

# Sick of This:

## Paid Sick Days Policies Keep Texas Healthy

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### Introduction

In Texas, we believe that all hardworking Texans, regardless of what kind of job they do or how much they earn, should be able to care for themselves or a loved one if they get sick. Unfortunately, approximately 4.3 million Texas workers – or 40 percent of the total workforce - lack access to paid sick days.<sup>2</sup> Similar to Texas, it is estimated that between 39 and 44 percent of private sector workers in the U.S. are not able to earn paid sick days.<sup>3</sup>

This brief examines the inadequate access to paid sick days in Texas and highlights the benefits to businesses and families when workers are able to earn paid sick days. When Texans come to work sick, all of us—employers, coworkers, and customers—are worse off. Children also face the consequences when their classmates come to school sick because their parents can't afford to take the day off to care for them. Texas public employers, cities, and our state should work to implement paid sick days policies, which will improve the financial stability and health of all Texans.

### Working Texans Shouldn't Have to Choose Between Their Health and Paying the Rent

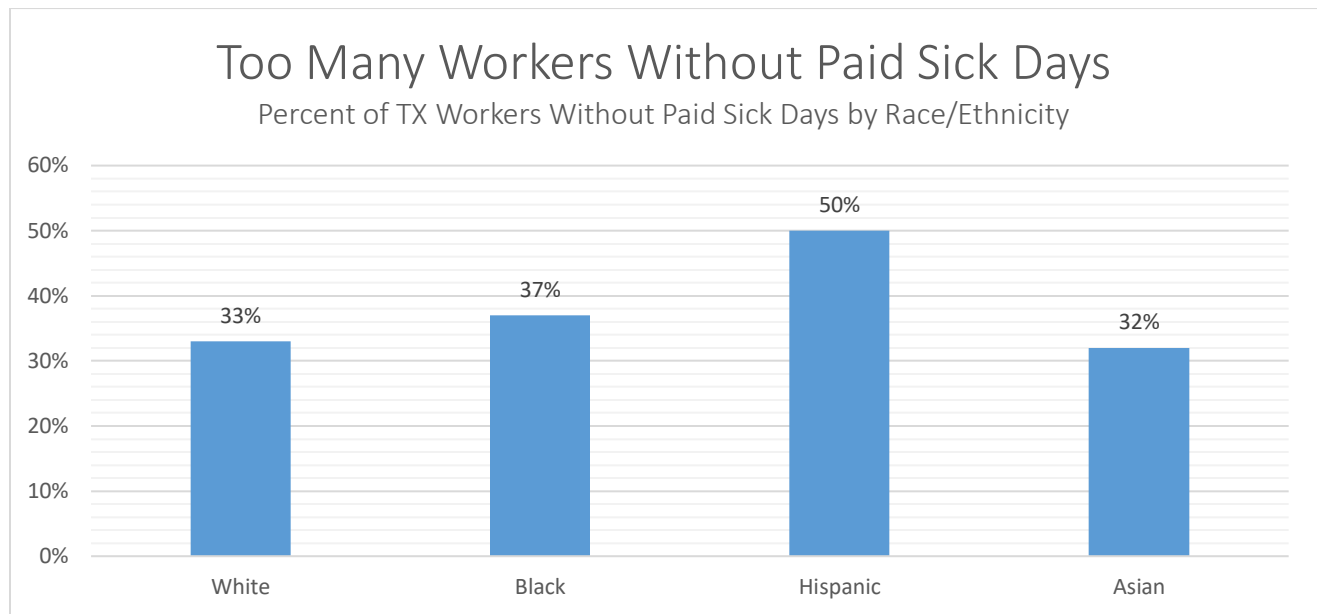
Most of us get sick or have a loved one that gets sick at some time during the year. Earning paid sick days allows workers to earn paid time off to tend to their own or a family member's health needs. A lack of access to this basic employment standard forces Texans to make an impossible choice between recovering from an illness or losing wages and potentially being fired. In addition to supporting income stability, paid sick days improve the health of workers and our communities.

