

THE UNHEARD THIRD 2012

CSS POLICY UPDATE

PAID SICK DAYS

Support Grows for a Work Standard Most Low-Wage Earners Still Lack in New York City

By Nancy Rankin
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The Community Service Society of New York (CSS) draws on a 169-year history of excellence in addressing the root causes of economic disparity through applied research, advocacy, litigation, and innovative service models that serve to strengthen and benefit all New Yorkers.

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We thank The New York Community Trust for their generous on-going support which makes The Unheard Third survey possible. Lake Research conducts the survey annually for CSS and provides valuable assistance in developing the questions and reporting the results.

Support for a measure that would guarantee nearly all workers in New York City at least a minimum amount of paid sick leave on their jobs has grown over the past year. Eighty-three percent of New Yorkers, up from 74 percent a year ago, say they favor such a law according to a new survey, *The Unheard Third 2012*. The poll, conducted for the Community Service Society (CSS) by Lake Research during July 2012, surveyed 1,468 adult city residents by telephone (including cell phones) using random digit dialing, and has a margin of error of +/- 3.7 percent. Gains in support come amidst the growing debate about the issue that could play a role in the 2013 mayoral race and new data confirming that the majority of New York City's low-wage workers lack even a single day of paid sick time.



Paid sick time is especially critical for single working mothers, a group with among the highest poverty rates, who face impossible choices between taking home a full paycheck and staying home with a sick child.

Lack of Access to Paid Sick Leave . . . and Why it Matters

The latest data reveals that 62 percent of New York City’s low-income workers, defined as living in households with incomes below 200 percent of the federal poverty level (\$45,622 for a family of four), are without paid sick days (Chart 1). That figure for low-paid workers is in line with 2011 estimates from the federal Bureau of Labor Statistics, which reported that 60 percent of workers in the bottom wage quartile for the larger New York metropolitan region lacked paid sick leave.¹ In contrast, the higher someone’s income, the more likely that employee is to receive paid sick time. In other words, the workers who can least afford to take an unpaid day to recover from illness, care for a sick child, or get a preventive cancer screening are those least likely to have access to paid sick time.

CSS has been tracking whether or not workers have paid sick leave for over a decade. The trends by income level (Chart 2) show that access to paid sick time edged upward for all income groups in 2012 over the previous year, with the greatest gains among workers in moderate- and higher-income households. During the recession, some workers who lost good jobs took lower-paid or part-time work and lost benefits. As the recovery continues, we may be seeing a reverse of that trend, particularly for higher-income groups.

Although slightly more workers reported having paid sick time, the proportion with sick leave was still below 2007 pre-recession levels for the working poor and those just above the poverty level.

Access to paid sick time is increasingly recognized as a fundamental aspect of job quality that enables low-wage workers to hold onto jobs, gain financial security and remain with the same firm long enough to advance.² In addition, a growing body of research—including CSS’s *Sick in the City*³ report and a number of health impact studies⁴—has found that without paid sick days, workers are more likely to:

- work sick and send sick children to school, spreading contagious illnesses to co-workers, classmates and customers;
- not access cancer screenings and other preventive care;
- contribute to workplace accidents; and
- rely on costly emergency rooms because they cannot get care during normal work hours.

Paid sick time is especially critical for single working mothers, a group with among the highest poverty rates, who face impossible choices between taking home a full paycheck and staying home with a sick child.

Chart 1

A majority of low-income workers in New York City—62 percent—are without paid sick leave.

