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Healthy Workers, Profitable Businesses

Providing employees with paid sick leave is good for workers, good for businesses, and good for North Carolina's economy

Everyone gets sick, but more than a million workers in North Carolina have no opportunity to earn paid sick leave. When illness inevitably strikes, they must take unpaid time off—sacrificing their wages so they can get well or care of sick loved ones. They may even face retaliation from their employers and could lose their jobs.

Two companion bills have been introduced in the state House and Senate to address this problem: The Healthy Families & Workplaces/Paid Sick Days Act (HB 270 and SB 339). These bills would allow workers to earn an hour of paid sick leave for every 30 hours worked, for up to 4 days for leave for employees of small businesses and up to 7 days for employees of medium and larger businesses.

Providing paid sick days is good for workers, good for businesses, and good for the entire economy.

Paid sick days help workers take care of themselves, their children, and their families.

- **Nearly every worker gets sick or has a family member get sick, but, more than 1.2 million private-sector workers in North Carolina are not entitled to any earned paid sick leave.** That's 39% of the private-sector workforce that must give up needed wages and possibly risk their jobs so they can care for their own health needs or the health needs of family members.¹
- **Paid leave would especially help low-income workers who cannot otherwise afford to take time off.** Low-income workers (disproportionately women and workers of color) are significantly less likely to have earned paid sick days. Sixty percent of those earning less than \$20,000 per year lack access to paid leave.²
- **Parents with paid sick days are better able to take care of their sick kids.** On average, school-age children miss at least 3 school days per year due to health reasons, and younger children have even higher rates of illness. When parents are available to care for their sick children, the children recover more quickly, are less likely to develop serious illnesses, and have improved overall health.³
- **Paid sick days prevent contagion and promote healthier workplaces, schools, and daycares.** Parents who cannot afford to miss work must send children with contagious illnesses to child care or school, contributing to high rates of infections. Additionally, sick employees who go to work risk infecting customers and other workers and hurting business productivity, customer sales, and profitability.⁴ Paid leave helps to stop the spread of diseases.

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Paid sick days make sense for businesses

- **Sick workers on the job cost an average business \$255 per employee per year—far more than the cost of giving these workers paid time off.** In a recent study, employers who provided paid sick leave to their employees reported fewer occupational injuries than those who did not offer paid sick leave.⁵ Furthermore, research shows that workers with the flu perform more poorly on a variety of tasks than healthy workers.⁶ And even if they're no longer contagious, sick workers are just not as productive as healthy workers.
- **Healthy workers are critical to a productive and vibrant economy.** Employers that provide paid sick days benefit from reduced turnover, higher productivity, and decreased spread of contagion in the workplace. If all workers were provided just 7 paid sick days per year, our national economy would experience a net savings of more than \$8.1 billion per year.⁷
- **Paid sick days would provide significant savings in reduced turnover.** The costs of losing an employee (advertising for, interviewing and training a replacement) is often far greater than the cost of providing short-term leave to retain existing employees. In a recent cost-benefit analysis of the recent federal paid leave proposals, reduced turnover accounted for the majority of the expected savings.

Providing paid sick days is good for workers, good for businesses, and good for the economy. It's time to provide paid leave for workers and their families.



¹ IWPR. (2014). Fact Sheet: Access to Paid Sick Days in North Carolina

² Analysis by Institute on Women's Policy Research.

³ S.J. Heymann, Alison Earle, and Brian Egleston.(1996). as cited in Lovell, Paid Sick Days Improve Public Health by Reducing the Spread of Disease, Institute for Women's Policy Research, 2006.

⁴ IWPR. (2014). Fact Sheet: Access to Paid Sick Days in North Carolina

⁵ National Partnership for Women and Families. (2013). Fact Sheet: Paid Sick Days Make Good Business Sense

⁶ Andrew Smith. (1989) "A Review of the Effects of Colds and Influenza on Human Performance," *Journal of the Society of Occupational Medicine*.

⁷ Ibid.