



Is Earned Sick Leave Right for Business?

As a business leader, you face a multitude of decisions; **one of the most important** are those having to do with the health and welfare of your employees.

Whether to provide employees with paid or earned sick leave, and what role public policy plays, raises some important questions. We hope this helps.

What About Cost?

According to a 2018 survey, 70% of businesses that do not offer paid sick leave consider cost to be the most significant factor⁽¹⁾.

Running a successful business means covering costs and generating a reasonable profit, so the cost of providing paid sick leave is an obvious concern. Yet, despite the concern, a survey of New York City employers, 1 ½ years after implementation of the Earned Sick Time Act, indicates 84.6% saw no change in costs ⁽²⁾.

What About Job Growth?

Job growth is directly related to an increase in business. In other words, adding jobs means the business is growing. So, what effect does paid sick leave public policy have on job growth?

San Francisco was the first jurisdiction to pass paid sick leave policy, and it did so more than 13 years ago. In the first five years after it was implemented, the job growth rate doubled when compared to surrounding jurisdictions⁽³⁾.

What About Abuse?

Many perceive providing employees with paid sick leave, and being mandated to do so by public policy, will lead to abuse. In other words, if employers are required by law to provide employees time-off, the benefit will be abused.

In 2011, Connecticut became the first state to require many employers to implement paid sick leave policy. A survey of employers in 2013 indicated that 86% found no abuse, and that one-third of their employees used none of their sick days in the previous 12 months⁽⁴⁾.

By the Numbers

Here's a quick run down of some important numbers that demonstrate the benefits of paid sick leave ⁽⁵⁾.



Increase in profitability, as measured by Revenue per Full Time Employee.



Employers reporting paid sick leave policy improves morale.



Workers who would take benefits, such as earned sick leave, over pay increase.

High Road Business Practices

Ultimately, the success of any business comes down to the quality and integrity of its leadership. High road business practices that include such things as paid family medical leave, or earned sick leave, have been proven to motivate workers and reduce turnover costs associated with hiring and training new employees⁽⁶⁾. High road business practices have also been shown to increase employee morale, attract more capable and productive talent, increase competitiveness and build brand equity⁽⁷⁾. Business leaders that focus on high road business practices are simply more successful.

References

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5. Same as 1.
6. Ibid.
7. Ibid.
8. American Sustainable Business Council, The High-Road Workplace

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