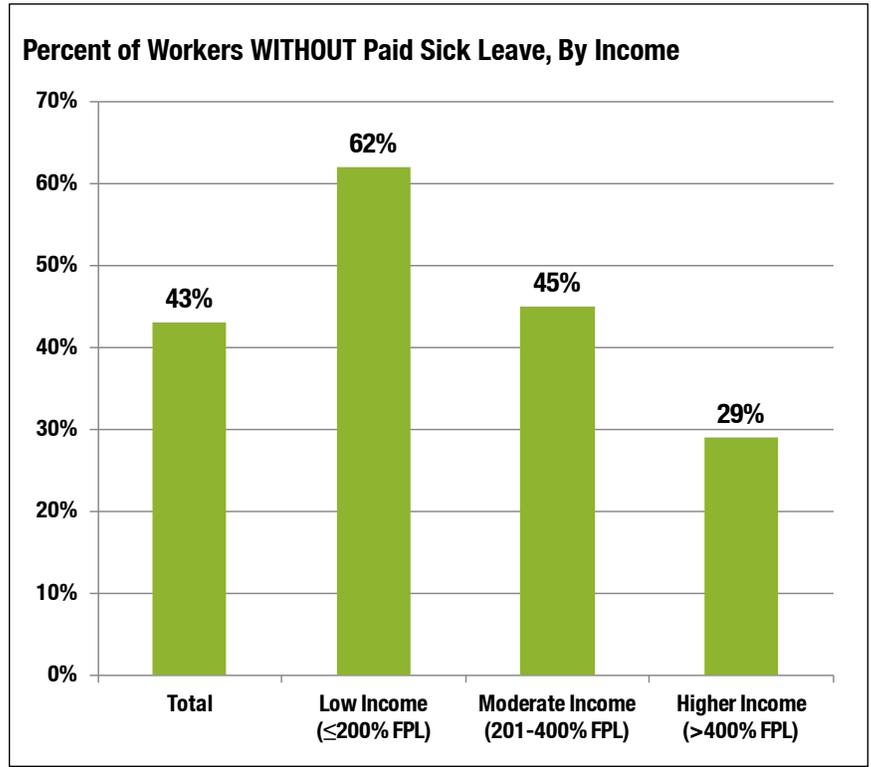
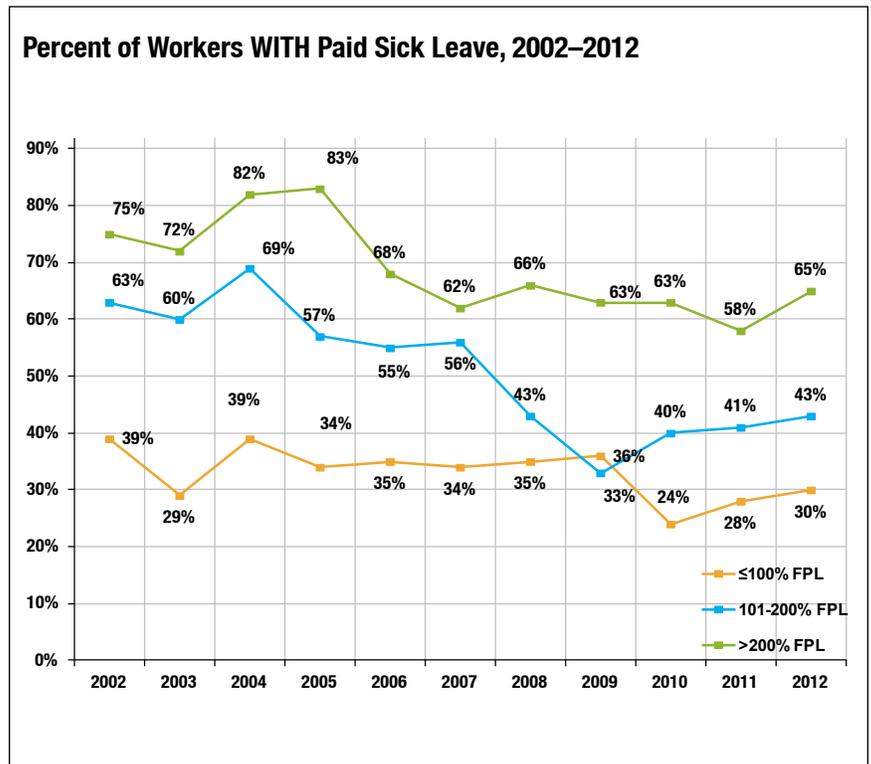


Chart 2

The percent of workers with paid sick leave edged up in 2012, but is still below pre-recession levels for the working poor and those just above the poverty level.



As New Yorkers have learned more about the issue and been exposed to arguments on both sides of the debate, the proportion favoring passage of a sick days law has increased from 74 percent to an overwhelming 83 percent.

