

**Implementation and Early Outcomes of the City of Seattle  
Paid Sick and Safe Time Ordinance**

**Final Report**



Prepared for:

City of Seattle – Office of City Auditor

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## Notes and Acknowledgements

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## Executive Summary

This report presents results from the evaluation study of the City of Seattle Paid Sick and Safe Time Ordinance. Findings are based on two surveys of more than 300 randomly-sampled employers, over 80 in-depth interviews of employers and workers, and an analysis of confidential employment data from the State of Washington Employment Security Department.

**Most employers know about the Ordinance.** One year after the Ordinance took effect, more than eight of ten (83%) surveyed employers were aware of it. Initial difficulties in understanding the requirements of the Ordinance subsided over time.

**The majority of employers are offering paid leave to full- and part-time employees.** Almost all employers (96%) offer some paid leave to their full-time employees. Among employers with part-time employees, 62% cover their part-timers. Employers in the food and accommodation sector posted the greatest increase, with 78% of employers now providing paid leave coverage, up from 14% a year prior.

**Gaps still remain.** Nearly four in ten employers (39%) report that they either do not cover part- and full-time workers or fail to provide the minimum required hours of leave to their full-time workers (hours of leave provided to part-time workers were not tracked). Employees of some larger employers (those with 250 or more full-time equivalents) as well as some temporary and seasonal workers are particularly likely to lack leave.

**Implementation was easy for some employers and caused temporary hassles for others.** Many employers had no trouble changing their policies and practices to comply with the Ordinance. About a third of employers (32%) had difficulties with the required administrative tasks, such as working with payroll vendors. These challenges were frustrating but transient.

**Costs to employers and impact on businesses have been modest and smaller than anticipated.** The majority of employers have seen no effect of the Ordinance on customer service, employee morale, predictability of employee absenteeism, or profitability. Anecdotal cost information puts the cost of providing leave at about four tenths of one percent of total revenue. There is no evidence that the Ordinance caused employers to go out of business or leave Seattle.

**Many employers support the Ordinance.** Overall 70% of employers support the Ordinance. These business owners, managers, and human resources professionals view paid leave as a valuable and important benefit for their workers.

**Workers view the Ordinance as helpful.** Newly eligible workers – those who did not have paid leave prior to the Ordinance but now do – appreciate having a “safety net” that allows them to take time off to care for themselves or their sick family members.

**Safe leave was expanded.** One third of employers (33.5%) expanded their policies to include safe leave, and presumably many of the 13.4% of employers who implemented new leave policies included safe time.

## Chapter 1. Studying the Paid Sick and Safe Time Ordinance

The Seattle City Council passed the Paid Sick and Safe Time Ordinance in September 2011. The Ordinance, effective as of September 1, 2012, requires employers with more than four full-time equivalent (FTE) employees to provide paid leave for sick and safe time to full-time, part-time, temporary, and occasional-basis workers who work within Seattle city limits. The Ordinance also included provisions calling for a written evaluation of its impacts on employees and employers. Staff at the Seattle Office of City Auditor contracted with the University of Washington (UW) to study some questions and evaluate early outcomes. This chapter summarizes key elements of the Ordinance and overviews the UW study.

### About the Ordinance

The City of Seattle's Paid Sick and Safe Time Ordinance requires employers to provide workers with paid leave for illness and personal safety-related reasons. Paid leave may be used for personal or family physical or mental health care needs; for reasons related to domestic violence, stalking or sexual assault; or in the case of a workplace or child's place of care being closed for public health reasons. After passage of the Ordinance, the City worked to inform employers about the mandate to provide paid leave and comply with other elements of the Ordinance including notifying employees, tracking and reporting available leave, and respecting workers' rights and needs to use the leave. The Ordinance is enforced via a compliant-driven system with potential penalties for employers found to be in violation.

### National Context

Paid sick leave provides wages for missed work to employees who are absent due to temporary illness or incapacitation. World-wide, workers in some 145 countries have the right to paid leave for their own or children's illness.<sup>1</sup> The US, in contrast, has no such national mandate. According to the most recent Bureau of Labor Statistics benefit survey, 22% of full-time and 74% of part-time American workers lack paid sick leave.<sup>2</sup>

At the time of the Ordinance's passage, neither federal nor Washington State law required paid sick leave. Seattle joined a small handful of other jurisdictions with paid sick leave requirements, notably San Francisco (whose requirement took effect in 2007), Washington DC (2009), and Connecticut (2012). Following Seattle enacting the Ordinance, Portland, New York City, Newark and Jersey City (NJ) passed similar measures. Policymakers in other cities and states are debating paid sick leave, and a federal measure has been introduced in the US House of Representatives.

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<sup>1</sup> Earle, Alison and Jody Heymann. 2006. "A comparative analysis of paid leave for the health needs of workers and their families around the world." *Journal of Comparative Policy Analysis* 8(3): 241-257.

<sup>2</sup> Bureau of Labor Statistics, n.d. Selected paid leave benefits: Access, National Compensation Survey, March 2013. Accessed April 8, 2014 at <http://www.bls.gov/news.release/ebs2.t06.htm>.

Seattle’s Ordinance also includes “safe” time, which can be used for reasons related to domestic violence, stalking, or sexual assault. Safe time allows victims of these crimes to seek health and legal assistance as needed while maintaining employment. This portion of the Ordinance was modeled after the Washington DC law.

### Scope and requirements

The Seattle Ordinance applies to Seattle employees of private employers with more than four FTE employees as well as to the City of Seattle itself. The Ordinance distinguishes between different sizes of employers based on the number of FTE workers in an average week. Tier 1 includes employers with more than four but fewer than 50 FTEs; Tier 2 employers have between 50 and 250 FTEs; and Tier 3 includes workers with 250 or more FTEs. Tier numerical classifications include Seattle employees and employees who do not work in Seattle. For instance, a national company with over 300 employees would be a Tier 3 employer even if it only had one Seattle employee.

As summarized in Table 1.1, the amount of leave that workers accrue and are allowed to use varies by employer size. Employees of Tier 1 employers earn one hour of leave per 40 hours worked. For a full-time, full-year employee, this results in about 6.5 days of leave earned per year. While there is no cap on accrual, the Ordinance only provides a right to use a certain amount of leave per year. Tier 1 employers have to let their employees use up to five days per year. This increases to nine days for the largest employers. Unused days roll over to the next year with certain caps on the maximum amount of days. Employers are allowed – but not required – to pay, or “cash out,” employees for unused days. The Ordinance also allows employers to integrate paid leave into existing universal leave or paid time off benefit systems.

Table 1.1. Overview of Ordinance requirements

Tier	FTEs	Minimum Sick/Safe Leave Accrual	Annual Sick/Safe Days Accrued*	Annual Sick/Safe Days Available
Not Eligible	0-4	n/a	n/a	n/a
Tier 1	>4 - <50	1 hr per 40 hrs	6.5	5
Tier 2	50 - <250	1 hr per 40 hrs	6.5	7
Tier 3	250+	1 hr per 30 hrs	8.67	9
Tier 3 PTO**	250+	1 hr per 30 hrs	8.67	13.5

\*Note: Assumes 8-hour days and 40-hour work week.

\*\*Tier 3 employers who offer paid time off (PTO) are required to offer more total days per year than employers who offer sick and safe time distinct from other leave.

The requirements are most straightforward for employers with full- or part-time, full-year workers based in Seattle. Such regular employees accrue and are allowed to use leave based on the schedule in Table 1.1. Employees accrue leave from their first day of work and can begin to use it after 180 days. However, the intent of the Ordinance is to cover all Seattle workers, resulting in more complex definitions and requirements for temporary, seasonal, and

occasional workers. As is the case for all employees, temporary employees can use accrued leave after 180 calendar days. Temporary and seasonal employees who separate from an employer and are rehired within seven months have the right to use previously accrued leave. Employees based outside the City but who perform work within the City on an occasional basis totaling 240 or more hours per year are also covered. Occasional basis Seattle workers include employees who travel into the City, such as travelling tradespersons or delivery workers.

### Use of leave

Employers are required to inform their employees about their right to paid leave and provide an accounting of available leave to workers at every pay period. Commonly employers include the accrued leave as an item on employee pay stubs, although other methods of reporting are allowed.

Workers who use leave inform their employers that they need to be absent for a reason covered by the Ordinance. When the need for leave is foreseeable, such as for a scheduled medical appointment, employers can require ten days prior notification. Employees also have the right to take unforeseeable leave for illnesses or other emergent events. Employees do not have to disclose the nature of their need for paid leave although employers have the right to ask for documentation if the leave extends for more than three consecutive work days.

The Ordinance protects workers who take leave from retaliation or other adverse action. Employers are not allowed to discourage workers from using leave nor punish them if they use it. Paid leave taken under this Ordinance cannot be counted under an absence control or absence management policy designed to enforce workplace attendance.

### Enforcement

The Ordinance established a complaint-driven enforcement system. An employee or other party lodges a complaint against a particular business with the City of Seattle Office for Civil Rights (SOCR). SOCR sends an advisory letter to inform the employer that they may not be in compliance and offers information and technical assistance. Generally SOCR uses “conference, conciliation and persuasion” to bring employers into compliance (Seattle Municipal Code 14.16.080.E.1) and settlement is always an option. The SOCR director then has the authority to file a Director’s charge if there is reason to believe that an employer is violating the Ordinance. If an investigation substantiates that an employee or employees were denied paid leave, the employer can be ordered to pay the previously denied amount and certain other costs. There is no other penalty for employers who participate in the investigation process. Reports can be made anonymously, although restitution can only be made to wronged employees who are willing to be identified.

### About the Study

The Ordinance includes provisions for a written evaluation about its impacts on employees and employers. In public hearings and City Council deliberations, Councilmembers and stakeholders raised questions about how the Ordinance would work, including possible effects on



employers; workers; and the health, safety, and economic vitality of the City of Seattle. The UW study team worked to answer a sub-set of these stakeholder questions through four inter-related study components: a survey, analysis of state employment data, interviews with employers, and interviews with workers. Together these study parts show how the Ordinance was implemented and provide evidence on outcomes during its first year.

- **Seattle Employer Survey.** A random sample of businesses and non-profit organizations licensed to operate in the City of Seattle responded to the Seattle Employer Survey. This survey included questions about employer characteristics, whether and how employers knew about the Ordinance, and whether employers offered paid sick and safe leave alongside other benefits. Survey items also captured how businesses changed their practices in response to the Ordinance and respondents' opinions about the Ordinance and how it has impacted their firm or organization. A baseline survey was conducted July through October 2012, and a follow-up survey was conducted September through November 2013.
- **Employment Security Data Analysis.** The UW research team requested and secured confidential data from the Washington State Employment Security Department. This data contains employer reports of employees covered by the state Unemployment Insurance (UI) program. The dataset includes employees in Seattle as well as areas adjacent to Seattle, including other areas of King County and all of Pierce and Snohomish Counties. We used this data to compile information about the number of employers, the total number of employees, and total employee payroll. Comparing Seattle to other cities in the area could show whether employment and payroll trends were different in Seattle relative to other cities for the period after the Ordinance took place. If the Ordinance had affected these measures, it would show up as differences between Seattle and comparison cities.
- **Employer Interviews.** Study team members interviewed representatives from 24 employers, 22 of whom were randomly selected from the set of respondents to the Seattle Employer Survey. These interviews provide insight into how employers learned about the Ordinance, the steps taken to provide the required leave, their opinions about the measure, and other related factors. Employers were drawn from three industries chosen for their public health importance: 1) retail, 2) food and accommodation, and 3) health care and social services. Interviewers spoke with owners, general managers, or human resources directors. We spoke with most employers twice, once in late 2012 or early 2013 and again in late 2013 or early 2014.
- **Worker Interviews.** Interviewers spoke with 33 Seattle workers who were recruited through referrals from employers, signs posted in community locations, and online classified advertisements. As with employer interviews, we focused on workers in retail, food and accommodation, and health care and social services. Interviews included questions about the history of paid leave for the worker, benefits offered through their job, worker awareness about the Ordinance, shift scheduling, potential

abuse of the policy, and descriptions of whether or how workers decide not to go to work due to illness. We spoke with some workers once and others twice between November 2013 and February 2014.

These study components offer different vantage points on how employers are enacting the Ordinance and how workplaces and workers are changing. The survey collected information from a random sample of employers. Statistical analysis of survey data allows for estimates of how all Seattle employers understand and are implementing the Ordinance. However the standard set of survey questions may not apply to all employers' situations and, as such, may fail to capture nuances in how certain employers understand or act to comply with the Ordinance.

The in-depth, in-person conversations of the interview component allow us to gather more personalized data. However, the act of talking with an interviewer at length probably made employers more aware of the Ordinance. In fact, interviewees asked for technical assistance or advice about the Ordinance from interviewers (who then directed them to the appropriate City resources). As such, the interviews are more valuable in figuring out *how* employers implemented the policy rather than determining rates of compliance.

Both the survey and in-depth interviews collected the employers' perspectives. Talking to workers provides a third perspective. From workers we hear what they recall – if anything – about their employers' attempts to inform them about the Ordinance. Workers also explained how they think about taking time off work to care for their own or family members' health needs. Workers tell us what is most noticeable or important to them about the paid leave available at their workplaces. Workers' understandings may or may not align with their employers' perspectives. For instance, workers may not be aware of the leave that an employer offers, or a worker may fear retaliation from an employer who is obeying the letter of the Ordinance but has also subtly communicated that employees should not ask for paid leave.

## About this Report

In the subsequent chapters, we present findings from each study component. Chapter 2 summarizes the data from employers who responded to both waves of the Seattle Employer Survey. Chapter 3 contains the analysis of employer and labor force trends as shown in the Employment Security data. Chapters 4 and 5 present major themes and findings from interviews regarding the experiences of employers and workers respectively. Chapter 6 summarizes findings across the different study components. The Appendices present technical details about the methods and data as well as summary responses from the first and second surveys.

## Chapter 2. Findings from the Survey of Employers

This chapter describes findings from two surveys conducted with Seattle employers. The baseline (i.e., first) survey was conducted in summer and fall 2012 as the Paid Sick and Safe Time Ordinance went into effect. After the Ordinance had been in effect for a year, 345 employers who were required to provide the mandated leave responded to a follow-up survey fielded in summer and fall 2013. Key findings from these two surveys are:

- **The Ordinance applies to up to 11,000 employers.** Most affected employers are locally-owned and have fewer than 50 employees.
- **Awareness of the Ordinance grew over time.** At the time the Ordinance went into effect, 69% of affected employers had heard about it; this rate grew to 83% by the end of the first year. One in six employers who responded to both waves of the survey remained unaware of the Ordinance when participating in the second survey.
- **More employers now offer leave.** Compared to when the Ordinance first went into effect, more employers now offer leave to their part-time and full-time employees. The food and accommodation sector has posted the greatest increase, with a 78% of employers now providing paid leave coverage, up from 14% a year prior.
- **The majority of employers offer at least some leave to full- and part-time workers.** Among employers with full-time employees, 96% offer leave to full-timers; 62% of employers with part-time employees cover part-timers. Although the Ordinance requires employers to offer leave to temporary and seasonal workers who meet tenure criteria, only 26% of employers offer leave to such employees.
- **Many small- and medium-sized employers offer enough leave to their full-time workers, but the majority of large employers do not offer sufficient leave.** Overall, 77% of employers report offering their full-time workers the minimum required number of hours of leave per year. However only 45% of employers with 250 or more employees provide the required amount of leave to full-time workers.
- **About six in ten employers offer leave as required.** Only 61% of employers – and only 30% of the largest employers – cover part-time and full-time workers as required and provide enough hours of leave to their full-time workers. Many employers who do not meet this standard nonetheless believe they are complying with the Ordinance.
- **Employers reported modest but non-negligible impacts on their businesses and organizations.** Most believed the Ordinance had little to no effect on customer service, employee relations, or profitability. A minority (17%) thought the Ordinance made them less profitable.
- **The majority of employers support the Ordinance.** Overall 70% of the employers surveyed were somewhat (25%) or very (45%) supportive of the Ordinance.

## Overview

This chapter describes findings from two surveys of Seattle employers conducted by the University of Washington (UW) study team as part of the evaluation of the Paid Sick and Safe Time Ordinance. The UW study team designed these surveys to capture information about how employers were implementing the Ordinance. Randomly-sampled employers responded to the baseline survey in summer and fall 2012. A preliminary report based on this first survey was released in July 2013 and is available from the Seattle Office of the City Auditor ([www.seattle.gov/audit/](http://www.seattle.gov/audit/)). After the Ordinance had been in effect for a year, 345 employers who were required to provide the mandated leave responded to a follow-up survey. This chapter focuses on the outcomes of the first 12 months of the Ordinance as captured by the baseline and follow-up responses from the employers who responded to both surveys.

## About the Surveys

Starting with the list of Seattle business license holders, the survey team randomly chose employers to take part in what was described as the Seattle Employer Survey. Sole proprietors were not included in the sampling pool, as such firms are unlikely to have employees. Industries with particular public health importance, including accommodation and food service, health care and social assistance, and retail trade, were oversampled in order to generate sufficient numbers of respondents from these sectors. Appendix A provides additional information about the survey sampling design and completion, and Appendix D lists all survey questions with response frequencies.

The 20-question **baseline survey** collected information about current numbers of Seattle employees, benefits offered to employees, and employee leave policies before or at the time the Ordinance went into effect. Over July and August 2012, 2319 surveys were mailed, followed by additional mail and phone outreach through October 2012. Sample members were contacted up to six times, yielding responses from 1460 employers (a response rate of 63%). Only 38% of initial respondents had enough employees to be subject to the Ordinance's requirements.

The survey team attempted to recontact 551 employers for a **follow-up survey**. These were the employers who indicated on the baseline survey that they had five or more<sup>3</sup> full-time equivalent (FTE) employees, including at least one Seattle employee, which made them subject to the Ordinance. The survey team mailed surveys in late August 2013 and followed up with phone calls and email invitations to a web survey into November 2013. These efforts yielded a response rate of 79%, and resulted in 345 employers who participated in the first survey and still met the criteria requiring them to provide leave under the Ordinance.

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<sup>3</sup> The Ordinance applies to employers with more than four FTEs. However, for ease of comprehension, surveyed employers were asked to characterize their workforce using whole numbers only.

## Survey Results

Responses to the survey provide insight into how employers and workers have been affected by the Ordinance. This chapter summarizes some key findings from our analysis of survey responses. Appendix D presents data on responses to all survey questions. Except when noted, results reported here are based on the 345 employers who responded to both surveys and are weighted to reflect all employers subject to the Ordinance at both baseline and follow-up.<sup>4</sup> Sample sizes for individual questions vary due to non-response and because not all questions apply to all respondents.

### Which Employers Are Subject to the Ordinance?

The Ordinance applies only to employers with more than four full-time equivalent employees at least one of whom works within the Seattle city limits. This means that businesses and firms that conduct business within Seattle but that do not have employees who work within the city are not subject to the Ordinance. For instance, an out-of-area vendor seeking to supply to the city may need a city business license even if the firm does not have any Seattle employees.

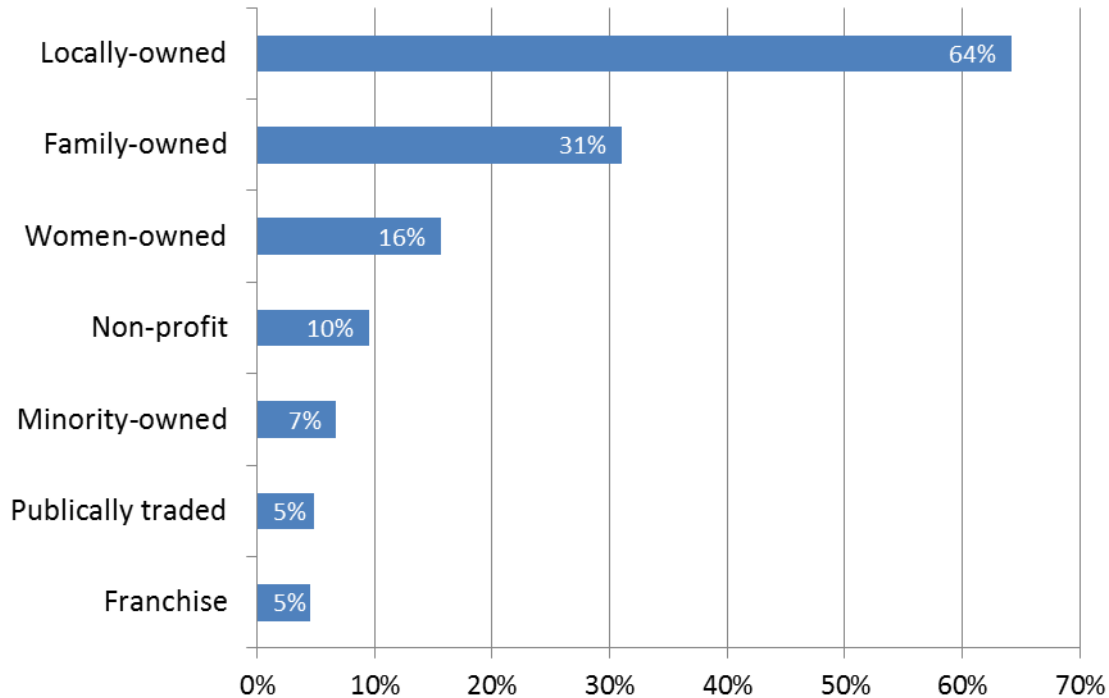
Responses to the baseline survey indicated the number of employers that have to comply with the Ordinance. Of the approximately 30,000 non-sole-proprietor firms and organizations licensed to do business in the city, just over a third (11,163 or 38%) reported enough total and Seattle employees to be affected by the Ordinance at the point at which the Ordinance took effect. The business and non-profit sectors are dynamic, with employers going into and out of business and changing their workforces over time. For these reasons, some employers in the survey sample reported having enough employees to be subject to the Ordinance on the first survey but not on the second survey. Responses to the second survey suggest that under a third of employers (9,058 or 31%) consistently meet the criteria for needing to comply with the Ordinance. This figure will be lower than the total number of employers subject to the Ordinance at any point in time, since we did not attempt to re-survey employers that were initially too small but might have grown, nor did we add employers who had moved into Seattle during the interim year. Taking both the baseline and follow-up estimates into account, we believe that up to 11,000 employers are subject to the Ordinance at any point in time and about 9,000 are large enough to be affected year after year.

