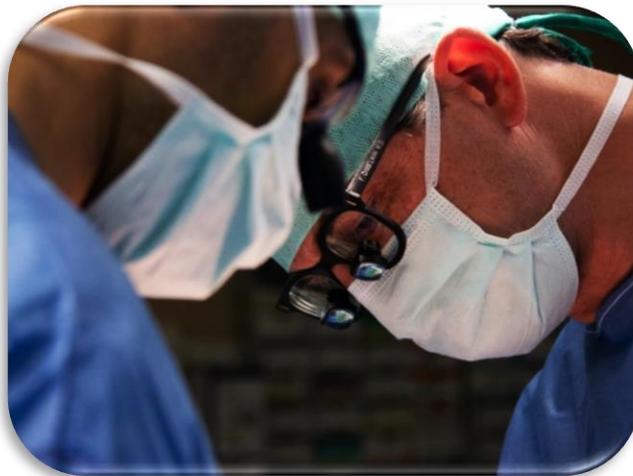


Enacting Paid Sick Leave in Illinois

COVID-19 and the Impact of Workplace Standards on Public Health

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Frank Manzo IV, MPP

Policy Director

Illinois Economic Policy Institute

Robert Bruno, PhD

Director and Professor

Project for Middle Class Renewal
University of Illinois at Urbana-Champaign

Jill Gigstad

Midwest Researcher

Illinois Economic Policy Institute

EXECUTIVE SUMMARY

The coronavirus disease (COVID-19) pandemic has brought the issue of paid sick leave to the forefront of state and national policymaking. Many sick workers are forced to choose between staying home to recover and going to work to earn a paycheck. While temporary paid sick leave in the Family First Coronavirus Response Act (H.R. 6201) passed by Congress and signed by President Donald Trump in March 2020 will help, this report considers the implications if Illinois were to enact a permanent paid sick leave law to preempt future epidemics. A total of 12 U.S. states already have these laws in place.

Research demonstrates that paid sick leave promotes positive economic and public health outcomes at little to no cost to employers.

- 73 percent of workers utilize their FMLA to care for their own illness or to care for sick spouses, children, or parents.
- 84 percent of workers who receive partial or no pay report that they limit their spending during their FMLA pay, and one-third either borrow money or put off paying bills.
- After San Francisco became the first city to offer paid sick leave, employment grew twice as fast in the city as it did in neighboring counties and 68 percent of businesses supported the ordinance.
- 30 months after the City of Chicago implemented its paid sick leave ordinance, the Chicago metro region has grown by more than 71,000 jobs while employment has stagnated in the rest of Illinois.
- Paid sick leave reduced infections by 6 percent and by 39 percent during an epidemic.

Illinois lawmakers could boost incomes for 1.5 million working families by enacting paid sick leave. If the state were to join 12 other states in guaranteeing at least five paid sick days per year:

- While workers of all races and genders are without paid sick leave, more than 80 percent of Illinois workers who currently lack access to paid sick leave are white and the majority are men.
- An estimated 762,000 workers in the suburbs of Chicago and 581,000 workers “downstate” would newly gain access to paid sick leave;
- An estimated 128,000 workers in the City of Chicago would be directly impacted on top of the 385,000 workers who gained access from the local ordinance implemented in July 2017;
- Fully 90 percent of the benefits from the law would accrue “downstate” and in the suburbs; and
- Total worker income would increase by more than \$1.5 billion per year, or \$1,040 per directly-impacted worker.

Paid sick leave is affordable, good for the economy, and would ultimately create more jobs than it costs.

- The cost of five paid sick days is approximately 12 cents per hour worked across all workers in Illinois;
- A paid sick leave law in Illinois would not hinder job growth; and
- Paid sick leave would not only reduce the risk of infection spread at workplaces, it would boost the economy through increases in consumer spending and improved worker productivity.

Paid sick leave is associated with decreased risk of spreading infections at workplaces, improved overall productivity, and higher income for workers. With the COVID-19 pandemic potentially reducing employment by 207,000 jobs in Illinois by summer, paid sick leave is one permanent component of a comprehensive package—alongside other short-term actions such as expanding temporary unemployment insurance and providing zero-interest loans to small businesses—that could stem its economic effects.

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ABOUT THE AUTHORS

Frank Manzo IV, MPP is the Policy Director of the Illinois Economic Policy Institute. He earned a Master of Public Policy from the University of Chicago Harris School of Public Policy and a Bachelor of Arts in Economics and Political Science from the University of Illinois at Urbana-Champaign. He can be contacted at fmanzo@illinoisepi.org.