Public Support for a New York City Paid Sick Days Law Has Gained in Breadth and Intensity

The growing recognition of the importance of paid sick time—as an economic security, public health, and work-family issue—has spurred a nationwide movement to establish paid sick leave as a minimum labor standard, much like the minimum wage. A paid sick days requirement went into effect in San Francisco in 2007, and since then paid sick days measures have been enacted in Washington, D.C., the state of Connecticut, and Seattle, and is being considered in several other places.

Bills to ensure employees in New York City have access to paid sick days were introduced in the City Council in August 2009 and again in March 2010. Despite widespread support by a veto-proof majority of 37 out of 50 council members (one seat is vacant), Council Speaker Christine Quinn has declined to bring the measure to the floor for a vote, citing her concerns that small businesses could be hurt in the current weak recovery. That argument has been discredited by leading economists who have studied the issue. They have found that passage of standards that impose costs of a similar or greater magnitude, such as minimum wage increases, have not had negative effects on employment.⁵ In addition, there is no evidence from the localities that have already implemented paid sick days policies that businesses have been adversely affected.⁶

The current version of the bill being debated in New York would require employers with five to 19 employees (or full-time equivalents) to provide five paid sick days a year. Larger employers would provide nine days. Mom-and-pop shops with fewer than five employees would not have to provide paid time off, but could not fire a worker for taking up to five days of unpaid sick time. That change from the original bill excludes 64 percent of all business establishments in New York City.⁷ Other provisions effectively exclude seasonal workers and make clear that Paid Time Off (PTO) policies could satisfy the bill's requirements. Some further potential compromises have been put on the table for discussion; they include changing the number of days required to five for employers of all sizes greater than four employees, and allowing workers to swap shifts, if they choose, rather than take paid sick time.

Over the course of the past year the debate on paid sick days has received considerable media coverage—for and against—in all the major daily papers, the ethnic press, and local television and radio news programs.

Chart 3

As the public has learned more about the issue, the proportion of those who are undecided has shrunk while support has grown.

Q: The New York City Council is considering a proposal that would require employers in New York City to provide workers with at least five paid sick days a year if they are a small business, and nine paid sick days a year if they are a business with 20 or more employees. Would you strongly favor this proposal, somewhat favor, somewhat oppose, or strongly oppose this proposal, or are you undecided?

