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REPORT

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Valuing Good Health in San Francisco: The Costs and Benefits of a Proposed Paid Sick Days Policy

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Policy makers across the country are increasingly concerned about the adequacy of paid sick days policies. Time off with pay for workers who are sick or have other health problems could have significant benefits in terms of workers' health outcomes, while keeping them from being fired when illness forces them to stay home from work. It would also allow them to take care of their families when needed and get preventive health care and reduce the spread of disease at work. And it offers substantial savings to employers by reducing turnover and minimizing absenteeism.

This report uses data collected by the U.S. Bureau of Labor Statistics, the U.S. Department of Health and Human Services, the California Employment Development Department, and the U.S. Census Bureau to estimate how much time off workers would take in San Francisco under one proposal and how much they would be paid for that sick time. It also employs findings from medical research to estimate how this leave policy would save money, by reducing turnover, cutting down on the spread of disease at work, helping employers avoid paying for low productivity, and holding down nursing-home stays. The report builds on methodology developed by the Institute for Women's Policy Research (IWPR) to evaluate the costs and benefits of the Healthy Families Act, a Congressional proposal to ensure that all workers have minimally adequate paid sick days.

While this report calculates significant benefits from the sick days proposal, there are likely to be many other meaningful benefits that cannot be measured with existing data. When workers can take needed time off without fear of being fired, they and their families should be able to get health care more promptly when it is needed, leading to improved overall health outcomes. Fewer workers will be fired, suspended, or otherwise penalized for having to stay home when they are ill, or have sick family members to care for. In general, it is likely that the proposal would reduce economic hardship of workers when they, or their family members, have medical care needs, strengthening their financial stability and generally improving quality of life. The public health impact is also likely to be considerable, as workers with contagious diseases will be better able to avoid infecting others, and parents will not have to leave sick children in child-care centers.

SUMMARY

The new paid sick days policy would cost $33.499 million annually for wages, payroll taxes, and administrative expenses (Table 1) when it is fully utilized by all eligible workers. Savings to employers, workers, families, and taxpayers would total $46.030 million. Nearly 115,800 workers would participate in the new plan. The per-worker weekly cost for those newly covered workers would be $5.56, and savings would be $7.64. Averaged over the entire San Francisco private-sector workforce, the average weekly per-worker cost would be $1.29, and savings would be $1.78.

Key provisions of the proposed San Francisco paid sick days legislation

- Workers earn one hour of paid leave for every 30 hours of paid work, to a maximum of 9 days a year in firms with more than 10 employees and 5 days for smaller firms.
- Workers are eligible after being on the job for three months.
- Leave may be used for to take care of workers' own illness, injury health conditions, and medical appointments, and to care for family members.

These estimates assume that all workers eligible for leave under the new policy would know about and use their new paid sick days. Particularly during the early years of the program, it is likely that some workers will be unaware of their new leave benefits and thus not take any leave under the new law.[1] In particular, workers may not know the multiple uses allowed by the law (see text box).[2] Thus, costs and benefits in the early years to a new program may be considerably lower than these estimates.

Table 1. Summary of costs and savings of proposed San Francisco paid sick days policy

	Total (millions)	Per worker per week (averaged over all private-sector workers)	Per worker per week (over workers covered by new law)
Costs			
Wages, payroll taxes, and administrative expenses for eligible workers who currently have no paid sick days	**$33.499**	**$1.29**	**$5.56**
Savings			
Reduced turnover	**$41.878**		
Reduced pay to ill workers on the job	**$2.420**		
Reduced spread of the flu at work	**$1.324**		
Reduced short-term nursing home stays	**$0.408**		
Total savings	**$46.030**	**$1.78**	**$7.64**

Notes: Columns may not sum to totals due to rounding. In 2005 dollars.

COST OF THE PROPOSED SAN FRANCISCO PAID SICK DAYS POLICY

The number of San Francisco workers who will benefit from the proposed policy and the cost and benefits of the proposal are estimated using the following methodology (Table 2).