Some industries have many small employers whereas other industries have more mid-sized and large employers. Accordingly the proportion of employers large enough to be subject to the Ordinance varies by sector. Employers in the accommodation and food services sector are most likely to be subject to the Ordinance, with more than half of such businesses (53%) reporting five or more FTEs. In contrast, only about one in four employers in the retail and health care/social services sectors reported this many employees (25% and 29% respectively).

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4 Direct comparisons between this report and the preliminary report issued July 2013 are not accurate. Evidence in this chapter is based on the smaller subset of employers who reported having enough employees that they had to comply with the Ordinance at both survey times. The baseline report issued July 2013 was based on a larger group of employers, including those who no longer met the criteria a year later. See Appendix A for more information about the sample over time.

Figure 2.1. Characteristics of employers subject to the Ordinance

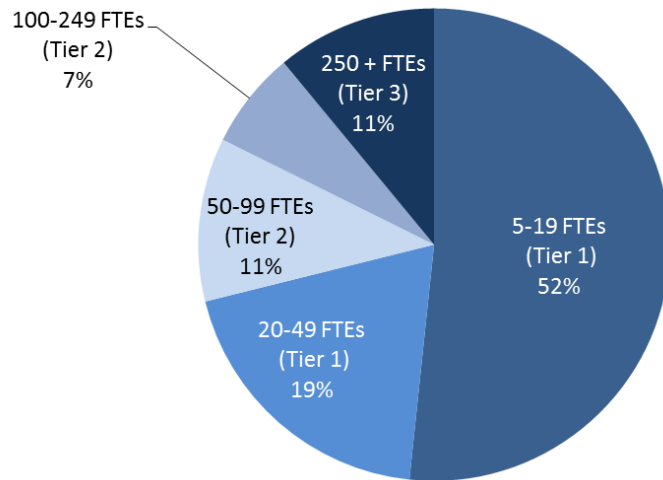


Source: Author analysis of Seattle Employer Survey follow-up, N=345

Respondents characterized their firms' ownership characteristics. As shown in Figure 2.1, most employers affected by the Ordinance are locally-owned. Smaller percentages identify themselves as family-owned or woman-owned. About one in ten employers subject to the Ordinance is a non-profit organization. Employers that identify as publically traded firms and franchises are more likely to be subject to the Ordinance than firms that do not have these characteristics, although there are relatively few of these types of firms. Of the employers surveyed, businesses owned by women, minorities, or immigrants are less likely than average to be subject to the Ordinance.

The Ordinance establishes three size tiers and requires large employers to offer more paid leave. As shown below in Figure 2.2, most employers subject to the Ordinance fall within the smallest category, and are categorized as Tier 1 employers with more than four but fewer than 50 FTEs. Overall, 52% of affected employers have fewer than 20 FTEs and another 19% have 20 or more but fewer than 50. About 18% of employers fall into Tier 2, with at least 50 but fewer than 250 employees. One in nine employers (11%) has 250 or more employees. Because most firms have relatively few employees, a disproportionate number of workers work for large firms. In using employers as the unit of analysis, this chapter tells about how organizations – not individual workers – are affected by the Ordinance.

Figure 2.2. Employers subject to the Ordinance by number of FTEs

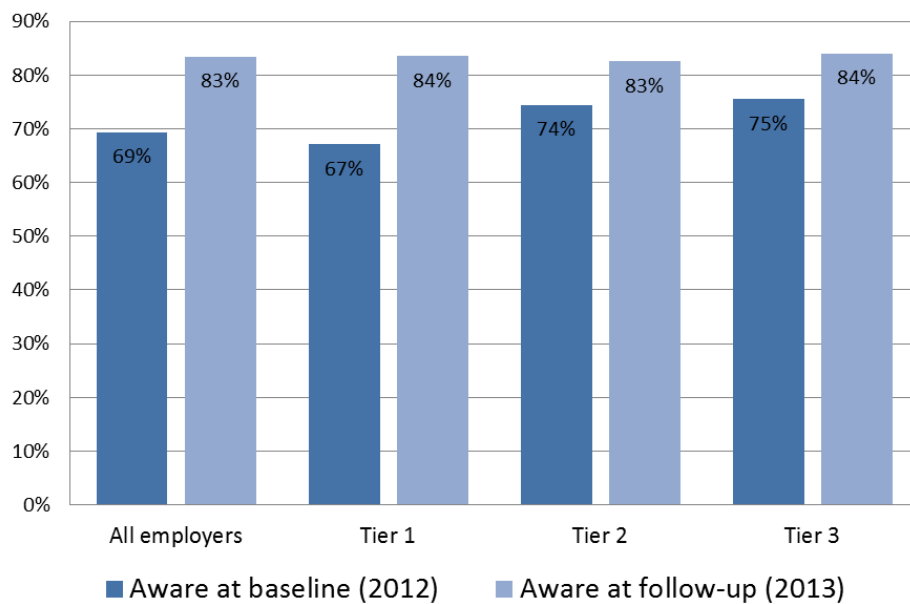


Source: Author analysis of Seattle Employer Survey follow-up, N=345

### Do Employers Know about the Ordinance?

Most employers have heard about the Ordinance. As Figure 2.3 below shows, 83% of responding employers reported one year after the Paid Sick and Safe Time Ordinance went into effect that they knew about it. This is an increase from the initial survey, when only 69% of employers were familiar with the mandate. Knowledge among small (Tier 1) employers grew

Figure 2.3. Employers' knowledge of the Ordinance over time



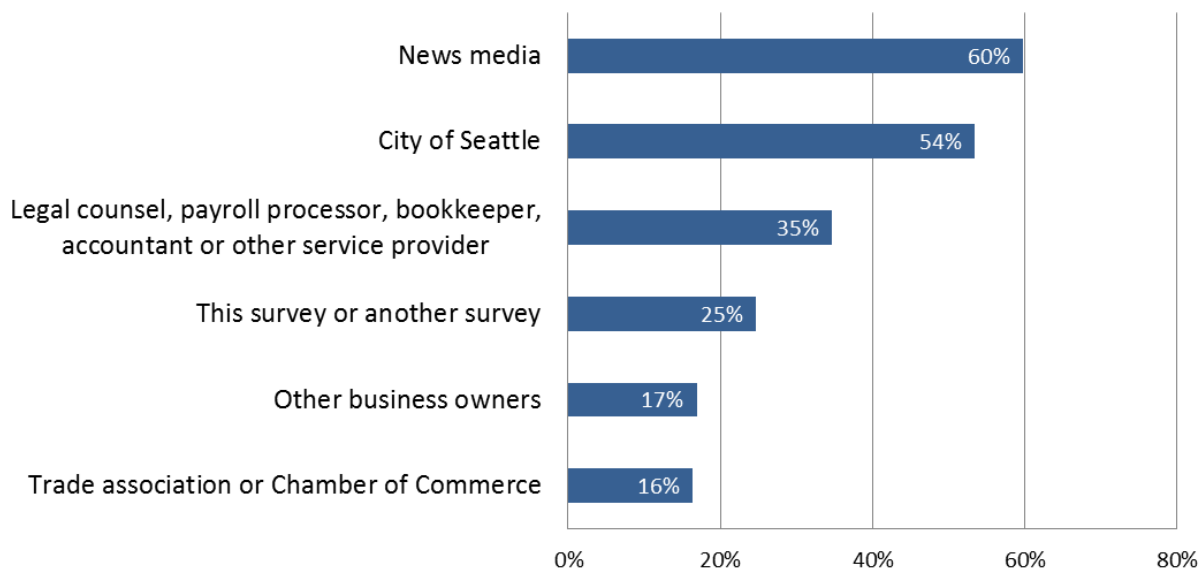
Source: Author analysis of Seattle Employer Survey follow-up, N=344

most significantly, from 67% awareness at the time the Ordinance first took effect (i.e., baseline) to 84% awareness at the time of our follow-up survey. There were no statistically significant differences in the level of awareness among the three size tiers of employers in the initial period or the follow-up period. At both time points, employers in the health care and social assistance industry were more aware of the Ordinance than the average of all employers.

## How Do Employers Learn about the Ordinance?

We asked employers how they heard about the Ordinance. Employers could designate multiple choices among the options displayed in Figure 2.4. Sixty percent of Employers stated that the news media was their most common source of information. Over half of employers reported learning about it from the City of Seattle, and about a third cited professional service providers such as payroll services or legal counsel.

Figure 2.4. Employers' information sources



■ How did you hear about the Paid Sick and Safe Time Ordinance? (Check all that apply)

Source: Author analysis of Seattle Employer Survey follow-up, N=314

Examinations of knowledge sources by employer size and key industry reveal more details.

- Large employers in Tier 3 were most likely to hear of the Ordinance through a service provider and significantly more likely to hear from a service provider than employers in Tier 1 and Tier 2.



- Employers in the retail trade industry were more likely to hear about the Ordinance from the City of Seattle than employers in other industries. Among retailers, 71% cited the City as a source of information.
- Employers in the accommodation and food services industry were more likely choose “trade association or the Chamber of Commerce” as a source of information than employers in other industries.

## How Many Employers Offer Paid Sick Leave to Full- and Part-time Employees?

To comply with the Ordinance, employers have to make specified amounts of paid leave available to all eligible workers. Survey responses can show whether employers are complying with two key aspects of the ordinance: *coverage* (whether employers offer leave to workers) and *adequacy* (whether employers offer at least the required amount of leave).

The Ordinance applies in the most straightforward manner to full-time or part-time Seattle employees. Employers have to offer leave to all of these employees. All workers accrue leave at the beginning of their employment but do not have the right to use leave until 180 days after their first day of work. Temporary and seasonal workers accrue leave but depending on tenure may not remain at the job long enough to use it. Occasional workers, those who are based outside of Seattle but complete some work within the City, have to be covered after their first 240 hours of Seattle work per year.

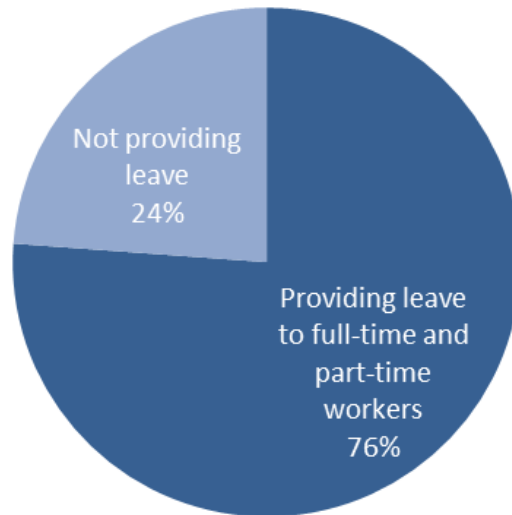
We first estimate compliance by looking at coverage, whether employers offer leave to workers. Respondents identified which types of workers they employ—including full-time, part-time, temporary, seasonal, and occasional—as well as which types of employee were provided with either paid sick leave or paid time off (PTO, see box). This information was used to determine whether employers are providing leave to their workers. As shown in Figure 2.5, 76%

### About Paid Time Off (PTO)

Instead of offering separate allotments of time for illness, personal reasons, or vacation, some employers offer a single bank of leave, which employees may direct toward any of these uses. This benefit type is alternatively called “universal leave,” “undesignated leave,” or “paid time off” (PTO). In the survey, 36.3% of employers reported using PTO. Advantages to aggregating different types of leave are that employers can control costs and employees may use time as they please. Disadvantages to this scheme are that it may create an incentive for employees to work while sick in order to preserve vacation time and that employees with exceptional personal or family health needs may risk losing vacation time. PTO that can be used for sick leave complies with the Ordinance, although employers with more than 250 employees that choose to offer PTO must offer 13.5 days of undesignated leave as opposed to a mandated nine days of designated sick and safe leave. One in ten (10.1%) employers reported that they switched to a PTO or universal leave system in response to the Ordinance.

of employers provide paid sick leave or PTO to their full-time employees (if they have full-time employees) and part-time employees (if they have part-time employees). Compliance based on employee coverage of full- and part-time workers does not vary significantly by size or industry.

Figure 2.5. Coverage of full-time and part-time workers



Source: Author analysis of Seattle Employer Survey follow-up, N=307

Employers are most likely to provide leave to their full-time workers. As displayed in Table 2.1 below, 96% of employers with full-time workers reported that they provide leave to full-time workers. However only 62% of employers with part-time workers reported that they provided sick leave to that worker type. Temporary and seasonal workers were the least likely to receive coverage. Only 26% of employers who employ this type of worker provided them with sick leave. Employers who have temporary and seasonal workers but do not provide them with leave may or may not be complying with the Ordinance. As noted above, there are situations in which such employees may not have the right to paid leave.<sup>5</sup>

Table 2.1. Paid sick leave or PTO by employee type

Has Employee Type	Covers this Employee Type Yes (%)	Observations
Full Time	95.8	300
Part Time	62.3	190
Seasonal or temporary	26.1	100

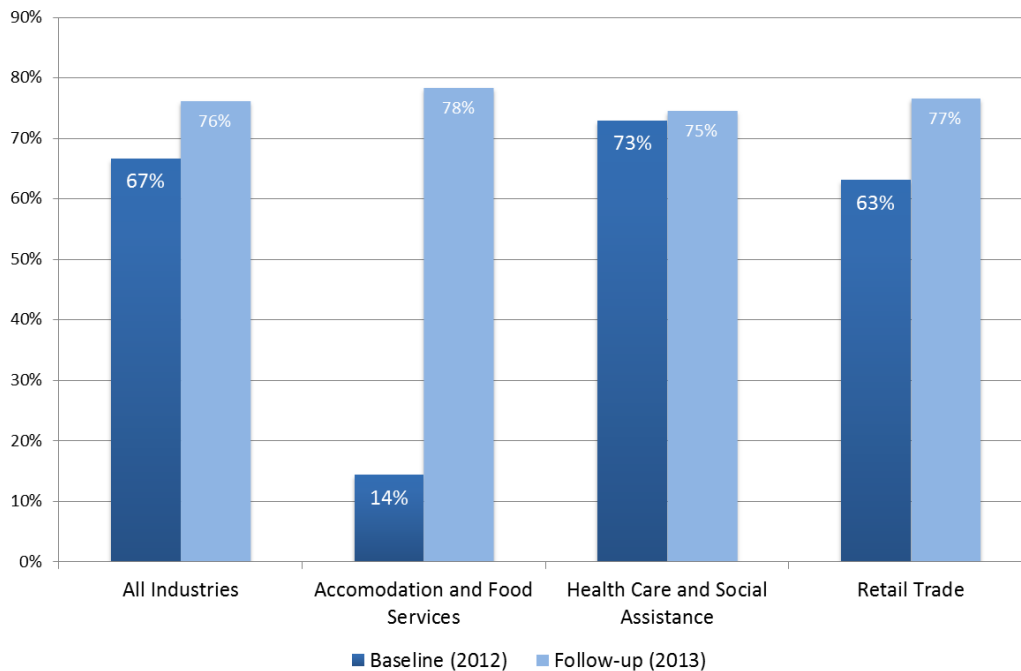
Source: Author analysis of Seattle Employer Survey follow-up

<sup>5</sup> The Ordinance covers temporary and seasonal workers under certain conditions. Seasonal workers whose work spans fewer than 180 calendar days and who are not rehired within 7 months accrue leave but do not have the right to use it. Temporary employees provided by staffing agencies are considered employees of the staffing agency.

## How has Paid Sick Leave Coverage Changed since the Ordinance Went into effect?

The initial survey was administered at the time the Ordinance went into effect. The baseline responses show that 67% of employers provided paid sick leave to both full-time and part-time employees. The follow-up survey one year later found that 76% of employers provided leave to these types of workers at that time. Most employers already provided coverage in the initial period and continued to offer coverage in the follow-up period. However, 11% of employers responding to the survey quit offering sick leave to both full- and part-time employees before the follow up survey.<sup>6</sup> Twenty-two percent of employers did not offer paid sick leave to full- and part-time employees in the initial period and have begun offering it since.

Figure 2.6. Employer Paid Sick Leave or PTO Provision in initial survey period and follow up period by selected industries



Source: Author analysis of Seattle Employer Survey follow-up, N=300-307

<sup>6</sup> Why would employers stop offering leave during the time the Ordinance took effect? We believe several factors explain this finding. First, there is undoubtedly some degree of error in the responses to survey questions. For instance, in a firm that offers leave to some but not all full-time employees, the respondent might have answered differently in the two different years even though the firm's benefit policies did not change. Second, companies and organizations are always changing in response to internal and external factors. Some employers might have changed their leave policy despite the Ordinance, perhaps believing it did not apply to them or perhaps prioritizing other concerns over compliance. Finally, employers who quit offering leave were more likely than other employers to have some employees covered by a collective bargaining agreement (CBA). Employees represented by a union could waive their right to paid leave as part of the CBA negotiation. Excluding employers with CBAs from the analysis generally increases the rate of compliance by 1-2% points.

The proportion of employers offering leave increased from the initial period to the follow-up period for employers of all sizes. As shown in Figure 2.6, gains in coverage varied by sector. The accommodation and food services industry made the largest gains in coverage going from only 14% of employers covering full- and part-time workers to 78%. The gains in this industry accounted for 30% of all gains from not covering to covering workers.

### How Many Employers Reported Offering Adequate Paid Sick Leave to employees?

The Ordinance requires a minimum leave accrual rate based on employer size as well as a minimum number of paid days an employee has the right to use over a one-year period (see Table 2.2). Respondents reported the number of hours or days of paid sick leave or paid time off that a full-time Seattle employee would accrue after working for the employer for one year.

We used these responses to create a working definition of whether the employer meets the minimum required accrual rate or, in the case of Tier One employers, allows employees to accrue at least as much paid leave in a one year period as they are allowed to take over that period. Under this definition, Tier One, Tier Two, and Tier Three accrual rates are respectively 5, 6.5, and 8.67 accrued days per year.

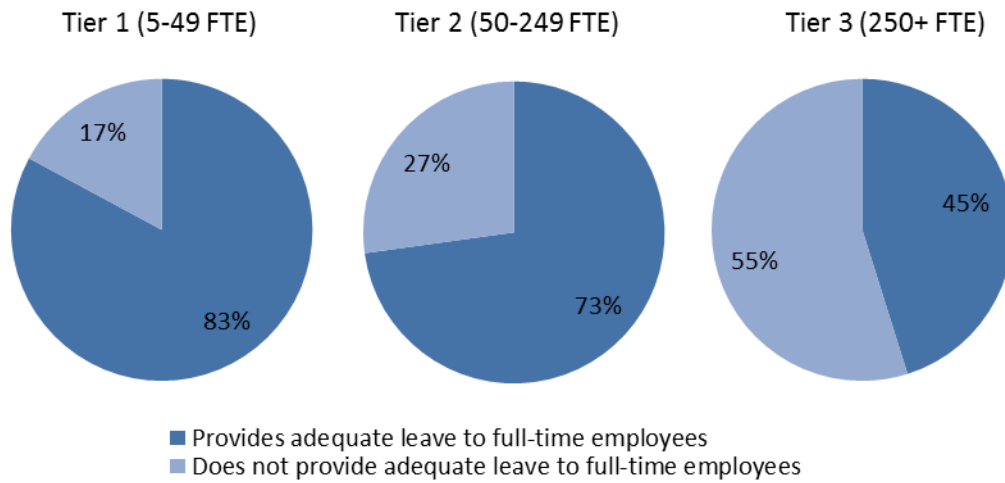
Table 2.2. Overview of Ordinance requirements

Tier	FTEs	Minimum Sick/Safe Leave Accrual	Annual Sick/Safe Days Accrued*	Annual Sick/Safe Days Available
Not Eligible	0-4	n/a	n/a	n/a
Tier 1	>4-<50	1 hr per 40 hrs	6.5	5
Tier 2	50-<250	1 hr per 40 hrs	6.5	7
Tier 3	250+	1 hr per 30 hrs	8.67	9

\*Note: Assumes 8 hour days and 40 hour work week

The survey responses indicate that most employers (76%) provide sufficient paid sick leave or paid time off to full-time employees. By the definition above, small employers (Tier 1) are most likely to offer adequate leave, with 83% offering at least five days per year to their full-time employees. As shown in Figure 2.7 below, large employers (Tier 3) are required to offer the highest levels of paid leave and are also the least likely to meet the Ordinance requirements. Only 45% of Tier 3 employers reported offering 8.67 days, the minimum required accrual amount for a full-time, full-year employee.

Figure 2.7. Adequacy of leave provided to full-time workers

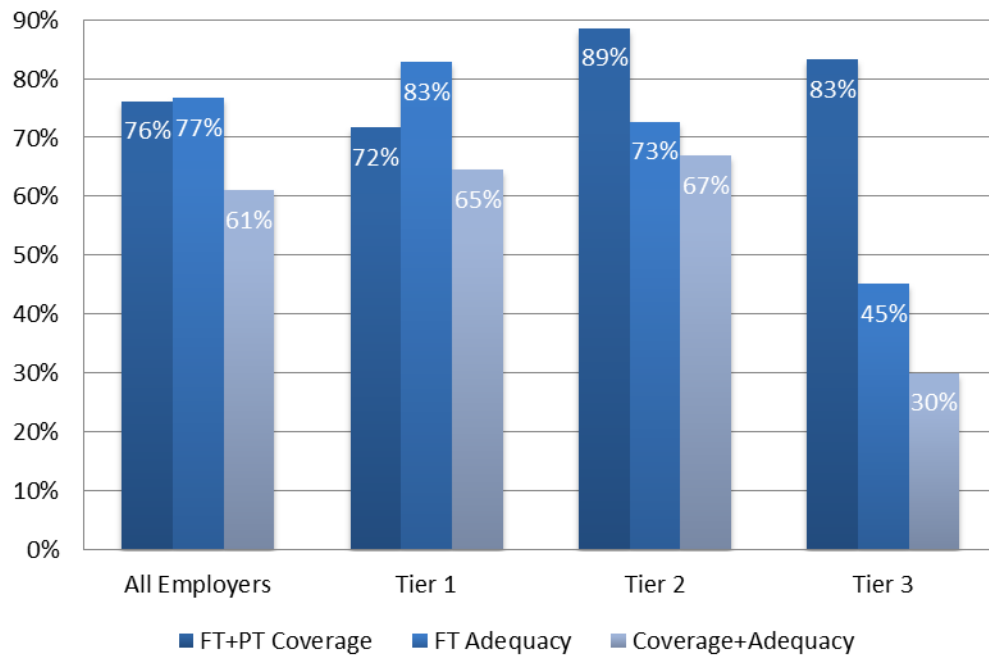


Source: Author analysis of Seattle Employer Survey follow-up, N=316

### How Many Employers Offer Leave as Required by the Ordinance?

A key aspect of compliance is whether employers offer the required leave. Employers comply with the Ordinance if they provide paid sick leave or paid time off to all employees (coverage) and meet the minimum accrual rate standard (adequacy). More simply, compliance is the intersection of coverage and adequacy. As in the sections above, we define coverage based on offering leave to full-time and part-time workers and examine adequacy based on the amount offered to full-time, full-year employees. Sixty one percent (61%) of employers surveyed provided the required type and amount of leave. Figure 2.8 shows the intersection of coverage and adequacy across employers of different sizes. About two thirds of the small and mid-sized employers of Tiers 1 and 2 cover part-time and full-time employees and offer an adequate amount of leave to full-timers. Large employers are less likely to be in compliance with the mandated leave. Although most Tier 3 employers cover employees, fewer than half offer adequate leave to full-time workers. The result is that only 30% are in compliance.

