Good afternoon. I’m Marilyn Watkins of EOI and the WA Work and Family Coalition, testifying for HB 1313.

Paid sick leave is not a new benefit. The majority of employees in the US receive it. We have years of research on the impacts with clear and consistent findings:

1. Direct costs of providing paid sick leave are very small, less than 1% of payroll according to the Bureau of Labor Statistics and business owners themselves who have implemented in Seattle.¹

2. Providing paid sick leave benefits businesses through higher morale and productivity, less absenteeism, less spread of disease in the workplace, fewer workplace accidents, and lower rates of turnover, offsetting employers’ direct costs.²

3. Without laws requiring that all workers receive paid sick leave, 4 in 10 workers in private industry will not get any.

8 cities and 1 state now have sick leave laws. Every study to date that has used scientifically selected, verifiable data shows that these laws have not had widespread negative impacts. They have had little to no impact on business costs, hiring, or location decisions.

Certainly in Washington, Seattle continues to lead state in economic vitality, with new restaurants and businesses choosing to locate there, knowing they must comply with the sick and safe leave law upon which HB 1313 is based.

As we sit here, children are waiting sick and miserable at school with no parent able to leave work to pick them up in every school district across the state. Our kids deserve better.

Let’s not wait another year to pass paid sick and safe leave.

Thank you
Seattle Auditor: The City of Seattle commissioned researchers from the University of Washington to evaluate the impact of the Seattle Sick and Safe Time regulations. The first two phases of the study have been completed. The third report will be out in March, 2014 and two more will follow.

- **Report 1** includes results from a baseline survey sent to employers in July and August of 2012, just before the Ordinance went into effect September 1, 2012. This 20 question survey collected baseline information about current numbers of Seattle employees, benefits offered, and leave policies *before or at the time the Ordinance went into effect*. The survey found:
  - More than 11,000 employers are subject to the Ordinance
  - 73% of businesses already offered PTO or PSD for full-time employees, and 35% offered PTO or PSD to part-time workers.
  - 27% did not offer PTO or PSD at all before or at the time the ordinance went into effect.
  - 2/3 of businesses were not in full compliance with the ordinance at the time of survey.
  - 41% of businesses reported employees work while sick. Businesses already providing sick leave were more likely to report employees working sick (44% compared to 31%). (The researchers do not say this, but this is potentially because employers not providing sick leave may be less willing to admit there are negative consequences.)

- **Report 2** includes findings from interviews with 24 Seattle employers, conducted in the 10 months after the law went into effect.
  - A majority of employers (75%) described complying with the Ordinance.
  - Some employers reported that they initially found the Ordinance and its requirements to be confusing. However, a few months into the implementation period most employers knew whether or not their business was affected and what they needed to do in order to comply.
  - The Ordinance did not affect shift swapping, the practice of allowing employees to trade shifts, for any of the interviewees.
  - Most employers have no or moderate concerns about abuse.

**Main Street Alliance**: This study examines local jobs and taxable retail sales data before and after implementation of the Ordinance. Since institution of Seattle’s paid sick and safe leave ordinance, King County has continued to outpace the state in job growth. There were 7,200 more retail jobs and 3,200 more jobs in food services and drinking places in King County during the first seven months of 2013 than for the same period of 2012.

- In the two quarters for which there are data (4th quarter of 2012 and 1st quarter of 2013) Seattle maintained its share of King County’s businesses reporting taxable retail sales and revenues, including in the retail and food services sectors.
• Inflation levels for the Seattle metropolitan area have fallen from the previous year, following the national pattern.

The Employment Policies Institute released a report finding the Ordinance is hurting local businesses. Some things to note:

• EmPI is funded largely by restaurant chains and other business interests, and has routinely issued reports critical of raising the minimum wage as well as opposing sick leave laws.  

• This report is based on an opinion survey sent to targeted rather than representative businesses. About one-third of the surveyed businesses believe the Ordinance may raise future costs. However, there is no evidence provided that it does.

• In response to a Seattle Times op-ed by the report’s author, a local blogger asked businesses in the community about their experience with the Ordinance and found it has not had a negative effect on their bottom lines.

San Francisco Studies

• Drum Major Institute, 2010 - San Francisco’s job market, including in food services, has compared favorably to the surrounding counties and the state of California as a whole since the sick days law went into effect there in 2007.

• Urban League, 2009 - Summarizes strategies San Francisco employers used to implement the nation’s first paid sick days law and concludes that businesses were able to implement the paid sick leave requirement with minimal impacts.

• The Institute for Women’s Policy Research has done the most comprehensive study of impacts of San Francisco’s ordinance, with a survey of more than 700 employers and 1200 employees conducted in 2010. The report found in part:

  ➢ Two-thirds of employers support the law.

  ➢ Only one in seven employers reported adverse effects on profitability.

  ➢ More than half of covered employees report some benefit due to the law, and one out of four workers reported that they were better able to care for their own and their families' health.

  ➢ A small proportion of employees reported fewer raises or bonuses, or reductions in other benefits.
Most workers don’t use all their sick leave.

Critics of sick leave laws have pointed out that according to the IWPR survey, both employers and employees reported some cutback of benefits or hours. It is important to note other factors that may have contributed to such reductions, including: 1) the surveys were conducted at the height of impacts from the Great Recession; 2) over the past decade employers nationwide have reduced benefits; 3) San Francisco also raised its minimum wage in 2007 and began requiring most employers to provide some health benefits in 2008.12

Notes

5 Main Street Alliance, Paid Sick Days and the Seattle Economy: Job growth and business formation at the 1-year anniversary of Seattle’s Paid Sick and Safe Leave law, September 2013.
10 Urban League Employers’ Perspectives on San Francisco’s Paid Sick Leave Policy, Shelley Waters Boots, Karen Martinson, and Anna Danziger, Urban Institute, 2009.
11 http://www.iwpr.org/publications/pubs/San-Fran-PSD.