Robert Bruno, PhD is a Professor at the University of Illinois at Urbana-Champaign School of Labor and Employment Relations and is the Director of the Project for Middle Class Renewal. He earned a Doctor of Philosophy in Political Theory from New York University, a Master of Arts from Bowling Green State University, and a Bachelor of Arts from Ohio University. He can be contacted at bbruno@illinois.edu.

Jill Gigstad is a Midwest Researcher at the Illinois Economic Policy Institute (ILEPI). She earned a Bachelor of Arts in Political Science and International Studies from Iowa State University. She can be contacted at jgigstad@illinoisepi.org.

INTRODUCTION

The coronavirus disease (COVID-19) pandemic has created a new national dialogue about the issue of paid sick leave for workers. Even though public health officials recommend that sick employees stay home from work, many workers are forced to choose between recovering from their illness— or caring for a family member’s health— and earning a paycheck to provide for their families. Moreover, the closure of public and private schools has left working parents with few options other than staying home to care for their children. Roughly one million (49 percent) of Illinois’ public school children are from families designated as “low income,” and it is precisely these workers in low-wage service occupations that are most bereft of any paid family leave (Bruno, 2020).

In March 2020, President Donald Trump signed the Family First Coronavirus Response Act, an aid package that provides free COVID-19 testing, expands unemployment benefits, and includes paid sick days for some employees (Foran & Barrett, 2020; Khan, 2020). The bill includes three months of emergency family leave during the COVID-19 pandemic. Employees of companies with fewer than 500 workers can take 12 weeks of job-protected leave under the Family and Medical Leave Act (FMLA) to care for a sick child or a child at home because of a school closure. Employees can receive two-thirds of their usual pay from their employer, with a cap of \$200 per day, for up to three months, but the first 10 days of leave are unpaid. The law also includes two weeks of full paid sick leave. However, large companies with 500 or more employees are exempt from the law, excluding between 6.8 million and 19.6 million private-sector workers (Gould & Sheirholz, 2020). In addition, businesses with fewer than 50 employees can apply for a hardship waiver, further reducing the paid leave coverage. Funding for paid leave is generated through employer tax credits. The paid sick and family leave provisions can only be used in response to the coronavirus and are temporary. They expire at the end of 2020.

As of March 2020, a total of 12 states and the District of Columbia currently have implemented permanent paid sick days legislation (NCSL, 2020). Paid sick leave policies are also in place in 20 cities and 3 counties, including the City of Chicago and Cook County (NPWF, 2019). However, the State of Illinois does not have a permanent paid sick leave law. This report, conducted jointly by researchers at the Illinois Economic Policy Institute (ILEPI) and the Project for Middle Class Renewal (PMCR) at the University of Illinois at Urbana-Champaign, assesses the implications if Illinois were to join the 12 other states and enact a permanent paid sick leave policy. Due to the historic nature of the COVID-19 pandemic, this report also offers additional recommendations to state and federal policymakers to combat a likely economic downturn.

THE LACK OF PAID SICK LEAVE IN THE UNITED STATES

When it comes to access to paid sick leave for workers, the United States is an outlier on the world stage. Fully 179 countries, or 94 percent, guarantee paid sick leave for workers, but the United States does not (Heymann, 2020). In fact, the United States has no “national policy requiring employers to provide paid sick days for workers who need to miss five days of work to recover from the flue” (Heymann et al., 2009). Instead, the United States has the Family and Medical Leave Act (FMLA), which guarantees civilian workers 12 weeks of *unpaid* leave for specified family and medical reasons, including the birth of a child, the adoption or foster care of a new child, care for a spouse, child, or parent who has a serious health condition, and serious health conditions that make the employee unable to work (WHD, 2019). Employees covered under FMLA are private-sector and public-sector workers who have been employed at their current job for at least one year, have worked a minimum of 1,250 hours in the previous 12 months, and work for an employer with at least 50 employees (WHD, 2012). New hires, part-time employees, and workers at small businesses are not covered by the 12 weeks of unpaid leave. As a result, only about 40 percent of working adults in Illinois are eligible for unpaid leave under FMLA (ICYFP, 2015).