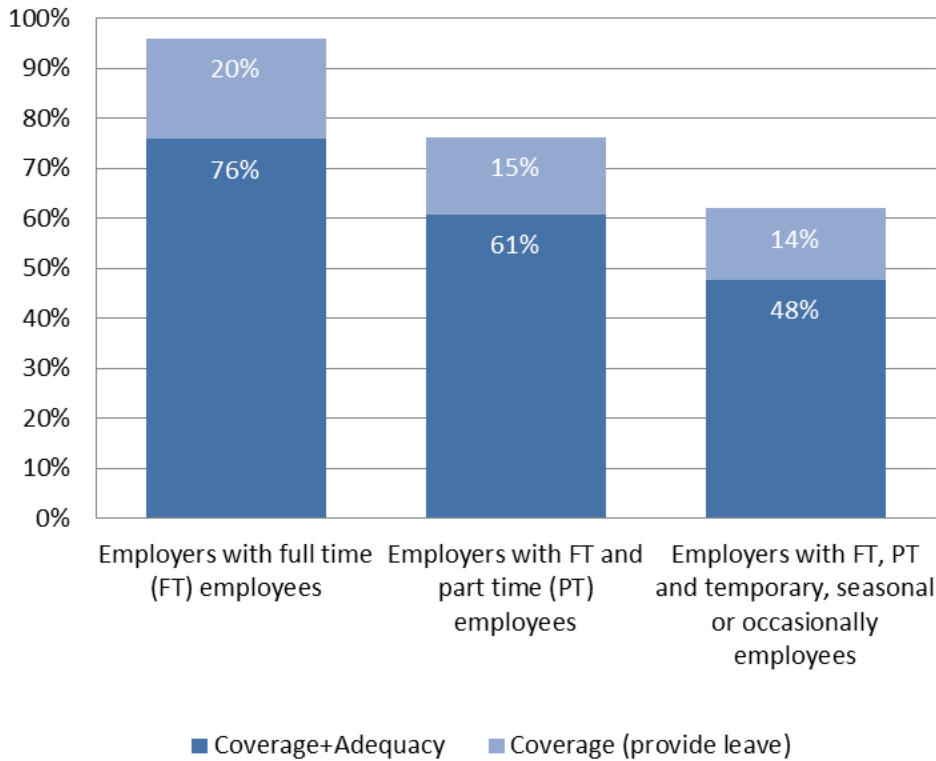
Figure 2.8. Employer sick leave coverage for full-time (FT) and part-time (PT) employees and FT accrual adequacy by tier



Source: Author analysis of Seattle Employer Survey follow-up, N=294-316

Employers are most likely to offer the required leave to their full-time employees. Figure 2.9 below shows that 76% of employers with full-time employees provide adequate leave to their full-time employees; another 20% cover full-timers but do not provide the minimum number of days mandated for accrual or use. As shown in the center bar, 61% of employers provide the mandated leave for part-time employees, but only 48% of employers with temporary and seasonal workers cover those workers and also provide adequate leave to their full-time workers as the ordinance requires. The survey did not contain questions about how many hours or days of leave were provided to part-time, temporary, seasonal, or occasional employees, so actual compliance for those classes of employees could be higher or lower than the estimates displayed in Figure 2.9.

Figure 2.9. Employer sick leave coverage and adequacy by employee type

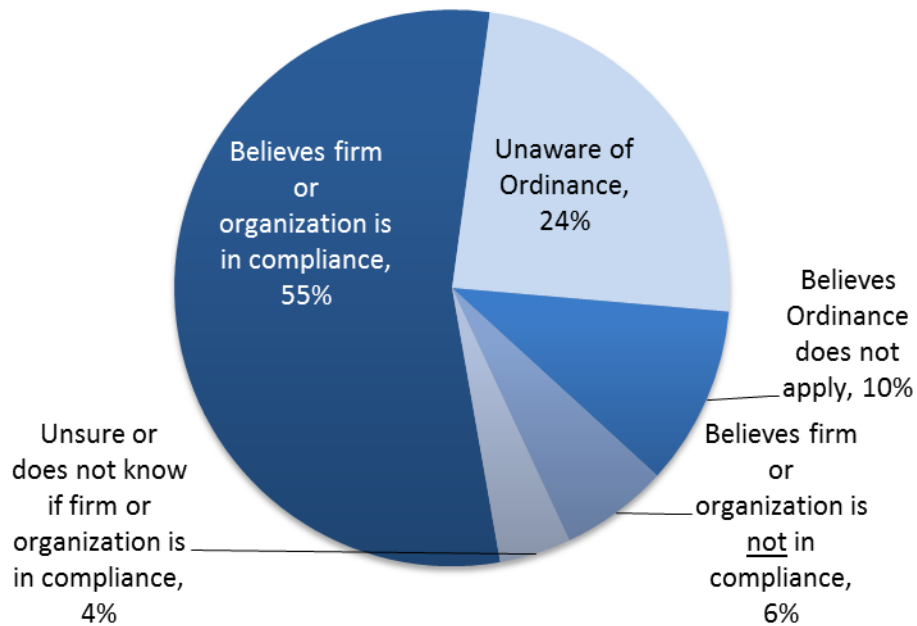


See text for discussion of full-time adequacy. Source: Author analysis of Seattle Employer Survey follow-up, N=294-307

### Why Do Some Employers Not Offer the Required Leave?

As noted above, about a quarter of employers either do not offer leave to their full-time and part-time employees or they do not offer as much leave as required to their full-time employees. What accounts for this seeming non-compliance? Taking the subset of employers who did not offer sufficient leave to full- and part-time employees, we examined survey responses that could explain why the employers did not provide leave. Figure 2.10 below summarizes this analysis, in which we examined several possible explanations in sequence. First, employers may not have been aware of the Ordinance; 24% reported not having heard of it. One in ten employers (10%) had heard of the Ordinance but thought it did not apply to their employees. Many of these employers are in error; an examination of their full response patterns suggests they probably should be offering leave. The remaining 65% of employers both knew about the Ordinance and believed that they must comply. Most of these – 55% of all non-compliers – believed they were in compliance. Smaller groups of non-complying employers did not know if they were in compliance or not (4%) or reported that they were not in compliance (6%). Overall this suggests that most employers who are not offering enough leave may continue at present to erroneously assume that they are in compliance with the Ordinance.

Figure 2.10. Reasons that employers may be out of compliance with Ordinance



Source: Author analysis of Seattle Employer Survey follow-up, N=75 employers not meeting coverage and adequacy criteria

### How Many Employers Had Employees Use, Abuse Leave?

Overall 73% of employers reported that they had one or more part- or full-time employees take paid leave. Small employers did not differ from larger ones on this issue; employers in all three size tiers were equally likely to report that employees used paid sick leave. Over three quarters of employers with full-time employees (76%) reported that one or more full-time employees used leave. About half of employers with part-time employees (49.5%) reported that part-time employees took leave.

Employers indicated on our survey whether they had reprimanded one or more employees for abuse of paid leave. The reprimand could be verbal or written. Fewer than one in ten employers (8%) reported reprimanding workers for abuse of leave. None of the 40 food and accommodation employers surveyed reported any reprimands.



## About Safe Leave

Alongside the requirements to offer paid sick time, the Ordinance mandates that employers to offer leave for safe time. Safe time can be used to promote physical health, such as when a workplace or employee's child's school or place of care is closed for public health reasons, as sometimes happens in response to infectious disease outbreaks. Safe time can also be used for reasons related to domestic violence, sexual assault, or stalking. For instance, employees in these situations could use paid leave to seek counseling, or attend to legal matters such as filing protection orders or appearing in court.

The need for safe time in response to interpersonal violence is less common – and likely less commonly discussed – than the need for sick time. In a given year, fewer than 3% of adults experience interpersonal violence.\* Such violence is also stigmatizing; the use of safe time is likely not frequently discussed in the workplace due to the shame or embarrassment associated with having experienced interpersonal or sexual violence. However, many people experience interpersonal violence at some point. Over a lifetime about one in four women and one in twelve men experience the type of assault that may necessitate safe leave.\*

Stigma, rarity, and legal protections make safe leave usage hard to track. Under the Ordinance, employees who request paid leave time do not have to designate whether the time is for sick leave or safe leave reasons, although employers have the right to ask for documentation when employees use leave for more than three consecutive work days.

Survey responses suggest the Ordinance expanded the availability and potentially the use of paid sick time. One third of employers (34%) expanded their policies to include safe leave, and presumably many of the 13% of employers who implemented new leave policies included safe time. Overall 5% of employers reported that one or more employees used paid safe time, although that number may be an underestimate due to employees' preferences for privacy.

\* Tjaden, P., and N. Thoennes. *Full Report of the Prevalence, Incidence, and Consequences of Violence Against Women: Findings from the National Violence Against Women Survey*. Research Report. Washington, DC, and Atlanta, GA: U.S. Department of Justice, National Institute of Justice, and U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, November 2000, NCJ 183781.

## What Challenges Did Employers Face in Implementing the Ordinance?

In addition to offering leave, employers had to inform their employees about the right to paid leave, track their employees' leave, and report it to employees every pay period. Figure 2.11 below summarizes employers' experiences with different aspects of implementing the Ordinance. Overall most employers did not find it very difficult to implement different aspects of the Ordinance. The most challenging part was the record-keeping requirements; almost a third of employers rated the record-keeping as "somewhat" or "very" difficult to implement. Slightly smaller percentages found that understanding the Ordinance and dealing with absent employees were difficult. Few employers found it hard to notify their employees about the Ordinance.

Figure 2.11. Employer difficulties with implementing the Ordinance



Source: Author analysis of Seattle Employer Survey follow-up, N=188-266

## How Did the Ordinance Impact Employees and Employers?

During the Seattle City Council's consideration of the Ordinance legislation, stakeholders raised questions about the possible impact on employees and employers. Our survey contained questions designed to collect information about employer changes that could affect employees as well as employers' opinions about the impact of the Ordinance on their business or organization.

The Ordinance mandates a change in employee compensation. Businesses and non-profit organizations had several options for accommodate this change. They could 1) change the proportion of resources devoted to employee compensation, 2) shift the nature of current or planned compensation (through decreasing other paid leave, for instance), or 3) attempt to increase revenue to compensate for increased labor costs. Table 2.3 below summarizes how often employers changed compensation or employment. Some employers shifted compensation, with 5% decreasing vacation time and 6% decreasing raises or bonuses. About one in twelve (8 %) raised prices or otherwise passed along increased costs to customers. Few reduced their Seattle employment and fewer than 1% reported closing or relocating Seattle locations. Most employers reported none of these changes, suggesting that they absorbed the increased cost – if any – of providing leave.

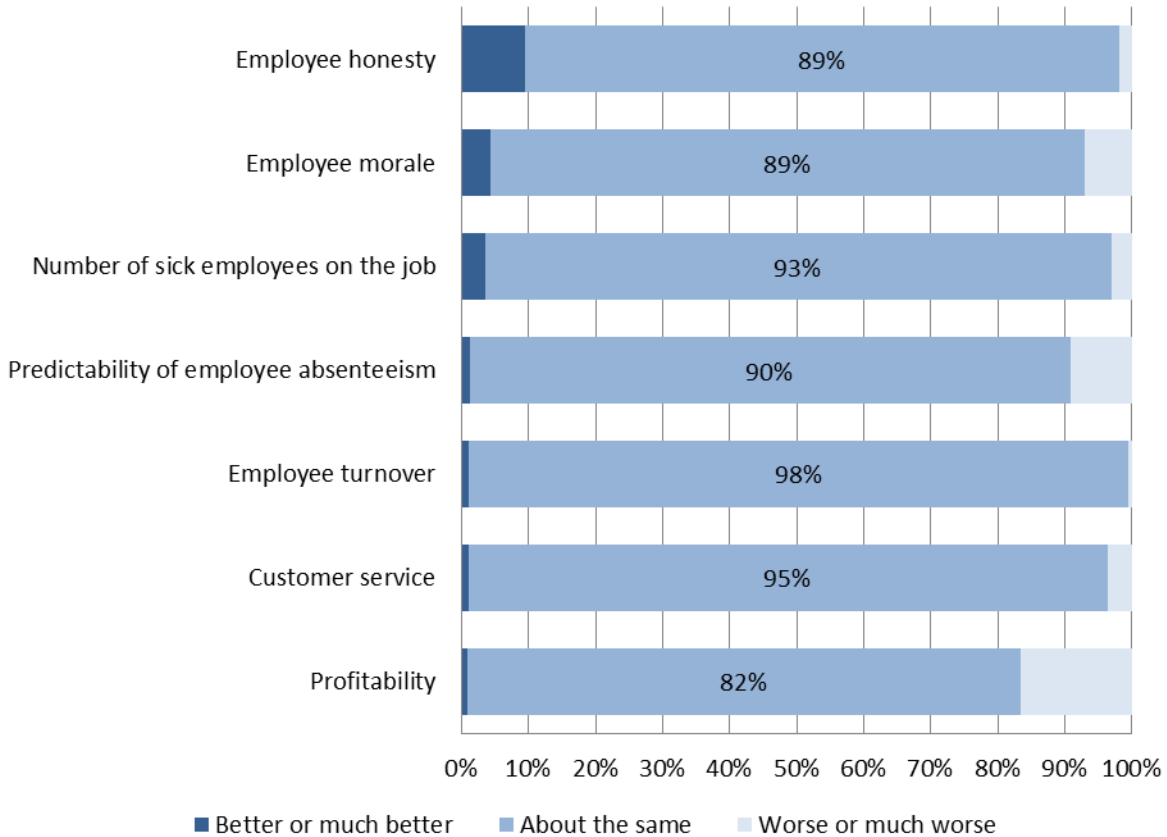
Table 2.3. Changes made to comply with Ordinance

Has your business or organization made any of the following changes?	Yes (%)
Raise prices or otherwise pass on the cost to customers?	8.2
Decrease employee pay raises or bonuses?	6.4
Decrease vacation time?	5.3
Reduce number of Seattle employees or move employees outside of Seattle?	2.7
Close or relocate Seattle locations?	0.7

*Source: Author analysis of Seattle Employer Survey follow-up, N=297 employers who believed the Ordinance applied to their business or organization.*

Employers also offered their opinions about how the Ordinance affected their business or organization’s sustainability. By and large, employers thought that key aspects of their work such as their ability to serve customers, relations with employees, and profitability were unchanged by the Ordinance. As summarized in Figure 2.12, about nine out of ten employers believed that their customer service, employee morale, and number of sick employees on the job were about the same as before the Ordinance. Employers were most likely to believe the Ordinance hurt profitability, although a minority (17%) said that their profitability was worse or much worse as a result of the Ordinance.

Figure 2.12. Employer's Opinions about Impacts of Ordinance



Source: Author analysis of Seattle Employer Survey follow-up, N=345

### What Do We Know about How Much the Ordinance Cost Employers?

Employers faced costs associated with making the administrative changes mandated by the Ordinance in addition to the cost of providing the leave itself. When asked whether they tracked the cost of implementing the Ordinance and, if so, how much it cost few employers were able to provide information on this issue; most, it appears, have not quantified their costs. The majority of employers (60%) responded that they do not plan to identify costs or do not have the resources to do so. About one in six employers has estimated or is in the process of estimating costs (8.3% and 7.6% respectively). Another quarter (24 %) did not know if their business or organization had tracked costs.

Among those employers who had identified costs, 29 volunteered responses to the questions about how much it cost them to make the changes needed to administer the Ordinance and the cost of providing leave during the first year. Some provided both figures and others only one.

These respondents are self-selected and too few to provide statistically representative data. However, their responses offer a qualitative sense of the range of possible costs.

Calculating cost is not a straightforward procedure, and different employers may use different approaches depending on their situations and accounting practices. For instance, an employer who already provided paid leave to all employees might face some transitory implementation costs associating with updating their benefit manuals or payroll software but would not have any marginal cost of offering paid leave. For the 26 self-selected employers who provided data on this cost, one-time implementation costs ranged from zero to \$125,000, with an average implementation cost equal to about one eighth of a percent (0.125%) of annual revenue.

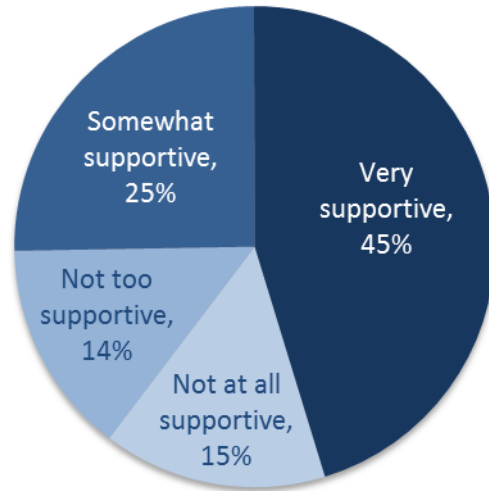
Employers who did not offer paid leave to some or all employees before the Ordinance took effect might count the cost of newly-required leave provided as an ongoing cost. However, whether and how to assign cost to this newly-provided leave varies. If the employer has to pay a replacement worker to complete the absent employee's task, then the cost of the replacement is an additional cost. When employees are absent, just over one fifth of employers (22%) reported that they frequently or always call in another employee as a replacement and a very small group (1.4%) hires an outside replacement. In most instances, when an employee is absent that employee makes up the work later or other employees cover the absent employee's work. Because the employee would have been paid the same amount whether present or absent, there is no additional payroll cost but there are hard-to-quantify costs associated with loss in productivity or sales due to the lost effort.

In response to survey questions, 24 employers stated their annual cost of leave for the first year. These costs ranged from zero to \$150,000 with average costs of providing leave equal to about four tenths of a percent (0.41%) of annual revenue. These employers' responses to the open-ended question about how the cost figures were estimated reflect some of the possible ways in which the cost could be figured. One employer's figure was based on "one temporary worker for one day of sick leave." Another employer calculated the cost as, "average employee rate...times the number of sick hours taken this year ... plus taxes on those wages." A third used a formula based on maximum exposure of 3% of labor costs decreased because employees used less than the maximum. Another respondent simply stated that the figure provided was a "rough estimate."

## What Do Employers Think of the Ordinance?

After a year subject to the Ordinance, most employers support it. As Figure 2.13 shows, 45% of employers responded that they were "very supportive" of the Ordinance, and an additional 25% said they were "somewhat supportive." About one in seven employers (15%) were not at all supportive. Employers of all sizes supported the Ordinance in equal proportions. Across industries, health and social service sector employers were more supportive than average, and food and accommodation sector employers were less likely to be supportive.

Figure 2.13. Overall, how supportive is your business or organization of the City of Seattle Paid Sick and Safe Time Ordinance?



Source: Author analysis of Seattle Employer Survey follow-up, N=279 (62 employers did not respond)

## Summary and Discussion

Seattle employers now offer more paid sick leave to more employees than they did before the Ordinance took effect. In particular, many more employers now offer leave to their part-time employees. This increase in coverage is most striking in the food and accommodation sector, where 78% of employers now cover part-time workers. Most employers offer paid sick leave to workers and offer the minimum required amount of leave. However, 4 out of 10 employers still do not seem to be offering enough leave to their eligible workers. Many of these non-compliant employers know about the Ordinance and believe they are compliant, which suggests that more outreach and technical assistance might bring them into full compliance.

The perceived impacts on employers resulting from the implementation of the Ordinance were modest. Two thirds of employers did not report difficulties with the reporting, tracking, and informing tasks required to put the new leave mandates in place. Few employers reported decreasing other benefits or passing along increased costs to customers. Although about one in six employers believed that the Ordinance hurt profitability, qualitative assessment of voluntarily-submitted cost information suggests that these costs were very small and well below 0.5% of total revenue. One year after the Ordinance took effect, over two thirds of employers were “somewhat” or “very” supportive.

## Chapter 3. Employment and Wage Trends

This chapter describes findings from an analysis of confidential public data on employment before and after the Paid Sick and Safe Time Ordinance took effect for Seattle employers.<sup>7</sup> Comparing Seattle to surrounding cities shows little evidence that the Ordinance affected business activity or employment. In particular:

- All three measures of employment robustness – the number of Seattle firms with more than four employees, total number of Seattle employees, and total Seattle wages – grew in absolute terms over the first year of the Ordinance.
- Data do not support the notion that the Ordinance caused businesses to leave Seattle or close Seattle locations. In fact, the number of employers grew more in Seattle than in comparison cities after the Ordinance took effect.
- Total wages grew more slowly in Seattle than in comparison cities after the Ordinance took effect. This effect is not strong statistically and should be interpreted cautiously.

### Overview

During the public discussion of the Ordinance, stakeholders worried about harming the City's business sector and economic prosperity. Concerns about employers' cost of providing leave led to hypotheses that the Ordinance might cause businesses to leave the City of Seattle, reduce their workforces, or decrease workers' hours. Using a comprehensive data source from the Washington State Employment Security Department (ESD) we compared Seattle employers and employment before and after the Ordinance to employers and employment in surrounding locales over that same time period (Bellevue, Tacoma, and Everett). This allowed us to examine the following questions: Did the Paid Sick and Safe Time Ordinance change the number of employers in the City? Did the Ordinance change the number of jobs in the City? Did the Ordinance change labor demand?

