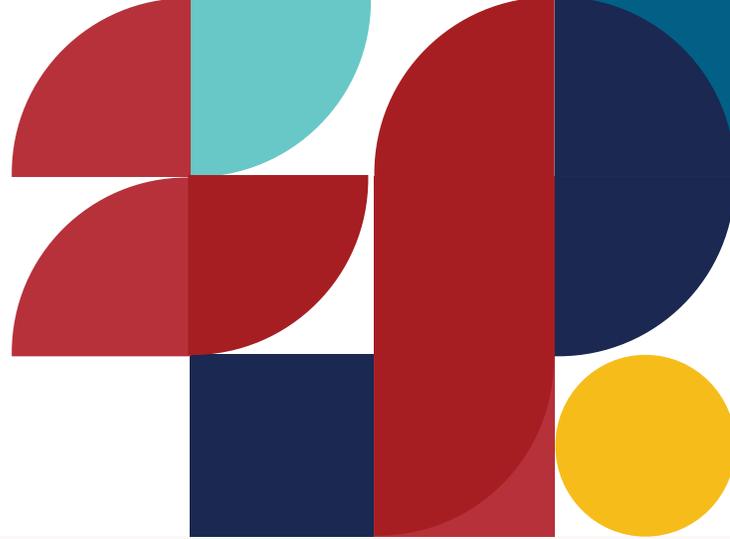


PAID SICK LEAVE HEADING INTO COVID-19

A Descriptive Account of Workers who
Lacked Paid Sick Leave



Executive Summary

Paid sick leave is vital for controlling the spread of illness in the workplace and an invaluable public health tool, but too few workers have access to it. In this brief, we examine the beginning of the COVID-19 pandemic to assess paid sick leave coverage with a focus on the social and economic characteristics of workers without paid leave.

Using a nationally representative survey with roughly 4,000 working respondents, we found that a third lacked access to paid sick leave. Workers without paid leave were younger, more likely to be female, more likely to be white, and less likely to have a college degree. More workers without paid leave had smaller employers, meaning employers with fewer than 50 employees. Workers in care- and service-based industries had less access to paid leave. Part-time employees and those paid hourly rather than salaried were also less likely to have paid leave.

Workers without paid sick leave experienced greater financial challenges, had lower household incomes and had net worth. They also reported lower self-rated financial wellbeing and were less likely to have emergency savings to cope with sudden income drops.

In March of 2020 the federal government implemented two weeks of paid sick leave via the Families First Coronavirus Response Act (FF-CRA), but the policy only encompasses businesses with 50 to 500 workers, leaving out many workers, particularly those most likely to lack paid sick leave to begin with. Enacting a universal paid sick leave policy would likely lessen economic strain for working families, reduce existing economic inequalities across social groups, and improve overall public health.

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Background

The COVID-19 pandemic has revealed a major split between work and family in the United States. As the virus ravaged the country, workers, especially “essential” workers with customer contact and limited scheduling flexibility and opportunities for remote work, faced difficult decisions about levels of acceptable risk for themselves and family members¹. If and when they became sick with COVID-19 or other symptoms, workplace policies governed how workers were or were not able to take leave from work.

Heading into the pandemic, the nature and extent of workplace policies were not distributed equally. Some employers provided sick leave so workers could manage and recover from illness. Whether or not that leave is paid or unpaid is a key distinction that shapes workers’ decision making. Without a national policy, the provision of sick leave and whether it is paid is left to state governments and employers.

Paid sick leave is critical for both restricting the spread of viruses and for promoting financial security. Research shows that access to paid sick leave is good for public health: workers are more likely to stay home when they are sick and see health care providers², which limits the spread of illness. For family balance sheets, access to paid leave shields households from losing income as well as the stress that goes along with that economic instability.

In this brief we assess which workers had access to paid sick leave going into the pandemic and examine differences in financial hardship between those workers and workers who did not have access to paid sick leave. Our analysis is unique in that it examines detailed data on income, finances, wellbeing and hardship that have not yet been studied.

Methods

This brief includes data from the Socioeconomic Impact of COVID-19 Survey administered by the Social Policy Institute at Washington University in St. Louis. The nationally representative survey was designed to measure the social and economic consequences of the COVID-19 pandemic to better understand how the impacts of COVID-19 and the effects of COVID-19-associated policy responses vary across race/ethnicity, geography, family status, and income. The internet-based survey of 200 questions was sent to approximately 5,500 individuals in all fifty states across five waves (April-May, 2020; August-September, 2020; November-December, 2020; February-March, 2021; May-June, 2021). You can learn more about the survey and its data collection through the [survey methodology report](#).