The majority of workers take FMLA leave to care for their own illnesses or care for sick spouses, children, or parents. Fully 55 percent of workers utilize FMLA to care for their own illnesses, while 18 percent of workers

take leave to care for sick spouses, children, or parents (Klerman et al., 2013). While 65 percent of workers who take leave under FMLA report receiving some type of employer-provided or collectively-bargained compensation during their leave, a lack of paid leave has financial consequences for many workers. Approximately 84 percent of employees who receive partial or no pay report that they limit their spending during their FMLA leave. Another one-third borrow money or put off paying bills, and 15 percent go on public assistance. Moreover, about 50 percent of those who take FMLA leave return to work because they cannot afford to take more time off (Klerman et al., 2013; Waldfogel, 2001; Gerstel & McGonagle, 1999).

THE IMPACT OF PAID SICK LEAVE POLICIES ON THE ECONOMY AND PUBLIC HEALTH

While the United States does not guarantee paid sick leave at the federal level, permanent paid sick leave policies have been implemented in at least 35 jurisdictions across the country. These include 12 states: Arizona, California, Connecticut, Maryland, Massachusetts, Michigan, Nevada, New Jersey, Oregon, Rhode Island, Vermont, and Washington (NCSL, 2020). Paid sick leave policies are also in place in 20 cities and 3 counties, including the City of Chicago and Cook County (NPWF, 2019). However, more than 80 percent of Cook County's municipalities opted out of the county's earned sick leave ordinance after it was enacted in 2017 (Korte & Schmiesing, 2017)—a move that disproportionately impacts low-income workers across the county (Zumbach & Iejalde-Ruiz, 2020).

Emergency sick days during an epidemic reduce workplace infections by as much as 39 percent.

Economic research shows that paid sick leave policies have had positive economic impacts. After San Francisco became the first city to offer paid sick leave in 2007, employment grew twice as fast in the city as it did in neighboring counties which did not adopt similar policies, and job growth was even faster in the relatively lower-paying food service and hospitality sectors (Miller & Benatar, 2011). A survey of 727 San Francisco firms conducted in 2009, two years after the policy had been implemented, found that 68 percent supported the ordinance compared with just 24 percent opposed (Drago & Lovell, 2011). Similarly, after Connecticut became the first state to enact a paid sick

leave law in 2011, coverage was expanded to about 287,000 eligible workers at little to no cost to businesses. A survey of 251 Connecticut employers found that 77 percent supported the law compared with just 23 percent opposed (Appelbaum et al., 2014). Locally, 30 months after the City of Chicago implemented its paid sick leave ordinance in July 2017, total nonfarm employment increased by 1.5 percent (+71,400 jobs) in the Chicago metropolitan region compared to a 0.0 percent change (-10,100 jobs) in the rest of Illinois (BLS, 2020). Concerns that paid sick leave would hinder job growth have simply not been supported by the evidence.

Paid sick leave also improves public health. While most workers without paid sick leave do not want to go into work sick, many are forced to do so to earn an income and support their families. When workers go to their job sick, they jeopardize the health of their colleagues and compromise the productivity of their firm. As a result, research has demonstrated that paying for sick employees to stay home significantly reduces the spread of infectious diseases. Universal paid sick days reduce workplace infections by 6 percent and emergency sick days during an epidemic reduce workplace infections by as much as 39 percent (Kumar et al., 2013).

1.5 MILLION ILLINOIS WORKERS LACK ACCESS TO PAID SICK LEAVE

The Bureau of Labor Statistics (BLS) at the U.S. Department of Labor provides national and regional data on the share of workers with access to paid sick leave in the *Employee Benefits Survey*. According to the BLS, only 76

percent of U.S. workers have access to paid sick leave.¹ This includes 86 percent of workers employed full-time at 35 hours per week or more and just 43 percent of workers employed part time. Union members are also significantly more likely to have access to paid sick leave (91 percent) than nonunion employees (73 percent). However, the BLS reports that only 67 percent of workers have access to paid sick leave in the “East North Central” region, which includes Illinois, Indiana, Michigan, Ohio, and Wisconsin (BLS, 2019).

Only 70 percent of Illinois residents in the suburbs and 68 percent downstate have access to paid sick leave.

Figure 1 displays the estimated number of workers in Illinois without access to paid sick leave. The values are weighted estimates based on the national share of workers with paid sick leave in each occupational category. The Illinois numbers are further adjusted by the state’s union membership rate, full-time workforce, and location in the “East North Central” region.² Finally, Chicago’s paid sick leave ordinance covers 1.7 million workers, which increases the estimated share of Illinois’ labor market with access to paid sick days.

