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Access to Paid Sick Leave in Oakland, California

An analysis by the Institute for Women's Policy Research (IWPR) finds that approximately 37 percent of private sector and local government employees living in Oakland¹ lack even a single paid sick day. This lack of access is even more pronounced among low-wage hourly workers. Access to paid sick leave can promote healthy work environments by reducing the spread of illness,² increasing productivity by avoiding lost productivity associated with coming to work sick,^{3,4} reducing workplace injuries,⁵ and supporting work and family balance.⁶ Advocates in Oakland are currently working to place a minimum wage and paid sick leave bill on the November 2014 Ballot. This bill would seek to increase the municipal minimum wage from \$9.00 per hour to \$12.25. In addition, the bill would require all employers to provide their employees with one hour of paid sick leave for every 30 hours worked, which could be capped at 40 hours for employees of small businesses (fewer than 10 employees) and 72 hours for employees of larger businesses. This briefing paper presents estimates of access to paid sick leave in Oakland by age, sex, race and ethnicity, industry, and hourly earnings through analysis of government data sources, including the 2011–2012 National Health Interview Survey (NHIS), and the 2012 American Community Survey (ACS).

Access to Paid Sick Leave by Sex, Race/Ethnicity, Age, and Wage Level

- Among all private-sector workers in Oakland, 37 percent (56,721 private sector workers) lack access to paid sick leave (Table 1).
- Hispanic workers are significantly less likely to have paid sick leave than any other racial/ethnic group, with 52 percent of Hispanic workers in Oakland lacking access to paid sick leave (Table 1).
- Younger workers are also less likely than older workers to have paid sick leave, with 57 percent of workers under the age of 30 lacking access (Table 1).

Table 1. Paid Sick Leave Access Rates by Sex, Race and Ethnicity, and Age in Oakland; 2012.

| Population Group | Without Access to Paid Sick Days | |
|-----------------------------|----------------------------------|------------|
| | Number | Percent |
| Total Private Sector | 56,721 | 37% |
| <i>Sex</i> | | |
| Men | 31,157 | 38% |
| Women | 25,565 | 35% |
| <i>Race/Ethnicity</i> | | |
| White, non-Hispanic | 18,076 | 30% |
| Black, not-Hispanic | 4,810 | 33% |
| Asian, non-Hispanic | 19,330 | 33% |
| Hispanic | 12,309 | 52% |
| Other, non-Hispanic | 2,196 | 36% |
| <i>Age</i> | | |
| Under 30 | 20,388 | 57% |
| Between 30 and 49 | 24,479 | 32% |
| 50 and Older | 11,855 | 27% |

Note: Access rates are for individuals 18-64 years of age, working in the private sector or local government and working in Alameda County. The estimated number of workers affected by the proposed bill in the City of Oakland was found by adjusting the Alameda County estimates downward to Oakland levels using employment information for the two geographic areas. "Other race" category includes American Indian or Alaska natives and individuals reporting multiple racial identities. None of these populations were individually large enough for separate estimations; all were kept in the interest of inclusion. Source: Institute for Women's Policy Research analysis of 2011–2012 National Health Interview Survey (NHIS), 2012 IPUMS American Community Survey (ACS), and the 2013 Quarterly Census of Employed Workers (QCEW).

- The proposed minimum wage increase has two potential impacts: a direct impact through which workers currently earning below \$12.25 per hour would receive a pay raise, and an indirect impact through which the minimum wage increase may have a spillover effect and prompt wage increases for workers currently earning \$12.25 per hour or slightly more.
- Current access rates for workers who would be directly and indirectly affected by the proposed minimum wage increase in Oakland are particularly low, with 68 percent of workers who would be directly affected by the increase lacking access to paid sick leave, while only one quarter of workers unaffected by the increase lack access (Table 2).
- More than 20,000 workers likely to be affected by the proposed municipal minimum wage increase for the city of Oakland do not have access to paid sick leave (Table 2).

