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FOR IMMEDIATE RELEASE  
Wednesday, April 27, 2005

## **PAID SICK DAYS PROMISE SUBSTANTIAL BENEFITS**

### **65.8 Million Workers Would Gain Coverage Under the Healthy Families Act**

Washington, DC... Expanding paid sick days through the Healthy Families Act (HFA) would save employers, workers, and taxpayers more than \$28.4 billion, according to a new report, *Valuing Good Health: An Estimate of the Costs and Savings for the Healthy Families Act*, by the Institute for Women's Policy Research (IWPR).

By providing seven paid days for eligible employees to use for their own and their family members' illness, the HFA would benefit both employers and families. A detailed analysis of the costs and benefits of the bill shows that:

- The HFA would provide savings of \$28.4 billion dollars per year.
- 65.8 million employees would receive expanded sick leave coverage under the HFA.
- The cost of the HFA is estimated at \$20.2 billion, or \$5.98 per covered worker per week. Savings will be larger, at \$8.38 per covered worker per year.
- The HFA will save \$739 million dollars per year due to the decreased spread of the flu at work and \$225 million annually by reducing short-term nursing home stays.
- The HFA will likely result in additional unmeasurable benefits such as reduced presenteeism, which prolongs illnesses and drains employee morale, better health outcomes for children when their parents can stay home to care for them, and increased financial stability and economic well-being for families.

The most substantial savings of the HFA would accrue to employers, who would save \$25.8 billion in reduced turnover expenses. Paid sick days will reduce both voluntary and involuntary turnover by improving employee morale and loyalty and by providing workers the support that they need to do their jobs.

The costs of the HFA include administrative expenses and wages and payroll taxes for workers' own medical leaves or absence to care for sick families. The average worker with paid sick days misses only 1.8 days per year due to illness or injury, while the average worker without it misses 1.3 days per year. Thus, the addition of paid sick days for those who don't have them will have only a small impact on worker absence overall.

"Paid sick leave will provide needed support for 65.8 million working men and women whose jobs are threatened when they have to miss work because of illness in their family," explained IWPR President Heidi Hartmann.

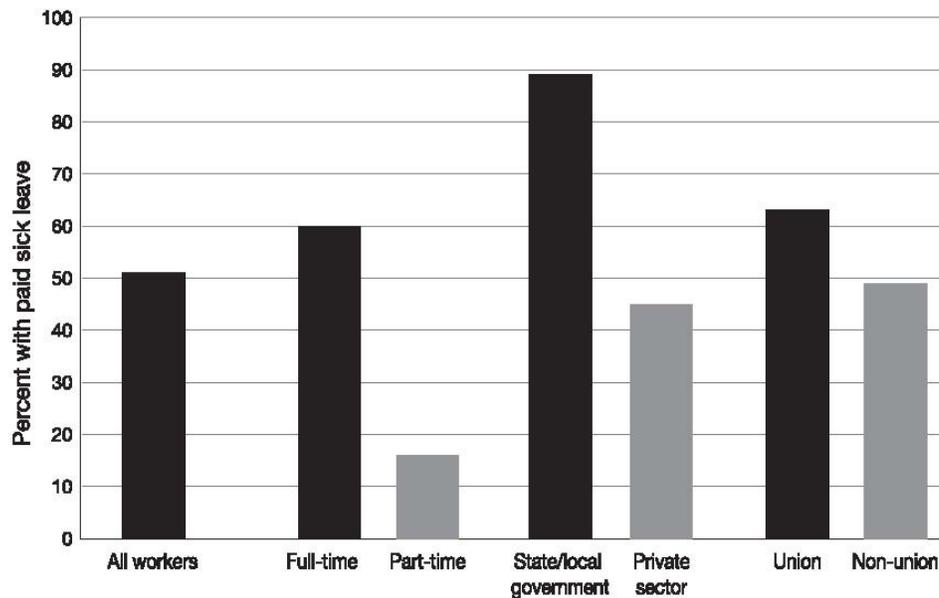
IWPR's cost estimate calculates benefits in four areas: savings from wages that employers pay to workers who come to work sick but are unproductive; reduced turnover from improving workers' loyalty and attachment to their jobs; reduced spread of the flu at work; and reduced short-term nursing stays for medically frail individuals whose caregivers will be able to take time off work to help them recover. Numerous other benefits are difficult to measure at this point due to lack of data but will certainly offer substantial additional savings society-wide.

"The benefits of improved sick leave coverage would be felt by everyone -- children, who would receive better care when they are ill; employers, who would experience reduced turnover costs and less spread of illness at work; taxpayers, through lower nursing home payments; and consumers, who will be less likely to catch the flu when eating at restaurants or hotels. Everyone stands to gain," noted Vicky Lovell, IWPR Study Director and report author.

The full report can be accessed at [www.iwpr.org](http://www.iwpr.org).

*The Institute for Women's Policy Research is a scientific research organization dedicated to informing and stimulating the debate on issues of critical importance to women and their families. IWPR focuses on issues of poverty and welfare, employment and earnings, work and family, health and safety, and women's civic and political participation. IWPR, an independent, nonprofit, research organization, also works in affiliation with the graduate programs in public policy and women's studies at The George Washington University.*

**Figure 2. Percent of workers with paid sick leave, by work hours, sector, and union status, 1996-1998**



Notes: Work hours are as defined by the individual reporting establishment. "Union" includes all workers whose working conditions are collectively bargained. Dataset excludes federal, military, agricultural, household, and self-employed workers.  
 Source: Institute for Women's Policy Research analysis of the 1996-1998 Employee Benefits Surveys.