Our analytic approach rests on comparing Seattle to other cities in the metropolitan region.<sup>8</sup> The Ordinance applies only to employers and employees working within the City. Employers based outside the City should be largely unaffected. If the Ordinance affected employment, there would be an observable difference in Seattle outcomes relative to outcomes in the comparison cities.<sup>9</sup> Business activity varies with population growth, from season-to-season and

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<sup>7</sup> Dr. Cori Mar conducted the analyses summarized in this chapter.

<sup>8</sup> This econometric technique is known as the "difference-in-difference" method. Labor economists commonly apply this technique to study the effects of policies – such as the Seattle Paid Sick and Safe Time Ordinance – that take effect in one location but not others. (Lechner, 2010. "The Estimation of Causal Effects by Difference-in-Difference Methods." *Foundations and Trends in Econometrics* 4(3) 165-224.)

<sup>9</sup> One exception is employers based outside the city with substantial numbers of workers who work in Seattle on an occasional basis. Package delivery firms are one example. There is no way to distinguish non-Seattle employers in our comparison cities who have occasional basis Seattle employees. However anecdotal evidence suggests such companies may be located outside of Seattle but not within the comparison cities of Bellevue, Tacoma, and Everett. For instance, delivery services based in SeaTac or transportation firms in Renton or Kent may be affected but would not show up in either the Seattle or comparison city data used in this analysis.

with effects in the macro-economy such as credit markets. These factors affect all cities. Because we have data before and after the Ordinance, we can establish a baseline for how Seattle differs from comparison cities.

## About the Data and Analysis

We used data from the Washington State Unemployment Insurance (UI) system which covers over 95% of all employment.<sup>10</sup> Per state and federal UI laws, employers file quarterly reports to ESD listing each employee and the employee's total quarterly earnings. Most employers are for-profit businesses, although non-profit organizations and government entities also report to the system. Only employers with more than four full-time equivalent (FTE) employees have to comply with the Paid Sick and Safe Time Ordinance, and so we restricted our analysis to data for employers who seemed to have more than four FTEs.<sup>11</sup>

ESD provided data for 17 consecutive quarters from the third quarter of 2009 to the third quarter of 2013. Information obtained included unique business identifier, city, number of employees, wages of employees, and NAICS industry code. From this data, we generated the following three indicators.

- **Total employers:** the number of entities that seemed to have more than four FTEs. This is an indicator of the overall strength of the business sector. If the Ordinance caused Seattle businesses to leave or close, this measure would decrease.
- **Total employment:** the number of employees reported. This measure indicates the number of filled jobs and could show if the Ordinance caused employers to lay off workers or suppressed hiring or, alternatively, increased hiring.
- **Total wages:** the combined wages and salaries reported to ESD. This indicator captures hourly pay multiplied by hours worked and would decrease or grow more slowly if the Ordinance harmed labor demand or wages.

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<sup>10</sup> Bureau of Labor Statistics. N.d. "Employment and wages covered by unemployment insurance" *Handbook of Methods*, Chapter 5. Accessed 3/25/14 at <http://www.bls.gov/opub/hom/>.

<sup>11</sup> ESD data do not reliably contain the hours worked nor type of employee (full-time, part-time, seasonal, occasional), and so we had to estimate whether each employer in the ESD data had the equivalent of more than four full-time minimum-wage workers. We did this for each employer by dividing total wages for the quarter by the amount a single full-time minimum wage worker would have earned in the same time period (i.e., 500 hours, or 40 hours per week for three months). Using this calculation, we estimated the number of FTEs for each employer and compared it to the number of employees reported by the business. Often, the result of our calculation matched the number reported; when the numbers did not match, we used whichever number was lower as the estimated number of FTEs. This method captured all employers who have to comply with the Ordinance plus some that are too small but pay more than minimum wage to some part-time workers, or who pay minimum wage to some workers but more than minimum wage to one or two workers. For example, consider a business with two full-time workers and three part-time workers. If the two full-time workers earned \$10 per hour, their total wages for the quarter would be \$10,000. If the three part-time workers earned \$20 and each worked .5 FTE, their total wages for the quarter would be \$15,000. This business would have five employees but only 3.5 FTEs. The Ordinance would not apply to this business, but given our methodology it would appear to.

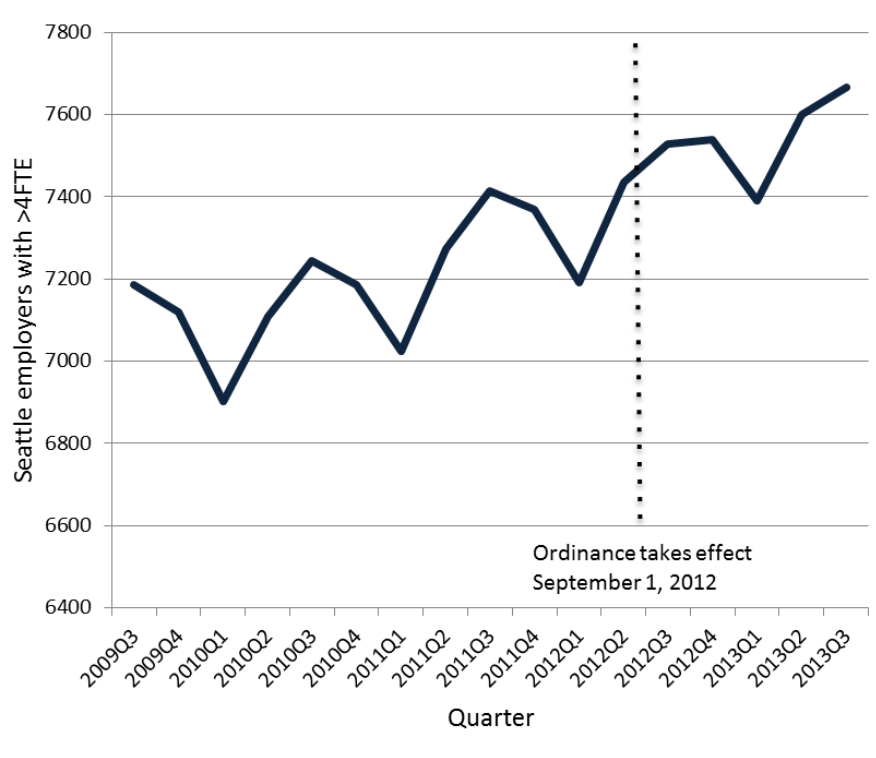


We compared Seattle to three other major cities in the region: Bellevue, Tacoma, and Everett. Employers in these cities are subject to the same macroeconomic trends as Seattle but do not have to offer the paid leave. First we graphed each indicator over time. To compare different sized cities, each indicator was standardized at 100% for the third quarter of 2009, three years before the Ordinance took effect. Lines above the initial point show growth since that time period. Second, we conducted statistical tests to examine whether there were significant differences between Seattle and the comparison cities in the post-Ordinance period (fourth quarter 2012 and later) that did not exist prior to the Ordinance. Appendix B provides more detail on the regression analyses used for the statistical tests.

### Did the Ordinance Affect the Total Number of Employers in Seattle?

Figure 3.1 displays the number of employers with more than four FTEs in Seattle between the third quarter of 2009 (Q3 2009) and the third quarter of 2013 (Q3 2013). The vertical line indicates when the Ordinance took effect on September 1, 2012, corresponding to the third quarter of that year. Overall, the line trends upward, showing the City recovering from the Great Recession. There is also a strong seasonal trend, with fewer employers reporting more than four FTEs in the first quarter of every year and more reporting in the third, which corresponds to the summer months of July, August, and September.

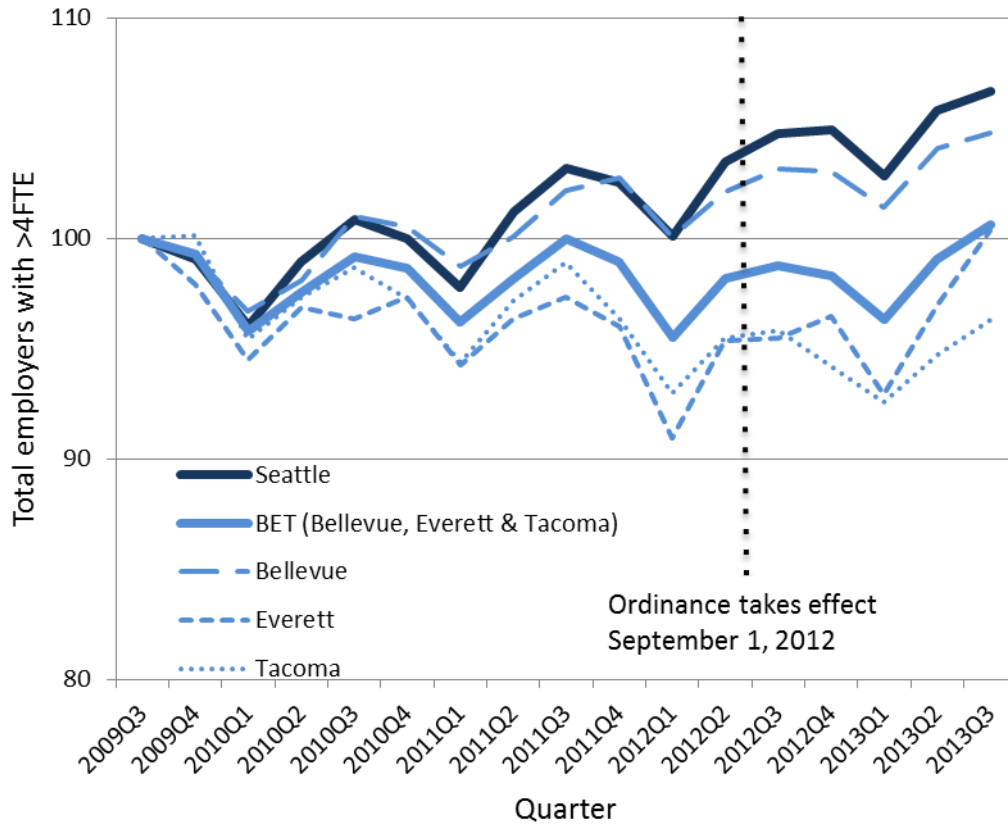
Figure 3.1. Total employers with more than four FTEs in Seattle



Source: Author analysis of Employment Security Data.

The same shape of Seattle employer growth is evident in Figure 3.2, which displays the total count of employers in Seattle, Bellevue, Everett, and Tacoma, for each quarter as a percentage of the number in our first quarter of data, Q3 2009. The relative number of businesses in the combined Bellevue, Everett, and Tacoma (BET) reference group is also shown. Again, the yearly jags in the data show the seasonality of employers and there is a linear trend with the number of employers also growing in Bellevue and decreasing in Everett and Tacoma since Q3 2009.

Figure 3.2. Total employers with more than Four FTEs in Seattle and comparison cities



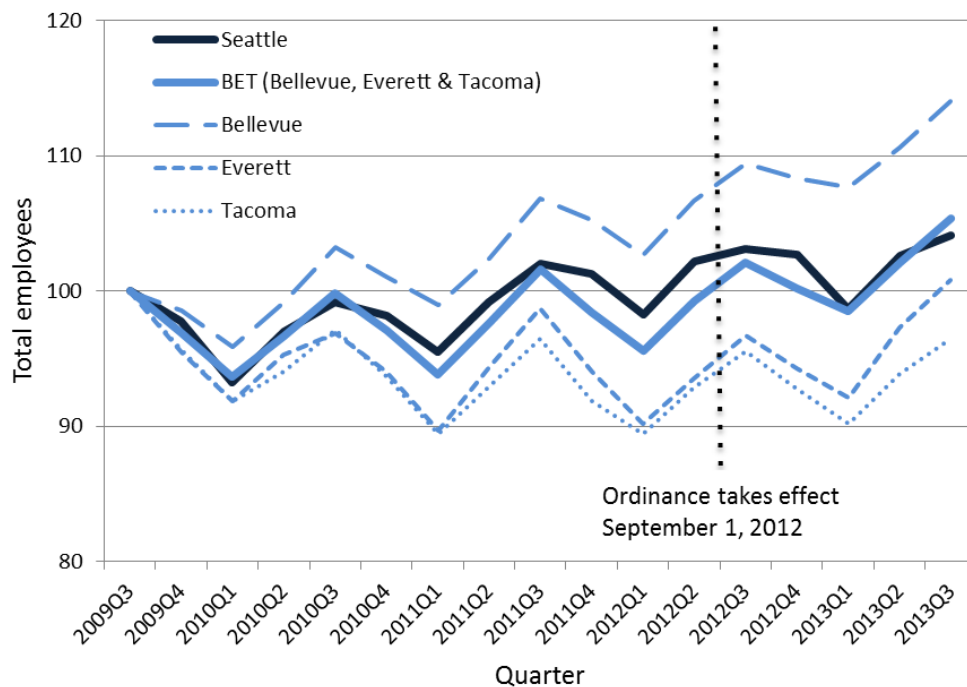
Source: Author analysis of Employment Security Data. Totals shown in % relative to 2009 Quarter 3.

In terms of the number of employers, Seattle moved ahead of the comparison cities just before the Ordinance was implemented, and this growth differential continued after the Ordinance took effect. Even after controlling for factors such as seasonal variations, the time period of the Ordinance, and the overall Seattle effect, employer growth in Seattle after the Ordinance was significantly stronger than in the other cities combined. This evidence contradicts fears that the Ordinance may reduce the number of employers in the City. If anything, the Ordinance seems to have had a positive effect on the hiring sector. This is also true for the food and accommodation sector, which – as shown in Chapter 2 – was the industry that made the most changes in benefits after the Ordinance went into effect.

### Did the Ordinance Affect the Total Number of Jobs in Seattle?

Figure 3.3 shows the number of employees summed over all businesses for each city as a percentage of the number of employees in Q3 2009. Note that this is the number of persons reported by each business to the ESD, not our estimate of FTEs. As such, it is best thought of as the total number of jobs (some of which could be part-time). As with the total number of employers, employment has a strong seasonal pattern. After considering employment seasonality, Figure 3.3 shows a clear upward trend for Seattle jobs, with stronger growth in Bellevue and weaker performance in Tacoma and Everett. Overall, the Seattle line closely mirrors the combined BET group. Statistical testing confirms that Seattle is not significantly different from the BET comparison in the post-Ordinance period, suggesting the Ordinance had no discernible effect on the number of jobs.

Figure 3.3. Total Employees at Employers with More than Four FTEs in Seattle and Comparison Cities



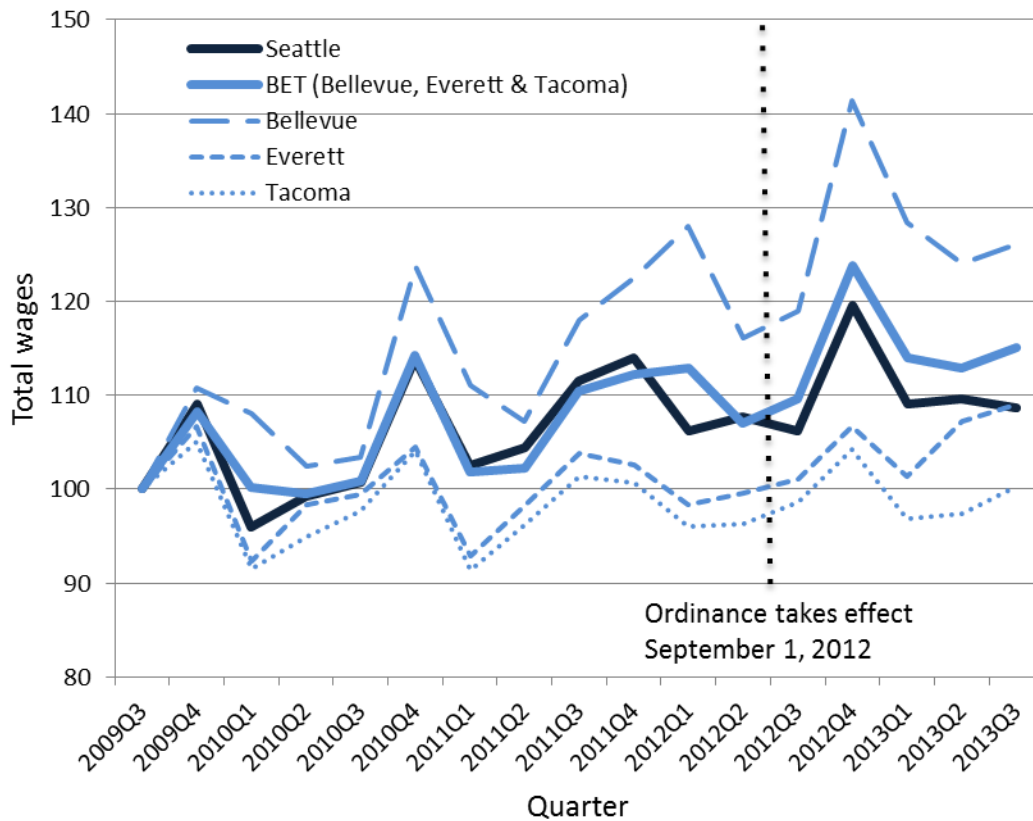
Source: Author analysis of Employment Security Data. Totals shown in % relative to 2009 Quarter 3.

### Did the Ordinance Affect the Total Wages Paid to Seattle Workers?

Figure 3.4 shows the total wages, the sum of wages and salaries for all businesses, in each city for each quarter as a percentage of the total wage in that city for the reference period. Total

wages indicate the intensity of labor demand, as they combine hours worked and pay per hour. Overall, total wages in Seattle grew both before and after the Ordinance took effect. Seattle and the comparison cities both show seasonal patterns with spikes in the fourth quarter, which corresponds to the holiday shopping season. Relative to the individual and combined BET comparison cities, Seattle’s wage growth was slower in the post-Ordinance period. In particular, during the quarters after the Ordinance took effect Seattle total wages trended consistently lower than BET whereas in previous quarters Seattle often outpaced or matched BET.











Figure 3.4. Total wages from employers with more than four FTEs in Seattle and comparison cities



Source: Author analysis of Employment Security Data. Totals shown in % relative to 2009 Quarter 3.

Further, our statistical analyses of the data for employers with more than four FTEs showed a weak correlation between the implementation of the Ordinance and the relatively slow wage growth in Seattle. However, we found a somewhat stronger effect when we tested for a correlation between the timing of the Ordinance and the average wage paid by all Seattle employers – not just those large enough to be affected by the Ordinance. This suggests that the change in total wages might be driven by factors other than the Ordinance. Further analysis showed that total wages in the Food and Accommodation sector grew relatively more – not less – in Seattle after the Ordinance took effect. Table 3.1 displays the statistically significant results of all of our analyses.

Table 3.1. Summary of regression estimates of effects of Ordinance on Seattle

 Arrows show statistically significant effects. Darker arrows are stronger effects.	Employers with FTE>4	All employers	Food & accommodation employers
Employers			
Employees			
Total Wages			
Average Wage			

Source: Author analysis of Employment Security Data testing Seattle against comparison group of Bellevue, Everett and Tacoma. Summary of regression coefficients for Seattle\*Ordinance interaction with controls for main effects, time and season. Darker arrows show effects significant at  $p < .05$ ; lighter arrows indicate  $p < .10$ . Appendix B contains full regression results.

## Discussion

All three measures of employment robustness – number of Seattle firms with more than four employees, total number of Seattle employees, and total Seattle wages –grew in absolute terms over the first year of the Ordinance. The same was true for the three comparison cities where the Ordinance did not apply (Bellevue, Everett, and Tacoma).

The number of employers grew more in Seattle than in the comparison cities after the Ordinance took effect. This could be because new employers chose to locate in Seattle or existing Seattle employers were less likely to relocate or close than employers in other areas. This effect is strong statistically and could be due to the Ordinance or other Seattle-specific factors that coincided with the Ordinance taking effect. It is not clear how the Ordinance would have increased the number of businesses and non-profits in Seattle. In either case, this evidence contradicts concerns about the Ordinance causing firms to leave the City, cease operations, or reduce staffing to the 4 FTE or below level.

Total wages appeared to grow more slowly in Seattle than in the comparison cities after the Ordinance took effect. Additional analysis shows this may be due to the wages paid per worker, suggesting that employers in Seattle increased workers' hours or workers' per-hour wages less than did employers in the comparison cities. This is consistent with hypotheses that employers reduce (or do not expand) wage compensation to balance out potential costs of the required paid sick and safe leave. This evidence should be interpreted cautiously, as the effect is not strong statistically and may be due to other factors.

## Chapter 4. Employers' Perspectives

This chapter describes findings from interviews conducted with 24 Seattle employers after the Paid Sick and Safe Time Ordinance (Ordinance) went into effect. These interviews show:

- **Multiple sources informed employers about the Ordinance.** In the months after the Ordinance took effect, business owners, nonprofit administrators, and HR professionals learned about it from the media, the City of Seattle, professional networks or associations, and the evaluation survey conducted prior to these interviews (see Chapter 2).
- **Many employers reported that they initially found the Ordinance and its requirements to be confusing.** However, a few months into the implementation period most employers knew whether or not their business was affected and what they needed to do in order to comply. A minority remained confused as to whether they were required to offer the mandated sick leave. Employers were less aware of how the “safe time” provisions function.
- **Employers changed practices to achieve compliance.** Most employers felt they were complying with the Ordinance and discussed making changes that aligned with the law. For some, compliance required minor changes, such as extending paid leave to a few part-time employees. Others had to create or re-design policies or extend leave to a large portion of their workforce.
- **Initial fears were allayed by modest use.** When employers first learned about the ordinance and the leave mandates, many feared that offering the required leave would substantially increase their labor costs and generate staffing shortages. After operating under the Ordinance for at least a year, most of these initial fears had faded. In general, workers used far less paid leave than employers had anticipated.
- **Opinions about the ordinance varied.** Many of the small business owners and human resources professionals interviewed saw paid leave as a valuable and important benefit for their workers. Others opposed the measure. Several viewed the Ordinance as part of a package of realized and potential reforms – including the federal health care reform and local minimum wage efforts – that threaten their livelihood via increased costs and reduced flexibility. Some were of two minds, seeing benefit for workers alongside potential harm to businesses.
- **Employers also reported implementation challenges and special concerns.** Some employers initially struggled with the recording and reporting requirements, although these difficulties were largely resolved within the first year. The Ordinance did not affect shift swapping, the practice of allowing employees to trade shifts, for any of the interviewees. Most employers have no or moderate concerns about abuse, although a minority believes that employees abuse leave. Overall, employers judged the impact of the Ordinance as small or negligible.

