



## **ECONOMIC IMPACT OF MANDATED PAID SICK LEAVE SUMMARY**

### **The Mandate**

Employers must provide at least seven days of paid sick leave annually for employees working 30 hours or more a week, or a pro rata amount for employees working less than 30 hours per week (or less than 1,560 hours per year). Leave may be used for illness of the worker, a parent, a child or adopted child under 18, or a guardian.

Employers violating the law may be sued civilly, including triple damages, court costs, attorney's fees and interest. And, employers must keep written records of hours worked and leave taken.

### **The Impact**

- 75,000 jobs lost in the next five years
  - 20% of all jobs lost will occur in employers with 1-20 employees
- \$1.17 Billion in additional costs to employers each year
- \$9.4 Billion in lost sales

### **The Study**

The study was conducted using the Business Size Input Model program of the Regional Economic Models, Inc. input-output system. The system produces short- and long-term forecasts for detailed industry sectors when external shocks are applied. Specifically, the model estimates future changes in jobs, output (sales) income and productivity for Ohio by business size and industry by comparing forecasts without change to forecasts with change (the mandate). The shock in this research is the additional sick leave costs, which are calculated to represent one percent of employee compensation (based on federal Bureau of Labor Statistics compensation data), as well as record-keeping and bookkeeping expenses. Note that overtime and replacement worker costs are not included in the cost analysis and would substantially increase the costs of the mandate if applied. Moreover, the research does not account for the additional costs placed on employers who currently provide paid sick leave but must comply with the additional administrative mandates.