To understand the distribution of paid sick leave and factors associated with it at the beginning of the pandemic, we focused this analysis on Wave 1, N = 5,038 (data collection April-May, 2020). We filtered the data to those working age adults 18 to 64 (N = 4,087). A series of bivariate analyses were conducted to compare means, medians and percentages for variables of interest across access to paid sick leave (“Please indicate whether your primary employer offers you the following employee benefits... Paid sick leave” (yes/no)). Results were weighted to be fully representative of the U.S. adult working age population.

Findings

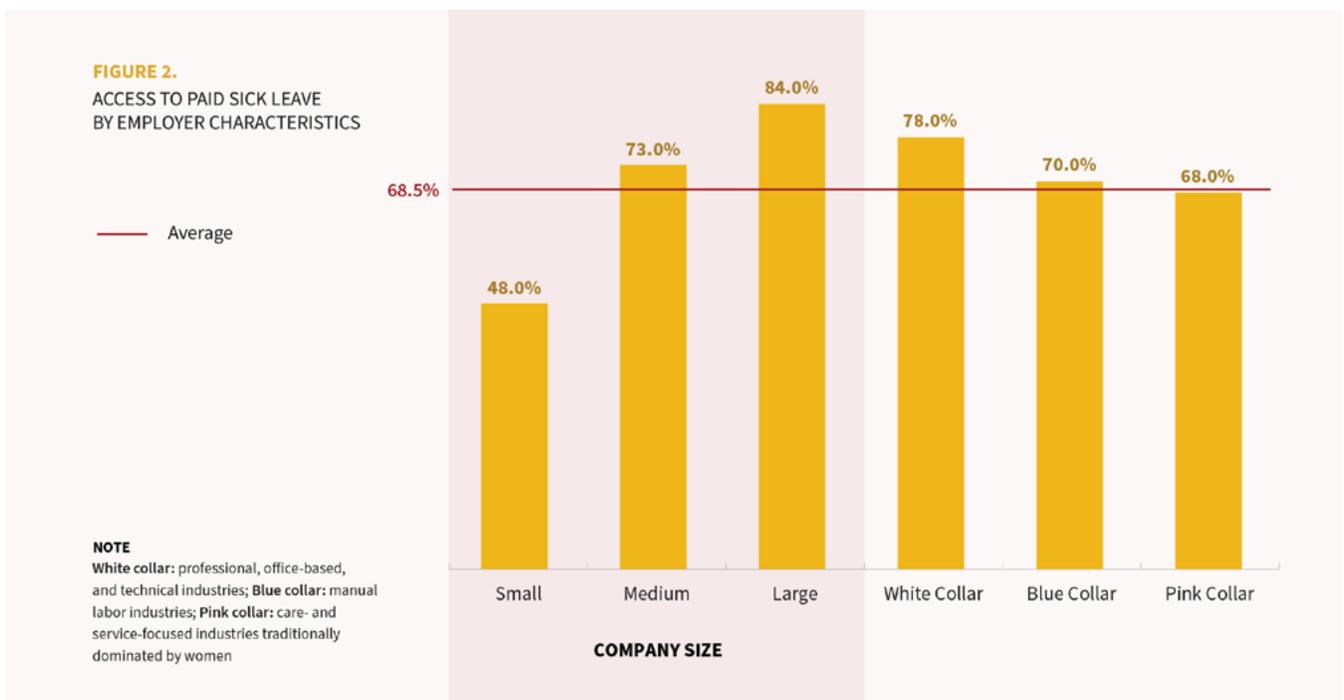
Of respondents in the workforce, we found that around 32% lacked access to paid sick leave at the onset of the pandemic. Figure 1 shows the demographic distribution of those with access to paid sick leave. On average, workers without paid sick leave were younger (- 3 years) and more likely to be female (54% v. 46% male), white, and less likely to have a college degree.

1 Kane, Joseph W., and Adie Tomer. “Valuing human infrastructure: Protecting and investing in essential workers during the COVID-19 era.” *Public Works Management & Policy* 26, no. 1 (2021): 34-46. <https://doi.org/10.1177/1087724X20969181>