Approximately 76 percent of Illinois workers have access to paid sick leave (Figure 1). While this is on par with the national average, it is buoyed by Chicago’s paid sick leave ordinance, which provides 40 hours (or 5 days) of paid sick leave to every worker once the employee has worked 200 hours (or 5 weeks). Domestic employees, day laborers, tipped workers, and home health care workers are covered under the ordinance, but independent contractors, gig economy workers, and self-employed individuals are not. As a result, the access rate in the City of Chicago is estimated at 93 percent, and excludes about 128,000 independent contractors, gig economy workers, and self-employed individuals. Paid sick leave coverage is lower in the suburbs of Chicago, where an estimated 70 percent of workers have access, and in the rest of Illinois, where 68 percent have access (Figure 1).

Figure 1: Estimated Share and Number of Workers with and without Paid Sick Leave in Illinois, by Region, 2019

Geographic Location	Share of Workers with Access to Paid Sick Leave	Share of Workers without Access to Paid Sick Leave	Estimated Workers without Access to Paid Sick Leave
State of Illinois	76.3%	23.7%	1,470,300
City of Chicago	93.1%	6.9%	128,200
Chicago Suburbs	69.7%	30.3%	761,700
Downstate	68.1%	31.9%	580,500

Source(s): Authors’ estimates from weighting March 2019 data from the *Employee Benefits Survey* by the industry composition, union membership rate, and full-time share of workers in Illinois and 2019 data from the *Current Population Survey Outgoing Rotation Groups* (CPS-ORG) (BLS, 2019; CEPR, 2020). *Note: The estimated number of workers is rounded to the nearest hundred and may not add up perfectly as a result.

In total, an estimated 1.5 million Illinois workers lack access to paid sick leave (Figure 2). More than half of the workers without paid sick leave, or approximately 762,000 workers (52 percent), are in the suburbs of Chicago and two-fifths, or nearly 581,000 workers (39 percent), are located “downstate.” The occupational group with the most workers without access to paid sick leave is service occupations, which include waiters and waitresses, food preparation workers, chefs and cooks, janitors and maids, and child care workers. An estimated 353,000 workers in service occupations lack access, accounting for 24 percent of all Illinois workers without paid sick

¹ Nationally, 77 percent of civilian workers with paid sick leave days, or about 55 percent of all workers, have between 5 and 14 days (BLS, 2019).

² According to the 2019 *Current Population Survey Outgoing Rotation Groups* (CPS-ORG) from the U.S. Census Bureau, the state’s unionization rate of 13.6 percent exceeds the national average of 10.3 percent, which tends to increase the estimated number of workers with paid sick leave. The full-time share of the workforce in Illinois (84.6 percent) is not statistically different from the national average (84.9 percent) (CEPR, 2020). However, the regional (“East North Central”) weight tends to lower the estimated number of workers with paid sick leave.

leave. Sales and related occupations like cashiers and insurance salespeople comprise about 200,000 workers without access, professional and related occupations like teachers and social workers account for another 188,000 workers without coverage, and about 137,000 workers in construction, extraction, and agricultural jobs do not have paid sick leave (Figure 2). Interestingly, an estimated 233,000 Illinois residents employed in management, business, and financial occupations do not have paid sick leave, primarily due to a higher self-employment rate (17 percent) than the overall average in Illinois (9 percent).

Due to the local ordinance, just 9 percent of workers without access to paid sick days are based in the City of Chicago, or about 128,000 workers (Figure 2). The numbers suggest that, without the paid sick leave ordinance, only 1.3 million Chicago workers would have employer-provided or collectively-bargained paid sick days, leaving an estimated 513,000 workers without access (Figure 3). As a result, Chicago’s paid sick leave ordinance has expanded coverage for an estimated 385,000 workers as of the end of 2019.