### Employer's Experience: Retailer adjusts company-wide practices to comply with the Ordinance

"Jane" (a pseudonym) is the director of human resources for a Puget Sound based retail chain with over 300 regular full- and part-time employees plus seasonal workers hired during the busiest shopping seasons. As a result of the Ordinance, the company has added paid sick and safe time benefits for part-time and seasonal workers; their full-time workers already had these benefits alongside health insurance, paid vacation, paid holidays, and retirement plan contributions.

Jane recalled first learning about the Ordinance from the City. She says that she "has a lot of issues with" the law and has found it confusing to understand. She turned to the City website, a human resources seminar, and her company's attorney to learn more.

Although the Ordinance only requires that employers provide leave to workers who work within the City of Seattle, the company decided to extend paid sick and safe leave eligibility to all its workers regardless of location. Jane noted that it was "more cost-effective" to make the "across-the-board change" rather than face the "nightmare" of tracking employees who work both inside and outside the city. The HR team worked to ensure that their part-time and seasonal workers understood the new benefits. She explained the effort involved in this, "we have a lot of people who've never had benefits before so we do a lot of hand-holding and provide a lot of support to our employee base."

Jane perceives the need for both sick and safe leave in her business. She cited recent experiences such as when the flu spread throughout departments or when a restraining order was necessary to protect a targeted worker and co-workers from violent threats. At the same time she resents what she describes as the "micromanaging" of the employer-employee relationship by the Ordinance. She stated that the record-keeping required by the Ordinance might make her think twice about hiring workers on an on-call basis during rush times.

During the first year under the Ordinance, the retailer's several dozen newly-eligible employees used just over 500 hours of leave, adding less than 2% in payroll costs for that class of employees. The HR department had to temporarily add an extra position to handle the recordkeeping, and about \$5,000 to \$10,000 was spent trying to upgrade their legacy payroll system. The system's quirks have compelled them to keep an extra set of manual records. Despite these expenses, the HR director characterizes the overall impact as "pretty neutral" in light of their overall costs and other business concerns. She has not discerned any impact on employee absenteeism. As for the administration: "The bumpiest part was the beginning. Anytime you're doing something new. Now it's kind of just part of the routine."

### About the Interviews

"Jane," along with a co-worker, represented one of the two dozen employers interviewed as part of the larger effort to understand the effects of the Paid Sick and Safe Time Ordinance. These interviews provide insight into how employers learned about the Ordinance, the steps

taken to provide the required leave, their opinions about the measure, and other related factors.

Study team members interviewed representatives from 24 employers, 22 of whom were randomly selected from the set of respondents to the 2012 survey described in Chapter 2.<sup>12</sup> Employers were drawn from three industries chosen for their public health importance: 1) retail, 2) food and accommodation, and 3) health care and social services. At least some employees in all sectors have contact with the general public; hence working while sick with an infectious disease could lead to further transmission. Food workers in particular pose public health risks if they work while ill. Depending on the employer, interviewers spoke with owners, general managers, or human resources (HR) directors. Table 4.1 summarizes the interviewed employers and their characteristics by sector.

Table 4.1. Interviewed employers and select characteristics by sector

Sector	Food and Accommodation (N=9)	Health Care and Social Services (N=8)	Retail (N=7)
<i>Interviewees</i>	Casual Dining Restaurant Chinese Restaurant Coffee Shop Frozen Treat Shop Hotel Japanese Restaurant Sandwich Shop Taco Restaurant Upscale Casual Pub	Chiropractic Office Elder Health Care Family Services Nonprofit Health Club Health Research Nonprofit Physical Therapy Clinic Rehabilitation Clinic Addictions Clinic	Beer Shop Candy Store General Book Store Gift Shop Specialty Book Store Wine Shop Grocery Store
<b><i>Selected characteristics</i></b>			
<i>Women- or minority- owned</i>	6 <sup>13</sup>	1	3
<i>50 or more employees</i>	3	5	3

The first round of interviews took place between November 2012 and June 2013. Research team members re-interviewed 20 employers starting in September 2013 and finishing in February 2014. Most of the first-round interviews were conducted in person at the employer’s place of business; follow-up interviews were typically over the phone. We spoke with most employers for over an hour combined. The UW interviewers audio-recorded the conversations, which were then transcribed and checked for accuracy.

<sup>12</sup> The interview protocol was pilot-tested through interviews with two employers, one of whom had contacted the research study as a volunteer and another who was known to a member of the research staff and willing to be interviewed. Responses from these two volunteer employers are included in the analysis. The experiences recounted by these two volunteers did not differ from the randomly selected participants; what the volunteers had to say about business practices and the Ordinance was similar to what was discussed by members from the randomly-selected group.

<sup>13</sup> Neither the Chinese nor the Japanese restaurant reported being minority-owned on the survey. They have been so classified for this table on the basis of information gathered during the interview.



Interviews followed a semi-structured, open-ended format that included questions about general business practices, benefits offered, employee scheduling, and knowledge and beliefs about the Ordinance. The vignettes throughout this chapter illustrate the type of information gathered from employers. We used standard qualitative research techniques for data analysis. The findings reported herein are based on systematic cross-case examination of all 24 employers.

## Finding Out about the Ordinance

When a new policy or rule is created, affected parties need to know about changes that will require adjustments to their own practices. The interviews we conducted revealed how the employers learned about the Ordinance and how well they understood its requirements.

### Information sources

All but one of the employers had heard of the Ordinance before they spoke with an interviewer. Most recalled learning about it through the media, from the City, or through some sort of professional network or connection. A small minority reported that this evaluation study itself was their first or only source of information.

A general manager's recollection of how he learned about the Ordinance is typical:

*[I] started becoming aware of it when it started becoming public information and knowledge that it was coming. I'm sure, though I can't recall, 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. And then, of course, we had conversations at my – at the company level, as well.*

This general manager learned about the Ordinance from three sources of information: the media, the City of Seattle, and through his own company.

Seven employers recall first learning about the Ordinance through the media. Asked how she found out about the Ordinance, one business owner explained, "I would say, first of all, by the news. You know... the mayor was talking about, you know, offering a program."

Three employers specifically recalled receiving postcards or mailings from the City, and six considered the City to be their main source of information. A business owner got a postcard just a few days before the Ordinance went into effect, and said she would have wanted more notice. However, she had talked to

the owner of an adjacent business who had not received any notice. Another business owner credited the State rather than the City and said, "They sent folders and flyers and things like that." Four employers directly mentioned the City's website as a resource they sought out.

Employers' primary sources of information:

- The media (7 employers)
- The City of Seattle (6)
- Professional network or association (6)
- The evaluation survey or interview itself (4)
- One employer did not report a source of information.

Professional service providers such as lawyers, payroll processors, and – in one case – an insurance agent were also cited as having provided information about the Ordinance. Professional associations were another source of information. An HR manager explained how she found out about it: “I know I was getting massive e-mails.... I can’t really say who it was from.” She referenced two professional associations to which she belongs and the City. Similarly two restaurant owners mentioned the Washington Restaurant Association, their trade association, as a source for information about the Ordinance.

A minority of employers did not recall having received information either through official or professional channels. For instance, when interviewed in January 2013, one general manager said, “I think I learned about it when you guys sent me the survey.” Three other employers also recalled first hearing about the ordinance because of the initial UW evaluation study survey.

## Understanding the Ordinance

Many employers initially found the Ordinance confusing, but most had a fair or good understanding within the first few months after it went into effect. Most knew whether the Ordinance applied to their business or organization and what they had to do in order to comply. One HR manager explained how her understanding increased over time:

*I would say first off it’s been a very confusing law. It’s been very confusing when top attorneys in [Seattle] are saying it’s confusing. For HR managers to then know. Like I say I’ve probably taken two or three trainings now on it. I feel a little more comfortable about it now; hopefully I’m not doing anything horribly wrong.*

Similarly, a small business owner was initially confused and requested more information from the City. She recalled, “Once I got that paperwork, it was very self-explanatory...it’s a simple process.” This employer clearly understood the leave requirements. She chose to implement the leave despite her lingering questions about whether she had enough employees to qualify.

Some employers found it challenging to ensure that managers and employees understood the Ordinance. One employer wanted to make sure all managers were informed of the requirements before employees were allowed to use their leave. Another described confusion as to whether the Ordinance or their previously approved union contract took precedence. The employer explained that “everybody was used to the old way,” but to this employer’s understanding the Ordinance trumped the union contract.

Overall few employers understood the “Safe Leave” portion of the Ordinance. Employees can use paid sick and safe time for personal safety needs related to domestic violence, sexual assault, or stalking. Safe time also applies when a workplace or an employee’s child’s place of care is closed for health reasons, as happened with a recent whooping cough outbreak. One small business owner said “to be honest” she did not understand what safe leave was for. “I guess I could make up a scenario in my head but, [my employees] should come here and be safe. We’ll protect them. No. I don’t know.” Another guessed that safe leave was for times when workers could not safely get to work, such as during a snow storm.

### Employer's Experience: Restaurant continues informal practices after the Ordinance is implemented

"Mimi" manages a small locally owned restaurant with three full-time and several more part-time employees. She spoke with an interviewer through a language interpreter. Mimi explained that she tries to treat employees well, believing that they will in turn treat customers well. However, they have seen their business slow with the economy in recent years; as a result, she has had to cut part-time employees' hours.

The restaurant does not offer formal benefits to any employees. However, Mimi explained that they try to pay employees who are sick or on vacation. She tells the bookkeeper that an employee is on vacation, and the bookkeeper pays them for the time. She also recalled that a co-worker who was out for 2 or 3 weeks due to illness was paid for that time. She explained that, "that was before there was this law, but we've always done that that way. For me, there's just no problem with that."

Mimi recalled receiving a flyer from "the state" explaining the new Ordinance. She has not sought out any other information. Mimi said her employees know about the Ordinance; they were the ones who told her about the new law when it was being debated in front of City Council. That said, she has not discussed offering it to her employees. "They know about the law but we've never really gone to say, 'Oh, you know.'" She explained that her staff is like family – and, in fact, some are related. Things operate casually, "There's never this problem about, you know, about – fussing about these kinds of things."

When asked about other changes 5 months after the ordinance took effect, she did not mention required elements such as whether or not her bookkeeper is tracking hours or reporting available time to employees every pay period. A year into the Ordinance she questioned the details, "What I don't understand is how do I have to report it with the-, with the accountant. Do I have to-, does it – does something have to be deducted from the employees'...?" According to her, as of October 2013, no one had asked for paid leave.

Mimi agreed with the overall idea behind the ordinance. "Well, if [employees are] sick then, you know, they need to stay home to go to the doctor... they should stay home and rest and then we would pay them." She described her business as unaffected but noted that other restaurateurs – particularly ones who have employees who abuse the leave – have been affected.

## Implementing the Ordinance

How are employers changing their policies and practices as a result of the Ordinance? In order to comply, employers need to ensure they offer the required leave, inform their employees, and keep records. Karina Bull, Business Liaison at the Seattle Office for Civil Rights, explained the specific requirements

*[E]mployers must permit accrual, use and carry-over of the required amount of leave; provide notification of available leave during every pay period; keep records of leave for 2 years; provide notice to employees of their rights to leave*

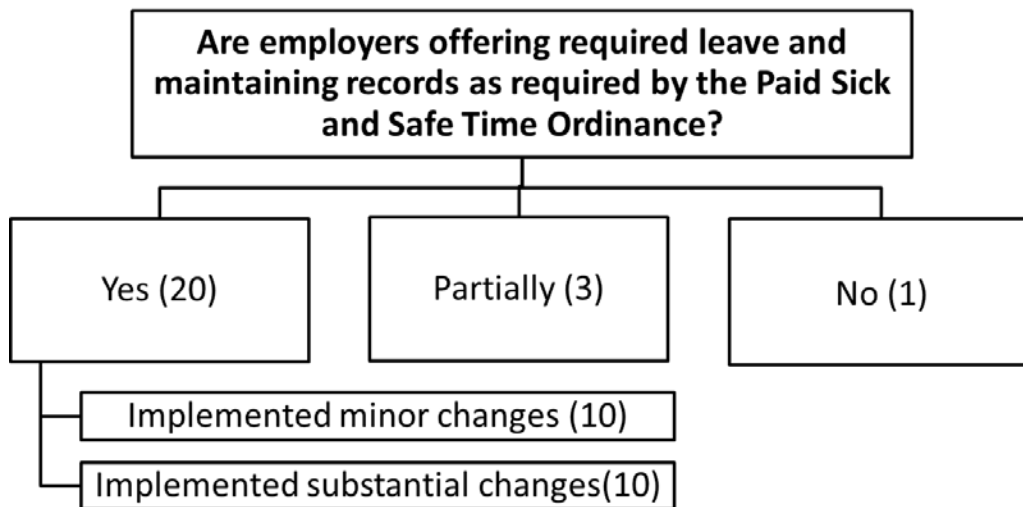
*(e.g., poster or handbook), and not retaliate against employees for exercising those rights. (email correspondence, 6/10/13)*

Achieving compliance requires changes by employers who did not previously offer paid sick and safe leave to all employees. The Ordinance also affects organizational processes and may alter the day-to-day practices when employees are sick or need to attend to family matters.

Figure 4.1 depicts how employers are implementing the Ordinance. Based on the information provided in the interviews, the majority of employers (20 of the 24) are fully or nearly fully compliant with the Ordinance’s requirements. This ratio of compliant-to-non-compliant employers is higher than the survey estimate, perhaps because the interview process made employers more aware of the Ordinance or because compliant employers were more likely to agree to participate in the interview portion of the study.

For 10 of these 20 employers, minor updates to policy or practices were needed to bring the business or organization into compliance. Most of these employers offered leave before the Ordinance went into effect. They had to adjust policies or extend the benefits to a minority of employees. For instance, one health and social service sector employer had to specify that leave could be used for safe time and extend leave to part-time employees. Similarly, a food and accommodation sector employer had already offered leave but had to track it differently from how they had done previously and inform employees.

Figure 4.1. Summary of employer changes in response to the Ordinance



*Note: Employer classifications based on information from interviews conducted November 2012 – February 2014.*

The compliant employers indicated as having “implemented substantial changes” in Figure 4.1 needed to extend leave to most or all of their employees or to make major policy changes. Typically, before the Ordinance went into effect these employers only offered paid leave to full-time employees. For businesses and organizations with a large proportion of part-time or occasional workers, the Ordinance mandated a substantial change. For instance, approximately

two thirds of the employees at one health and social service sector employer were part-timers with no paid leave before the Ordinance. This employer had to extend leave to all part-time employees. The retailer profiled in the introduction to this chapter is another such example. Other employers re-shaped their policies more drastically. A food and accommodation sector employer had previously offered an annual bonus equal to roughly two weeks of earnings; employees could choose to use this bonus as pay for time taken off or as a supplement to their earnings. This policy was deactivated in favor of a paid time off bank that meets the Ordinance's stipulations.

Three employers, who were judged to be "partially" compliant based on responses to the interviews, informally choose either to pay or not pay workers for leave. The restaurant that Mimi manages (profiled above) is an example of one such partially compliant employer. In most cases, these employers said that they offer some paid leave, but interview responses suggest they are not tracking it as required by the Ordinance. For instance, one general manager of a retail establishment explained how they handle employees' sick leave needs.

*We don't really have an official policy, but if somebody's really sick then it's usually just kind of my boss's call on it. He usually just pays them for their day. We don't really have an official number of days or process of doing it.*

This manager said he did not really know what the Ordinance requires, but he believes that his company offers the required leave. Similarly, the owner of another retail firm described how he is flexible with his employees and prefers to work with them to accommodate their needs for time off. He has paid little attention to the Ordinance. He believes his practices are fair, yet he observed, "I could be totally out of compliance." One employer initially characterized as partially compliant put tracking systems into place between the first and second interviews.

Finally, interviews initially revealed two employers who did not appear to be offering any paid leave. In one case, the restaurant owner was out of the country, and the manager reported not knowing anything about the Ordinance. This restaurant had moved into compliance by the time we spoke with them again 15 months after the Ordinance went into effect. In the second instance, the owner had heard about the Ordinance but was not complying because of the fear of the cost of compliance. Although she described herself as "law abiding," she and her husband had recently taken out personal loans to keep the business afloat, and they could not afford any additional expenses. At the follow-up she repeated that financial concerns kept them from making paid leave available to their employees.

## Challenges and Special Circumstances

Public testimony before the Ordinance was passed included mention of employers' and employees' concerns. This section addresses three such concerns: 1) administrative challenges with implementing the Ordinance, 2) whether the Ordinance changes the often-useful practice of allowing employees to exchange shifts (i.e., shift swapping) rather than take leave, and 3) the potential abuse of paid leave.

## Administrative challenges

The Ordinance requires employers to track employees' accrued leave and to report available leave during every pay period, such as on pay stubs or through an accessible online system. In some cases, this is straightforward. A general manager of a branch of a multi-state business described his firm's process this way: "there's a form that we fill out and that is submitted with our payroll.... And that goes, and then when the checks are processed, [the available leave is] inputted on their check." Similarly, the owner of a local business described how they were able to integrate paid leave tracking into their scheduling system.

Other employers encountered challenges in getting these tracking and reporting systems functioning. Ten of 20 complying employers reported some difficulties, often for a minority of their employees that did not fit the typical profile. For instance, two employers mentioned that tracking new employee accrual specifically is difficult. One noted that "we don't have a super formal HR," and thus he found tracking new employee eligibility to be difficult, particularly keeping track of "at what point does that employee cross the 6-month threshold?" Two other employers mentioned challenges around providing and tracking paid leave for different classifications of employees. One of those employers has multiple temporary employees, and the other has employees who are paid based on the number of clients they see. Two additional employers felt that tracking employees at different locations would be so complex that they extended the benefit to their locations outside of Seattle for ease of tracking.

Many of the employers use an external payroll processing company to track and administer their payroll. In some cases, the payroll processors were able to add this additional task easily. One business owner said that his payroll processor was prepared to track and report employee hours, "So that part's easy...and they do it for free." Three other employers, however, reported difficulties in having their payroll company incorporate the Ordinance's tracking requirements. One small business owner specifically addressed this problem:

*[Payroll processing company name] is our payroll service, and we asked if they would be able to track the sick leave part and they haven't heard of it. And this was like September, August 30 [2012] or something so they ... were very, very behind on being aware....*

This owner went on to recount how the payroll processor made a mistake on the first paystubs, showing that workers had accrued over 60 hours of paid leave in their first post-Ordinance pay period. As a result, she and her bookkeeper had to not only "train [the processor] how to do it right" but also explain the error to the staff. Two other employers reported similar problems, that their payroll processors did not know about the Ordinance or were initially unable to report hours correctly. With one exception, these initial "glitches" had been solved by the time of our second interviews, although some employers reported keeping double records to continue to check the payroll processors' estimates. One small business owner continued to struggle with her payroll processor over a year after the Ordinance took effect. Describing herself as lacking the "bandwidth" to deal with the processor, she complied with the Ordinance through keeping parallel records manually.

These administrative changes required resources. The first round of interviews revealed that employers faced direct and indirect expenses in sorting out the administrative processes needed to comply with the Ordinance. All complying employers reported needing at least some additional owner or staff time to initially put systems in place. One employer also mentioned that the business had to upgrade its payroll system to be able to track the leave time for their different categories of employees. Three business owners mentioned costs associated with the payroll company that they use. One of the businesses told us that the payroll company had begun to charge them a fee for the additional tracking required by the ordinance.

When interviewed around the time the Ordinance took effect in 2012, four employers mentioned that they were concerned about the cost of administering the policy on an ongoing basis, namely through the additional staff time needed to educate employees and track hours. However, these concerns faded, perhaps because employers built the tracking into their regular activities. A year after implementation, no employer described ongoing administrative costs that they considered financially substantial.

### Shift swapping

One way employers manage illness- and safety-related personal absences is to allow employees to exchange shifts with one another. For instance, if an employee needs a particular shift off in order to attend a medical appointment, that employee might swap shifts with another employee. During the public discussion period before the Ordinance's passage, one concern raised was whether the

Ordinance would adversely impact employers' or employees' ability to use shift swapping as a strategy to cover employee leaves. Interviews suggest this problem has not surfaced. Interviewed employers reported that shift swapping is common and seems largely unaffected by the Ordinance.

Representatives from 17 of the 24 businesses that we interviewed stated that shift swapping occurs in their firms: nine of these are in the Food and Accommodation sector, seven are in Retail, and only one is from the Health and Social Services sector. One retail employer gave a typical reply when asked if her employees are allowed to swap shifts:

*They do [swap shifts] but, you know, not without management OK. And so if somebody, let's say, needs the day off they, you know, ask someone else, they clear it with the manager and...usually there's no issues.*

Of those businesses that allow shift swapping, all but two specified that supervisor or managerial approval is necessary. Additionally, 12 of the 17 businesses that allow shift swapping require the employee to arrange his or her own replacement. With one exception,

**Shift swapping.** One way to accommodate employees' need for time off is to permit them to exchange shifts.

- 17 of 24 employers allow shift swapping
- 9 of these are in the Food & Accommodation sector
- 15 require manager or owner approval
- 12 require employees to arrange their own replacement
- No changes in shift swapping practices have occurred



employers in the Health and Social Services sector do not allow shift swapping. Five health employers noted that shift swapping either is not allowed or does not apply to their staff because they are not scheduled in a traditional sense. Two other employers in this sector noted that while their employees cannot swap shifts, they are allowed to flex their schedules to accommodate sick or vacation time, or that they have work obligations on nights and weekends when medical and other appointments are less likely to be scheduled.

The employers unanimously reported that the Ordinance has not altered their shift swapping practices. One general manager's response was typical when asked if it had changed how his company handled shift swapping: "No, no. It's all the same." Only one of the businesses that we interviewed had experienced an uptick in shift swapping since the passage of the Ordinance. However, this business owner said that the recent changes were because several staff members – including her – got sick during a busy holiday rush. She credited "reality" rather than the Ordinance: "when [employees] get sick, they get sick. So I've got to find someone to cover a shift."

### Abuse

Although employers are split as to whether they think *any* workers abuse paid time off, few see it as a significant problem, and only a few attributed the Ordinance with an increase in abuse.