1. How many workers will be affected?

There are 498,000 private-sector workers in San Francisco (California Employment Development Department 2006). (Federal, state, county, and city workers in San Francisco already have paid sick days; Office of Personnel Management 2000a and 2000b, California State Personnel Board 2004, San Francisco Department of Human Resources n.d.)[3]

Of those workers, 10.2 percent would not be eligible for the new program, because they have been at their current job for less than three months (IWPR analysis of U.S. Bureau of Labor Statistics 2006b). Applying industry-level rates of coverage by either paid vacation or paid sick leave to San Francisco employment by industry,[4] 115,791 San Francisco workers currently lack paid leave they can use for the purposes of the new paid sick days law and are also eligible for that law (IWPR analysis of California Employment Development Department 2006 and State of Washington 2006.)[5] (This is 23.3 percent of all private-sector San Francisco workers.)

2. How many days of paid sick leave will workers take?

a. **For their own medical needs**: The average number of days of work that are missed for health reasons is calculated by industry from the 2004 National Health Interview Survey (NHIS). When workers in small businesses are limited to a maximum of 5 days of work loss and those in larger businesses to a maximum of 9 days of work loss, workers with paid sick leave miss an average of 1.9 days annually for illness and injury, excluding maternity leave (IWPR analysis of the 2004 NHIS).[6] (Those without paid sick leave miss an average of 1.4 days annually.)[7]

   Half (50.0 percent) of all workers who are covered by paid sick days plans do not take any days off for illness or injury in a given year. Only 8.1 percent take more than 9 nine days. Considering all workers, and not limiting the number of days taken to match the caps under the proposed San Francisco paid sick days policy, workers who have paid sick days miss an average of 3.9 days, and those lacking paid sick days miss an average of 3.0 days (IWPR analysis of the 2004 NHIS).

b. **For family care**: According to the U.S. Department of Labor's 2000 Family and Medical Leave Act Survey of Employees, workers take 0.33 days of FMLA-type

leave to care for ill children, spouses, and parents for every 1.0 days of own-health leave (Rutgers University Center for Women and Work 2005).

c. **For doctor visits**: Workers with paid sick days visit the doctor an average of 3.5 times per year (IWPR analysis of the 2004 NHIS). (Without paid sick leave, doctor visits average 3.0 annually.) These visits may be during or outside of work hours or may already be included in time off due to illness or injury in 2(a) above. For this analysis, the average numbers of doctor visits are calculated by industry from the 2004 NHIS. Each is assumed to take 1.0 hours of worktime.

d. **For maternity leave**:

i. There are 15,348 births each year to women employed in San Francisco who currently lack paid vacation and sick leave and would be eligible for the new paid sick days program (IWPR analysis of national data from the 2005 Annual Social and Economic Supplement to the Current Population Survey (ASEC) and U.S. Census Bureau 2006).

ii. Each of these workers is expected to take the maximum number of paid sick days, using the additional days (beyond those accounted for in paragraphs 2(a) – 2(c), above) for prenatal care or maternity recovery. On average, based on the distribution of San Francisco workers by industry and paid leave participation rates by industry, workers in larger firms (those with more than 10 employees) are predicted to use 1.8 paid sick days annually under the proposed plan, while those in small firms would use 1.2 days. This report estimates that employed women who give birth would use an additional 7.2 days or 3.8 days (for those in larger and small firms, respectively).

3. How much do workers earn?

Average hourly wages and average daily workhours are calculated by industry for the California private-sector workforce using the 2005 ASEC.

4. Legally mandated payroll taxes (the employer's share of Social Security and Medicare taxes, plus federal and state unemployment insurance taxes and workers' compensation) amounting to 11.4 percent of wages (U.S. Bureau of Labor Statistics 2006a) are added to wage costs.

5. Administrative expenses are estimated at 2.0 percent of wages. This is roughly one-third the average ratio of administrative costs to benefit payments for state Temporary Disability Insurance programs (TDI) in California, New Jersey, and Rhode Island (U.S. Social Security Administration 2006). TDI is somewhat similar to paid sick days in that both relate to workers' illness-related work absence, but TDI is more complex, involving collection of payroll taxes, evaluation of medical disability, tracking of health status, and long-term benefit periods.