Across the country, there is growing momentum and support for city, county, and statewide paid sick days policies, which require employers to provide a certain number of paid sick days to workers each year based on the number of hours worked. To date, 44 cities, counties, states, and Washington, D.C. have passed paid sick days policies.<sup>4</sup> Studies examining the impact of these policies find that the vast majority of businesses end up being supportive or having neutral feelings after the policy has been implemented.<sup>5</sup> Texans are also supportive: a 2016 poll of Texas female voters found that 88 percent of likely voters supported a paid sick days policy.<sup>6</sup> A poll of Austin voters conducted as the city considered a local paid sick days ordinance found that over 60 percent of respondents supported a citywide mandatory policy.<sup>7</sup>

### Lack of Paid Sick Days Hurts Low-Wage, Hispanic, and Part-Time Workers the Most

All workers – regardless of race, ethnicity, background, wage level, or occupation – should have access to this basic benefit. Unfortunately, there are large disparities in access, with Hispanic, low-income, and part-time Texas workers least likely to have the ability to earn paid sick days. On top of that, low-wage workers who are least likely to have this benefit are also the least likely to be able to get by without a day's wages. It's estimated that two-thirds of low-income mothers lose wages when they care for a sick child.<sup>8</sup> In Texas, only 31 percent of

full-time, low-wage workers (workers earning below \$15,000 annually) have access to paid sick days, compared to 84 percent of workers earning above \$65,000 a year.<sup>9</sup>



Source: Institute for Women’s Policy Research, “Access to Paid Sick Time in Texas,” (March 2017), <https://iwpr.org/publications/access-paid-sick-time-texas/>

Occupational segregation into jobs with much lower rates of access to paid sick days is a barrier to this critical employment standard for Hispanic and Black workers.<sup>10</sup> Particular occupations like food service, construction, farming, fishing, and forestry are much less likely to offer paid sick days, and part-time workers are also significantly less likely to have this benefit. Only 21 percent of part-time workers receive paid sick days in Texas, compared to 69 percent of full-time workers.<sup>11</sup>

Access to paid sick days in some of Texas’ largest cities is comparable to the percentage of Texans that lack paid sick days. Austin’s paid sick days access rate was estimated prior to the passage of Austin’s paid sick days policy, which goes into effect in October 2018 for most businesses.

### Across Texas Workers Lack Access to Paid Sick Days

Location	Percent of Workers Without Access to Paid Sick Days
Austin	37%
Dallas	41%
San Antonio	39%
Texas	40%

Sources: Institute for Women’s Policy Research. “Access to Paid Sick Time in Austin, Texas,” (July 2017), “Access to Paid Sick Time in Texas,” (March 2017), “Access to Paid Sick Time in Dallas, Texas,” (May 2018), and “Access to Paid Sick Time in San Antonio, Texas,” (May 2018).

## Paid Sick Days Improve Health and Reduce Health Care Costs

Paid sick days make communities healthier and reduce health care costs. When an employee is forced to work while sick, it puts us all at risk. Research finds that access to paid sick days increases the likelihood that an employee will stay home from work when they are sick.<sup>12</sup> When employees are able to stay home due to an illness, they're less likely to spread that illness at work. A recent study comparing seven cities with local policies to other cities found that flu infection rates decreased by 6 to 7 percent after workers gained access to paid sick days.<sup>13</sup>

A lack of paid sick days takes a significant toll on our children's health. Parents without paid sick days are twice as likely to send their child to school sick.<sup>14</sup> When sick children go to school, they're likely to get other students and their families sick and have a harder time being successful in school.

Access to paid sick days increases the rates at which individuals seek preventative care.<sup>15</sup> Preventative care is critical to our health, helping Americans avoid or delay diseases and stay healthy so we can lead better lives.<sup>16</sup> It's also critical that individuals seek needed medical care – delaying such care can turn minor health issues into major, costlier problems.<sup>17</sup>

Paid sick days reduce health care expenditures by reducing workers' visits to expensive hospital emergency rooms to receive care after work.<sup>18</sup> Researchers estimate that a national paid sick days policy could save over \$500 million annually in hospital emergency department costs to public health insurance programs such as Medicare and Medicaid.<sup>19</sup>

## Paid Sick Days Strengthen Texas Businesses

Texas businesses depend on a healthy workforce to thrive. Paid sick days reduce the spread of workplace illnesses and injuries, and increase worker productivity. Occupations that are the least likely to have access to paid sick days, such as food service workers and childcare providers, are public-facing and more likely to lead to the spread of contagious illnesses.<sup>20</sup> One study found that over 60 percent of restaurant servers and cooks report that they have served or cooked while ill.<sup>21</sup> Sick workers spreading illnesses to customers could lead to a loss in business and a good reputation, costing employers more than what it would cost to provide paid sick days to workers.<sup>22</sup> Paid sick days reduce the likelihood of workplace injuries by 28 percent, saving companies money on health care costs and protecting workers.<sup>23</sup> It is estimated that working sick Americans cost employers \$160 billion annually from decreased productivity and unnecessarily extended illnesses.<sup>24</sup>

