



## Sick Leave

In the past couple years the United States has seen mandatory paid sick leave days being written into bills and passed into law in different cities and states. Right now, a total of four different states require employers to provide at least some amount of sick days with pay to their employees. These states are Connecticut, California, Massachusetts, and Oregon.<sup>1</sup> People are beginning to call for legislation at the federal level to be passed that would offer comprehensive mandatory paid sick leave for everyone across the United States. While proponents of this legislation claim that only good could come from this, that just is not the case. The National Council of Agricultural Employers (NCAE) adamantly believes that federally required paid sick-leave days not only have a negligible effect on factors such as employee turnover rates and presenteeism, but also end up harming not only employers in the agricultural industry, but all employers in the long-run.

Those who do support mandatory paid sick leave claim that by offering this, businesses will begin to see a reduction in workplace sickness (presenteeism) because you will not have people who are sick but need the money showing up to work and infecting those around them. They can stay at home and know that they are not losing any income. A large number of studies show that this is just simply not the case. In San Francisco, five studies have been conducted examining whether requiring employers there to offer paid sick leave is effective in reducing presenteeism. Four of these studies came back negative, showing that it in fact does not make a difference whether mandatory paid sick leave is offered or not. These studies showed that employers are just as likely to report increased workplace illness as they are to report decreased. Two separate studies in Seattle reported similar findings as the first four done in San Francisco. The fifth study - which did find a reduction in workplace sickness - did not give employers the opportunity to report otherwise when it was being conducted causing the results to be badly skewed.<sup>2</sup>

Proponents of mandatory paid sick leave also claim that this kind of legislation would save money for businesses by decreasing employee turnover. The fact of the matter is that this belief is based on many misinterpreted studies and the one that you hear cited the most in defense of this argument is based on healthcare, not paid sick leave. There is little evidence linking decreased employee turnover with this.<sup>3</sup>

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<sup>1</sup> <http://www.ncsl.org/research/labor-and-employment/paid-sick-leave.aspx>

<sup>2</sup> <http://www.northjersey.com/opinion/opinion-guest-writers/mandatory-paid-sick-leave-the-wrong-prescription-for-new-jersey-1.1104420>

<sup>3</sup> <https://www.epionline.org/oped/mandatory-paid-sick-leave-the-wrong-prescription-for-new-jersey/>

The main reason behind this is if all businesses are forced to offer mandatory paid sick leave then the incentive for employees to turnover and go to another employer would not be related to sick leave if all employers have the same sick leave policy in effect. On top of this, newly formed small businesses with less flexibility than established giant corporations are going to be more adversely affected by any legislation regarding paid sick leave. According to the Bureau of Labor Statistics, most large companies already offer sick leave compared to barely half of small businesses. As soon as a small business has the means to offer benefits like paid sick leave then that business usually does a majority of the time. But they have to reach a stable economic position first.<sup>4</sup> One-size-fits-all government policies negatively impacts the growth that makes this possible. Employers would have to balance any enacted policy out by decreasing employee pay and benefits. Another survey conducted in San Francisco reported that because of mandatory paid sick leave, a third of workers experienced either layoffs or a reduction in hours worked, raises, bonuses, and benefits received. In fact, other research conducted in San Francisco has found that nearly half of workers experienced a reduction in employee benefits, a quarter had either been laid off or saw a decrease in salary, and one in five businesses were forced to raise their prices.<sup>5</sup>

Because a vast majority of large companies and about half of small businesses already do offer paid sick leave, people who would like to see it enacted nationwide like to say that since many employers already support these policies then any consequences for their staff must be small. This also is just flat out not true. In every study conducted that has tried to measure this, a majority of employers that already had the financial security to be able to implement paid sick leave had to make very few changes after a mandated was passed.<sup>6</sup> All the businesses that opposed this were the ones that were required to either overhaul their sick leave programs already in place or create them from scratch forcing businesses to place part of that burden on their employees like indicated above.

Supporters of mandatory paid sick leave days raise what they believe to be solid points backed by a variety of surveys and research. The truth of the matter is that more often than not the data provided is either misinterpreted or misrepresented to the public. Even more disheartening is the large amounts of data that actually disproves the argument for mandatory paid sick leave. Many proponents of this mandated policy ignore the fallacies in their arguments surrounding this misinterpreted data because it does not fit into their view of the reality of the situation. Even without this evidence, the mandatory sick laws that are already in place around the country have only recently been enacted and we have not given them enough time to really see how they will impact the economic standing of those states and towns. The federal act that allowed employees twelve weeks of unpaid family leave time annually had been enacted in states for half a dozen years before being put into law. We were able to see what the effects would be over a long period of time. For all these reasons, and those above, the NCAE staunchly opposes any mandatory paid sick leave days at any level of government. If the government does pass legislation that requires all employers to provide some form of mandatory paid sick leave for their

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<sup>4</sup> <http://www.courierpostonline.com/story/opinion/columnists/2014/10/25/commentary-paid-sick-leave-mandates-bad-business/17842303/>

<sup>5</sup> <http://www.wsj.com/articles/mandatory-paid-sick-leaves-ill-effects-1442183497#livefyre-comment>

<sup>6</sup> <https://www.epionline.org/oped/mandatory-paid-sick-leave-the-wrong-prescription-for-new-jersey/>

employees, the NCAE would like to see different regulations put into place for different types of workers. Seasonal employees that work for only a small time out of the year should have completely separate standards to accrue paid sick leave hours compared to the normal laborer who works the majority of the year. Congress should install different factors and conditions that dictate how many hours one must work to acquire one hour of paid time off depending on what classification of employee they are.

Prepared by Jake Oatess on June 28th, 2016.