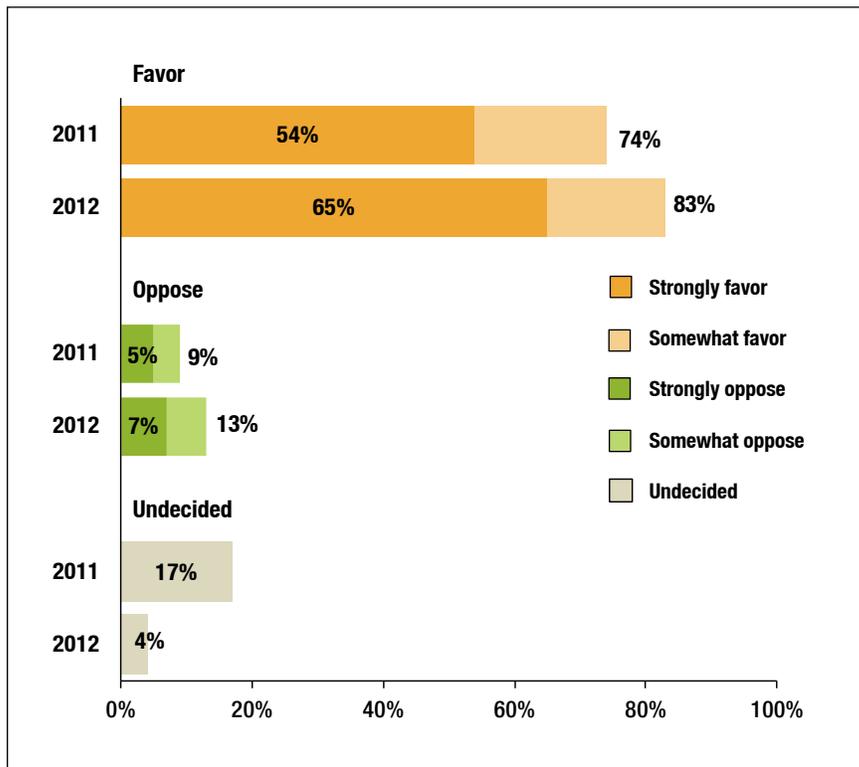
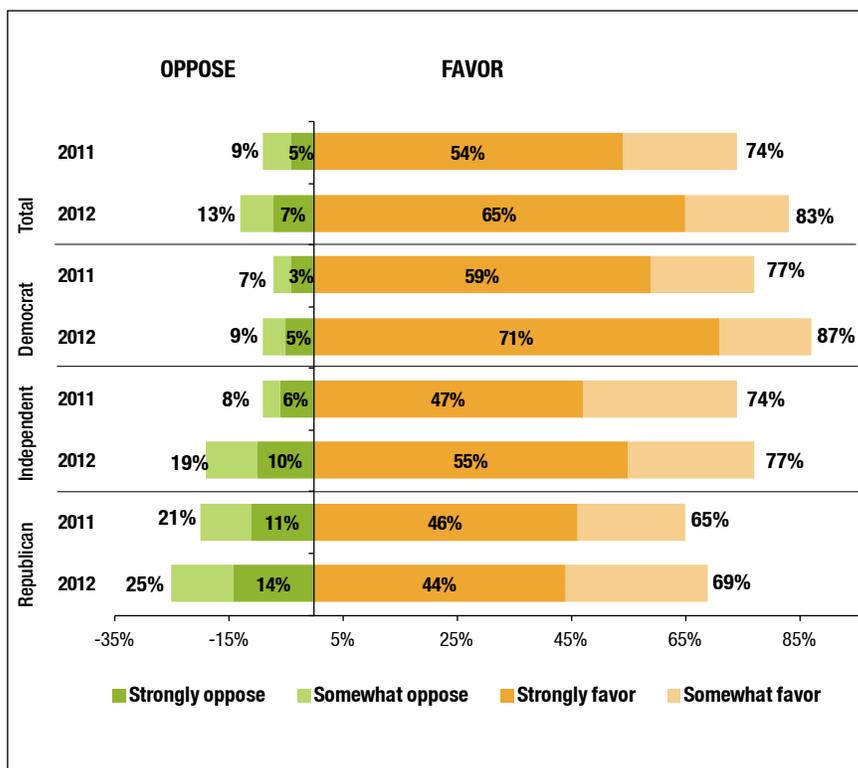


Chart 4

Across party, New Yorkers favor the paid sick days proposal with real intensity. Seven out of 10 Democrats strongly favor it.

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Among Democrats, respondents said they were more likely to vote for mayoral candidate who supported paid sick days by a ten-to-one margin.

As New Yorkers have learned more about the issue and been exposed to arguments on both sides of the debate, the proportion of those saying they are undecided about the proposal has shrunk from 17 percent to just 4 percent, while the proportion favoring passage of a sick days law has increased from an already high 74 percent to an overwhelming 83 percent. Nearly two-thirds of New Yorkers surveyed (65 percent) *strongly* favor passage, up 11 percentage points over last year (Chart 3).

Across party lines, New Yorkers favor passage of paid sick days including 87 percent of Democrats, 77 percent of Independents, and 69 percent of Republicans. The intensity of support has gone up particularly among Democrats; more than seven out of ten strongly favor passage (Chart 4).

Moreover, paid sick days is now rising to the level of a voting issue that could affect the 2013 mayoral race. Among Democrats, respondents said they were more likely to vote for a mayoral candidate who supported paid sick days by a ten-to-one margin. Fifty-eight percent of Democrats said they were less likely to vote for a mayoral candidate who opposed paid sick days—with over a third saying they were much less likely to vote for someone who opposed the measure (Chart 5). Six out of ten Democratic women say they are less likely to vote for a candidate if she or he is opposed to the paid sick days proposal.

Among Democrats, Latinos and blacks are particularly likely to reward a mayoral candidate for supporting paid sick days. Eighty-five percent of Latino and 87 percent of black Democrats are more likely to vote for a candidate who supported requiring employers to provide paid sick days, including 69 percent of Latinos who said they were much more likely to vote for a mayoral candidate if they supported paid sick days (Chart 6). Latinos make up an estimated 17 percent of the New York City electorate.⁸ With no Latino candidate in the mayoral race, that vote may be more up for grabs in 2013, so the intense support among this group of voters is something that aspiring candidates would do well to note.