One group of employers trusts their employees to be honest and committed; this trust extends to employers' beliefs that employees use their best judgment when it comes to taking time off. When asked if they feel their employees take sick time when they really could or should be at work, 11 employers said this is not a problem; they trust their workers' judgment. One manager said that her employees only call in if they are "feeling truly awful." Similarly, a small business owner described her faith in her employees, "I have a small, familial type group right now, and they're great people who I trust." Another small business owner characterized his company as "high integrity," saying that he operates on the assumption that employees are honest. He tempers this trust with a long-term view. "If [employees are] not being honest with me...then eventually I'll figure it out.... If you lie to me, I can't-, I can't work with you."

Nine additional employers admitted that they assume some abuse of time off happens but believed abuse is not common practice at their business. One manager expressed her general views on the issue:

*I think, um, it happens. And, the only time I question it is when I have proof otherwise—...mean, we all hear people and they say: Oh, God, they don't really sound sick. But, you know, nine times out of 10 I'm not gonna question it. But where I question it is when we have someone who does it a lot and we have suspicion about their behavior, um, where maybe after work they behaved poorly.*

This employer laughed as she mentioned the possibility of employees "behaving poorly," later implying that this refers to excessive drinking during off-work time. Several other employers also mentioned that employees call in sick after carousing. Employers concerned about abuse look for patterns of absences on Fridays or Mondays.



Only three employers felt that their employees routinely call in sick when they are not. These employers felt very strongly that their employees regularly abuse calling in sick. Again, off-hours partying was a common concern, regardless of whether employees were requesting paid leave for missed shifts. As one employer explained, “I would say 50%, sadly, of our shift-swapping, or people to cover...shifts, are not really because of illness but because of lifestyle.” Two of these three employers spoke with the research team again after a year. One had one instance of suspected abuse that the managers chose not to examine. The other had no suspected abuse within the first year.

Whether and how to address suspected abuse poses a delicate management challenge. Employers described weighing the need for reliable staff and a dislike of feeling cheated against the potential damage that an abuse investigation would do to the employer-employee relationship. One employer explained his predicament:

*I know one of my employees is not straight up about it. I know they're not. And they just – they just do it and it's easier for me just to pay 'em the sick leave and not hassle with 'em.... As you start to [investigate], it changes the whole work environment with that person. And – and – and you kinda get a hostile environment.*

Another business owner in a similar situation noted that he and his partner chose not to investigate a suspected abuse because such an investigation would be “a display of distrust of our staff that we didn't necessarily want to dip our toes in.”

Employers who did choose to address problems with attendance stressed the need for reliability. One HR director explained that employees who frequently called in sick on Fridays or Mondays would be summoned for a meeting.

*And then we would just say, you know: It seems like you're, you know, you're using a lot of sick leave and vacation. It's very important that everyone here be here for the time we need them because it does leave-, it's a burden on everybody else to have to cover when people aren't here.... So we're not accusing them of lying; we're just saying: It's important that everybody's here so they can sort of do that self check.*

Another employer remarked that multiple or seemingly excessive absences would be brought up as part of an annual performance review rather than at the time of the absence.<sup>14</sup>

Most employers did not think the Ordinance had resulted in increased abuse during the first year of implementation. Many cited the lower-than-expected use of paid sick time. Two employers thought that the newly eligible employees (part-timers) were less likely to abuse

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<sup>14</sup> Employers who approach suspected abuse in these passive ways may run the risk of violating the Ordinance. The Ordinance contains provisions protecting workers' rights to good faith use of paid sick and safe time without retaliation. Employers are not allowed to discourage the use of leave or take adverse action against employees who use protected leave in good faith. Hence legitimate leave use cannot be the basis for a negative performance review. Exceptions could apply for a clear instance or pattern of abuse of leave. (Karina Bull, Seattle Office for Civil Rights, personal communication, April 5 and 12, 2014.)

leave than were full-time employees. One cited part-time workers' greater schedule flexibility due to working fewer hours. The other noted that part-time workers were motivated to show commitment to the job in hopes of getting a full-time position with full benefits.

Four employers did believe that the Ordinance had increased abuse. Two small employers had one newly eligible employee each whom they felt had abused the leave. As explained above, in both cases the employers decided not to challenge the employee. One retail operator had to start paying for the first day of time away for illness, whereas the previous policy had been to provide pay starting on the third day of absence. This employer believed that more employees were calling in sick for personal reasons unrelated to PSSTO-covered reasons. Finally the HR director at a health care and social services sector employer with over a hundred newly-eligible employees saw an increase in absences after the Ordinance was passed. She believed that the increase was due to abuse rather than legitimate use of leave, but noted that the organization had a "progressive discipline process" whereby supervisors would address excessive absences.

Employers who use universal leave banks (also called paid time off or PTO) were less concerned about abuse in general or as a result of the Ordinance. Three employers mentioned that because they have a PTO bank that can be used for any reason, they leave it up to employees to allocate the available leave between vacation, sick time, and other uses. These three employers do not ask for a reason that the employee is calling in.

*If you want to take a day off, take a day off. I'm – I'm okay with that and I don't care if it's a sick day or a vacation day because we just lump it all together for whatever reason you want to take it off.*

One employer had switched to a PTO bank because of the Ordinance and considered it to be a positive outcome because he no longer had to worry about whether absences were justified.

## Perceived Impacts

In considering how the Ordinance affected their enterprises, employers cited cost and other factors. Most employers judged the overall early impact of the Ordinance as small or negligible.

### Costs of providing leave

In addition to the administrative costs discussed above, employers had to pay for additional leave time. Assigning a dollar value to this cost is not straightforward. Employers varied in whether and how they assigned a cost to the leave provided based on what happened during employee absences and how payroll time is tracked.

Providing leave has a clear cost when employers have to pay absent employees and pay for replacements. For instance, when clinical staff at a large health and social services sector organization called in sick, the organization had to cover their tasks by having other staff work overtime or hiring replacements from a temporary staffing agency. At the time of the interview the HR director was not able to provide dollar amounts on the increased cost, she indicated it was a major factor.

At the other end of the spectrum, some workplaces have little or no need to cover temporary absences. Employee absences due to sick leave pose no additional costs and work is re-allocated to other employees or made up upon the absent employee's return. For instance, one owner of a small health care office described leave as not affecting his budget, "I would have paid it anyway had they been there, so it's budgeted in my budget. It's just that I'm paying them for not being there."

Initially employers estimated their potential costs based on the maximum amount of leave possible. For instance, two employers in the food and accommodations sector estimated the Ordinance might add 2 to 3% to their labor costs. Actual costs based on leave paid out were much lower. One restaurateur paid out about \$2,300 in paid sick and safe leave; this was less than half of one percent of his annual \$750,000 payroll. A slightly smaller restaurant owner paid out less than \$400, which he described as surprisingly low. Other owners or HR administrators who tracked or remembered specific details about how much paid leave was used also characterized the amount as small or less than expected. Employers who used PTO systems were not able to break out how much leave was used for sick or safe time versus other reasons.

#### **Employer's Experience: Health care employer largely unaffected by the Ordinance**

"John" owns a private health care practice. He describes his business philosophy succinctly, "to provide good, quality clinic care to patients and not to lose money." He adds happily, "...we've been able to do that so far."

Before the Ordinance all of his approximately 25 salaried employees had paid sick and vacation leave along with health insurance coverage. John explained his business case for providing benefits to his employees, "if you take care of people, they will be more loyal and work harder." When the Ordinance went into effect, the clinic also had two part-time employees who did not have paid leave.

John learned about the Ordinance when his business manager mentioned it to him. After that he learned more about it in the media. His opinions stemmed from his experience and sense of fairness.

*I was reading in the paper that some companies are concerned about [the new requirements]. We've always offered it. So some [other] businesses, it might affect and hurt them financially. But people do get sick and...you know, my sense is people should have some insurance for when they're ill.*

John's business manager provided details about the changes they had to make as a result of the Ordinance. The two part-time hourly employees now accrue sick time at the required rate. For their full-time employees, they had to adjust their policy so that all their sick days could be used to care for a family member (before the Ordinance their policy provided only 2 days for family care). Her assessment: "implementing the changes was not a problem."

One year into the Ordinance, one of the part-time employees had used 3 or 4 days of leave and was paid about \$400 for that time. John cited that as the only cost, stating, "The Ordinance really hasn't had any significant impact on us." He continues to support the Ordinance: "I think it's a reasonable policy, that people have some protection...a safety net to rely on. So I think it's a good policy."

## Indirect costs

Although direct costs were lower than expected, some employers mentioned other less tangible impacts. Absences increased the demands on other workers. One small business owner noted that when employees are absent his wife has to step in and work more hours. She does not get paid for this, but he estimated that he could value this time at a few thousand dollars.

Employers were split, however, on whether they thought absences had actually increased since the Ordinance. No employer had systematically analyzed the change in absenteeism. One explained that this was not possible because they had not kept records of absences due to illness prior to the Ordinance. Only three said they thought absenteeism had increased. One of those – a small business owner – said it was probably a good thing because her employees were staying home rather than handling her food products while ill.

A less prevalent indirect cost arises if leave has to be tracked as a liability under the employer's accounting protocol. One small business owner mentioned that his creditors require he keep full potential liability available in cash – several thousand dollars – even though his employees had only used a few hundred dollars' worth of leave in the first year of the Ordinance.<sup>15</sup> He was frustrated that this money was tied up rather than available to invest in better serving customers. No other interviewees mentioned this issue, but it was raised in public feedback given to the City of Seattle councilmembers and Office of the City Auditor and in requests for technical assistance fielded by the Seattle Office for Civil Rights.<sup>16</sup>

## Overall assessments

Most employers considered the Ordinance to have had a small to negligible impact on the complexity or sustainability of their operations. Predictably, employers who offered paid leave to many or all of their employees before the Ordinance saw little or no change. The HR director at one such employer said there had been no impact “other than maybe more of...an awareness perhaps for employees, of just what the level of benefits has been all along.” Similarly, the general manager of a business that uses a PTO plan said the Ordinance has had “no impact” explaining “there's been no change to how we handle, track, or process [leave].”

Similarly, there was little impact when employees did not use much leave. When asked how the Ordinance had affected her organization, the HR director at a health and social services sector employer explained, “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.” John, the health care employer profiled

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<sup>15</sup> This is a conservative interpretation of accounting standards. General financial accounting standards hold that sick leave need not be accrued at the maximum possible rate of use but rather at the probable rate unless the employer pays workers the value of their accrued sick time upon termination of employment. (Financial Accounting Standards Board, 1980). The Ordinance does not specify any accounting treatment nor does it require that accrued time be paid out. [Financial Accounting Standards Board. 1980. “Statement of Financial Accounting Standards No. 43: Accounting for Compensated Absences.” Financial Accounting Foundation: Norwalk, CT.]

<sup>16</sup> Mary Denzel, Office of the City Auditor, personal communication, March 11, 2014. Karina Bull, Seattle Office for Civil Rights, personal communication, March 14, 2014.

above, had one newly eligible employee use about \$400 worth of leave. Even at the organization with the greatest use, the retailer where newly eligible employees used over 500 hours of leave, the HR director characterized the overall impact as “pretty neutral.”

Just as they saw no substantial negative impact, employers reported no specific benefit from the Ordinance either. Most simply said there were benefits. One small business owner mentioned that she felt good offering her employees this benefit, however modest. Another noted that the Ordinance encouraged his organization to replace the previous leave plan with one that was more useful for more employees.

## Employers’ Opinions

Employers’ opinions about the Ordinance vary. Eleven favor the measure, two are largely neutral, and 11 mildly to strongly oppose it. Supporters of the Ordinance believe that offering paid leave is the right thing for businesses to do. Some supporters are owners or HR professionals at businesses and organizations that provided leave to many or all workers prior to the Ordinance. John, the health care entrepreneur profiled above, is one example of an owner who believes in offering benefits including paid leave as part of a full compensation package.

Some supportive employers favor the ordinance because it increases equity. One office manager at a for-profit health care business expressed this as a positive aspect:

*I just think it’s a really good thing that everybody gets equal...time to be sick or, you know, away from work if they need it. And that [applies] regardless of the hours that they work or where they work.*

In this sense, the Ordinance offers a level playing field for employers with a commitment to providing paid leave to employees. Another supportive owner noted that the Ordinance has sparked his company to offer one modest benefit to their employees who might have been able to get more benefits working for larger employers.

Business owners and managers with more neutral or mixed views often cite a philosophical agreement with the Ordinance but a disagreement with some aspects or technical details. For instance, a general manager who describes himself as “neutral-positive” explained,

*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.*

Other employers who cautiously favor the Ordinance raise concerns about the cost to businesses, particularly small businesses.

Opponents of the ordinance view it as one of several current or potential policies that threaten their livelihoods. One restaurant owner called the Ordinance “one more layer of onion onto the burden of the small-businessman.” He listed the Ordinance alongside other policies such as the 2010 Affordable Care Act (“Obamacare”), state and local minimum wage requirements, and

other costs of doing business. A retail business owner echoes this discontent: “They’re killing the small business person.”

In discussing other costs, employers cited the Washington State minimum wage which – at over \$9 per hour – exceeds the federal mandate. Unlike other states, Washington does not have a lower wage for tipped employees, which also increases the cost for restaurant operators. Several also commented on the possible effects of the proposals for a Seattle \$15 minimum wage similar to or broader than that which recently took effect in SeaTac, Washington. The Washington State Business and Occupation (B&O) tax system, which applies to gross receipts, was another factor mentioned. One business owner suggested that the Ordinance could have been designed to apply at a certain gross income level rather than the threshold of having more the equivalent of more than four FTEs. She went on to explain that the number of employees is “not commensurate with earnings” and that an income-based threshold would not exacerbate the effect of B&O taxes paid by small, low-margin businesses.

Alongside pragmatic concerns about cost and flexibility, employers who oppose the Ordinance cite philosophical beliefs about government interference into the employee-employer relationship. The owner of a small retail food shop complained about this: “I don’t think it should be the City’s business to get into small businesses.” She continued, by describing that she values her workers and resents the intrusion posed by the Ordinance.

*I take care for my employees. I cannot grow my business without my employees. I can't... When you are a small business, you count on the people that you hire. And you take care of them. I don't need some city bureaucrat to tell me what is good and what isn't.*

This employer went on to explain that she often provides paid sick time and paid maternity leave – at levels beyond what the Ordinance requires – for certain valued employees. Another employer, who described herself as “disgruntled” with the Ordinance explained her frustration at how the Ordinance reduces her flexibility in compensation: “I have some employees that deserve some benefits, and I have some employees that really just don’t.” Employers also valued flexibility in compensations; employees, say some, prefer higher wages to paid leave.

Not surprisingly opinions differ by role and ownership stake. Interviewees such as HR directors or managers who were professional staff but not owners were more likely to support the Ordinance. Owners who did not strongly oppose the Ordinance were often ambivalent, sometimes explaining that their professional and personal opinions differed. As workers, they might favor the policy; but they oppose its impact on their business. For instance, the co-owner of a retail business explained:

*There's the business owner me and then there's the person me. As a person that was a mom of four kids, you know, [paid leave] would come in handy.... But I'm also a firm believer that I would never want my employer to be, um, in a position...you know, where if- if me missing work – especially in these economic times – with me missing a day's work, putting my employer in a hard-, in a hardship situation.*

This employer sees the value of paid leave for workers but also considers the cost paid absences impose on the business. Overall, opinions on the Ordinance reflect these two different positions.

## Lessons for Other Locales

Employers' stories of how they understood and worked to implement the Ordinance included some areas of confusion, frustration, and fear. From these concerns we have some suggestions that may make implementation easier for employers in future locations that pass a similar ordinance.

### Have a long phase-in period

Employers use different time frames for tracking leave and other benefits; calendar year, fiscal year, and employment anniversaries were all used as a basis for tracking accrued leave by employers with whom we spoke. Having a longer phase-in period would allow employers to implement changes according to their own fiscal calendar. One HR manager said that implementation at her business "went fine" but did note, however, that the whole process "seemed fairly quick."

*I can't remember the exact dates that things had to be implemented by but that seemed to be a fairly quick turnaround. I think a lot of times we're used to hearing like proposed regulations for [the Family and Medical Leave Act, for example] that might take years to put into place.*

Extending the outreach period would allow for more gradual change.

### Reach out to payroll processors and other service providers

Because the Seattle Ordinance requires a report of available leave to be provided every pay period, employers had to adjust their payroll systems. Some employers with whom we spoke reported that their processors were able to easily make the adjustments; others reported difficulties or "glitches." The Seattle Office for Civil Rights conducted several workshops for payroll processors, but the early reports noted here suggest that processors remained unable to provide guidance. As noted above, some employers depend on their payroll processors to provide both services and accurate information, and frustrations with payroll processors lingered in employers' memories even after initial problems were corrected.

### Present information on adaptation and likely use

Many employers commented about the challenges of making changes. Some also worried about the uncertainty associated with to what extent employees would use – or abuse – the new paid leave. In all cases, employees used less leave than the employer initially had thought they would. Although only a few cities and one state to date have implemented paid leave, some information is available about implementing leave policies and how much employees tend to use available leave. Providing employers with the message that employers in other locales have successfully implemented these changes and providing information about the

procedures used in other places might help assuage these concerns. Similarly, disseminating data on likely use of leave – perhaps based on national survey data or experiences in other locales – could also help employers forecast possible future costs.<sup>17</sup>

## Conclusions

This chapter, based on interviews with 24 employers, shows how employers understood and worked to implement the requirements of the Paid Sick and Safe Time Ordinance.

All but one employer had heard about the Ordinance around the time it took effect. Important sources of information included the media, the City of Seattle, professional networks or associations, and the study itself. Many employers reported that they initially found the Ordinance and its requirements confusing. However, a few months into the implementation period most employers knew whether or not their business was affected and what they needed to do to comply. Employers were less aware of how the “safe time” provisions function, and this element of the Ordinance remained less salient over the first year of implementation.

The majority of employers (19 of 24) described complying with the Ordinance. For some, this required minor changes, such as extending paid leave to a few part-time employees. Others had to create or re-design policies or extend leave to a large portion of their workforce. Two employers that operate very informally reported practices that include giving employees some leave but not tracking leave per the Ordinance’s requirements. One employer in this select group of interviewees was not offering any paid leave at the one year mark.

Employers also reported about implementation challenges and special concerns. Some employers initially struggled with the reporting requirements, although these difficulties were resolved. The Ordinance did not affect shift swapping for any of the interviewees. Most employers have no or moderate concerns about abuse. A minority believe that employees abuse leave, and a small number felt the Ordinance increased abuse.

Any change poses difficulties to organizations. Employers’ stories of implementing the Paid Sick and Safe Time Ordinance suggest that a longer phase-in period, thorough outreach to payroll processors and other business service providers, and providing some information about adaptation and eventual cost could ease employers’ short-run concerns.

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<sup>17</sup> National labor statistics show that sick leave costs employers \$.25 per employee hour worked (Van Geizen, R. W. 2013. “Paid leave in private industry over the past 20 years” Bureau of Labor Statistics. *Beyond the Numbers*, 2(18). Surveys after the San Francisco paid leave ordinance showed that a quarter of covered workers used no paid leave and the median worker used three days per year (Drago, Robert and Vicky Lovell. 2011. “San Francisco’s Paid Sick Leave Ordinance.” Institute for Women’s Policy Research, Washington, DC.). The Ordinance requires more days than most employees will use. As such, the policy serves as both a benefit scheme (providing modest assistance to many) and insurance scheme (providing more days than most workers need to cover a few workers with exceptional circumstances).



## Chapter 5. Workers' Perspectives

This chapter describes findings from 44 interviews conducted with 33 Seattle workers in the 18 months after the Paid Sick and Safe Time Ordinance (Ordinance) went into effect.<sup>18</sup> Twenty-eight workers were interviewed during Wave 1 in the Spring and Summer of 2013. Eleven of the Wave 1 workers as well as five newly recruited workers were interviewed during Wave 2 in the Winter of 2014. None of the Wave 2 workers had access to paid sick leave prior to the passing of the Ordinance. These interviews show:

- **Efforts to improve worker awareness of the Ordinance are warranted.** Of the 33 workers interviewed, 11 were able to describe how they learned about it and what the policy entails. Seven workers expressed only limited or vague awareness, and 15 were completely unaware of the Ordinance prior to being interviewed for this study.
- **Many newly-eligible workers are not receiving the paid leave benefit from their employer.** Of the 19 workers interviewed (across waves 1 and 2) who did not receive paid sick or safe time prior to the passing of the Ordinance, at the time they were interviewed 12 reported not having access to paid sick leave, despite the mandate that their employers provide it.
- **The benefit is useful and appreciated by newly eligible workers who have access to it.** Workers described the Ordinance as a much-appreciated “safety net” that allows them to take time off to care for themselves or their sick family members.
- **The paid sick time policy mandated by the Ordinance is one of a number of factors influencing workers' decisions to stay home from work when sick.** When deciding whether to stay home from work sick, workers' decisions are influenced by their personal work ethics, employer attitudes about taking time off, and the financial repercussions of missing work.
- **Workers largely support the legislation.** Regardless of workers' awareness of the Ordinance or ability to access paid leave, they support the concept behind the Ordinance and believe that it will have positive implications for their health and ability to care for family members.

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<sup>18</sup> Tracy Brazg is the primary author of this chapter.

### Worker's Experience: Cashier at corporate retail chain was not aware of Ordinance, but could have benefited from it

“Julie” is a cashier at a Seattle location of a multi-state variety retail store. In her early 60s, she is the single mother of two grown sons. She has worked at her current job for approximately four years and in the grocery and retail industry for over two decades.

Julie was interviewed in April 2013, and was not aware that the Ordinance had gone into effect nearly seven months prior. She said that she had heard about the Ordinance at a neighborhood political gathering before it passed, but did not know that it had passed or that she was eligible to benefit from it.

Julie describes herself as a committed worker who has taken very few sick days throughout her long career. However, due to her age, she has noticed an increased need for time off. She experiences severe back pain that is made worse by standing on her feet all day, and she has taken a few days off lately to rest her back. In January 2013 she was hospitalized for nearly a month due to a number of cascading health issues. While she describes her supervisors as “understanding” that she had to miss work, she has not received any paid leave. She lost 21 days of pay, which has been a significant financial burden.