While there are small costs to businesses to implement this policy, studies examining the effects of a paid sick days policy find that employers are supportive or neutral about these policies after they're implemented.<sup>25</sup> In Connecticut, after the implementation of their paid sick days law, nearly 70 percent of employers saw no or negligible increases in costs due to the policy.<sup>26</sup> In Seattle, a year after the implementation of their paid sick days ordinance, 70 percent of businesses said they were supportive of the policy.<sup>27</sup> The paid sick days ordinance for Austin workers could provide over \$8 million in annual net savings to the community and businesses.<sup>28</sup> When weighing the benefits for employers against costs, Austin businesses are expected to save \$4.5 million annually. Additionally, the community is expected to save about \$3.8 million annually on health care expenses as a result of expanded access to paid sick days. There are also a number of benefits to workers, businesses, and the community not captured by the cost-benefit calculation, including reduced workplace injuries, increased use of preventive care services, more timely treatment of illnesses, and improved employment and income stability.

## Paid Sick Days Improve the Economic Security of Texans

What's good for working families is good for the Texas economy. Paid sick days can help provide income stability for Texas households currently struggling to cover basic expenses. Without paid sick days, these families are often forced to make impossible choices. For the average worker without paid sick days, three days of lost pay is equivalent to their entire monthly grocery budget.<sup>29</sup>

## Paid Sick Days Coming to a City or State near You

There is growing momentum and support for cities and states to ensure that employees are able to earn a certain number of paid sick days at work each year. A city or statewide paid sick days policy ensures a high-quality standard to ensure that all workers are able to care for themselves or a family member. Over 44 cities, counties, states, and Washington, D.C. have passed a paid sick days policy. One of these states, Arizona, passed their paid sick days policy and minimum wage increase through a ballot initiative by an 18 percentage point margin. The City of Austin passed a citywide paid sick days ordinance in February 2018, making it the first Texas city and the first city in the South to pass a paid sick days policy. Residents of other Texas cities have indicated an interest in following Austin's lead to ensure more Texans are able to earn paid sick days. Public employers such as cities, counties, and school districts can also lead by ensuring that all of their workers, contractors, and subcontractors have access to this basic employment standard. Finally, Texas should join Arizona, Connecticut, California, Massachusetts, Oregon, Vermont, Washington, Rhode Island, Maryland, and New Jersey in passing a statewide paid sick days policy that covers all workers, regardless of zip code.

## The Elements of a Strong Paid Sick Days Policy

Some of the basic building blocks of a robust paid sick days policy should include:

- **Adequate time** – Workers should be able to earn enough time to recover and care for their families when sicknesses occur throughout the year.
- **Many allowable uses** – Families need flexibility. Strong paid sick days policies should guarantee that employees can care for themselves, a family member, or anyone that is seen as the equivalent of a family member for reasons related to their or a family member's health.
- **Covers all types of workers and employers** – Everybody gets sick! Policies should enable all private sector workers to earn paid sick days.
- **Workers begin earning time as soon as possible** - You can't plan being sick – it just happens. All workers should accrue time when they start working and be able to use paid sick time as soon as it is accrued.
- **Workers should be compensated for paid sick days the same way they're typically paid** – Workers should be compensated for paid sick days at a rate that will allow them to be able to afford to stay home. An employer should therefore pay an employee that uses paid sick time the same amount that an employee typically earns for hours worked.
- **Meaningful Enforcement** – A policy is only as good as its enforcement, and adequate enforcement helps ensure employers' adoption of the policy.
- **Ensures employees know how much paid sick time they have** – When employees are aware of the policy and how much paid sick time they've earned, they're more likely to use it when they need it. As a best practice, employers should notify employees of the amount of their paid sick time available on at least a monthly basis, include information about the paid sick policy in their employee handbook, and display a visible notice about the policy for employees.

- **Respect existing paid time off (PTO) policies** — State and local paid sick days policies are intended to create a floor for workplace standards – not a ceiling. A strong policy is supportive of employers with more expansive paid sick or paid time off (PTO) practices.
- **Outreach and support to businesses** — Robust outreach and support helps employers understand and comply with the law. Cities should develop a multilingual outreach campaign to educate residents and businesses about the policy.

We all do better when working families don't have to choose between their health and paying the rent. Local and state officials have the ability to improve the health and financial stability for all Texans through paid sick days policies.

<sup>1</sup> CPPP Policy Analyst Laura Rosen and Economic Opportunity Intern Anna Crockett contributed to this policy brief.