Table 2. Estimated cost of paid sick days under San Francisco proposal

Cost factor	Value	Notes / Source
Number of San Francisco workers who currently lack paid sick days and would be eligible under the proposal policy	In larger firms: 86,843 In small firms: 28,948	IWPR analysis of California Employment Development Department 2006 and State of Washington 2006
Average number of days of paid sick days workers will take	Varies by industry and firm size, from 1.2 to 3.8	IWPR analysis of the 2004 NHIS
Additional days taken by pregnant employed women, to bring their use to the maxima provided for in the proposal	In larger firms: 7.2 days In small firms: 3.8 days	Same as above.
Average hourly wage, eligibles who lack paid sick days	Varies by industry and firm size, from $7.50 to $20.00	IWPR analysis of California Employment Development Department (2006)
Payroll taxes	11.4 percent of wages	U.S. Bureau of Labor Statistics (2006a)
Administrative expenses	2.0 percent of wages	U.S. Social Security Administration (2006)
Total	**$33.499 million**	

A note on the cost of replacing a worker who is taking a paid sick day

By definition, employers pay wages that are equal to each worker's productivity, or the value they produce for the employer. If an employer elects to hire a temporary worker to fill in for one taking a paid sick day, there is no additional *net* employer expense. Replacement workers are paid their marginal product, and the employer reaps the same amount in the value of the replacement worker's work product. Thus, while employers hiring replacements will pay wages to two workers, the net impact will be the same as if no replacement were hired.

As an illustration, assume a worker and her replacement (if any) are paid $100 (Table 3):

Table 3. Analysis of cost of replacing workers taking paid sick days

Absence / replacement situation	**A** Wage cost	**B** Productivity	**C** Employer's net cost of absence (= A – B)
Worker has no paid leave			
Absent worker is not paid and not replaced	$ 0	0	$ 0
Absent worker is not paid but is replaced	$100	100% (= $100)	$ 0
Worker has paid sick days			
Absent worker is paid but is not replaced	$100	0	$100
Absent worker is paid and is also replaced	$200	100% (= $100)	$100

The net employer costs of $100 under the proposed paid sick days program are the same, either with or without a replacement worker, and are included in the estimate of the cost of the proposed plan (Table 1).

Hiring of temporary workers is likely to be relatively uncommon for the short leaves possible under the proposed paid sick days plan. For longer absences under the federal Family and Medical Leave Act, where leaves may total 12 weeks in a year, 12.7 percent of leave-takers report that a replacement worker was hired to fill in for them during their leave (Cantor et al. 2001, Table A2-6.7). It is much more common for work to be covered by other employees or held for the absent worker to address when back on the job.

BENEFITS OF THE PROPOSED PAID SICK DAYS POLICY

Ensuring that workers have paid time off work when needed to take care of their own health needs or those of members of their families is likely to lead to improved health outcomes for workers and their families (Lovell 2004). Better health outcomes will reduce health-care expenditures and increase quality of life.

While there is solid theoretical work suggesting the nature of these benefits, in some cases there is no specific empirical data for valuing a benefit. This report presents an estimate of several benefits of paid sick days and discusses other likely benefits. Future research may provide measures of these benefits that can be added to those analyzed here.

Cost savings #1: Reduced turnover

Research establishes that having paid sick leave reduces voluntary job mobility by 5.58 percentage points for married men, 3.61 pp for married women, 5.75 pp for single women, and 6.43 pp for single men (Cooper and Monheit 1993). That is, workers value paid sick days, and choose to retain that employment benefit by staying in their current job.[8]

With paid sick leave expanded under the San Francisco paid sick days proposal, some of this effect on voluntary turnover may be reduced, as more workers considering a job change will have paid sick leave both at their current job and at their potential new job. Participating in paid sick through a current job may increase worker loyalty to the current employer, in response to having a more adequate leave benefit (which may be perceived as an employer initiative, rather than a public policy). In addition, having paid sick leave affects *in*voluntary turnover, with decreased job terminations related to unauthorized work absences for ill workers and for workers caring for sick family members (Heymann 2000, Earle and Heymann 2002). Seven percent of women's job separations are responses to health issues, and another 15 percent concern other family or personal reasons (Emsellem, Allen, and Shaw 1999). We lack data for accurately estimating the savings related to lowered involuntary turnover that would flow from the paid sick days proposal. Any overestimation in savings from voluntary turnover in this analysis will most likely be more than offset by savings in employer expenses from reduced involuntary turnover.

Turnover entails a variety of costs for employers, of which actual outlays to recruit a new worker are only a small portion. Low productivity of new hires, drains on the productivity of the new worker's colleagues and supervisors, human resources processing time for exit and entry, training, and lost productivity during vacancies are also real costs to employers (Phillips 1990). A newly hired low-paid retail worker may lose sales—and customers—during the period the employee is learning about the employer's products, and may mistakenly undercharge for products (Johnson and Tratensek 2001).