Figure 2: Estimated Number of Workers without Paid Sick Leave in Illinois, by Region and Occupation, 2019

Occupational Group (BLS Definitions)	State of Illinois	City of Chicago	Chicago Suburbs	Downstate Illinois
All workers	1,470,300	128,200	761,700	580,500
Management, business, and financial	232,800	34,200	105,500	93,000
Professional and related	188,400	28,200	105,800	54,300
Service	353,100	16,700	169,200	167,200
Sales and related	199,900	14,200	125,100	60,600
Office and administrative support	108,500	4,500	57,000	47,100
Construction, extraction, and agriculture	137,000	12,500	67,400	57,100
Installation, maintenance, and repair	48,200	4,400	29,300	14,500
Production	98,800	4,300	47,800	46,700
Transportation and material moving	103,700	9,300	54,400	40,000

Source(s): Authors’ estimates from weighting March 2019 data from the *Employee Benefits Survey* by the industry composition, union membership rate, and full-time share of workers in Illinois and 2019 data from the *Current Population Survey Outgoing Rotation Groups* (CPS-ORG) (BLS, 2019; CEPR, 2020). *Note: The estimated number of workers is rounded to the nearest hundred and may not add up perfectly as a result.

Figure 3: Estimated Impact of Chicago’s Paid Sick Leave Ordinance on Access, by Region and Occupation, 2019

Occupational Group in the City of Chicago (BLS Definitions)	Workers without Paid Sick Leave Before Ordinance	Workers without Paid Sick Leave After Ordinance	Impact of Ordinance on Access
All workers	513,400	128,200	+385,300
Management, business, and financial	56,200	34,200	+22,000
Professional and related	76,900	28,200	+48,600
Service	130,900	16,700	+114,200
Sales and related	72,100	14,200	+57,900
Office and administrative support	37,400	4,500	+32,900
Construction, extraction, and agriculture	36,000	12,500	+23,500
Installation, maintenance, and repair	16,600	4,400	+12,300
Production	36,500	4,300	+32,200
Transportation and material moving	50,900	9,300	+41,600

Source(s): Authors’ estimates from weighting March 2019 data from the *Employee Benefits Survey* by the industry composition, union membership rate, and full-time share of workers in Illinois and 2019 data from the *Current Population Survey Outgoing Rotation Groups* (CPS-ORG) (BLS, 2019; CEPR, 2020). *Note: The estimated number of workers is rounded to the nearest hundred and may not add up perfectly as a result.

Despite the fact that people of color are employed in service occupations at higher rates than white workers, the vast majority of employees in Illinois without access to paid sick leave are white workers (Figure 4). Of the 1.5 million workers without paid sick leave, 1.2 million are white non-Latinx (81 percent). By contrast, 136,000 African American workers (9 percent) and 104,000 Latinx workers (7 percent) do not have access. This is directly due to the Chicago paid sick leave ordinance, since African American workers and Latinx workers are disproportionately located in the City of Chicago. Within each demographic group, only 9 percent of Latinx workers lack access, 19 percent of African American workers lack access, and 30 percent of white workers—mainly downstate and in the suburbs of Chicago—lack access. By gender, an estimated 815,000 male workers lack access and 656,000 female workers lack access (Figure 4).

Figure 4: Estimated Workers with and without Paid Sick Leave in Illinois, by Region and Demographics, 2019

Demographic Group	State of Illinois	Access (Illinois)	No Access (Illinois)	City of Chicago	Chicago Suburbs	Downstate Illinois
All workers	1,470,300	76.3%	23.7%	128,200	761,700	580,500
Men	814,600	75.0%	25.0%	74,600	431,100	329,500
Women	655,800	77.6%	22.4%	53,600	330,500	251,100
White	1,185,700	69.5%	30.5%	59,900	469,900	350,300
African American	135,900	81.0%	19.0%	22,200	60,700	68,600
Latinx	103,600	90.9%	9.1%	33,900	178,900	126,000

Source(s): Authors’ estimates from weighting March 2019 data from the *Employee Benefits Survey* by the industry composition, union membership rate, and full-time share of workers in Illinois and 2019 data from the *Current Population Survey Outgoing Rotation Groups* (CPS-ORG) (BLS, 2019; CEPR, 2020). *Note: The estimated number of workers is rounded to the nearest hundred and may not add up perfectly as a result.

ILLINOIS WORKERS WITHOUT PAID SICK LEAVE COULD LOSE \$1.5 BILLION EVERY WEEK

From a labor market perspective, the COVID-19 pandemic could be especially harmful to the 24 percent of workers in Illinois without paid sick leave. Figure 5 uses Illinois estimates on the share of workers without paid sick leave by occupation (i.e., Figure 2), the average hourly wage for each occupation, and the average hours worked within each occupation to assess the labor market impacts of not having a paid sick leave law in Illinois.³ Projected impacts are presented in terms of one week.

