



HOW YOUR BUSINESS CAN BENEFIT FROM PAID SICK DAYS

**Business
Owners Find
Paid Sick Days
are Good for
Employees,
Customers
and Their
Bottom Line**



Business Owners Report Paid Sick Days Can Keep Costs Down

Many business owners know and research confirms that allowing workers to earn paid sick days helps businesses keep the workplace healthier, reduces turnover and improves productivity.

Across the country, small business owners who offer paid sick days report little or no additional costs resulting from the policy. The chief benefit, they say, is that the policy helps retain employees and keep recruitment costs down – two critical factors for staying competitive in this tough economy.

Studies show that every time an employee leaves a job, the costs of replacing him or her are significant, ranging from 25 to 200 percent of the employee’s total compensation, depending on the position.

Spotlight: Jim Houser, owner of Hawthorne Auto Clinic, Portland, Oregon



Jim Houser and his wife have offered paid sick days to employees since they opened their auto services business 29 years ago. They consider the policy a vital tool for keeping skilled workers and cutting recruiting and training costs. “It’s not only the right thing to do, it’s the smart thing to do,” says Houser.

According to Houser, the costs of offering six paid sick days a year are miniscule compared with the return on investment. “We invest a lot in training and want our employees focused on their work every day they come in. That won’t happen if they’re worrying about a child who is sick at home,” he says. Because Houser’s employees know “we care about their health and well-being, they are loyal to us in return.” The average tenure for employees is more than 18 years, making recruitment and training costs for new employees practically non-existent. “Any business person can calculate what that means for overall savings,” says Houser.

Many Businesses Support Paid Sick Days

San Francisco enacted a paid sick days law in 2007. Today, two-thirds of businesses in the city support the policy. Most confirm they have had no trouble implementing the ordinance or getting the job done when employees are out sick.

The number of small and large businesses in the city has increased since 2007, with growth stronger than in the surrounding five counties. In 2011, PricewaterhouseCoopers rated San Francisco the world’s third best city for business and innovation.

Spotlight: Makini Howell, chef-owner of Plum Bistro, Seattle, Washington

Makini Howell’s business philosophy applies to employees and customers: “If you’re nice to people, then they’re nice to you in return.” Howell believes providing paid sick days to her 30 employees is good business. “I’ve had jobs where I haven’t been treated well,” says Howell. “I want to be the kind of business I would like to work for.”



The loyalty she gets from employees in return more than pays for the “pennies” Howell says it costs to offer her staff paid sick days. “If people feel secure and happy when they come to work, they will want to keep working and helping the business succeed.”

Spotlight: Leni Juca, owner of Oxium Print and Copy, Queens, New York

When Leni Juca opened his small printing business three years ago, he knew from day one he would offer paid sick days to his two employees. He had previously worked as a store manager for large retailers and “saw a lot of disruption and unfairness” when employees were sick and had to choose between coming to work and being fired. “People had no choice but to come into work with the flu and get everyone else sick,” he says. To Juca, the cost of offering seven paid sick days a year to his employees is a non-issue: “With a small business like this one, we can’t afford to get each other sick.”



Our Economy Will Benefit from Paid Sick Days

The lack of paid sick days takes a toll on businesses and the economy. When workers come to jobs sick, they spread their illness, costing our national economy \$160 billion annually in lost productivity and \$1 billion in medical expenses – including \$500 million in health care expenses paid by tax dollars. During the H1N1 flu outbreak, an estimated 7 million people caught the virus from co-workers.

Nearly one-quarter of workers say they have lost a job or been threatened with job loss for taking a sick day. Those lost jobs mean lost business for many small companies. That’s why economists say paid sick days is a job retention policy that helps reduce unemployment and strengthen the economy.

When workers have paid sick days, they recover faster from illnesses, get timely medical care and rely less on emergency room care, cutting health care costs.