Careful analyses of the range of impacts associated with turnover provide guidance on the true costs to employers. Phillips (1990) reports that replacing a mid-level manager costs 1.5 times the worker's annual salary. An estimate by Johnson and Tratensek (2001) pegs the cost of turnover of retail workers earning $7 an hour at $6,241, or 43 percent of their annual pay. A widely cited rubric for figuring turnover costs places them at 25 percent of total annual compensation (Employment Policy Foundation 2002). This figure is used in this analysis to estimate employers' savings under the San Francisco paid sick days proposal from reduced turnover (Table 4).

Table 4. Cost savings from reduced turnover

Cost factor	Value	Notes / Source
Number of San Francisco workers who currently lack paid sick days and would be eligible under the proposal policy	In larger firms: 86,843 In small firms: 28,948	IWPR analysis of California Employment Development Department 2006 and State of Washington 2006
Percentage point reduction in voluntary turnover when paid sick days are provided	5.0	IWPR calculation of weighted average from Cooper and Monheit (1993), based on Lovell (2005)
Cost of turnover	25 percent of total compensation	Employment Policy Foundation (2002)
Average hourly wage, eligibles who lack paid sick days	$10.69	
Wages as percent of total compensation	70.1 percent	U.S. Bureau of Labor Statistics 2006b
Total	**$41.878 million**	

Cost savings #2: Wages currently paid to workers with low productivity

Employers pay substantial wages to employees who are unproductive because of health issues. Goetzel et al. (2004) estimate the average total annual productivity loss, per employee, for the top 10 most costly health conditions at between $1,566.63, using average productivity loss estimates, and $217.07, using low productivity loss estimates (in 2001 dollars; from Table 4A).

Empirical studies document that workers with influenza have worse performance on a variety of tasks than healthy workers. A study that used random assignment of experimentally induced colds and influenza found that "minor illnesses . . . have significant effects on performance

efficiency" during both incubation and symptomatic periods (Smith 1989, 68). A follow-up study discovered that performance impairment continues even after clinical symptoms have ended (Smith 1990).

Workers without paid sick leave miss an average of 0.5 fewer days due to illness and injury than workers with paid sick leave, when constrained to the maxima provided for in the San Francisco paid sick days proposal (IWPR analysis of the 2004 NHIS). Other research suggests that productivity during this extra time at work is only 50 percent of normal (Nichol 2001). The total cost to employers of this unproductive time, in terms of wages and associated payroll taxes, is $2.420 million per year (Table 5).

Table 5. Cost savings from not paying ill workers for unproductive time on the job

Cost factor	Value	Notes / Source
Number of San Francisco workers who currently lack paid sick days and would be eligible under the proposal policy	115,791	IWPR analysis of California Employment Development Department 2006 and State of Washington 2006
Lost productivity currently paid	0.5 days at 50 percent effectiveness	IWPR analysis of the 2004 NHIS (the difference in work-loss days for illness and injury for workers with and without paid sick leave); Nichol (2001)
Average hourly wage, eligibles who lack paid sick days	$10.69	IWPR analysis of the 2005 CPS ASEC.
Average daily workhours, eligibles who lack paid sick days	7.0	IWPR analysis of the 2005 CPS ASEC.
Payroll taxes	11.4 percent of wages	U.S. Bureau of Labor Statistics (2006)
Total	**$2.420 million**	

Cost savings #3: Reduced spread of the flu within workplaces; reduced overall absence and lowered productivity

Employers are increasingly aware of the cost of the spread of disease within workplaces that occurs when sick employees go to work, a practice known as presenteeism. Two of every five employers identify presenteeism as a problem for their organization (CCH Incorporated 2004a). As Dr. Richard Chaifetz notes, presenteeism can lead to "the spread of illness for an even greater reduction in productivity" than would be caused by an individual worker's absence (ComPsych 2004). Firms with low employee morale are more likely to experience presenteeism than those with better morale (CCH Incorporated 2004b).

Empirical research has documented the widely suspected link between presenteeism and contagion within workplaces. Li, Birkhead, Strogatz, and Coles (1996) find lower rates of respiratory and gastrointestinal infection among nursing home residents when nurses have paid sick leave, demonstrating that the spread of disease is diminished (at least in workplaces involving intimate physical contact) when ill workers can stay home. Potter et al. (1997) report reduced disease and mortality among patients in long-term care hospitals when health-care workers are vaccinated against influenza.