A statewide policy that expands five days of paid sick leave coverage to all workers who currently do not have access in Illinois would boost worker incomes by \$1.5 billion annually (Figure 5).⁴ Workers in the suburbs of Chicago would see total income gains of \$820 million per year and “downstate” workers would see their incomes boosted by \$537 million annually. In comparison, paid sick leave legislation from Springfield would only add about \$157 million to the earnings of workers in the City of Chicago—and that is only if the law includes independent contractors and gig economy workers. Fully 90 percent of the benefits of a statewide paid sick leave law would accrue to workers outside the City of Chicago. Additionally, while the

Paid sick leave would boost worker incomes by \$1.5 billion annually. Fully 90 percent of the benefits of a statewide policy would accrue to workers outside Chicago.

³ For tables with average hourly wages and average usual hours worked by occupational group, please see Table A and Table B in the Appendix.

⁴ This analysis assumes that all workers, including the self-employed, would use all five paid sick days every year. It is thus a conservative overestimate because many workers would voluntarily choose not to use all five days.

policy would support low-income workers in service occupations and sales and related occupations, it would also benefit many workers in higher-paying professions.

Figure 5 implies high costs for Illinois during the COVID-19 pandemic. If nearly all employees and independent contractors are forced to stay home without access to paid sick leave, households could lose up to \$1.5 billion in income every week. Note that these effects are only for the 1.5 million Illinois workers without coverage, equating to about \$1,040 per worker. Effects could be larger in the event that social distancing and other public health measures are implemented over several months. At that time, the 4.7 million Illinois workers with access to paid sick leave could be forced to use up all their paid sick days, causing even greater economic and productivity losses.

Figure 5: Impact of Guaranteeing One Week of Paid Sick Leave to All Workers on Income, by Region, 2019

Impact on Total Labor Income By Occupational Group	State of Illinois	City of Chicago	Chicago Suburbs	Downstate Illinois
All workers	\$1,529,100,000	\$156,600,000	\$820,300,000	\$537,100,000
Management, business, and financial	\$420,100,000	\$57,900,000	\$209,100,000	\$150,200,000
Professional and related	\$251,200,000	\$40,700,000	\$146,200,000	\$63,100,000
Service	\$196,500,000	\$10,200,000	\$90,500,000	\$89,000,000
Sales and related	\$210,800,000	\$16,900,000	\$135,200,000	\$49,600,000
Office and administrative support	\$85,000,000	\$3,400,000	\$48,200,000	\$33,600,000
Construction, extraction, and agriculture	\$148,800,000	\$11,400,000	\$79,500,000	\$63,200,000
Installation, maintenance, and repair	\$50,400,000	\$4,100,000	\$32,500,000	\$15,400,000
Production	\$81,300,000	\$3,000,000	\$40,000,000	\$41,600,000
Transportation and material moving	\$84,800,000	\$8,900,000	\$39,100,000	\$31,400,000

Source(s): Authors' estimates from weighting March 2019 data from the *Employee Benefits Survey* by the industry composition, union membership rate, and full-time share of workers in Illinois and 2019 data from the *Current Population Survey Outgoing Rotation Groups* (CPS-ORG) (BLS, 2019; CEPR, 2020). *Note: Impacts on total labor income are rounded to the nearest hundred thousand and may not add up perfectly as a result.

RECOMMENDATIONS FOR THE STATE OF ILLINOIS

The COVID-19 pandemic highlights the important public health and economic imperatives related to paid sick leave laws. Illinois could immediately respond by following the lead of 12 other U.S. states in enacting a permanent paid sick leave policy that remains in effect beyond the current pandemic (Figure 6). Six of these states (50 percent) provide one hour of paid sick leave for every 30 hours worked, two states award the one hour for every 35 hours, and two require 40 hours of work to earn the hour of paid sick leave. A total 11 states (92 percent) cap the number of paid sick days at 40 hours per year, or five workdays. Illinois could pass legislation that requires employers with at least three employees— similar to the state's minimum wage law— to provide one hour of paid sick leave for every 30 hours worked up to a maximum of 40 hours, or five workdays, per year. While the added cost to employers would be about \$1.5 billion per year, that amounts to about \$247 per worker in Illinois, or approximately 12 cents per hour worked across all workers in Illinois.