Table 2. Paid Sick Leave Access Rates by Impact of Potential Minimum Wage Increase in Oakland; 2012.

| Hourly Wage | Without Access to Paid Sick Days | |
|--|----------------------------------|------------|
| | Number | Percent |
| Directly Impacted Workers (Earning <\$12.25 per hour) | 21,240 | 68% |
| Indirectly Impacted Workers (Earning just over \$12.25 per hour) | 4,800 | 52% |
| Workers not Impacted | 30,682 | 25% |
| Total Private Sector | 56,721 | 37% |

Note: Access rates are for individuals 18-64 years of age, working in the private sector or local government and working in Alameda County. The estimated number of workers affected by the proposed bill in the City of Oakland was found by adjusting the Alameda County estimates downward to Oakland levels using employment information for the two geographic areas. Hourly wage approximated by dividing annual income from wages and salary by the product of usual hours worked per week and weeks worked last year. Weeks worked in the previous year is given as intervals, so the midpoint for each interval was used. Percentages and figures may not add to totals due to rounding. Source: Analysis based on the methodology of Reich, Jacobs, Bernhardt, and Perry (2014).⁷

Access to Paid Sick Leave by Industry

Access to paid sick leave varies widely depending on the industry employees work in. Paid sick leave is especially uncommon in industries requiring frequent contact with the public, such as accommodation (e.g., hotel workers) and food services, with important public health consequences. Across the broad spectrum of industries in Oakland, lack of access to paid sick leave varies from a high of 71 percent of employees in the Arts, Entertainment, Recreation, Accommodation, and Food Services industries, to a low of 4 percent of those employed in Public Administration.

Table 3. Paid Sick Leave Access Rates by Industry in Oakland, 2012.

| Industry | Without Access to Paid Sick Days | |
|---|----------------------------------|------------|
| | Number | Percent |
| Food Services, Accommodation, Arts, Entertainment, and Recreation | 11,130 | 71% |
| Agriculture, Forestry, Fishing, Hunting, Mining, and Construction | 6,530 | 65% |
| Administrative, and Waste Management Services | 4,179 | 61% |
| Other Services | 3,738 | 56% |
| Retail Trade | 7,042 | 38% |
| Transportation, Warehousing, and Utilities | 2,069 | 29% |
| Manufacturing | 5,995 | 29% |
| Information and Communications | 1,241 | 28% |
| Educational, Health, and Social Services | 8,850 | 26% |
| Wholesale Trade | 1,429 | 23% |
| Finance, Insurance, Real Estate, and Rental and Leasing | 1,721 | 22% |
| Public Administration | 154 | 4% |
| Total Private Sector | 56,721 | 37% |

Note: Access rates are for individuals 18-64 years of age, working in the private sector or local government and in Alameda County. The estimated number of workers affected by the proposed bill in the City of Oakland was found by adjusting the Alameda County estimates downward to Oakland levels using employment information for the two geographic areas. Percentages and figures may not add to totals due to rounding. Source: Institute for Women’s Policy Research analysis of 2011–2012 National Health Interview Survey (NHIS) and 2012 IPUMS American Community Survey (ACS).

Benefits of Paid Sick Leave

Paid sick leave delivers multiple benefits for employers, children, women, and communities at large. The economic and public health benefits of paid sick leave coverage are substantial, including creating stronger, safer work environments; supporting children and families; and reducing health care costs.

Creating Stronger, Safer Work Environments

- Research documents that workers with influenza perform more poorly on a variety of tasks than healthy workers,⁸ and a recent study found that employers who provided paid sick leave to their employees reported fewer occupational injuries than those who did not have paid sick leave coverage.⁹
- Paid sick leave policies help reduce the spread of illness in the workplace by helping contagious workers stay home.¹⁰

Supporting Children and Families

- Paid sick leave policies help parents fulfill their caregiving responsibilities. Research shows that having paid sick leave is the primary factor in a parent's decision to stay home when their children are sick.¹¹
- Because many parents do not have access to affordable child care for sick children, sick children are often left home alone or sent to school or day care sick.¹² Allowing parents to stay home with sick children can prevent illness from spreading in schools and day care centers.^{13, 14} Studies demonstrate that children are more susceptible to influenza¹⁵ and carry the influenza virus over longer periods of time compared with adults.^{16, 17, 18} Keeping children at home when they have contagious illnesses, like the flu, would be likely to prevent absences among their schoolmates and teachers.

Reducing Health Care Costs

- Paid leave allows adult children and family members to care for elderly, disabled, and medically fragile relatives. This care reduces health expenditures by preventing and reducing the need for paid care at home and in nursing homes, services that might otherwise be financed by Medicaid or Medicare.¹⁹
- Paid sick leave allows workers to take time away from work for medical appointments, rather than waiting until after work hours, at which time the only way to see a doctor may be to utilize hospital emergency services. Analysis of data from the National Health Interview Survey shows that workers with paid sick leave are less likely than workers without paid sick leave to utilize hospital emergency departments, even after accounting for variables such as age, income, education, and health insurance access.²⁰

Notes

¹ In addition to the city of Oakland, the analysis also includes the cities of Emeryville and Piedmont.

