	\$6,052
<b>Total</b>	<b>\$130,233</b>	<b>\$305,337</b>
<b>Cost of Paid Sick Days</b>		
Cost of used paid sick days	\$5,744	\$11,159
Cost of replacing staff	\$5,744	\$11,159
Cost of managerial time	\$1,113	\$3,769
<b>Total</b>	<b>\$12,601</b>	<b>\$26,087</b>

Source: Aggregated from other tables within this report.  
 \*Not included in total since these taxes are generally taken out of wages, and are included in the wages figures. This figure is shown to represent lost public revenue.

To be clear, we don't conclude that paid sick days are the only way to prevent transmission of viruses through food establishments or even that this policy will succeed in preventing all virus outbreaks. Further, we don't conclude that the threat of virus outbreaks is the only or even the best reason to allow employees to earn paid sick days. Three disclaimers are worth mentioning here:

- There are ways other than paid sick days to reduce spread of viruses – use of gloves and training in hand washing are two obvious ones, which the law requires and many restaurants, including Chipotle, already employ.
- Providing paid sick days would not prevent all virus outbreaks – workers might be contagious when they are not having symptoms, or workers who have already used their paid days might get sick again and come in. Nonetheless, encouraging food workers in particular to stay home when they are ill would substantially reduce the likelihood that customers get sick when eating in a restaurant. The Center for Disease Control and Prevention lists paid sick days as a method of prevention of norovirus.
- Most importantly, prevention of spread of viruses is only one among many reasons to allow workers to earn paid sick days.

As this study shows, failure to provide paid sick days can increase the likelihood of a viral outbreak at a food-serving establishment, and can result in substantial community costs. A substantial body of research shows that paid sick days can enable workers to better balance their lives with their jobs, help parents to better manage work and family, prevent spread of illness in the workplace, and increase employee well being. Overall, for the state or the country as a whole, having paid sick days will result in a modest net financial savings, but that is not the only, or even the main reason to allow paid sick days.