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CITIZENS FOR ECONOMIC OPPORTUNITY
Corporate Responsibility Campaign

My name is Karen Schuessler and I am the Director of Citizens for Economic Opportunity (CEO). CEO is a coalition of community and labor groups addressing health care reform and corporate responsibility.

I strongly support S.B. 913, an act mandating employers to provide paid sick leave to employees. It's no secret that times are tough for working families and family budgets are tight even though people are working more hours than ever. In addition, with the job market struggling now, many people cannot afford to be choosy and are forced to work for employers who do not provide paid sick leave. Unfortunately, most of us get sick at some time or another and no one should have to make the choice between taking that much needed time off from work due to illness and maintaining their job.

A friend of mine, who held a number of positions in the food service industry, recounted to me the stark contrast between jobs that she held in food service. Her first food service job was with a health care center. There, foodservice workers (and healthcare workers), both full and part-time, received fair wages and "good" benefits, including paid time off, paid sick days, and health insurance. After thirty days of employment, she was entitled to one paid sick day per month of employment. In her second year she was afforded even more. She stayed at that job for two years and it served her well as she continued her education at college on a part-time basis. Subsequent food service industry jobs, including work in casual fine dining and diner establishments afforded her no benefits. At times, her restaurant work required her to work protracted double shifts. She can remember going to work sick, when it would have been best to stay home, but it was simply not financially viable to make a more responsible decision. She is astonished that, today, there are still many workers in the health care and food service industries that are not being fairly compensated for their efforts. All regular and dedicated workers deserve paid sick leave and health care benefits. Hand-washing, as important as it is, only goes so far.

Paid sick days are good for business because healthy workers are crucial to a productive economy. According to a report by the Institute for Women's Policy Research, 553,000 Connecticut workers lack paid sick days, which is 39% of the private-sector workforce. The report also states that 18% of Connecticut's workforce does not have access to paid leave of any kind, and would receive paid sick days under the bill. Nationally, if workers were offered seven paid sick days a year, our national economy would experience a net savings of \$6.1 billion a year due to increased productivity and reduced turnover. A report by the National Partnership for Women and Families found that when sick employees come to work, it costs employers an average of \$255 per employee per year. By providing paid sick days, businesses benefit from increased worker loyalty and reduced turnover. The director at a small New York City restaurant recently testified at a Congressional briefing and estimated that turnover costs in the restaurant industry total about \$1,000 per employee. She said that because her business offers paid sick days and other good benefits, their turnover rate is only 30% annually which is

substantially less than the industry standard of 200%. According to an article published by the Society for Human Resources Management, the practice of sick employees coming to work costs employers \$180 billion annually, which is more than the cost of absenteeism.

The Institute for Women's Policy Research has released research showing that following the implementation of paid sick days in San Francisco, the city maintained a competitive job growth rate. The Drum Major Institute, a non-partisan, non-profit public policy think tank reports that not only was there no negative impact from San Francisco's paid sick days law, the number of businesses has grown in the city as well. In fact, business growth was greater in San Francisco than in neighboring counties for both small and large businesses, including those industries impacted by sick leave, such as food service. In the restaurant industry, employment increased by 3.9% in San Francisco the year after the law took effect.

In conclusion, paid sick time is not only about protecting the workers that are sick, it is about protecting those that are not.

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