Spotlight: Dewetta Logan, director and owner of Smart Beginnings Early Learning Center, Philadelphia, Pennsylvania

For Dewetta Logan there are practical as well as moral reasons for offering paid sick days to her child care center staff. On the practical side, providing paid sick days has allowed Logan to better manage her staffing needs. Prior to offering the policy, employees often called in at the last minute even for a doctor’s appointment scheduled in advance, leaving her to scramble to find replacements. But Logan says offering the benefit has “helped build a partnership of trust between employee and employer.” Under the policy, whenever possible staff let Logan know when they’ll need to take a sick day, giving her more time to plan ahead. And she knows that when her staff is at work, they are focused 100 percent on the kids.



Logan also believes that businesses like hers have a moral obligation to treat their workers humanely. “I believe having time off when you’re sick is a right – not something a worker should have to beg for.”

Paid Sick Days: The Facts

During this sluggish economic recovery, allowing workers to earn paid sick days is a cost-saving policy that's helping businesses, workers and families. No one should ever have to choose between being a responsible employee and a responsible family member.

What is a Paid Sick Day?

Paid sick days help ensure workers stay home to take care of themselves or family members when they're sick or need to see the doctor. Without the fear of losing pay or their job, workers are more likely to keep sickness out of the workplace so that businesses large and small can stay productive.

Don't Most Workers Earn Paid Sick Days?

Many workers do earn paid sick days, but nearly 44 million people – or 42 percent of all U.S. workers – do not get a single day off to take care of themselves or a family member when they are sick. That means many employees come to work sick rather than lose their job or a day's wages, putting their health and the health of clients and customers at risk.

Won't Workers with Paid Sick Days Abuse the Policy?

Research shows most workers do not take the full number of sick days they earn. In San Francisco, where full-time workers accrue either five or nine paid sick days a year, 25 percent took no sick time, and workers typically used only three sick days. This suggests that most workers view paid sick days as a form of insurance – a valuable tool when illness strikes, but to be saved for when it's most needed.

Shouldn't Allowing Workers to Earn Paid Sick Days be the Choice of Individual Employers?

Like the health code for restaurants or immunization requirements for school children, paid sick day laws address a major public health issue: illness at the workplace. Many workers without paid sick days handle food, provide childcare and care for the elderly, posing serious risks of spreading illness to others.

Do Paid Sick Day Laws Give Any Consideration to Small Businesses?

Laws that have been enacted and legislation that has been introduced have provisions that take into account the unique challenges faced by very small businesses.

If I Already Offer Paid Time Off, Do I Have to Add a Whole Additional Set of Days Off?

Language in the laws and legislation makes compliance clear: any paid time off currently offered by a business can count as paid sick days as long as the time can be used in the same way and for the same purposes as required by the law.

Join the Growing Number of Small Businesses that are Talking About the Benefits of Paid Sick Days

Nationally, three out of four Americans support paid sick days. Because it's good for business and the economy and protects public health, a growing number of cities and states, including Connecticut, Seattle, San Francisco, the District of Columbia and Philadelphia, have already passed paid sick days laws. Similar efforts are underway here and throughout the country.

Who's leading the fight against paid sick days? Lobbyists representing trade associations dominated by big national chains. "They disguise themselves as mom and pop shops. But they don't speak for me," said Freddy Castiblanco, owner of Terraza 7 Live Music, a cafe and music venue in Elmhurst, NY. Local businesses like Castiblanco's are increasingly voicing their support for paid sick days legislation.

Add your voice. As a small business owner who supports paid sick days, you can make a difference for your city and state.

"We are in full support of paid sick days legislation...We don't see a conflict between doing the right thing and earning a profit. We value our workers for the skills that they bring and at the same time recognize that they are human beings with human needs."

– Rob Everts, co-president and CEO of Equal Exchange, a fair trade provider of coffee and other products, based in West Bridgewater, Massachusetts.



You can start spreading the word today:

- Talk to other business owners about paid sick days**
- Write a letter to the editor or op-ed for your local newspaper**
- Speak at a public hearing or press event**

To learn about paid sick day campaigns in your area and other ways you can get involved, visit www.familyvaluesatwork.org or www.mainstreetalliance.org/paidsickdays