Through her employer, Julie is offered health coverage if she pays 40% of the premiums. If she takes unpaid leave, Julie cannot afford to cover her health insurance costs. She explained:

*I'm concerned. You know, I'm older. I'm concerned – what if there was [...] a health emergency? And what if I didn't have the cash to cover [the cost of my insurance]? Like, a stay to be in the hospital. Like for example, since my back went out in January, I was literally out for the entire month – with no pay.*

Having raised her sons as a single mother, Julie recognizes the importance of paid leave for families and young children. She described in depth the difficult decision to leave her children home alone when they were younger. Julie expressed a sentiment that many of the parents interviewed described—that paid sick leave is a necessity for parents to be able to care for their children. “Younger kids is why people need sick leave. It's for their children. That's what I think. I mean, I never got to use it [...] But that's what it should be.”

Julie did not experience retaliation by her employer for taking time off due to illness. Her primary disincentive for taking time off was the fact that it was unpaid. Upon learning about the Ordinance through her participation in the interview, she became very enthusiastic about it and expressed a desire to learn more about how it may impact her life in the future.

## About the Interviews

“Julie” represents one of the 33 workers interviewed as part of the effort to understand the effects of Seattle's Paid Sick and Safe Time Ordinance. Two waves of interviews were conducted between April 2013 and January 2014. Wave 1 interviews took place in the Spring and Summer of 2013 and included 28 workers. Wave 2 interviews, conducted approximately six to nine months after Wave 1, involved second interviews with 11 of the workers who participated in Wave 1 along with five newly recruited workers.

Workers across both waves were drawn from three industries that were chosen based on their public health importance: 1) retail, 2) food and accommodation, and 3) health care and social services. Workers were recruited through Craigslist, employer referral, worker referral, and flyers in public places around the city. Employers who participated in the employer interviews referred five of the worker interviewees.

Workers were deemed eligible for a Wave 1 interview if 1) they worked in one of the three target industries, 2) they were considered Seattle workers under the Ordinance and worked for employers with more than 4 FTE positions, and 3) they reported having contact with the general public through their jobs. We recruited workers from the three industries and from the three size tiers of businesses described in the Ordinance. In addition, we sought out workers with children, to examine how the Ordinance might impact parents. Wave 2 workers met the same eligibility criteria, and also did not have access to paid sick leave prior to the passing of the Ordinance.

The purpose of Wave 1 interviews was to gather general information about worker experiences with the Ordinance. Interviews included questions about the history of paid leave for the worker, benefits offered through their job, worker awareness about the Ordinance, shift scheduling, potential abuse of the policy, and descriptions of what workers tend to do when they need to miss a day of work due to illness. Wave 2 interviews focused exclusively on the experiences of workers who did not have access to paid sick leave prior to the passing of the Ordinance. (We refer to these workers as “newly eligible.”) Interviews were focused on newly eligible workers’ access to paid sick and safe time, their experiences using it, and their opinions about the impact of the Ordinance on their lives. Wave 2 recruitment efforts were aimed at the 14 newly eligible workers who participated in the first round of interviews, 11 of whom agreed to participate in a second interview. In addition, five newly eligible workers, who were recruited via Craigslist, participated in Wave 2 interviews.

With one exception, all interviews were conducted in-person at a location chosen by the worker (one worker preferred to be interviewed by phone). Interviews followed a semi-structured, open-ended format and lasted 20-40 minutes. Interviewees were informed that their responses were confidential and that identifying details would be disguised. These privacy measures plus the narrative nature of the interview protocol maximized the likely truthfulness and thoroughness of responses. Interviews were audio-recorded then transcribed and checked for accuracy. Workers received \$25 compensation for their time.

Interviewees described their job titles as “cocktail server,” “sales associate,” “licensed practical nurse (LPN),” “deli worker,” “home caregiver,” “body piercer,” “customer service representative,” and “manager” among others. Table 5.1 summarizes select interviewee characteristics. The workers we interviewed are mostly White, in their 20s or 30s, and live in households with earnings well below Seattle median household income of over \$60,000. Compared with Seattle residents in general, the workers we interviewed are more likely to be women, slightly less likely to be white, have lower income, and are younger than population

medians.<sup>19</sup> Although the respondents were not selected to be a representative sample, their demographic characteristics are what would be expected based on the three focal sectors.<sup>20</sup> A little under half of the workers have children, and approximately half had access to paid sick leave benefits before implementation of the Ordinance. Most of them worked for small (less than 50 full time equivalent (FTE) positions) or large (more than 250 FTEs) employers.

Table 5.1. Select characteristics of interviewed workers

Total Number of Workers Interviewed		33
Age	Mean	34
	Range	19-63
Race	White	20 (60%)
	Black	1 (3%)
	Asian	4 (12%)
	Mixed Race	8 (24%)
Gender	Male	6 (18%)
	Female	27 (82%)
Minor children in household	Yes	14 (42%)
	No	19 (58%)
Industry	Food and Accommodation	10 (30%)
	Health and Social Services	10 (30%)
	Retail	13 (40%)
Union Member	Yes	5 (15%)
	No	27 (82%)
	Unknown	1 (3%)
Business Size	Tier 1 (>4-49 FTEs)	13 (40%)
	Tier 2 (50-250 FTEs)	2 (6%)
	Tier 3 (>250 FTEs)	18 (54%)

<sup>19</sup> The most recent Census figures show that Seattle is 70% White, 8% Black, 14% Asian, 1% Native, 4% Biracial, and 3% Other. The median age is 36.1, and the median household income is \$61,856 (US Census. 2013. "Median Age by Sex" accessed via American Factfinder and "Seattle (city) Quick Facts," accessed at [quickfacts.census.gov](http://quickfacts.census.gov)).

<sup>20</sup> National data show that workers in typical jobs in the three focal sectors are disproportionately women and persons of color. For instance, workers in healthcare support occupations are 88.9% women, 25.5% Black, 4.1% Asian, and 15.2% Hispanic. Similarly, retail cashiers are 73.7% women, 16.1% Black, 6.8% Asian, and 16.3% Hispanic (US Census Bureau, 2012. "Table 616: Employed Civilians by Occupation, Sex, Race and Hispanic Origin: 2010," *Statistical Abstract of the United States*).

## Wave 1 Interviews: Awareness of the Ordinance Six Months After Implementation

Workers will not take paid sick and safe time if they do not know they have the right to do so. Hence one study goal was to assess workers' awareness of the Ordinance and their access to paid sick time. Given that the Ordinance is intended to broaden access to paid sick leave in the city of Seattle, informing people who did not previously have such access about the policy is critical. Of the 28 workers interviewed during Wave 1, half did not receive any paid sick leave prior to the Ordinance going into effect. All the workers we interviewed are now eligible to receive paid sick time through the Ordinance. However, our interviews indicated that approximately six months after its passing, not all newly eligible workers were adequately aware of the policy.

As part of the interview process, we ascertained the awareness of workers regardless of being offered paid sick time prior to the Ordinance. Nine workers reported moderate to complete awareness of the Ordinance. Of these workers, five were offered paid sick leave benefits prior to the Ordinance, and four were not offered sick leave but are now eligible. Workers who described moderate to complete awareness of the Ordinance most often learned about it through their employers. For example, a server at a small upscale restaurant mentioned that he noticed posters about the Ordinance in the break room, and that sick hours were accruing on his paycheck. Although he said that he doesn't "know the exact laws behind it or the policy behind it" he does know that he accrues 1 hour of paid sick time for every 40 hours worked.

Aware workers typically saw written information and also communicated with a supervisor, human resources (HR) staff member, or accountant. For example, a part-time patient coordinator at a large hospital in Seattle described the way that she received information from her supervisor and her experience following up with the HR department at the hospital:

*The first email [from my supervisor] was just like a blanket email describing the new policy and then she, like I said, she sent me an email that said hey, check this out. This could be beneficial to you. And then when I talked to HR, I asked them how it worked, and they told me that it was based on hours worked so if you worked X amount of hours, then you built it up [sick days] over a period of time. And then it would just be applied like regular sick time.*

As a part-time worker, this worker did not qualify for the generous benefits available to full-time staff at her workplace. However, because most workers at the hospital did have access to full benefits (insurance, paid leave, retirement savings) and because the hospital had a professional human resources department, the worker felt well informed about the Ordinance and encouraged to take advantage of the new benefit. One other part-time worker in the study had a similar experience at the non-profit health and social services research organization where she worked.

While most people with moderate to complete awareness of the Ordinance learned about it from their employers, some described seeking additional information about the specifics of the policy. For example, after learning about the new policy from her employer, a customer service

representative at a large retail establishment decided that she needed to seek out additional information about how the policy might affect her:

*We had actually had a whole bunch of random policy changes and before the sick time off, even if you wanted to use one day of sick, you had to bring in a doctor's note and then once the sick time off came into effect, they, you know, kind of followed through. One big thing was because the managers were unsure about certain things. I was actually one of the people at my job where I was – I – as soon as I heard about that law, I read up into it to see what's going on.... So when once I heard about that, and read up on it, you know, I let them know, and so I was not required to bring a doctor's note...for [absences of] one or two days.*

This worker wanted to find out for herself about the Ordinance because – in part – she had learned from prior experience to verify her benefits. After reading about the policy on the internet, this particular worker reported becoming familiar with its components. She stated that after seeking out information about the Ordinance it appeared “pretty straight forward.”

#### Some workers have vague or limited awareness

Seven workers reported limited awareness of the Ordinance. Among them, 5 did not have paid sick leave benefits prior to the Ordinance. The workers with vague or limited awareness of the policy often reported learning about the Ordinance in local newspapers, or hearing about it from friends or coworkers. Although these workers reported knowing of the Ordinance, they could not describe it in any detail and were unclear about how it could impact their lives. For example, a customer service representative at a large retailer said she had not been notified by her employer about the Ordinance; she had learned about it through a co-worker who she heard “submitted some paperwork somewhere and she got paid.”

Another worker who is a cashier at a local movie theatre said that she first read about the Ordinance in a local newspaper. She understood (inaccurately) that the policy required a business to be compliant if it employed 10 or more full time workers. She also heard about the policy informally at her workplace, through a co-worker:

*The general manager mentioned they were thinking about getting something like this [paid sick leave policy]. And then the next thing I knew, one of my coworkers was like, “Oh, what's this thing on my paycheck?” And then we were like, “Oh, I guess we have this now!” It was not really discussed or anything like that.*

This worker's understanding was also inaccurate in that she characterized her employer as going above and beyond the Ordinance's requirements. Based on her reports of the total number of workers and their work hours, her employer is mandated to provide paid sick and safe time to all workers after their first 180 days on the job.

Some workers may be only partially aware of the Ordinance even if their employer is providing information. For instance, a health care worker recalls seeing information about the Ordinance posted in her job site's break room, “I always see the poster and I'm like: You know, I've read it

but I just don't quite understand it." Although this worker does not understand the Ordinance, she believes that a co-worker might have used paid leave for a recent illness:

*There was this guy in our kitchen. I think I heard him saying something to his boss about taking the safe time or – was sick time or whatever that is.... [He] had hurt his back...[and] he was out for like a good amount of time. And I think that he was talking about taking advantage of that, and I thought-, I remember thinking to myself: Oh, is that that thing in the break room that he's talking' about?*

The worker suggests that knowing more about the Ordinance might lead to her using available paid leave, "if I knew more about it, I would – I would think about maybe taking advantage of it, depending on...what the guidelines are and whatnot."

### Nearly half of workers interviewed had not heard of the Ordinance

Almost half of the workers interviewed in the first wave (12 of 28) were unaware of the Ordinance. Half of these 12 had access to paid sick time prior to the Ordinance; 5 did not. One worker reported that she was unsure whether or not her job afforded her paid sick leave, either before the Ordinance or currently.

These "unaware" workers had not heard of the Ordinance before the interview, and they had a variety of reactions upon learning about it. For instance during her interview, a banquet server for a catering company, explained that when either she or her daughter is sick during a scheduled shift she will call her employer and let her know. The employer "will fill in with someone else" and she "won't get paid for that day." When the interviewer explained the Ordinance, the worker said she had not heard about the Ordinance and asked if it was "voted in." After the interviewer briefly described the Ordinance, her response was typical of workers with no awareness:

Interviewer: *So that's the ordinance that went into, into effect this past September.*

Server: *I didn't know that.*

Interviewer: *So you never heard about it before?*

Server: *No.*

Interviewer: *Until today. So I'm assuming that your employer never said anything about it? Anything like that?*

Server: *No.*

After understanding the Ordinance, the banquet server stumbled over her words as she thought through how it would be useful to her:

*Well, has it come into effect yet? Have, is, I mean – Companies are using this? Wow! Where have I been? You see, making the money to-, to rise. Um, wow. I'm – I am stumped. That is – we all need this. We need this so badly.... I would definitely use it because even my child's school, I think there was one day that*

*they were closed for whooping cough last year.... And I would have taken the time off and got [paid].*

Another interviewee was similarly unaware, asking the interviewer for clarification “What is it again?... What’s it called again?” However, this worker was less enthusiastic about the Ordinance, noting she would only use paid leave if she was “really, really sick.”

## Wave 2 Interviews: Changes in Awareness Over Time

A goal of Wave 2 interviews was to assess whether understanding, awareness, and access to paid sick leave had changed in the months since it was first implemented. To gather information about changes in worker awareness and access, we conducted second interviews with 11 of the workers who had participated in Wave 1 interviews and had not had access to paid sick leave prior to the passing of the Ordinance. Wave 2 interviews also included an additional five workers who had not participated in Wave 1, and were newly eligible for the benefit. The interviews took place a little over one year after the Ordinance went into effect.

For the most part, worker awareness did not change for the workers whom we spoke to at both 6 months and 12 months after the Ordinance went into effect. Those who were aware of the Ordinance at the 6-month mark remained aware when we spoke to them at the 12-month mark. Those who were not aware or had limited awareness, did not demonstrate increased awareness when we spoke to them months later. Four of the 11 workers we spoke to twice expressed lack of awareness during the second interview, even though the original interview protocol had included an explanation of its provisions. Of the five newly-recruited workers who participated only in a Wave 2 interview, two demonstrated vague or limited awareness about the Ordinance and three were completely unaware of its existence and availability to them.

## Awareness and Eligibility

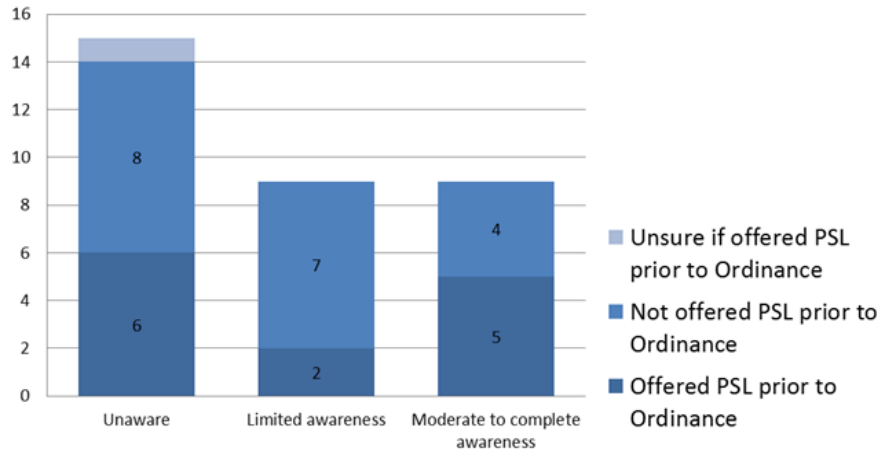
The Paid Sick and Safe Time Ordinance is most relevant for workers who did not have access to any paid sick leave prior to its passing. Thus, it is important to understand exactly who was aware or unaware of the Ordinance. Figure 5.1 summarizes the level of awareness and its association with access to paid sick leave prior to the Ordinance going into effect. Fifteen workers were completely unaware of the Ordinance, nine had limited awareness, and nine were moderately to completely aware. Of the 15 who had not heard of the Ordinance prior to the interview, it is plausible that six may not have heard about it because their employers were already substantially in compliance or the worker’s rights to paid leave were waived as part of a collective bargaining agreement. Based on the workers’ descriptions of their access to paid sick leave prior to the Ordinance taking effect, these employers likely already offered the mandated amount of leave. It is worth noting, however, that when the employer already meets the requirements of the Ordinance, they are still required to inform workers of their legal rights (e.g., no retaliation, ability to file a complaint, contact information for the SOCR).

Nineteen workers interviewed (across waves 1 and 2) were considered “newly eligible workers” because they were not offered paid sick leave prior to the Ordinance. These newly eligible



workers (represented by the lighter sections of the bars in Figure 5.1) had mostly limited or no awareness of the Ordinance. Only four of the newly eligible workers had moderate to complete awareness of the new policy. The fact that 15 out of 19 newly eligible workers had limited or no awareness suggests that more informational outreach efforts are needed.

Figure 5.1. Awareness by whether or not worker was offered paid sick leave (PSL) prior to Paid Sick and Safe Time Ordinance



Awareness and history of PSL offering based on analysis of interviews with Seattle employees conducted April 2013 through January 2014. One employee was unsure about access to PSL before Ordinance.

### Newly-Eligible Workers’ Experience with Paid Sick Days

To comply with the Ordinance, employers must inform their workers about the available leave, keep records, and update workers about available leave, and – of course – pay workers for sick and safe time. Talking to workers gives helpful but imperfect information about whether and how Seattle employers are implementing the Ordinance. Workers may not be fully aware of available leave. They may have forgotten, not seen, or not heard their employers’ notifications about changes in benefits. Although we were unable to capture the details of employer compliance, we were able to gather information from workers on whether or not they believe that they have access to paid sick leave.

It is particularly important to understand the experience of newly eligible workers who, without the Ordinance, would not otherwise have any access to paid sick leave. The following themes arose from interviews with the 19 newly eligible workers.

#### Many newly eligible workers continue to lack access to paid sick leave

Ten of the 16 workers interviewed during Wave 2, over 12 months after the policy took effect, reported that they still do not have access to paid sick and safe time, despite the mandate that their employers provide it. For example, a home health care worker said the following when asked about having access to paid sick and safe time:

*Interviewer: So how about the process of taking sick leave; in general. Has that changed [since we last spoke]?*

*Worker: They don't give me anything.*

*Interviewer: Right.*

*Worker: Nothing.*

Some workers without access to paid sick leave reported not needing to take any time off since the Ordinance went into effect. Others reported going to work sick as well as staying home from work, but not receiving payment. Many expressed how access to paid sick leave would be beneficial for them. For example, a waitress at a local catering company commented, "Sure would be nice to get sick pay. That sick pay [laughs]. Yeah. Yeah, we were complaining 'cuz the flu was going around and – Like I said, we don't...we don't go to work, we don't get paid." This particular worker reported hesitance to stay home when sick because of the loss of income that accompanies missing a day of work. Another worker who works as a merchandiser for a large retail-marketing firm described his decision to stay home, despite not getting paid for his time away from work. He said, "I took the last week off because I was sick [laughs]. I mean – I'm getting time off now, but I don't have paid sick leave."

A number of workers who still do not have access to paid sick leave described negative attitudes by their employers with regards to the Ordinance or to taking time off from work because of illness. For example, the merchandiser mentioned above went on to describe his employer's disapproval, even though he was asking for time off for symptoms the employer had suggested workers stay home with. He said:

*It was a stomach issue and one of the things that they've talked about [as a reason to stay home from work] is vomiting, diarrhea, and I had that. And I just felt I needed to stay home. They still gave me grief.*

Five of the workers who reported having no access to paid sick leave described working in a negative or difficult work environment. For example, a customer service representative at a Tier 3 retail establishment said the following about his encounters with upper management.

*I don't think it's a bad job. There – there's some aspects about it that I don't like. But thing-, things like problems with upper management and whether they'll – they're real picky, you know and they're – they're pretty rude about situations. They're not real understanding of people's situations. They think we're robots and that we can, you know, do this and do that, you know...*

A body piercer described differential treatment of workers and her employer's unappreciative attitude towards certain workers:

*I quit even asking for raises probably about two years before I quit, so, just 'cuz I knew every time I did that they would tell me, and I saw how it was for the other people, too. You know, I saw some girls coming out just with tears because they needed it just to pay their rent and, you know, just to pay their bills and they wouldn't even give them a quarter raise and they demanded a lot out of them*

*and there was never any thank you's, personally or verbally, or appreciation of any kind of sort.*

The workers who still do not have access are spread across the three industries and exist in all sizes of businesses (Tier 1- Tier 3). Though the sample size is too small to draw any general conclusions, it is notable that workers with the most restricted access to paid (or even unpaid) sick leave often had negative things to say about the way their employers treated workers.

#### [The benefit is useful and appreciated by newly eligible workers with access](#)

Four workers with access to paid sick and safe time reported that they have used the benefit since it went into effect. They described occasions in which they elected to stay home when sick, and the positive impact that the Ordinance has had on their lives. For example, a server at a small upscale restaurant described how the Ordinance has worked for him:

*Oh, it's been good actually. The benefit has been working. I got sick since the last time that – yeah, yeah. We – I got sick a couple times so I had a couple of hours and it was really easy for them to do it for me. I asked the Office Manager that handles the [accounts] ... She asked me how many hours I wanted to take, and it was really good about that. So she didn't really check how much. And yeah, it's been-, it's been great. It's been a good help.*

He went on to describe the interaction between the Ordinance and his salary that is highly reliant on tips. Despite losing 70% of his tip-based salary when he takes sick time, he described the policy as providing a worthwhile benefit.

*Yes. It did help me a lot. It did – it was less stressful with it because it's – you know, we don't have any benefits, we don't have any paid days so it's – if you work or not, either you make the money or not. So it's – every time you work, every time you get paid. But it was way less stressful when the actual because I'm the only one working in my family and so I have a wife and a daughter. So I'm responsible for three. So, yeah, so that's – it was definitely worth it, having that.*

The manager of a sandwich shop described using, but not overusing the policy. He said, “For me personally it's been fine. I've used it just for, you know, a couple days' worth of hours when necessary. I've had a couple of workers use it when necessary. I don't think there's been any abuse. I don't have any complaints.”

A service coordinator at a local hospital described the benefits of having a “safety net” and the ways in which the Ordinance encouraged her to stay home with her sick daughter.

*Yeah, it was great to know that I wasn't gonna lose that pay and – and to have that safety net, to be able to say, it's OK. You know, my daughter would say: Oh, you have to-, don't you have to go to work? You don't have to stay home with me. It's OK. I'll be all right. And I would be able to say: It's OK. It's OK, I'm gonna get paid for this. I can stay home. So it was – it was good for both of us.*

A worker at a small flower shop expressed a similar appreciation for a policy that she can “fall back on”:

*It's great to know that I have, you know, that to fall back on if I do...get-, get sick over a per-, a number of days. I also have vacation days, too, if I ran out of sick time but – since it's been over a year I've only used three hours of my sick time over the last year. I still have a little reservoir of hours. So just nice to know that you have that in your pocket.*

Overall, newly eligible workers who have used their paid sick time find the Ordinance to be useful and relevant to their needs.