Taken together, the latest survey findings show wide and strong public support—that is gaining in intensity—for passage of a law that would guarantee access to sick leave for workers in New York City.

Chart 5

Voters—across party lines—would punish a Mayoral candidate who opposes required paid sick days and strongly reward them for supporting required paid sick days.

Q: Would you be more or less likely to vote for a candidate for Mayor who [opposed/supported] the proposal which requires employers in New York City to provide their workers with paid sick days.

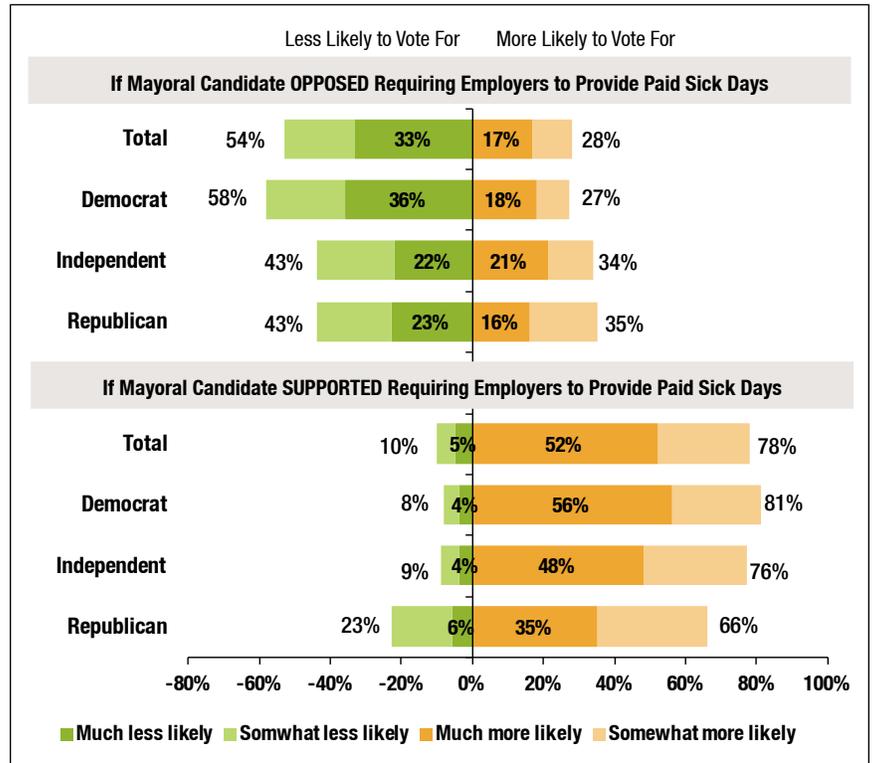
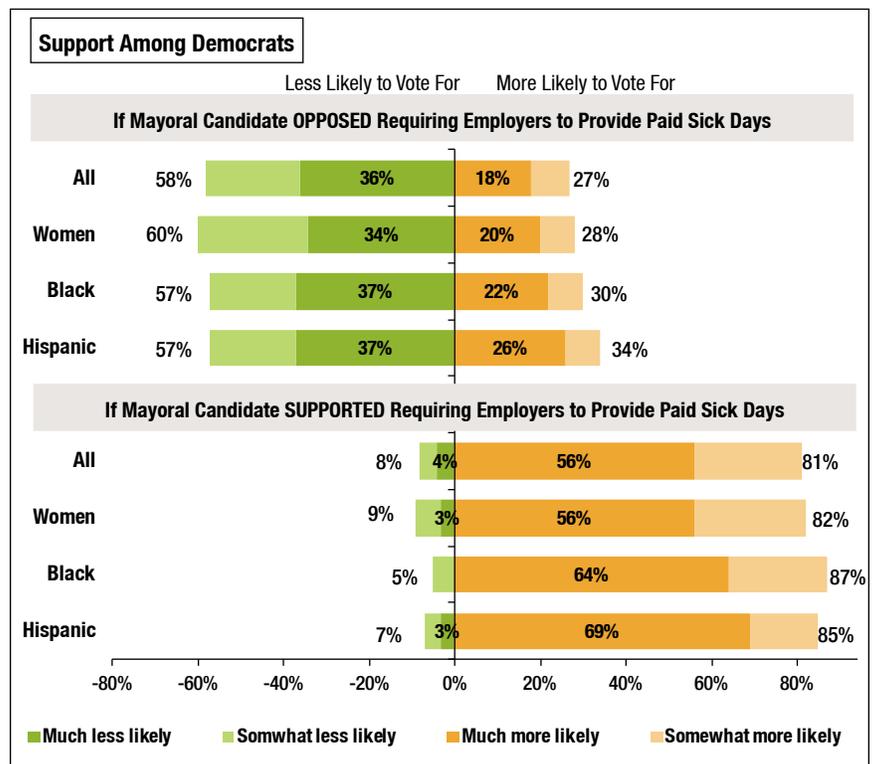