Because influenza (the flu) is highly contagious and accounts for 10 to 12 percent of all illness-related employment absences—about the same portion as musculoskeletal disorders (Keech, Scott, and Ryan 1998)—the impact of paid sick days on transmission of the flu virus is likely to be the largest consequence of increased paid leave on the spread of disease in the workplace. Longini, Koopman, Haber, and Cotsonis (1988) estimate the probability of an individual contracting influenza from community contacts at 16.4 percent and from an infected household member at 26.0 percent. Islam, O'Shaughnessy, and Smith (1996) calculate the probability of an individual catching an infection from community contacts during a flu epidemic at 0.168;[9] intra-household disease transmission probabilities per cohabitant are a bit higher (mean of 0.177). These transmission rates suggest that a sick worker who is in the workplace while contagious is likely to infect 1.8 of every 10 co-workers.

By a low estimate, 5 percent of healthy working adults will get the flu in a given flu season (Nichol 2001). Studies find that workers with the flu miss one to five days of work (Nichol 2001). Half of employees out sick with the flu are attended by a caregiver, with an average work-loss of 0.4 days per caregiver (Keech, Scott, and Ryan 1998).

Workers with the flu also incur costs for doctor visits (45 percent seek medical care; Nichol 2001), hospitalizations (four hospitalizations per 10,000 flu cases; Nichol 2001), and purchase of prescription and non-prescription medications and other treatments (Kavet 1977). In addition, the flu kills one in every 100,000 infected individuals (Nichol 2001).

These factors are combined with workforce data to estimate savings under the San Francisco paid sick days proposal from reduced spread of the flu in workplaces (Table 6). Detailed data are not available to estimate savings from other contagious diseases (see text box), although they would without doubt be significant.

The Cost of Other Contagious Diseases

The flu is the only contagious disease for which accurate data could be located on transmission rates, work absence, and treatment costs. A comprehensive accounting for the spread of all relatively common contagious diseases—including, e.g., colds, mononucleosis, strep, and pink-eye—would certainly be much higher. In addition, costs related to work absence and health-care use that result from the spread of disease in child-care settings when parents cannot keep their sick children home are not calculated here.

Table 6. Cost savings from reduced spread of the flu within workplaces

Cost factor	Value	Source
Employers' wage costs		
Number of San Francisco workers who currently lack paid sick days and would be eligible under the proposal policy	115,791	IWPR analysis of California Employment Development Department 2006 and State of Washington 2006
Influenza illness rate	5 percent	Nichol (2001), Table 6
Contagion rate (i.e., each co-worker's chance of contracting the flu)	18 percent	Islam, O'Shaughnessy, and Smith (1996)
Assumed number of close daily work contacts	5 co-workers	
Number of missed workdays per infected co-worker	2	Nichol (2001)
Number of missed workdays for employed caregivers of ill workers	50 percent of flu-stricken workers receive care; average of 0.4 lost workdays per caregiver	Keech, Scott, and Ryan (1998)
Lost productivity for infected co-workers on return to work	0.5 days at 50 percent productivity	Nichol (2001)
Average hourly wage, eligibles who lack paid sick days	$10.69	IWPR analysis of the 2005 CPS ASEC.
Average daily workhours, eligibles who lack paid sick days	7.0	IWPR analysis of the 2005 CPS ASEC.
Payroll taxes	11.4 percent of wages	U.S. Bureau of Labor Statistics (2006)
Subtotal	**$1.067 million**	
Workers' medical costs		
Doctor visits for infected co-workers	45 percent of ill workers, at average cost of $60	Nichol (2001), BlueCross BlueShield of Texas n.d.
Prescription drugs	42 per 100 ill workers, at average cost of $53	Kavet (1977), Kaiser Family Foundation webtool (2005)
Subtotal	**$0.257 million**	
Total	**$1.324 million**	

Cost savings #4: Reduced expenditures for short-term nursing home stays

Workers with the flexibility to provide informal care for elderly, disabled, and medically fragile relatives may be able to reduce expenditures for health care, including paid care at home or in nursing homes that might otherwise be financed by Medicaid or Medicare. Certainly, individuals consider the level of informal care available to them in decisions about purchasing formal care. When adult children increase their hours of informal care for their single parents, the likelihood of purchasing home health care and nursing home services decreases, and lengths of stays in nursing homes and hospitals are reduced (Van Houtven and Norton 2004). (Because informal care may increase elders' ability to navigate the health care system, informal care increases hospital stays, outpatient surgery, and physician visits.) A 10 percent increase in the number of hours of informal care provided to individuals aged 70 and older reduces the probability of entering a nursing home by 0.77 percentage points, from 8.6 to 7.83 (Van Houtven and Norton 2004). Elderly patients discharged from acute care wards return home at higher rates if they have children, rather than moving to a lower-level care facility of the hospital (McClaran, Berglas, and Franco 1996). Unmarried and childless individuals are more likely to enter nursing homes than others (Freedman 1993), as they less often have an informal caregiver to help them return home.