² Jiehui Li, Guthrie S. Birkhead, David S. Strogatz, and R. Bruce Coles, "Impact of Institution Size, Staffing Patterns, and Infection Control Practices on Communicable Disease Outbreaks in New York State Nursing Homes," *American Journal of Epidemiology* no. 143 (May 1996): 1,042-1,049.

³ Ron Z. Goetzel, Stacey R. Long, Ronald J. Ozminkowski, Kevin Hawkins, Shaohung Wang, and Wendy Lynch, "Health, Absence, Disability, and Presenteeism Cost Estimates of Certain Physical and Mental Health Conditions Affecting U.S. Employers," *Journal of Occupational and Environmental Medicine* no. 46 (April 2004): 398-412.

⁴ Ron Z. Goetzel, Stacey R. Long, Ronald J. Ozminkowski, Kevin Hawkins, Shaohung Wang, and Wendy Lynch, "Health, Absence, Disability, and Presenteeism Cost Estimates of Certain Physical and Mental Health Conditions Affecting U.S. Employers," *Journal of Occupational and Environmental Medicine* no. 46 (April 2004): 398-412.

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- ⁵ Abay Asfaw, Regina Pana-Cryan, and Roger Rosa, "Paid Sick Leave and Nonfatal Occupational Injuries," *American Journal of Public Health* no. 102 (September 2012): e59-e64.
- ⁶ S. Jody Heymann, *The Widening Gap: Why America's Working Families Are in Jeopardy and What Can Be Done About It* (New York: Basic Books, 2000).
- ⁷ Michael Reich, Ken Jacobs, Annette Bernhardt, and Ian Perry, "The Impact of Oakland's Proposed City Minimum Wage Law: A Prospective Study," Institute for Research on Labor and Employment, University of California, Berkeley (June 2014).
- ⁸ Andrew Smith, "A Review of the Effects of Colds and Influenza on Human Performance," *Journal of the Society of Occupational Medicine* no. 39 (Summer 1989): 65-68.
- ⁹ See note 4 above.
- ¹⁰ See note 5 above.
- ¹¹ S. Jody Heymann, Alison Earle, and Brian Egleston, "Parental Availability for the Care of Sick Children," *Pediatrics* vol. 98 no. 2 (August 1996): 226-230.
- ¹² S. Jody Heymann, *Forgotten Families: Ending the Growing Crisis Confronting Children and Working Parents in the Global Economy* (Oxford University Press, 2006).
- ¹³ Isabelle Diehl, "The prevalence of colds in nursery school children and non-nursery school children," *Journal of Pediatrics* vol. 34 no. 1 (January 1949): 52-61.
- ¹⁴ Lennart Hesselvik, "Respiratory infections among children in day nurseries," *Acta Paediatrica Scandinavica* no. 37 sup. S74 (May 1949): 1-103.
- ¹⁵ Arnold S. Monto and Kevin M. Sullivan, "Acute respiratory illness in the community: frequency of illness and the agents involved," *Epidemiology and Infection* vol. 110 no. 1 (February 1993): 145-160.
- ¹⁶ Christine E. Long, Caroline B. Hall, Coleen K. Cunningham, et al. "Influenza surveillance in community-dwelling elderly compared with children," *Archives of Family Medicine* no. 6 (September 1997): 459-465.
- ¹⁷ Hjordis M. Foy, Marion K. Cooney, Carrie Hall, Judith Malmgren, and John P. Fox, "Case-to-case intervals of rhinovirus and influenza virus infections in households," *Journal of Infectious Diseases* vol. 157 no. 1 (January 1988): 180-182.
- ¹⁸ John P. Fox, Marion K. Cooney, Carrie E. Hall, and Hjordis M. Foy, "Influenza virus infections in Seattle families, 1975-1979, I: study design, methods and the occurrence of infections by time and age," *American Journal of Epidemiology* vol. 116 no. 2 (August 1982): 212-227.
- ¹⁹ Courtney H. Van Houtven, and Edward C. Norton, "Informal Care and Health Care Use of Older Adults," *Journal of Health Economics* vol. 23 no. 6 (November 2004): 1159-1180.
- ²⁰ Kevin Miller, Claudia Williams, and Youngmin Yi, *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits* (Washington, DC: Institute for Women's Policy Research, November 2011).

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