Key Findings from the City of Seattle **Paid Sick and Safe Time Ordinance** Evaluation Study

> Prepared for the San Antonio City Council AdHoc Committee on Paid Sick Leave

> > September 10, 2019

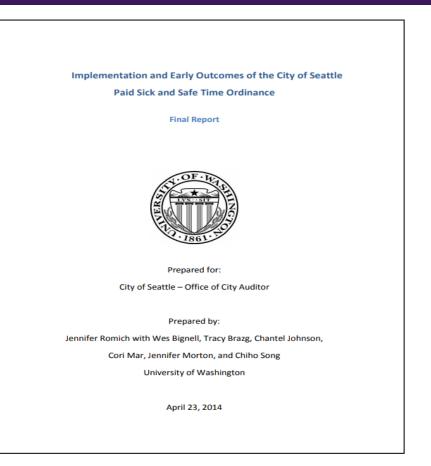
Jennifer Romich, PhD University of Washington



Section 4. Eighteen months after the effective date of this ordinance, ... the Seattle Office of City Auditor will provide Council with a written evaluation of the impacts this ordinance has had on employees and employers.

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The Seattle City Council commissioned this study through the City of Seattle Office of the City Auditor. Based on a report presented to the the Seattle City Council Finance and Culture Committee on April 23, 2014.



Link to full report

Implementing the changes was not a problem. People do get sick...

I think it's a reasonable policy, that people have some protection...

a safety net to rely on.



### One year in...

- Most employers know about the Ordinance
- The majority of employers are offering paid leave although gaps remain
- Costs to employers and impact on businesses are very modest and smaller than anticipated
- Many employers support the Ordinance, and workers view it as helpful

### Studying the Ordinance's first year

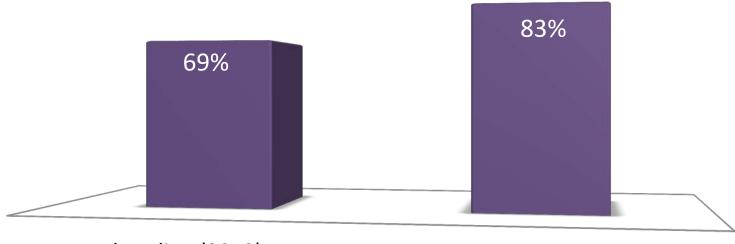
- Two surveys of 345 employers
  - from 1460 employers contacted
- Interviews with 24 employers and 33 workers
  - Retail, food and accommodations, and health and social service sectors
- Analysis of confidential Employment Security Department data
  - employers in Seattle, Bellevue, Everett and Tacoma



## Most employers know about the Ordinance

### Awareness increased over the first year

**Employers Aware of Ordinance (%)** 



At baseline (2012)

At follow-up (2013)

From Figure 2.3, N=344



[I] started becoming aware of it when it started becoming public information .... I received some sort of correspondence in the mail from the City of Seattle regarding this. Then once I heard about it I – I started looking it up, just to find out what was happening. -General manager, high-end chain restaurant

# The majority of employers are offering SOME paid leave

### Compliance = Coverage + Adequacy

<u>PART 2 – BENEFITS</u> Which of the following benefits does your business or organization offer the s <u>Seattle</u> employees				
1. Coverag Who gets lea	Offered to full-time employees only	Offered to full- and part-time employees only	Offers to full- time, part-time, seasonal, and temporary employees	This benefit is <b>not</b> offered
Paid sick leave				
Undesignated leave or universal "Paid time off" (PTO)				

For each of the types of paid leave listed below, how many days <u>or</u> hours would a **full-time** Seattle employee accrue after s/he has been with the business or organization for one year? PLEASE FILL IN ONLY ONE ( PMN BELOW (either # of the sor # of hours). Hours been not offer paid leave to **full-time** Seattle employees, plear on the zeros below.

 Accelled
 Number of paid days
 Number of paid hours

Paid sick leave
Paid sick leave
Undest Arted eave drum versal Pad me 2 VTC?

