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BTC Brief

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Don't Get Sick: Nearly Half of Working North Carolinians Lack Paid Sick Days

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Some 1.6 million North Carolinians - 42 percent of the state's workforce - lack paid sick days. Without sick days, workers face a difficult decision when an illness touches them or their families: stay home to tend to a sickness or lose a day's pay - or possibly even a job.

Guaranteeing all workers a modest number of paid sick days is one way to help individuals balance the demands of work and family. By better aligning the state's workplaces with the realities facing families, a guarantee of paid sick leave would strengthen families across the state and benefit local businesses by reducing a number of personnel and health costs.

How Common Are Paid Sick Days in NC?

No federal or state law requires employees to receive paid sick days. Estimates based on data from the U.S. Bureau of Labor Statistics suggest that 42 percent of working North Carolinians lack paid sick days. The overwhelming majority of those individuals - 1.5 million out of a total of 1.6 million - work in the private sector. Statewide, 48 percent of private-sector workers do not earn paid sick days.

The availability of paid sick days in the private sector varies by industry (Figure 1, over). Employees in the retail trade, construction and service industries are particularly unlikely to earn paid sick time. Nearly 80 percent of workers in the accommodation/food service industry lack paid sick days, as do 75 percent of construction workers and 55 percent of retail employees.

Even in higher-paying industries, paid sick days are far from universal. For example, some 44 percent of the workers in the information industry receive no paid sick time, as do 23 percent of management employees and 18 percent of workers in the finance and insurance industry.

Though the unavailability of paid sick days impacts a broad segment of North Carolina's workforce, it especially affects working mothers, part-time employees and low-wage workers. Nationwide, half of all working mothers lose pay when they take time to tend to sick children. Other national studies, meanwhile, report that three-fourths of all low-wage workers lack paid sick leave. Because African-American and Hispanic workers are overrepresented in the low-wage labor force, those groups likely are impacted disproportionately by a lack of paid sick days.

Why Are Paid Sick Days Important?

An absence of paid sick days is ill-suited to the realities of a world in which working parents juggling the demands of jobs and family are the norm. In North Carolina, 65 percent of all

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women with children younger than 18 worked in 2005, according to the U.S. Census Bureau. Similarly, 64 percent of all married families with children sent both spouses to work. Because most families do not have caregivers at home, they occasionally will need to take time to care for sick family members. Without paid sick days, workers facing a short-term personal or family illness must choose between caring for loved ones or losing needed pay.

Demographic changes should exacerbate the pressures facing workers without paid sick days. The aging of the population is increasing the number of people caring for older relatives. One national study, for example, reported that 35 percent of working adults provide significant care for an elderly person. The continued aging of the state's population likely will create more situations in which workers juggle workplace demands with the responsibility of caring for older adults.

What Are the Benefits of Paid Sick Leave?

A basic guarantee of paid sick days, say seven per year, would benefit North Carolina workers, their families and their employers. Guaranteeing a minimum amount of sick time would help individual workers by eliminating the dilemma of choosing between tending to a sickness or losing a day's pay. Considerable research indicates that paid sick leave allows ill workers and their children to recover more quickly and lowers medical costs. Other studies suggest that employees with paid sick days use the time judiciously, with the typical person using fewer than five days per year.

Paid sick days also benefit employers by reducing employee absences, lowering health costs, improving retention and increasing productivity. A report by Cornell University, for instance, found that "presenteeism," which is when sick employees come to work, costs employers an average of \$255 per employee per year. Similarly, employees with sick days are less likely to quit when their work and family responsibilities conflict and more likely to return to work after taking sick days.

Figure 1: Estimate of NC Workers Without Paid Sick Days, by Industry, 2005

Industry	Total Employment	# Workers Without Paid Sick Days	% Workers Without Paid Sick Days
<i>Private Sector</i>			
Mining	3,508	1,807	52
Utilities	13,226	1,935	15
Construction	232,261	173,453	75
Manufacturing	569,146	273,019	48
Wholesale Trade	170,491	49,289	29
Retail Trade	445,598	244,901	55
Transportation & Warehousing	112,888	49,772	44
Information	76,745	19,578	26
Finance & Insurance	142,525	25,441	18
Real Estate & Rental	50,075	16,735	33
Professional & Technical Services	160,465	49,985	31
Management	63,370	14,721	23
Administration & Waste Services	223,947	154,703	69
Educational Services	51,070	16,189	32
Health Care & Social Assistance	396,165	114,412	29
Arts, Entertainment & Recreation	45,644	29,628	65
Accommodation & Food Service	312,674	244,042	78
Other Services	97,229	49,276	51
Private Sector Subtotal	3,167,027	1,528,884	48
<i>Public Sector</i>			
Federal	61,631	0	0
State	170,821	25,094	15
Local	415,357	61,016	15
Public Sector Subtotal	647,809	86,110	13
TOTAL ALL SECTORS	3,814,836	1,614,994	42

Source: U.S. Bureau of Labor Statistics; Institute for Women's Policy Research