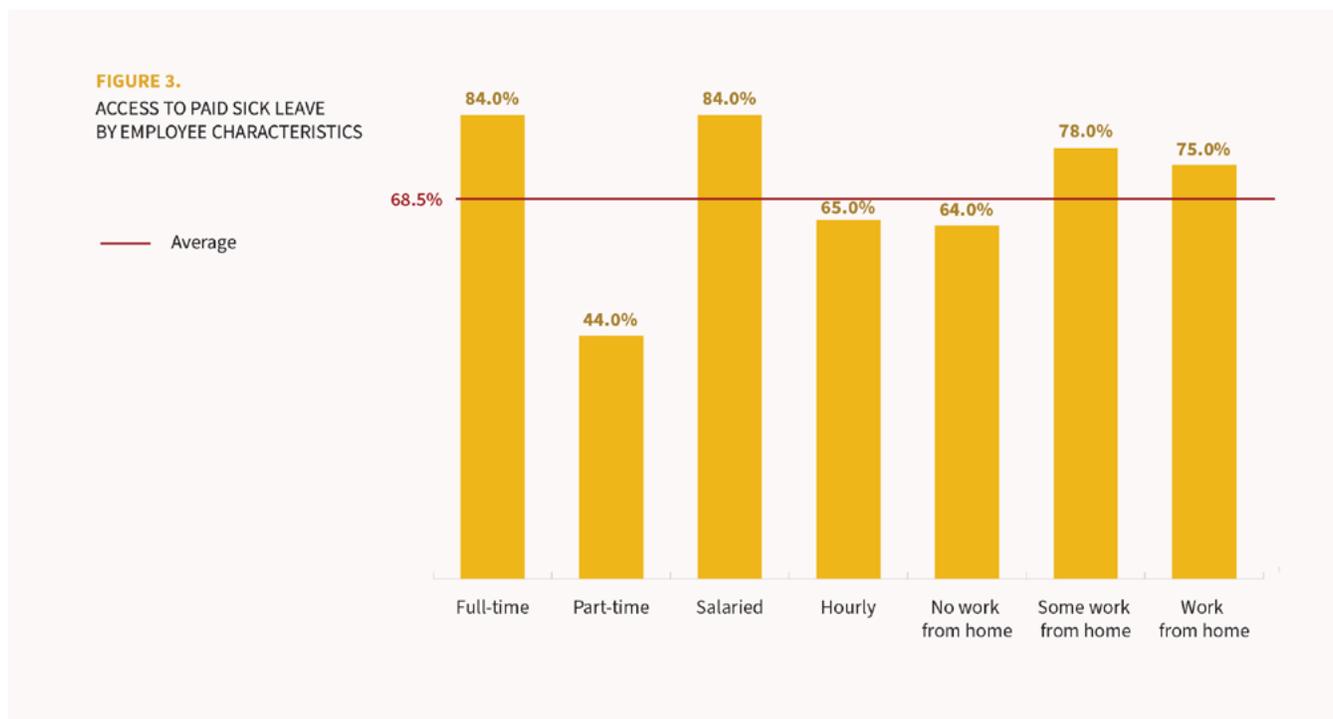
2 Zhai, Y., Santibanez, T. A., Kahn, K. E., Black, C. L., & de Perio, M. A. (2018). Paid sick leave benefits, influenza vaccination, and taking sick days due to influenza-like illness among U.S. workers. *Vaccine*, 36(48), 7316–7323. <https://doi.org/10.1016/j.vaccine.2018.10.039>



Access to paid sick leave is closely connected to the characteristics of the job and employer, including the type of work performed. Having access to paid leave was much less common for part-time workers and those in small organizations compared to mid-sized employers with 50 to 500 workers and larger companies with more than 500 workers. Paid leave access was also lowest in “pink” collar jobs: care- and service-focused industries such as childcare, education and hospitality traditionally dominated by women.



Employee characteristics also mattered. Of the 65% of workers in the sample working full time with an employer, 84% had access to paid sick leave, whereas only 44% of those working part-time had similar benefits (Figure 3). Lacking paid sick leave was more common among workers who were paid hourly rather than by salary.



An examination of the income, assets, debts and net worth of workers revealed a consistent story of economic disadvantage for those without access to paid sick leave. Household income was about \$18,000 less for workers lacking leave and the net worth was over \$150,000 lower for households lacking paid sick leave benefits.

