



# Paid Leave

Senate Economic  
Development, Housing, and  
General Affairs Committee

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## H.187, Healthy Workplaces

Testimony by Daniel Barlow, VBSR Public Policy Manager

Families have changed, the workforce and the economy have changed, but many of our labor and workforce policies have not. Problems in our labor and workforce policies contribute to instability in our economy. In the absence of paid leave, many families face the possibility of severe debt, bankruptcy or the need for public assistance programs when facing a personal or family health crisis when paid leave policies are not in place.

### **The Vermont Business Landscape:**

- 75% of private sector employees have some form of paid time off and 50% have some form of paid sick days.<sup>i</sup>
- 90% of Vermont businesses have fewer than 20 employees
- 80% of Vermont businesses have less than 10 employees.<sup>ii</sup>

### **What is the need?**

- More than 57,000 working Vermonters lack any kind of paid time off.<sup>iii</sup>
- Part-time employees are 50% less likely to have paid sick days. Low-wage workers are the least likely to have paid sick days.

### **The experience in other states:**

*Seattle (2012 ordinance):* “Preliminary data shows no evidence of widespread negative economic impacts.” Seattle experienced job growth in retail and food service industry in first two quarters under the ordinance.<sup>iv</sup>

*Connecticut (2011 law):* About two-thirds of workers report using benefit; average paid time off was four days. 18% saw reduction in the number of sick employees coming to work; 14% saw increased productivity; 29% saw improved morale.<sup>v</sup>

*San Francisco (2007 ordinance):* Survey of employers found that two-thirds now support the law with one-third identifying as “very supportive.” Six out of seven employers reported no negative impact on profitability due to the paid leave law. The typical worker only used three paid sick days each year.<sup>vi</sup>

Many VBSR businesses with employees offer some form of paid leave and understand that providing this benefit generally improves the health and well-being of its workforce, and, therefore, the financial bottom line of the business.

We support the development of a state strategy for all businesses that guarantees paid leave as a step toward creating a more stable workforce and stable families. These are essential components in a sustainable economic system. Allowing workers to earn paid leave will benefit employees, employers and society.

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<sup>i</sup> Vermont Department of Labor Fringe Benefits Study, 2011

<sup>ii</sup> Vermont Department of Labor

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<sup>iii</sup> Valuing Good Health in Vermont: The Costs and Benefits of Earned Health Care Time, IWPR, 2013

<sup>iv</sup> Paid Sick Days and the Seattle Economy, The Main Street Alliance, 2013

<sup>v</sup> Good for Business? The Case for Paid Sick Leave in Connecticut, CEPR and CUNY, 2014

<sup>vi</sup> San Francisco's Paid Sick Leave Ordinance: Outcomes for Employers and Employees, IWPR, 2011.