With nearly 9 million full-time workers providing care to adults aged 50 and older (IWPR calculation from National Alliance for Caregiving and AARP 2004), nearly 1.5 million nursing facility patients at any one time (American Health Care Association n.d.), or roughly 2.7 nursing home admissions per year (IWPR calculation from Mehdizadeh and Applebaum 2003, Table 1)—78 percent paid for by Medicare or Medicaid (AHCA n.d.)—and average annual per-patient costs of $58,000 (MetLife 2004), savings to families and taxpayers from reduced nursing home utilization could be substantial. An even larger number of elderly individuals receive paid care at home (Lo Sasso and Johnson 2002). This group may be particularly affected by their adult children's work hours flexibility—having a child who can respond to medical crises may mean the difference between staying at home and transitioning to assisted living or nursing home facilities.

Preventing short-term nursing home care of medically frail individuals saves money for families and taxpayers and leads to better health outcomes for the individuals themselves. Recognizing this, the government has stated that "preventing premature institutionalization is a major public health goal" (Sahyoun et al. 2001).

Savings from reduced short-term nursing home stays are estimated in Table 7.

Table 7. Cost savings from reduced short-term nursing home stays

Cost factor	Rate	Source
Number of caregivers of adults aged 50 and older employed full-time in San Francisco	22,202	IWPR calculation based on National Alliance for Caregiving and AARP (2004), Tables 2 and 5, and state-level population data
Average number of care recipients per caregiver	0.5	IWPR calculation based on Kramarow et al. (1999)
Percent of San Francisco workers with no paid sick days	23.25	IWPR analysis of California Employment Development Department 2006 and State of Washington 2006
Estimated length of nursing home stay averted with paid sick days	1 day per care recipient	
Average cost of one day of nursing home stay, semi-private room	$158	MetLife (2004)
Total	**$0.408 million**	

Other benefits to measure when needed data become available

While data are currently lacking to calculate the economic impact of all the consequences of workers not having adequate paid sick leave, it is certain that there are many others, in addition to those discussed above, that do impose costs on workers, their families, employers, taxpayers, and society as a whole. Eliminating these costs thus confers benefit on society. They include the following:

1. Additional impacts of presenteeism on employers and workers

a. Health care expenditures for workers who are sick longer because they are unable to recuperate at home: extra expenditures for workers and firms. Without adequate time to regain health, minor medical problems may be exacerbated (Grinyer and Singleton 2000), eventually requiring longer work absence and/or increased treatment costs.

b. Cost to employers of scheduling uncertainties (e.g., from workers who call at the start of their shifts to say they're ill, when they knew the previous day they would have to stay home with a sick child).

c. Improved morale and resultant productivity; impacts on co-workers and customers. Enhanced worker loyalty and job satisfaction related to having adequate paid time off may translate into gains for employers through improved customer relations. In addition, "if ill health results in more accidents or increased errors, all who explicitly or even

implicitly interact with unhealthy employees can become less productive" (Greenberg, Finkelstein, and Berndt 1995, 36).

2. Health and health care utilization impacts on family members when workers cannot provide care

Keeping children at home when they have contagious diseases like the flu can prevent illness and work absence among their schoolmates' parents. Because "children are more susceptible to influenza, carry and spread the influenza virus over a longer period of time than adults, and are often the first to get the infection in the community" (King 2004), preventing children from being disease vectors in school and child-care settings can significantly reduce workplace absence and productivity effects among adults.

Children have better short- and long-term health outcomes when they are cared for by their parents (Palmer 1993); hospital stays are shorter when parents are involved in care (Kristensson-Hallstrom, Elander, and Malmfors 1997). With increased flexibility in attending to sick children, paid sick days are likely to reduce treatment costs and overall length of illness.