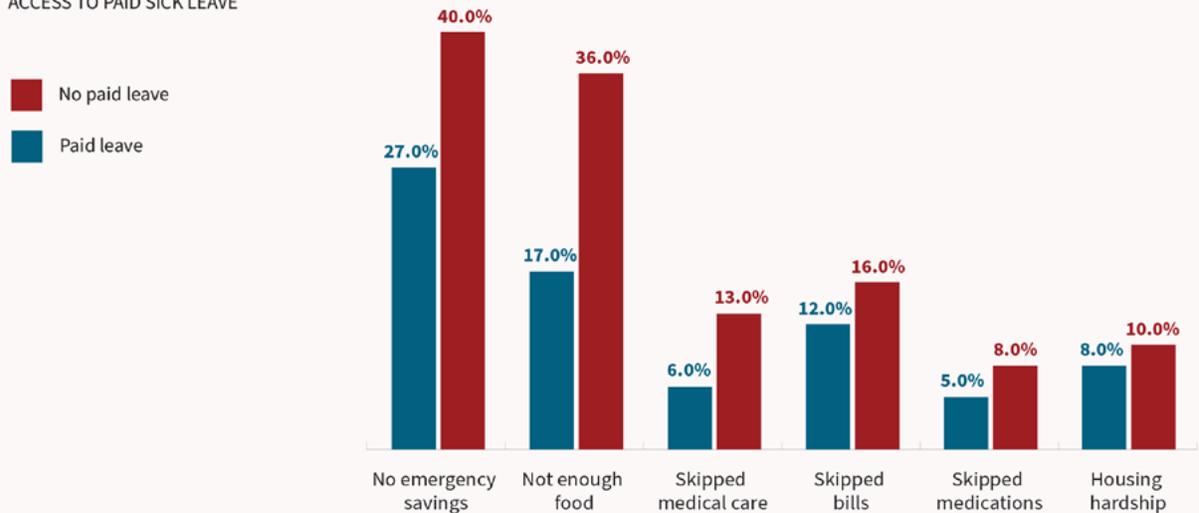
Turning to overall financial wellbeing and economic hardship, we observed that subjective financial wellbeing was about 5 points lower for workers without leave compared to workers with leave (51.6 v. 56.7). The same workers without leave were also more likely to have trouble making housing payments, skip or pay bills late, forego doctor visits due to costs, and exhibit signs of food insecurity. They were also less likely to have emergency savings that could be used to pay bills when income drops, such as experiencing a job loss or reduction of work hours during the pandemic (Figure 4).

Implications

In describing the demographics, employment, financials and hardships of American workers at the beginning of the COVID-19 pandemic, this brief reveals a consistent story of social and economic precarity. The composition of the roughly one third of workers who lack access to paid sick leave is characterized by a high likelihood of being younger, female, less educated, and working part time and for hourly pay in care- and service-focused organizations that employ fewer than 50. For the first time, we demonstrate that workers without paid sick leave experience substantial economic disadvantage on a wide set of detailed financial indicators. The differences were somewhat expected based on what is known about the workforce and sick leave coverage³, but the magnitude of the financial inequalities is striking and a call for policy action.

3 Wolfe, R., Harknett, K., & Schneider, D. (2021). Inequalities At Work And The Toll Of COVID-19 | Health Affairs Brief. Health Affairs. <https://www.healthaffairs.org/doi/10.1377/hpb20210428.863621/full/>

FIGURE 4.
FINANCIAL INSECURITY BY
ACCESS TO PAID SICK LEAVE



The current set of policies to provide workers with access to paid leave is patchwork and inconsistent. In the absence of a universal sick leave policy, access to leave is determined by the state you live in and your employer. By implementing the Families First Coronavirus Response Act FF-CRA in March 2020, the federal government mandated two weeks paid sick leave. This was a positive step towards more protection for vulnerable workers who entered the pandemic on the economic margins. However, the policy was limited to businesses that employ 50 to 500 workers. Small and large businesses were exempt, as were many outside the mainstream of the labor market – those working part time, service sectors and gig economy.

Under a universal sick leave policy, we could expect greater health and financial returns. Early evidence suggests that the federal protection from the FFCRA in states that had no sick leave was associated with around 400 fewer cases of COVID-19 per day, which is partially attributed to flattening the curve of virus spread⁴. In addition to the positive health impacts delivered by keeping sick employees home, compensating workers for time off to recover from illness has surely helped to stabilize the pocketbooks of many.

Until a more broadly accessible system of sick leave benefits is available, nearly one third of the workforce will need to choose between their own health and work. We now know that many of those without sick leave were also those with considerable financial vulnerability. Paid sick leave is lowest among part time, hourly and pink-collar employees who are disproportionately women and people of color who have had to shoulder a disproportionate share of the social, health and economic burden and consequences of the pandemic. Thus, access to paid sick leave may be a key policy tool for reducing gender and racial/ethnic inequalities that have grown during the pandemic and are expected to worsen in the uncertain recovery.

The research within this brief does not reflect the views and opinions of the funders.

4 Pichler, Stefan, Katherine Wen, and Nicolas R. Ziebarth. "COVID-19 Emergency Sick Leave Has Helped Flatten The Curve In The United States: Study examines the impact of emergency sick leave on the spread of COVID-19." *Health Affairs* 39, no. 12 (2020): 2197-2204. <https://doi.org/10.1377/hlthaff.2020.00863>