Chart 6

Black and Hispanic Democrats are much more likely to vote for a mayoral candidate if he or she supports the paid sick days proposal.

Q: Would you be more or less likely to vote for a candidate for Mayor who [opposed/supported] the proposal which requires employers in New York City to provide their workers with paid sick days.



NEW YORK CITY PAID SICK TIME ACT (Int 0097 with 2012 amendments indicated by *)

Summary of Key Provisions

KEEPING OUR WORKFORCE, CHILDREN, AND BUSINESSES HEALTHY

- **Paid sick time is provided for private sector New York City workers to care for a worker's own health needs or to take care of a sick member of the immediate family** (limited to spouse, child, parent, or domestic partner*). Paid sick time can also be used if schools or businesses are closed due to a public health emergency.
- **Up to 5 days a year would be earned by workers in small businesses (5 to 19 employees) and up to 9 days for those working for larger employers (20 or more employees).**
- **"Mom-and-pop" shops with fewer than 5 employees would provide job protection for up to 5 unpaid sick days.***
- Independent contractors and work-study students* would not be covered by the bill.
- Opt-outs are provided for building and construction trades covered by collective bargaining agreements (CBA) and other workers covered by CBAs if they receive a comparable benefit.

GIVING BUSINESSES FLEXIBILITY

- **Any type of paid leave—paid time off, vacation, personal days, etc.—counts for purposes of complying with this law.** Businesses providing any kind of leave in the same amounts as required by the law need not change their policies as long as the other leave can be used for the sick leave purposes defined in the law. The leave does not have to be specified as sick leave.
- If they prefer, businesses can allot paid sick time at the beginning of the year, rather than through the accrual process of one hour for every 30 hours worked, as outlined in the law.*
- Employers can determine time increments by which workers may use their sick time. For example, if an employer has a policy of requiring workers to take at least half a day of time when they call in sick, that policy does not need to be changed.*
- Businesses can use full-time equivalents (FTEs) to determine business size.
- New small businesses, with fewer than 20 employees, will have a one-year grace period before being covered by the law.*
- During declared public emergencies, employers under the jurisdiction of the public service commission do not have to comply with the provisions of the bill.*

BALANCING THE NEEDS OF WORKERS AND EMPLOYERS

- **The amount of required paid sick time an employee can take in any year is limited.** Unused paid sick time can be carried over to the next year, so there is no incentive to take unused days at the end of a year, but the total required for the next year remains limited to 5 or 9 days depending on the size of the employer. The law also specifies that no "cash out" is required when a worker leaves.
- **Workers would be protected against retaliation and employers would be protected against possible abuse.** The Department of Health is given general power to enforce the law including investigating complaints, holding hearings and granting relief.* Unresolved claims could be heard in court. Employers can require documentation for leave of more than 3 consecutive days.
- **Worker protections in the bill apply only to sick time and do not extend to other disciplinary actions.**

HOW THE SURVEY WAS CONDUCTED

The Community Service Society designed this survey in collaboration with Lake Research Partners, who administered the survey by phone using professional interviewers. The survey was conducted from July 8th to July 25th, 2012. The survey reached a total of 1,468 New York City residents, ages 18 or older, divided into two samples:

- 935 low-income residents (up to 200% of federal poverty standards, or FPL) comprise the first sample:
 - 499 poor respondents, from households earning at or below 100% FPL
 - 436 near-poor respondents, from households earning 101%–200% FPL
- 533 moderate- and higher-income residents (above 200% FPL) comprise the second sample:
 - 328 moderate-income respondents, from households earning 201%–400% FPL
 - 205 higher-income respondents, from households earning above 400% FPL.

