



# Promoting Health and Cost Control in States:

## How States Can Improve Community Health & Well-being Through Policy Change

### Earned Sick Leave

#### KEY TAKEAWAYS

##### What is Earned Sick Leave?

- Earned sick leave policies allow employees to take time off from work to recover when they are ill or need to visit a healthcare provider, without fear of lost wages or termination.

##### How does Earned Sick Leave Improve Health?

- Employees without paid sick leave are more likely to delay or forgo medical care for themselves or their family compared to workers with access to paid sick leave.

- By offering earned sick leave, employees can recover from an illness or seek medical care instead of delaying care or exposing other employees, and in some cases customers, to infectious diseases.

##### What is the Economic Impact of Earned Sick Leave?

- Paid sick leave laws help employers ensure they have a healthy, productive workforce, and reduce employee turnover, saving employers the cost of hiring and training replacements.

#### Background

According to the U.S. Bureau of Labor Statistics, about 38 percent of workers do not have access to earned sick leave.<sup>1</sup> State policies that support earned sick leave allow employees to take time off from work to recover when they are ill or need to visit a healthcare provider, without fear of lost wages or termination. Workers without earned sick leave may go to work while they are ill and risk exposing their coworkers and customers to infectious diseases. Some workers are less likely to have earned sick leave compared to others. Women, some racial and ethnic minorities, and employees with lower educational attainment make up a higher percentage of employees without access to earned sick leave.<sup>2</sup> Even when leave is available, low-wage workers are less likely to take leave if it is not paid time off.<sup>3</sup>

States can protect workers and save costs for employers by supporting earned sick leave policies. Earned sick leave laws help employers ensure they have a healthy, productive workforce, resulting in cost savings in the long run. Offering earned sick leave can help prevent the



spread of diseases, increase job stability, and increase use of preventive health services. For employers concerned about costs, it can be costlier to have sick employees at work than to offer paid sick leave. Aside from protecting workers, employers benefit from earned sick leave policies by increasing worker productivity and reducing turnover.<sup>2</sup>

## What States Can Do

States can pass laws to expand access to sick leave for workers who otherwise might not be offered such leave. Currently, 11 states and the District of Columbia have an earned sick leave law.<sup>4</sup> Across states, policies differ in the maximum length of paid sick leave offered, eligibility requirements, which employees are covered, and what type of companies, organizations, and employees are exempt.<sup>5,6</sup>

While a number of cities and municipalities have enacted their own earned sick leave laws in the absence of state laws, many are not able to do so due to state preemption policies. Currently, 23 states have laws in place that prohibit local governments from requiring employers to provide earned sick leave for workers.<sup>7</sup>

## Earned Sick Leave Policies Help Keep Employees Healthy

Expanding access to earned sick leave policies has been shown to benefit employee health. When employees have access to earned sick leave, workers can take time to recover from an illness or seek medical care instead of delaying care or exposing their workplace to infectious diseases. Lack of access to earned sick leave can increase employees' risk of illness and the spread of infectious diseases.<sup>8</sup>

Workers without earned sick leave are less likely to use preventive healthcare services, like a cancer screening or flu shot.<sup>9</sup> When employees who previously did not have access are granted paid or unpaid sick leave, rates of flu



infections decrease by 10 percent.<sup>10</sup> Employees without earned sick leave were three times more likely to forgo their own medical care and 1.6 times more likely to forgo medical care for their family compared with workers with paid sick leave.<sup>11</sup> When workers go to work instead of accessing medical care when they are sick, minor illnesses can worsen and become more costly.

Offering earned sick leave can help decrease health disparities by expanding benefits to underserved and low-income populations. States that enact earned sick leave laws expand access to sick leave for workers who otherwise might not be offered paid sick leave, such as low-wage and part-time workers, decreasing health care access disparities.<sup>12</sup>



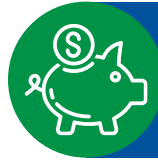
## Earned Sick Leave Policies Can Reduce Costs for Employers

There are minimal costs to employers who offer earned sick leave to workers. It actually costs employers more to have sick employees at work instead of letting them recover at home.<sup>13</sup> Having sick employees in the workplace can spread disease, lower productivity, and increase emergency room visits.<sup>14</sup> Additionally, providing workers with earned sick leave can reduce turnover and save employers the cost of hiring and training their replacements. Employers can spend an estimated 20 percent of an employee's annual salary to replace them; this includes advertising the position, interviewing, and training new workers.<sup>15</sup>

Research has shown that enacting earned sick leave policies can reduce health care costs. An analysis of National Health Interview Survey data found that workers who had access to earned sick leave made fewer emergency room visits. Between 2013 and 2017, spending on emergency room visits increased a cumulative 36 percent, which was primarily driven by an increase in average prices (24 percent) and utilization (10 percent) over the same five-year period.<sup>16</sup> Recent research has also shown that premiums for family coverage in employer-sponsored insurance reached a record high of \$20,576 in 2019, with 30 percent of these cost being paid for by the employee.<sup>17</sup> With an average employer being responsible for 70 percent of their employees' premiums, it is in their best interest to identify ways in which emergency department visits can be avoided through preventative approaches, such as



**Healthier employees and improved access to preventive care**



**Reduced medical costs and fewer emergency room visits**



**Safer and healthier workplaces for employees**

earned sick leave policies. An estimated 1.3 million hospital visits could be prevented each year if workers across the country had access to earned sick leave, saving the United States \$1.1 billion annually in medical costs, including \$500 million in public insurance programs.<sup>18</sup>

*Interested in learning more about Earned Sick Leave and other evidence-based policies? Visit the PHACCS website to read the full report and other policy briefs for our 13 recommended policies.*

## TAKEAWAYS FOR MULTIPLE AUDIENCES — COMMUNICATING THE IMPORTANCE AND IMPACT OF EARNED SICK LEAVE POLICIES

### **Policymakers**

- Earned sick leave policies allow employees to recover from an illness and receive medical care rather than arrive to work sick.
- Earned sick leave policies can reduce the spread of infectious diseases in the workplace and reduce health care expenditures by increasing the use of preventive services and decreasing emergency room visits.

### **Public Health Professionals**

- Expanded sick leave benefits for low wage workers, working women, some racial and ethnic groups, and workers with lower educational attainment, can help decrease health disparities.

- When employees have access to paid sick leave, they are more likely to use preventive services, like cancer screenings or a flu shot.

### **Employers**

- There are minimal costs to employers who offer sick leave and it can be costlier to have sick employees at work rather than recovering at home.
- The majority of workers who used paid sick days did so for their own health needs, such as recovering from an illness or to visit a doctor or dentist.<sup>19</sup>
- Offering earned sick leave can keep workers healthy, productive, and reduce turnover.

## Endnotes

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