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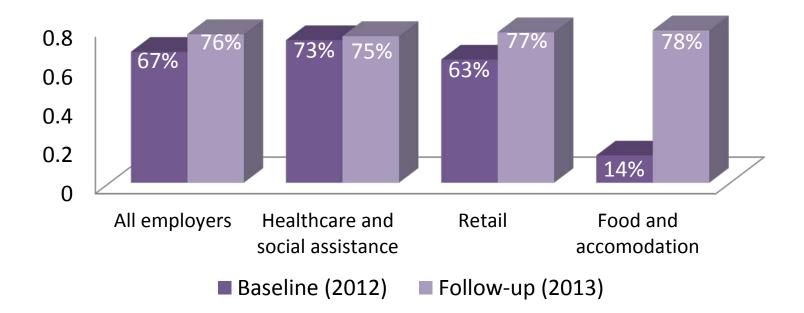
# 1. Coverage: Most employers cover full-time and part-time workers

Not providing Providing leav leave, 24% o full-time an part-time workers, 76%

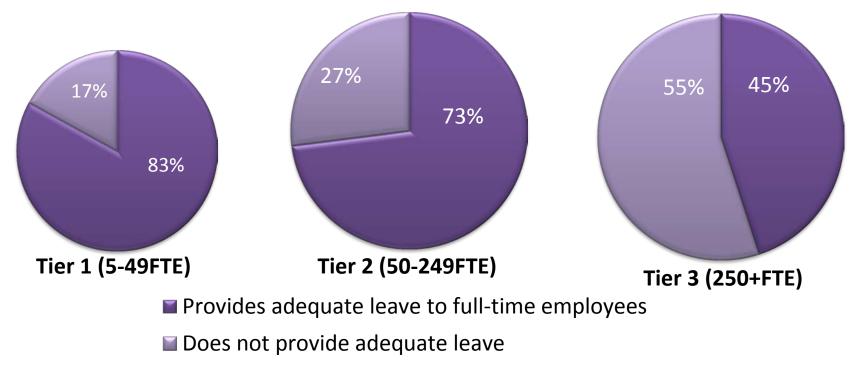
Only 26% cover temporary and seasonal workers

From Figure 2.5, N=307

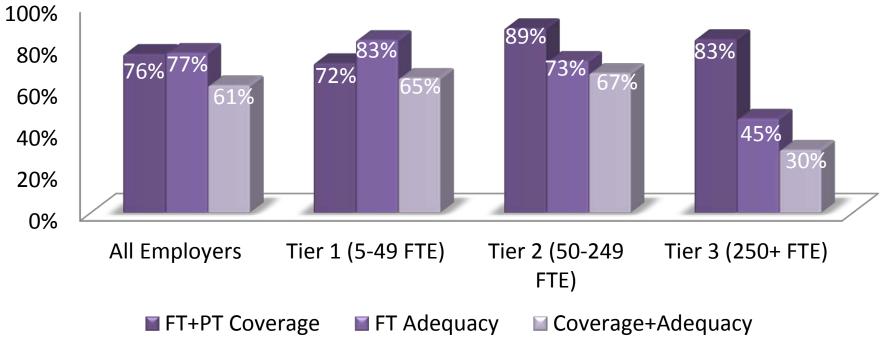
### Coverage increased over the first year



## 2. Adequacy: Smaller employers are more likely to offer enough hours/days of leave



# Compliance (coverage + adequacy) is highest among smaller employers



I took the last week off because I was sick. I mean – I'm getting time off now, but I don't have paid sick leave.

-Merchandiser, retail chain





# Many non-compliant employers believe they are complying

Unaware of

Ordinance, 24%

Believes Ordinance does not apply, 10%

> Believes firm or organization is <u>not</u> \_in compliance, 6%

Believes firm or organization is in compliance, 55%

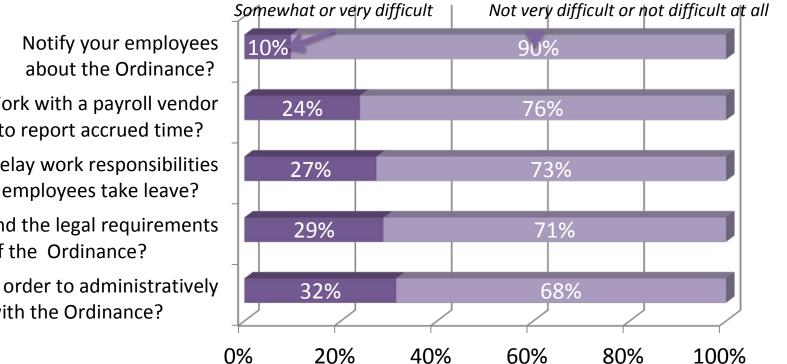
Unsure or does not know if firm or organization is in compliance, 4%

## Implementation was easy for some employers and caused temporary hassles for others

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### Most employers made changes easily

How difficult has it been for your business or organization to ...



Work with a payroll vendor to report accrued time?

Reassign or delay work responsibilities when your employees take leave?

Understand the legal requirements of the Ordinance?

Keep records in order to administratively comply with the Ordinance?