The \$1.5 billion boost to worker earnings provided by paid sick leave legislation would have a marginal impact on Illinois businesses (Figure 7). In normal times, requiring employers to pay for paid sick leave would likely result in a small decrease in employment of about 9,200 jobs. However, the \$1.5 billion shift in income from employers to workers through the paid leave program would decrease the spread of infections at workplaces, improve overall productivity, and boost consumer spending, creating nearly 9,700 jobs in Illinois and entirely offsetting the initial negative impact on the labor market. Thus, Illinois could provide five days paid sick leave to all workers while having no net-negative effect on the broader economy.

Illinois could provide five days paid sick leave while having no net-negative effect on the economy.

However, Illinois may need to go much further during this an unprecedented global pandemic. Using projections from Goldman Sachs and Deutsche Bank, the Economic Policy Institute forecasts that Illinois could lose about 207,000 jobs by summer 2020, approximately 4 percent of the private-sector workforce. A big share of job shedding is likely to come from the leisure, hospitality, and retail sectors, which combined account for 23 percent of total private-sector employment (Cooper & Wolfe, 2020). As of March 2020, the total number of hourly employees working in Illinois had already fallen 48 percent below the median figure in January 2020 (Homebase, 2020).⁵

Figure 6: Paid Sick Leave Policies, Covered Employers, and Caps by State, As of March 2020

State	Covered Employers	Sick Leave Accrual	Hours Cap	Workdays Cap
Arizona	Private & local government	1 hour for 30 hours worked	40 hours	5 workdays
California	Public & private employers	1 hour for 30 hours worked	48 hours	6 workdays
Connecticut	All with 50+ employees	1 hour for 40 hours worked	40 hours	5 workdays
Maryland	Public & private with 15+ employees	1 hour for 30 hours worked	40 hours	5 workdays
Massachusetts	Public & private with 11+ employees	1 hour for 30 hours worked	40 hours	5 workdays
Michigan	Public & private with 50+ employees	1 hour for 35 hours worked	40 hours	5 workdays
Nevada	Private with 50+ employees	1 hour for 52 hours worked	40 hours	5 workdays
New Jersey	Public & private	1 hour for 30 hours worked	40 hours	5 workdays
Oregon	Public & private with 10+ employees	1 hour for 30 hours worked	40 hours	5 workdays
Rhode Island	Public & private with 18+ employees	1 hour for 35 hours worked	40 hours	5 workdays
Vermont	Public & private	1 hour for 52 hours worked	40 hours	5 workdays
Washington	Public & private	1 hour for 40 hours worked	40 hours	5 workdays

Source(s): "Paid Sick Leave," National Conference of State Legislatures (NCSL, 2020).

In response, the Pritzker Administration has allowed workers who are without access to paid sick leave and those who are unable to work because of COVID-19 to receive temporary economic assistance in the form of unemployment insurance through the Illinois Department of Employment Security.⁶ In addition to immediate paid sick leave legislation and the expansion of unemployment benefits for workers, Illinois could take additional steps to assist employers. The state could offer zero-interest loans (or very low-interest loans) to small businesses to help them stay open and make payroll during difficult economic times. The loans could be paid back in quarterly installments in 2021.

Figure 7: Economic Impact of Requiring Employers to Provide Paid Sick Leave in Illinois, 2020

Estimated Economic Impact	Employment	Worker Earnings
Impact on Businesses: Profits and Payroll Costs	-9,156 jobs	-\$463,000,000
Impact on Workers: Productivity, Health, and Spending	+9,675 jobs	+\$492,600,000
Net Effect on Economic Development in Illinois	+519 jobs	+\$29,600,000

Source(s): Authors' estimates from an economic simulation using IMPLAN (2019) based on findings from Figures 1 through 6.

⁵ This data is prepared by Homebase, a free scheduling and time tracking tool used by local businesses and their hourly employees.

⁶ Call IDES at 1-800-244-5631 or visit <https://www2.illinois.gov/ides> if this applies to you or your family.

CONCLUSION

The coronavirus disease (COVID-19) pandemic has highlighted the importance of paid sick leave for workers. Even though public health officials recommend that sick employees stay home from work, many workers are forced to choose between recovering from their illness— or caring for a family member’s health— and earning a paycheck to provide for their families. Although the temporary paid sick leave over the next three months provided by Congress through the Family First Coronavirus Response Act will help, Illinois could consider a permanent law to preempt future epidemics. If Illinois were to join 12 other U.S. states in passing a permanent law that guarantees at least five paid sick days per year, the state would boost worker incomes by \$1.5 billion annually and expand coverage to an estimated 1.5 million workers. Due to the City of Chicago’s paid sick leave ordinance, 90 percent of the benefits from a statewide law would accrue to workers in the suburbs and those who work “downstate.”