This year's survey also included an oversample of 250 cell phone interviews among adult residents at up to 400% FPL.

Telephone numbers for the low-income sample were drawn using random digit dial (RDD) among exchanges in census tracts with an average annual income of no more than \$40,000. Telephone numbers for the higher-income sample were drawn using RDD in exchanges in the remaining census tracts. The data were weighted slightly by gender, age, region, immigration status, education, and race in order to ensure that it accurately reflects the demographic configuration of these populations. In the combined totals respondents in the low income sample were weighted down to reflect their actual proportion among all residents. Also, in the combined totals, the sample is weighted by telephone status. Interviews were conducted in English, Spanish, and Chinese.

In interpreting survey results, all sample surveys are subject to possible sampling error; that is, the results of a survey may differ from those which would be obtained if the entire population were interviewed. The size of the sampling error depends upon both the total number of respondents in the survey and the percentage distribution of responses to a particular question. The margin of error for the low income component is +/- 3.2%. The margin of error for the higher income component is +/-4.2%. The margin of error for the entire survey is +/- 3.7%.

Notes

¹ Previously unpublished data for the NY-NJ-CT-PA metropolitan area from the March 2011 National Compensation Survey provided to NYC Council staff by the U.S. Bureau of Labor Statistics. The BLS estimates that a smaller proportion of the total workforce lacks paid sick leave in comparison to estimates from *The Unheard Third*. Differences in the geographic area covered (the region vs. the city) and who is surveyed (the NCS is a survey of business establishments that excludes employees such as domestic workers and the self-employed vs. *The Unheard Third* which is a survey of households) likely account for some differences.

² See remarks by MIT economist, Paul Osterman, in “The Impact of Paid Sick Days on Jobs: What’s the Real Story,” Community Service Society, September 2012, p. 13.

³ Jeremy Reiss, Nancy Rankin, and Krista Pietrangelo, “Sick in the City: What the Lack of Paid Leave Means for Working New Yorkers,” October 2009, pp. 10-11.

⁴ See for example, Won Kim Cook, et. al., “A Health Impact Assessment of the Healthy Families Act of 2009,” Human Impact Partners and the San Francisco Department of Public Health, June, 2009; Supriya Kumar, et. al., “The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness During the 2009 H1N1 Pandemic,” *Am. J of Public Health*, published online ahead of print, November 17, 2011; Abay Asfaw, et. al., “Paid Sick Leave and Nonfatal Occupational Injuries,” *Am. J of Public Health*, 2012; Lucy Peipins, et. al., “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*, 2012; Kevin Miller and Claudia Williams, “Paid Sick Days in New York City Would Lower Health Care Costs by Reducing Unnecessary Emergency Department Visits,” Institute for Women’s Policy Research Fact Sheet, February 2012 and Tom Smith, “Paid Sick Days: A Basic Labor Standard for the 21st Century,” a study by the National Opinion Research Center at the University of Chicago for the Public Welfare Foundation, August, 2008.

⁵ “The Impact of Paid Sick Days on Jobs: What’s the Real Story?” Highlights from a policy roundtable hosted by the Community Service Society, September 2012.

⁶ See “The Impact of Paid Sick Days on Jobs,” pp. 11-12. Also, in Connecticut, where a paid sick days law has been in effect since January 2012, *The New York Times* reports that, “Governor Dannel Malloy said recently that the law has not led to more small business failures and that the state had gained jobs since it took effect.” Editorial, Sunday, August 5, 2012.

⁷ Source: 2010 County Business Patterns survey.

⁸ This figure was obtained by using Univision Policy and Advocacy’s estimate of nearly 1.1 million registered Latino voters in New York State. Using Census data that indicates that 70 percent of all Latinos in New York State are in New York City, we estimated that there are 760,000 registered Latino voters in New York City. According to the New York State Board of Elections, there are 4.36 million registered voters in New York City. Dividing 760,000 by 4.36 million yields the 17 percent estimate.

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