



## NEW YORK STATE PAID FAMILY LEAVE COALITION

P.O. Box 1698, Old Chelsea Station  
New York, NY 10113  
[www.timetocare.ny.org](http://www.timetocare.ny.org)

### *Healthy Businesses Need Healthy People*

#### **THE BUSINESS CASE FOR PAID SICK DAYS**

Paid Sick Days are not only responsive to the changing demographics of the American workplace, but also serve the enlightened self-interest of businesses. Paid Sick Days can actually enhance a business' bottom line. When workers are provided with paid sick time, they demonstrate increased job satisfaction, commitment, and morale, and their employers reap the benefits of high performance and productivity.

#### **Productivity & Limiting the Spread of Contagion**

- Healthy workers are essential to a strong economy and to business success. Studies show that the productivity of workers with even minor illnesses goes down in comparison to the productivity of their healthy co-workers.<sup>1</sup> The spread of contagion between co-workers further compounds this loss of productivity. One sick worker can start a chain of infectious contacts that can ultimately be much more expensive for an employer than the cost of paid sick days for that first worker.

#### **Retention & Morale**

- Employees with paid sick days are less likely to leave their jobs.<sup>2</sup> With paid sick days, fewer workers will be fired or suspended for taking needed but unauthorized time off which will benefit everyone in the workplace through improved morale and reduced turnover. Employers will also benefit from increased scheduling certainty because workers can be open about upcoming medical appointments.

#### **Replacement Costs**

- Reduced turnover due to availability of paid sick days will also save employers money in employee recruitment and training. The costs of replacing workers are extremely high. Replacing a salaried worker typically costs 40% to 75% of the employee's annual salary. Recruitment involves a complex process that consumes valuable staff time with screening, interviewing, selection, and on-the-job training, for example the average employee replacement cost for an \$8 per hour worker exceeds \$5,500.<sup>3</sup>

#### **Workplace Accidents**

- Sick workers are more likely to have an accident on the job.<sup>4</sup> In 2005, industries with the highest incidence of occupational injury- Construction, Waste management, Food processing and Manufacturing- also had the largest percentage of workers without paid sick days.<sup>5</sup>

If return on investment is ultimately the bottom line for businesses, these examples show that investing in paid sick days for New York City-based employees can produce attractive returns.

1 Smith, A. (1989). "A Review of the Effects of Colds and Influenza on Human Performance." Journal of the Society of Occupational Medicine. 39: 65-68.

2 (Lovell V. (2005). Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act. Washington D.C.: Institute for Women's Policy Research.)

3 Sasha Corporation, Compilation of Turnover Cost Studies: \$8.00 per hour employee in the USA.

4 Sorock, G.S., et al. (2004). "A case-crossover study of transient risk factors for occupational acute hand injury". Occupational and Environmental Medicine. 61:305-311

5Bureau of Labor Statistics, DOL – Paid Leave, Sick Leave.