The bumpiest part was the beginning. Anytime you're doing something new. Now it's kind of just part of the routine. -HR manager, Tier 2 retailer

# Impacts on employers were modest to negligible

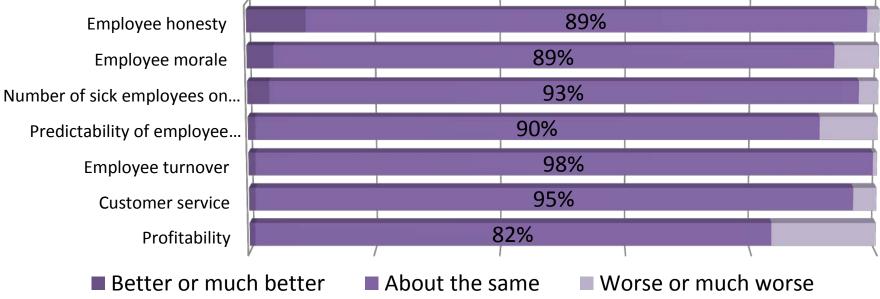
Quite frankly, I've only had one person – maybe two people – use the sick/safe hours. So it really hasn't impacted us a lot.

-HR manager, health and social services organization



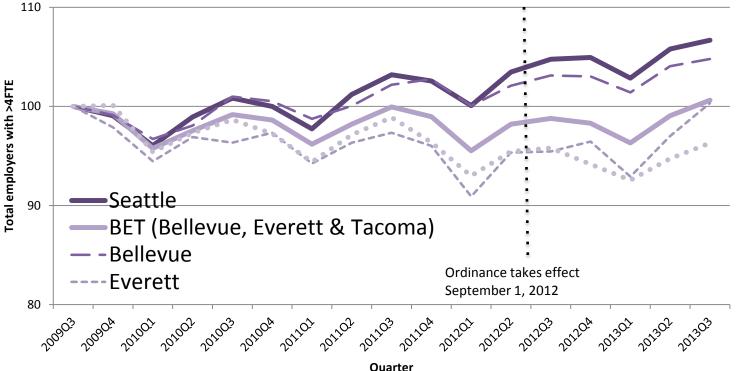
## Employers perceived few impacts

#### How has complying with the Ordinance affected your...



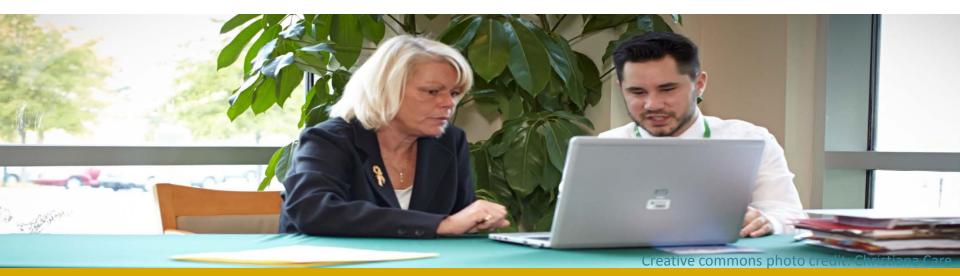
#### Number of Seattle employers continued to grow

after the Ordinance took effect



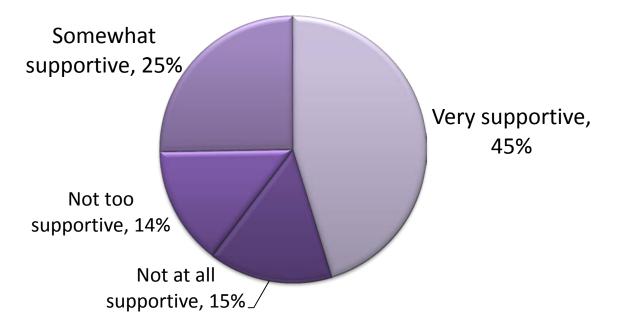
## Costs to employers are modest and smaller than expected

- One-time implementation costs: 0.13% of total revenue
- Annual cost of providing leave: 0.41% of total revenue





## Many employers support the Ordinance





I understand the spirit behind what it was trying to do. And – and I support the fact that if you are ill or you have to take care of somebody, you should stay home.... [That's] a principle that I think we practiced always.... So *I* – *I* can support that. -General Manager, Retail

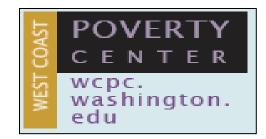
It's good. I, you know, I like it. I think it – because I know there were companies in Seattle that offered no sick time whatsoever and so now it's very equal. -Customer service worker, Tier 3 discount retailer



### Thank you

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