<sup>2</sup> Milli, J. *Access to Paid Sick Time in Texas*. Institute for Women's Policy Research. (March 2017). <https://iwpr.org/publications/access-paid-sick-time-texas/>

<sup>3</sup> Institute for Women's Policy Research and National Partnership for Women and Families. *Workers' Access to Paid Sick Days in the States*. (May 2015). <http://www.nationalpartnership.org/research-library/work-family/psd/workers-access-to-paid-sick-days-in-the-states.pdf>

<sup>4</sup> Family Values at Work. *Timeline of Wins*. (2018). <http://familyvaluesatwork.org/media-center/timeline-of-wins>

<sup>5</sup> National Partnership for Women and Families. *Paid Sick Days: Busting Common Myths with Facts and Evidence*. (July 2017). <http://www.nationalpartnership.org/research-library/work-family/psd/busting-the-myths-about-paid-sick-days.pdf>

<sup>6</sup> Center for American Progress. *Women's Economic and Reproductive Care Messaging: Texas Deep Dive*. (June 2016). Presentation delivered in Austin, Texas, <http://slideplayer.com/slide/12163144/>

<sup>7</sup> Craver, J. *Poll shows support for paid sick leave ordinance*. Austin Monitor. (January 11, 2018). <https://www.austinmonitor.com/stories/2018/01/poll-shows-support-paid-sick-leave-ordinance/>

<sup>8</sup> Ben-Ishai, L. *Wages Lost, Jobs at Risk*. CLASP. (February 13, 2015). <http://www.clasp.org/resources-and-publications/publication-1/2015-02-12-FMLA-Wages-Lost-Jobs-at-Risk.pdf>

<sup>9</sup> Milli, J. *Access to Paid Sick Time in Texas*. Institute for Women's Policy Research. (March 2017). <https://iwpr.org/publications/access-paid-sick-time-texas/>

<sup>10</sup> Ben-Ishai, L. & Ziliak Michel, Z. *Racial Inequities in Job Quality*. CLASP. (March 31, 2016). [http://www.clasp.org/resources-and-publications/publication-1/Race-and-Job-Quality-Brief-3\\_30ar.docx-FINAL.pdf](http://www.clasp.org/resources-and-publications/publication-1/Race-and-Job-Quality-Brief-3_30ar.docx-FINAL.pdf)

<sup>11</sup> Milli, J. *Access to Paid Sick Time in Texas*. Institute for Women's Policy Research. (March 2017). <https://iwpr.org/publications/access-paid-sick-time-texas/>

<sup>12</sup> Piper, K. Youk, A. Everette III, J. & Kumar, S. *Paid Sick Days and Stay-at-home Behavior for Influenza*. PLoS One 12(2): e0170698. (2017). <http://journals.plos.org/plosone/article?id=10.1371/journal.pone.0170698>.

<sup>13</sup> Pichler, S. & Ziebarth, N.R. *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*. National Bureau of Economic Research. Working Paper 22530. (2016). <https://docs.google.com/viewer?url=http%3A%2F%2Fwww.nber.org%2Fpapers%2Fw22530.pdf>

<sup>14</sup> Smith, T., & Kim, J. *Paid Sick Days: Attitudes and Experiences* (p. 6). National Opinion Research Center at the University of Chicago Publication. Retrieved 10 November 2015, from <http://www.nationalpartnership.org/research-library/work-family/psd/paid-sick-days-attitudesand-experiences.pdf> as cited in <http://www.nationalpartnership.org/research-library/work-family/psd/model-paid-sick-and-safe-days-legislation.pdf>

<sup>15</sup> Peipins, L. et al. (2012). *The lack of Paid sick leave as a barrier to cancer screening and medical care---seeking: results from the National Health Interview Survey*. BMC Public Health. (12)520. <https://bmcpublichealth.biomedcentral.com/articles/10.1186/1471-2458-12-520>

<sup>16</sup> *Preventative Health Care*. Centers for Disease Control and Prevention. <https://www.cdc.gov/healthcommunication/toolstemplates/entertained/tips/PreventiveHealth.html>.

<sup>17</sup> *Paid Sick Days Improve Public Health*. National Partnership for Women and Families. (March 2018), <http://www.nationalpartnership.org/research-library/work-family/psd/paid-sick-days-improve-our-public-health.pdf>.

<sup>18</sup> *Paid Sick Days Lead to Cost Savings for All*. National Partnership for Women and Families. (September 2015). <http://www.nationalpartnership.org/research-library/work-family/psd/paid-sick-days-lead-to-cost-savings-savings-for-all.pdf>

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<sup>20</sup> *Expanding Access to Paid Sick Leave: The Impact of the Healthy Families Act on America's Workers*. Joint Economic Committee, United States Congress. (2010, March). [https://www.jec.senate.gov/public/\\_cache/files/abf8aca7-6b94-4152-b720-2d8d04b81ed6/sickleavereportfinal.pdf](https://www.jec.senate.gov/public/_cache/files/abf8aca7-6b94-4152-b720-2d8d04b81ed6/sickleavereportfinal.pdf)

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