Heart attack survivors who perceive that they receive adequate tangible social support have decreased mortality rates and better overall health outcomes than those perceiving inadequate levels of tangible social support (Woloshin et al. 1997). Being married or having children (even if not living nearby) reduces the length of hospital stays for elderly patients in acute care wards (McClaran, Berglas, and Franco 1996). Stroke victims have better functional and social outcomes when they receive high levels of family social support, and are more likely to receive nursing home care if they have low levels of support (Tsouna-Hadjis et al. 2000). Workers with the flexibility provided by paid sick leave may be able to positively affect the health status of their relatives with coronary disease and other chronic medical conditions by being more able to provide timely care.

3. Other impacts on families when workers cannot take time needed to provide care

When parents cannot stay home to care for sick children, older siblings may be kept out of school to care for their younger siblings (Dodson and Dickert 2004). These school absences may affect school performance and have long-range impacts on the older children's education and work productivity.

Informal caregivers whose work schedules are incompatible with the care needs of their relatives may decrease their work hours or even leave the labor force completely (Stone and Short 1990). Paid sick days may provide sufficient leave to many caregivers to allow them to maintain their desired level of employment while continuing to perform their caregiving work as well.

4. Lost wages of workers suspended for missing work without authorization when they are sick or a family member needs care (Dodson, Manuel, and Bravo 2002), workers fired for missing work without authorization when they are sick or a family member needs care (Browne and Kennelly 1999, Dodson, Manuel, and Bravo 2002)

5. Reduced expenditures on public assistance of workers who lose their jobs due to having inadequate paid sick days. (For instance, 8.7 percent of workers who take an FMLA-type leave and do not receive their full wages during the leave turn to public assistance for support (Cantor et al. 2001, Table A1-4.8).)

6. Increased financial stability and economic well-being of families when their incomes are not interrupted by unpaid leave.

7. The value of workers and their family members feeling better because they're in better health (improved quality of life).

Ensuring that San Francisco workers have minimally adequate paid sick days would offer a critical support for the health of workers and their families, while providing substantial, measurable benefits for employers, workers, and taxpayers. The impacts of the paid sick days proposal are congruent with some of the most important policy goals of the United States: a healthy, productive workforce; parental responsibility for healthy children; reduced short-term nursing home stays for the frail elderly and other medically needy individuals; and containment of individuals' and insurers' medical expenditures.

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The Institute for Women's Policy Research is a scientific research organization dedicated to informing and stimulating the debate on issues of critical importance to women and their families. IWPR focuses on issues of poverty and welfare, employment and earnings, work and family, health and safety, and women's civic and political participation. IWPR, an independent, nonprofit, research organization, also works in affiliation with the graduate programs in public policy and women's studies at The George Washington University.

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[1] For example, participation in California's new paid family leave program was initially only half as high as had been expected (Kinsman 2006), and only 20 percent of Californians were aware of the new law prior to its implementation (Appelbaum and Milkman 2004).

[2] California workers who currently have paid sick days are already permitted to use that leave to care for family members and to visit the doctor, under California Labor Code Section 233.

[3] The EDD employment numbers are for San Francisco workers, regardless of residence. Data from the Current Population Survey identify workers only by place of residence, not place of employment.

[4] Data on workers' participation in programs providing paid leave for illness are from the 2004 Washington State Population Survey. This survey provides industry-level information that reveals whether workers have paid vacation and/or paid sick leave. While it is the clear intent of the proposed San Francisco paid leave policy that workers have a separate benefit of paid sick days, in addition to any other paid leave they have, as currently drafted the proposal would accept a paid vacation leave program that could be used for illness as meeting the requirements of the proposal.

[5] In addition, a small number of workers who currently have only one or two paid sick days annually would gain an additional day or partial day under the new plan. This would add insignificantly to the cost of the new program.

[6] This assumes that work-loss reported in the 2004 NHIS includes own medical needs only, excluding doctor visits. However, due to respondent discretion in interpreting the survey's questions, reported work-loss "because of illness or injury" may include time off work to care for others and for doctor visits, in addition to time for workers' recuperation. To the extent that this occurs, the estimates presented here of days taken under the paid sick days proposal may overestimate actual leave-taking.

[7] Days missed exclude maternity leave.

[8] The current voluntary turnover rate is 20.4 percent (IWPR calculation using U.S. BLS 2004b).

[9] This is the mean of six rates derived from data on three disease outbreaks.