Paid sick leave is only one policy that could be enacted in a comprehensive package in response to the economic effects of the COVID-19 pandemic, which could result in more than 200,000 jobs lost in Illinois. At the state-level, Illinois is expanding temporary unemployment insurance for workers without paid sick leave, could adopt other unemployment insurance reforms like “work share” arrangements to reduce job loss and higher replacement rates to better support family incomes, and could offer zero-interest loans to small businesses.

Workers in Illinois, like those across the country, are being told not to report to work or forced to be home to take care of a sick child or a child whose school has shuttered. Those workers have rent, mortgages, and bills to pay. For many, even a week without a modest paycheck will have painful consequences. Roughly 1 million Illinois school kids are from low-income families. The economic devastation of an earnings drop or job loss to their parents or guardians will add further trauma to their challenging efforts to get a quality education. However, paid sick leave and a comprehensive plan of action can help families and small businesses in Illinois withstand the current economic downturn.

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APPENDIX

Table A: Average Hourly Wage by Occupational Group in Illinois, 2019

Average Hourly Wage By Occupational Group	State of Illinois	City of Chicago	Chicago Suburbs	Downstate Illinois
All workers	\$28.16	\$28.93	\$30.01	\$24.79
Management, business, and financial	\$42.34	\$39.32	\$46.42	\$38.50
Professional and related	\$34.63	\$36.23	\$36.02	\$31.22
Service	\$16.49	\$17.23	\$16.75	\$15.58
Sales and related	\$27.95	\$30.19	\$29.66	\$21.45
Office and administrative support	\$21.40	\$21.12	\$22.91	\$19.55
Construction, extraction, and agriculture	\$26.80	\$23.87	\$28.33	\$27.00
Installation, maintenance, and repair	\$26.14	\$23.81	\$27.98	\$25.88
Production	\$20.48	\$17.80	\$21.05	\$21.75
Transportation and material moving	\$20.96	\$23.88	\$18.87	\$20.29

Source(s): 2019 data for Illinois from the *Current Population Survey Outgoing Rotation Groups* (CPS-ORG) ([BLS, 2019](#); [CEPR, 2020](#)).

Table B: Average Usual Hours Workers Per Week by Occupational Group in Illinois, 2019

Usual Hours Worked (Average) By Occupational Group	State of Illinois	City of Chicago	Chicago Suburbs	Downstate Illinois
All workers	38.51	39.45	38.16	38.02
Management, business, and financial	42.64	43.09	42.68	41.92
Professional and related	38.52	39.79	38.35	37.23
Service	33.73	35.54	31.94	34.18
Sales and related	37.75	39.54	36.45	38.14
Office and administrative support	36.60	36.20	36.88	36.52
Construction, extraction, and agriculture	40.53	38.11	41.60	41.00
Installation, maintenance, and repair	39.99	39.78	39.59	40.86
Production	40.20	39.82	39.77	40.99
Transportation and material moving	39.05	40.44	38.09	38.69

Source(s): 2019 data for Illinois from the *Current Population Survey Outgoing Rotation Groups* (CPS-ORG) ([BLS, 2019](#); [CEPR, 2020](#)).

Table C: Estimated Workers without Paid Sick Leave in Illinois by Region and Occupation, Not Rounded, 2019

Impact on Total Labor Income By Occupational Group	State of Illinois	City of Chicago	Chicago Suburbs	Downstate Illinois
All workers	1,470,320	128,153	761,661	580,507
Management, business, and financial	232,750	34,152	105,542	93,056
Professional and related	188,373	28,232	105,841	54,301
Service	353,100	16,708	169,216	167,175
Sales and related	199,860	14,152	125,087	60,621
Office and administrative support	108,534	4,460	56,995	47,080
Construction, extraction, and agriculture	137,023	12,529	67,440	57,054
Installation, maintenance, and repair	48,215	4,361	29,325	14,530
Production	98,775	4,297	47,826	46,652
Transportation and material moving	103,691	9,264	54,389	40,039

Source(s): Authors' estimates from weighting March 2019 data from the *Employee Benefits Survey* by the industry composition, union membership rate, and full-time share of workers in Illinois and 2019 data from the *Current Population Survey Outgoing Rotation Groups* (CPS-ORG) ([BLS, 2019](#); [CEPR, 2020](#)).