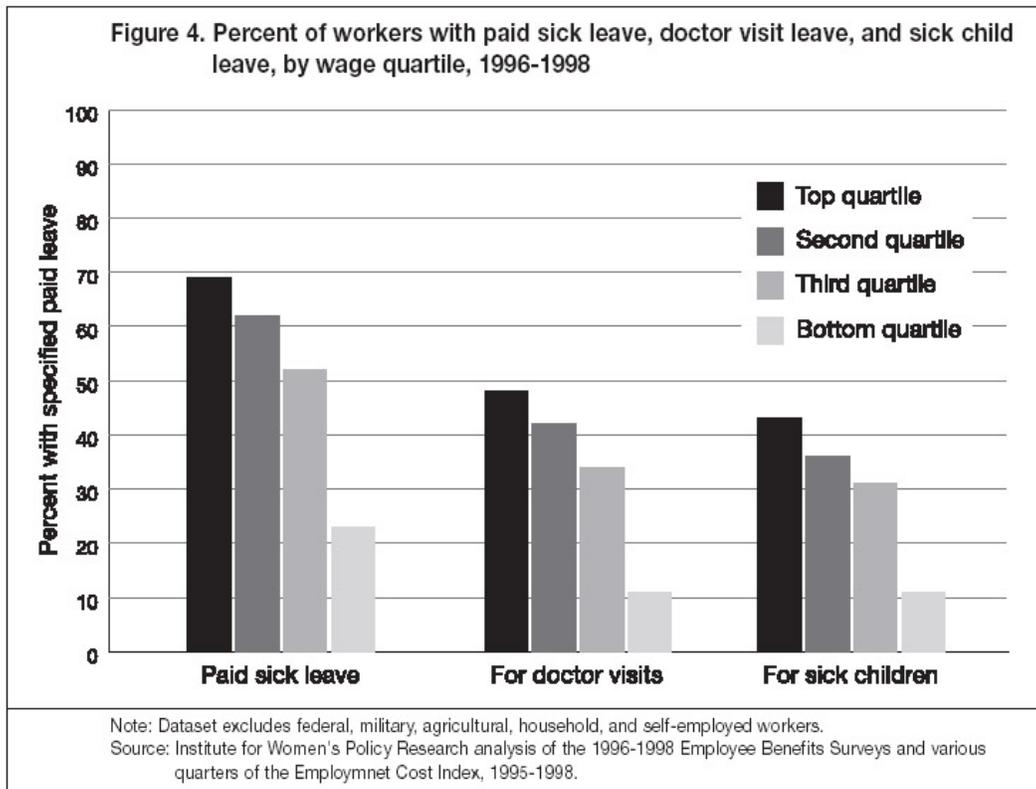
Source: Lovell, Vicky. 2004. *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*. Washington, DC: Institute for Women's Policy Research.

**Table 2. Percent of workers with paid sick leave, by industry and occupation, 1996-1998**

<u>Industry</u>	<u>Percent of workers with paid sick leave</u>	<u>Occupation</u>	<u>Percent of workers with paid sick leave</u>
Utilities	88	Executive, administrative, and managerial	73
Educational services	88	Professional, technical	71
Government (state and local)	87	Administrative support, clerks	68
Financial activities	73	Transportation, material moving	47
Information	69	Sales	42
Natural resources (a)	63	Precision production, craft, repair	39
Health care and social assistance	61	Service	37
Wholesale trade	57	Handler, equipment cleaner, helper, laborer	35
Transportation and warehousing	52	Machine operator, assembler, inspector	29
Professional and business services	52		
Retail trade	43		
Art, entertainment and recreation	40		
Manufacturing, durable	38		
Manufacturing, non-durable	36		
Other service	31		
Construction	27		
Accommodation and food service	14		

(a) Includes forestry, fishing, and mining. Data not available for these industries individually due to sample sizes.  
 Note: Dataset excludes federal, military, agricultural, household, and self-employed workers.  
 Source: Institute for Women's Policy Research analysis of the 1996-1998 Employee Benefits Surveys.

Source: Lovell, Vicky. 2004. *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*. Washington, DC: Institute for Women's Policy Research.



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**Table 1. Summary of HFA costs and savings**

	Total (\$ millions)	Per worker per week (over all wage and salary employees)	Per worker per week (over workers covered by HFA)
<b>Costs</b>			
Wages and payroll taxes for:			
Newly covered workers	\$ 17,549.9		
Workers with new leave uses	2,293.6		
Workers with additional leave days	35.6		
Administrative expenses	\$356.7		
<b>Total costs</b>	<b>\$ 20,235.9</b>	<b>\$3.04</b>	<b>\$5.98</b>
<b>Savings</b>			
Wages currently paid to unhealthy workers with low productivity (includes payroll taxes)	\$ 1,571.5		
Reduced turnover	25,840.0		
Reduced spread of the flu at work	738.5		
Reduced short-term nursing home stays	225.0		
<b>Total savings</b>	<b>\$ 28,375.0</b>	<b>\$4.26</b>	<b>\$8.38</b>

Notes: Columns may not sum to totals due to rounding. In 2003 dollars, using data from the 2004 Current Population Survey.

Source: Lovell, Vicky. 2005. *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*. Washington, DC: Institute for Women's Policy Research.