**Worker's Experience: Young and healthy part-time retail worker is ambivalent about paid sick and safe time**

Brian is a 23-year-old Sales Associate in men's apparel at a large retail establishment. He has worked throughout his four years of undergraduate studies and is completing the final year of his bachelor's degree. He lives with his girlfriend, who recently graduated from university, and at the time of the interview they were expecting their first child within a few weeks. Brian reported that he is in generally good health; “I take care of my body,” he said.

Brian said that he was not initially aware of the Ordinance, and he reported a handful of occasions over the previous year in which he was sick and needed to make the decision to stay home or go to work sick. He described one occasion in which he went to work sick. As a part-time worker, he needed the hours.

*[I went to work sick a year ago right after the Ordinance was passed] because the amount of hours that they schedule for me was so little ... at the time that I was sick I didn't actually think that I had the paid sick leave. So I thought since I had so little hours scheduled that I had to go to work in order... to make it... to the next paycheck.*

Brian reported that since the illness described above he has become more aware of the Ordinance. However, he still has not taken advantage of it. Because he is a part-time worker, he reported flexibility in his hours that are sufficient to avoid needing to take paid leave. For example, if he needs to schedule a doctor's appointment or attend one with his girlfriend, he will schedule it to take place on a day that he is not working. If he does need to take time off from a scheduled shift, he reports relying on shift swapping rather than paid sick leave.

Brian expressed some level of ambivalence about his access to paid sick and safe time under the Ordinance. He spoke about not expecting to have much time accrued because of his part-time schedule, and the lost income that accompanies missing a shift did not seem to be of big concern for Brian. Though the Ordinance was not something “he really looked into,” he did mention that he may look further into it now that parenthood is approaching.

*It wasn't really something I really looked into because I didn't really think I was going to have any, you know, days off just because my hours were so little. 'Cuz I already have so much time off, you know, so it was kind of hard to – you know, take advantage of that. But – now-, now with my child on the way, that's probably something I'll – I'll look into.*

Brian plans to look for a new job alongside his other life transitions.

## Worker Decisions about Working or Staying Home when Sick

Will the Paid Sick and Safe Time Ordinance reduce the likelihood that workers work while sick? To meet the public health goal of reducing transmission of infectious diseases, the leave provisions available under the Ordinance need to enable workers to stay home when sick and to keep their sick children out of schools and daycare settings. The following sections summarize what workers told us about using paid or unpaid sick leave. Workers across both waves of interviews describe the circumstances under which they stay home from work, as well as the reasons they go to work even though they are sick.

### When workers choose to stay home

Regardless of whether a worker reported having access to *paid* sick leave, just over half of the workers interviewed had recently taken days off work due to their own or children's illnesses. For example, a deli worker at a large grocery chain described two situations in which she stayed home from work:

*In February, I got in a car accident and she [my supervisor] found out about it and said don't come in to work. Just go to the doctor right away. And so that was fine. And there's the baby. Two weeks ago [he] was sick and he got me sick and I had to call in sick all three days.*

To get a better sense of how workers interpret appropriate use of paid sick leave, we asked them to describe what they define as "too sick to go to work." For the most part, workers shared a similar understanding of what constitutes an appropriate use of sick leave, and their descriptions coincide with Washington State food safety regulations, which focus on transmission of infectious diseases, particularly in food service locations.

Across all three industries, the majority of workers focused their definitions of sickness on physical health using contagiousness, visible symptoms, and the inability to complete the tasks related to their jobs as indicators that a worker should consider staying at home. Most said that they work through minor symptoms and think their co-workers should as well. For instance, a community health representative said, "If you have a cough but it's not that bad, you-, I think you can still come in and wear a mask." Similarly a nursing assistant said it is appropriate to work with a cold if symptoms are "the sniffles" but continues:

*If you are really sick, like can't breathe because your nose is too stuffy, and you've got just a swollen sore throat – you really shouldn't be at work. You know? And throwing up. Yeah, you really – shouldn't be there.*

They described symptoms such as fever, vomiting, diarrhea, severe pain, sneezing, and coughing as signs of being too sick to go to work. For instance, the manager of a sandwich shop thinks workers should stay home if they are "throwing up or have a substantial fever because both are signs that I don't want to be passing on." Workers also described other symptoms that would prevent one from completing the tasks of their job. For instance, a physical therapist explained that severe muscular pain, while not contagious, would mean she could not do her job and hence justified sick leave.

Definitions varied from worker to worker. A small number of workers had very strict definitions of what it means to be “too sick to go to work.” These workers reported going to work sick, and described high self-imposed standards for taking time off work. For example, a cocktail server at a popular downtown bar said, “[For me to stay home] I’d have to be like puking to the point where like I couldn’t actually like do my job.” On the other hand, a few workers described a more holistic understanding of sickness that took into account fatigue and emotional or mental health needs. A nursing assistant at a retirement community says she recently stayed home from work because she was “tired and exhausted” from working several double shifts. A family services coordinator at a large hospital said she considers taking a day off due to stress as appropriate, although she recognizes that not all employers would define this as a correct use of sick leave. Similarly a retail customer service representative describes herself as having an “abstract concept of sickness” and says that severe emotional distress, such as what might come after a divorce, would be a reason to stay home. If a supervisee or co-worker experienced this she would tell the person not to come to work because “you’re not emotionally well and you could adversely affect what I’m doing.”

Employer attitudes towards sick days seemed to influence some workers’ decisions to stay home. A small number of workers described guidelines set by employers about when to stay home sick. For example, a server at a small local restaurant described a time when her employer told her to stay home from work:

*Woke up in the morning, was coughing. You know, my voice was—a little bit gone and I had to tell, to call my manager and tell her: You know, I am sick. My voice is going away. And, could not come and she said OK. The next morning the same thing. I wasn’t getting better. I got hoarse actually and I contacted her and told her like I could not come and she said: Yes, I need to stay home.*

Public testimony before the Ordinance passed included concerns about potential overuse or abuse of paid sick leave. The majority of workers we spoke to told us that they would not call in to work sick if they were not sick, and most believed that their co-workers would not either. Some, however, said that they have called into work when they are not physically sick but rather were exhausted or needed to relax in the face of stress. It is worth noting, that under the right context, “exhaustion” and “severe emotional distress” are covered under the Ordinance.

#### When workers go to work sick

Half of the workers we interviewed mentioned some level of hesitancy or inability to stay home when sick. This includes some workers who told us they recently took time off. Many of the workers we interviewed said they or their co-workers go to work sick. For example, a deli worker at a large retail grocery store said:

*This one guy I worked with [...] sometimes when he’s making a sandwich, I saw his nose drip onto a sandwich once. That I think should be too sick to be there. I hear the cooks in the back sneeze a lot. If you can’t control your sneezing, coughing, and throwing up or have to run to the bathroom every 5 minutes for diarrhea, I think you should not be there, especially with food.*

Similarly, a cocktail server mentioned that she worked while sick for over a week before a doctor diagnosed her as having pneumonia. A frequent diner in the restaurant where she worked also then came down with pneumonia. The server suspects she passed the disease along, but did not mention her own diagnosis at work lest she be blamed.

Why do workers work while sick or resist taking sick days? The reasons that people gave fall into three categories: 1) retaliation or negative attitudes towards sick time by employers, 2) financial burdens, and 3) personal work ethic.

Half of the workers we interviewed described fear of retaliation or negative attitudes about sick leave by their employers. And approximately half of the workers who mentioned negative attitudes or retaliation also described some level of hesitancy around taking time off due to illness. It was most common for workers to describe their employers as discouraging taking time off.

Sometimes the discouragement was implicit. An example of an implicit attitude came from a worker at a local movie theatre. While stating that her employer “does not really discourage” people from taking time off, she described the fact that she and other workers “understand that you kinda have to go to work.” Similarly, a customer service representative who reported no access to paid sick and safe time described his fear of taking time off. He was new to his job and suspected taking time off would be viewed unfavorably by his employer, “If I take a day off, they not gonna like it...on the first 3 months you’re not gonna get any sick day off. So if you take a day off they’re gonna consider it like something bad.”<sup>21</sup> Despite his fear of retaliation, this worker did not think he would be explicitly discouraged from taking (unpaid) time off if he really needed it. He said, “Just because if you are so sick, just tell them you cannot come. I mean, they gotta understand. They’re not gonna force you to come to work anyway.”

Some workers described more explicitly negative attitudes or retaliation by employers. A manager at a sandwich chain says that the owner of her business has made it clear that workers must be gravely ill in order to stay home from work while sick, “like hospitalization.” Workers fear subtle or explicit consequences for taking time off. A cocktail server said that while her boss allows time off, workers who take leave may lose preferred shifts. She commented, “It's really just a question of like am I confident enough to take time off and know that my schedule's still going to be the same cause there's like a huge difference when you're working on a Friday night and making \$200 and working a lunch and making like \$50.” A cashier described a similar experience — that workers may lose their shifts or even their jobs if they take time off. In particular, she reported that her employer deprived her of shifts after she came back from visiting her family. She explained, I don’t know if it was intentional or not... but it definitely made me question if I was being punished.”

A sales associate in a large national retail chain talked about his employer’s resistance to the Ordinance.

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<sup>21</sup> The Ordinance does not require employers offer paid sick leave to workers until 180 calendar days following their first day of work.

*Where they talked about it but that – that meeting was at the point where the union and them were kinda goin’ back and forth about what was actually gonna happen or what was gonna go on. But...I don’t think it really got brought up after that because my manager, my boss doesn’t really like the paid sick leave kinda thing. She is more like the – work like a robot. You know, you’re a robot, you know, workaholic type so – She doesn’t really bring it up. She kinda – it’s kinda shunned upon, I feel like [...] If you’re not workin’ that many hours. I mean, if you’re a part-time worker, if you’re working 15-20 hours a week, you know, taking the sick days off or getting paid sick days, it’s – I think it’s shunned upon. You know, I-, I believe, you know, that management doesn’t want that. You know, ‘cuz that’s-, ‘cuz then they gotta find somebody to fill in your spot and it becomes kinda hectic so it’s shunned upon, I think.*

Some workers who have access to paid sick leave still feel that staying home from work is a financial burden. This was particularly relevant for workers who rely on tips to subsidize their salaries. A server at an upscale restaurant said that he has used some of his sick days this year for his child and himself. However, he described feeling hesitant to use days unnecessarily because even though he now has access to paid sick days, he loses significant wages by not being paid his tips:

*One reason that happened really, my daughter was sick. And I had to take her to the emergency. We have only one car, and then and my wife needed me so I had to leave work and drive there. And the other thing, it is actually, very sick. I got... a cold / flu so I had to be off work for 3 days.... [E]ven though I did talk to [my employers] and they gave me the sick pay day, but it’s – my tips amount to 80% of my salary, of in general what I make so – It means that 20% is only the – the base pay that I’m getting paid one day.*

Tips are an important part of food workers’ wages; the Ordinance does not cover lost tip income. For this reason, tipped workers prefer to shift swap, exchange shifts with co-workers, rather than take paid leave.

The final reason that workers stated to justify their decision to go to work sick was related to their personal work ethic. This is most succinctly characterized in a statement made by a general manager at a small local wine distributor. She said, “When I am sick I still go to work but that’s because of the person I am, not because of, of the policy.” Many of the workers we spoke to demonstrated a strong work ethic and dedication to their jobs. A number of workers with positive relationships in the work place reported feeling responsible for the outcomes of their workplace, and hesitant to let co-workers and employers down.



### Worker's Experience: Nurse observes the impact of no paid sick leave on family health and well-being

Mary is a nurse at a non-profit hospital in Seattle. She receives excellent benefits as part of her job, including a PTO bank that can be used for vacation or sick time. She enjoys being part of her union, which she sees as offering her protections as a worker. Mary's union waived paid sick leave through a collective bargaining agreement. However, as a front-line healthcare worker, she sees the value for the greater Seattle community.

Though Mary has no children, she recognizes first-hand how the Ordinance can have a positive impact on the health and well-being of children and families. Having worked in the labor and delivery and post-partum units of the hospital, she has witnessed a number of situations in which the lack of paid sick time has impacted families' abilities to be present for their hospitalized relatives. She reports seeing cases on a weekly basis in which "dads have to leave in the middle of the night or miss their child's birth because they had to work" or "patients aren't able to be discharged at the time that their discharge is necessary because [...] their significant family member is at work and can't pick 'em up." She has also observed that working parents without access to paid sick leave are less able to be present at the bedside of a sick child or family member:

*There's plenty of parents who aren't able to visit their babies or are definitely unable to stay with them because they need to go back to work. Or when their babies come home if it's-, they've been in the NICU if they're premature and they come home and need one-on-one care. They're really not healthy enough to go to daycare. I'm sure a lot of 'em need to 'cuz nobody is able to take the time off to spend with them.*

Mary mentioned the fact that these types of situations likely have cost implications for the hospital and insurance providers. She thinks that the Ordinance may allow people who do not have access to paid sick leave the opportunity to take time off and care for themselves and their loved ones.

### Worker's Opinions about the Ordinance

In the interviews, workers were asked their opinions about the Ordinance and how they thought it might affect their lives and the lives of other workers.

#### Workers were enthusiastic about the Ordinance and the City of Seattle

Overall, workers responded enthusiastically and positively toward the Ordinance. There was a sense of appreciation for the city's effort to put this policy in place. For example, a worker at a small local flower shop said, "I think it's wonderful! I think Seattle is a very progressive...I didn't realize how progressive we were until I realized that very few cities have this particular benefit!" This worker, along with others, was articulate about the public health and workers' rights implications of the policy:

*I think, especially in the retail industry where you're working with a customer, or you're working with food, and you're sick and you don't want to lose a day because that's the difference between paying your rent and not paying your rent*

*and you go in sick, you're doing a disservice to your coworkers and you're doing a disservice to your customer. So I see it as a huge pro for, for just workers in general and Seattle.*

Along these lines, a family services coordinator at a large hospital said, “I think that these are important measure[s] to help protect workers and our communities too.” Others wished the Ordinance would go further, either in the amount of time provided or in jurisdictional reach. For example, a worker at a health research organization noted, “I think it's a good first step...maybe it has to start at the local level and...[expand] as time goes on.... [It] seemed to me like it wasn't very much time accruing but better than nothing.”

As discussed in previous sections, another theme that arose in the interviews was that workers believe that this policy is essential for economic well-being. A number of workers expressed how financial stress impedes their ability to stay home when sick, and some described a peace of mind that the Ordinance allows for. A warehouse associate at a large food distributor said, “Like if I had a personal injury that kept me out of work for a week or so...and they offered me a paid sick leave for those couple days, then I wouldn't be burdened financially in that way.”

Workers commented on the specific relevance and importance for workers in the food industry, noting two reasons why the Ordinance is particularly relevant and important for food industry workers. The first has to do with the public health implications of going to work sick and working around food. The warehouse associate for the food distributor said, “I think that, yeah, working, especially working in the food and hospitality industry, like, you have to, you have to take advantage of being sick or infections or stuff like that, because it's very sensitive working around food and stuff.” The second issue workers spoke about is that food industry workers are very unlikely to have had access to paid sick leave prior to the Ordinance.

A few workers described the effect that the Ordinance has on issues of workers' rights and justice. For example, a customer service representative at a discount retail chain described the Ordinance as leveling the playing field:

*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. Everyone that works in the City of Seattle, you got sick time. You need to take care of yourself or your kid or your, you know, your mom's ill, something like that, go ahead. Yeah, I'll take care of them, you know, and that's really good.*

The flower shop worker described the Ordinance as “eye-opening,” and was impressed with the benefits afforded by the new policy. She talked about the importance of worker rights and protections in the following way:

*I think the more rights you can give to a worker the better because I think in certain situations in Seattle we don't have as many protections as say a worker in California, if you look at it from state to state. However we have more than you do in Florida. So, I think whatever protections you can give a worker you know makes for a happier worker.*

A number of workers described the Ordinance as a right that workers deserve. For example, a worker at a large non-profit health research organization stated her belief that “society has a responsibility to provide safety nets.”

### Worker concerns related to the Ordinance

When we asked workers to describe any concerns or negative feelings they had towards the Ordinance, the most common response was that workers recognized the potential financial burden for businesses—especially smaller businesses. One retail worker began to calculate what the cost of the Ordinance could be for her employer:

*If businesses were to complain about it, I think it's 'cuz they want to save every dime that they can and say that it might hurt their business if they had, yeah, let's say they had 10 people working for them and six of those people took 6 days off in a year. That's, jeez, let's see, six times a hundred, six hundred dollars per worker.*

Despite her recognition of the potential burden to businesses, this worker still felt that she had a justifiable right to paid sick time: “But I still think if they’ve worked so many hours and they are worn out or tired out or think that they are too sick to go that day then maybe they do need a day off.” A customer service representative at a large grocery chain shared the sentiment that despite the cost to businesses, she still thinks the Ordinance is a good idea. While she recognizes that the Ordinance is going to “cost the employers a little bit more money” she still does not think that is a “*bad* thing.”

Three workers cited concerns about potential abuse. For example, the lead cook at a small hotel commented on how it might be difficult for employers to regulate workers’ use of paid sick and safe time. She said, “It’s hard to discern if a person’s really sick. Doctor’s notes wouldn’t deter people from abusing the policy or lying about sickness—you can get a doctor’s note even if you aren’t sick. It’s hard to regulate.” But in assessing the risk of workers taking advantage of the Ordinance, the workers who mentioned this possibility also felt that the pros of the Ordinance outweigh the risk of abuse. A health care worker commented, “the cons are occasionally you will have somebody who takes advantage of it, but I think the pros far outweigh that risk.”

The last piece of critical feedback about the Ordinance was that it is not enough—that it is just a start and not sufficient to address the problem. For example, a cocktail server commented:

*I just remember reading an article a couple of years ago in [an alternative weekly newspaper] talking about like restaurant workers being able to take off time if they're sick, and I remember just kind of thinking – I mean they won't lose their job but they're going to lose a lot of money going to the doctor and all this. So it doesn't really matter anyways.*

A cashier at a local movie theatre made a similar observation. Initially she supported the logic behind the Ordinance, saying it “makes perfect sense 'cuz I’m like passing people money all the

time. I'm sure I'm passing like tons of germs, just like constantly." However upon further reflection she questioned whether it was sufficient, "I'm not sure if it's really enough."

### Worker opinions about the most important benefits

During both waves of interviews we asked workers to tell us about the most important benefit they could receive through their employment. Overwhelmingly, health insurance was described as the most important benefit for workers. They describe their desire for better health insurance coverage through their employers and the high cost of self-payment. While health insurance was the most important and of greatest concern for workers, paid sick leave was also considered an important benefit amongst workers who participated in interviews.

### Conclusions

This chapter, based on 44 interviews with 33 workers, shows that 6 to 18 months after the City of Seattle Paid Sick and Safe Time Ordinance went into effect, many workers were unaware of the Ordinance or their right to paid leave. Overall, it appears that worker awareness of the Ordinance could be improved. While over half of the workers interviewed described some level of awareness about the policy, a very small percentage of them were able to describe the requirements in any detail. Fifteen had not heard of the Ordinance prior to being interviewed. These interviews suggest that more outreach and communication with Seattle workers may be warranted.

Of the 16 newly eligible workers interviewed over a year after the Ordinance took effect, 10 still reported having no such leave even though the size and location of their employer suggests they should be covered. The majority of workers who reported no access to paid sick and safe leave work in food and accommodations or retail sectors. The number of respondents in this interview sample is too small to make generalizations about what types of factors may influence an employer's willingness and ability to comply with the Ordinance. However, when thinking about raising awareness, enforcement issues, and compliance, these data suggest that the City's enforcement agency—the Seattle Office for Civil Rights (SOCR)—may want to continue to pay particularly close attention to the food and retail industries.

When deciding whether to stay home from work sick, workers' decisions are influenced by their personal work ethics, employer attitudes about taking time off, and financial repercussions of missing work. The Ordinance addresses the financial repercussions most directly, although only partially so for workers who rely on tips. Although paid sick and safe time only partially offsets the financial cost for tip-reliant workers, it does offer some measure of protection when taking leave is unavoidable. The Ordinance also forbids retaliation against workers who claim paid leave. Workers who believe they are being retaliated against can report this retaliation for investigation by SOCR.

The interviewed workers overwhelmingly supported the Ordinance, with many citing appreciation for the City of Seattle's leadership on this workers' rights issues. While workers had some critical feedback, in general they were enthusiastic about the Ordinance's potential to positively impact their health and welfare.

## Chapter 6. Summary and Discussion

With the passage and enactment of the Paid Sick and Safe Time Ordinance, the City of Seattle expanded workers' rights and offered Seattle workers an opportunity to preserve personal, family and public health without losing wages. This study has examined how this Ordinance played out over the first year after implementation: how employers have understood and worked to put it into place; how workers have used it; and whether and how the economic vitality of Seattle as a whole has been affected. This chapter summarizes crosscutting lessons from the four study elements presented in chapters 2 through 5.

### Most Employers Know about the Ordinance

At the time the Ordinance went into effect, 69% of employers in our sample of businesses and non-profit employers were familiar with the measure.<sup>22</sup> Business owners, nonprofit administrators, and HR professionals learned about it from the media, the City of Seattle, and professional networks or associations. Awareness of the Ordinance grew over time; by the end of the first year, more than eight of ten (83%) employers knew about the Ordinance.

Many employers reported that they initially found the Ordinance and its requirements to be confusing. Just under a third of surveyed employers (29%) found it somewhat or very difficult to understand the legal requirements of the Ordinance. However, a few months into the implementation period most employers knew whether or not their business was affected and what they needed to do in order to comply. A minority remained confused as to whether they met the criteria for compliance.

### The Majority of Employers Offer Paid Leave, but Gaps Remain

Most Seattle employers with more than four full-time-equivalent (FTE) employees now offer at least some paid sick leave. Almost all employers (96%) offer leave to their full-time employees. Not all employers have part-time employees, but among those who do, 62% cover their part-timers. The percentage of employers offering leave rose significantly over the first year of the Ordinance. The food and accommodation sector posted the greatest increase, with 78% of employers now providing paid leave coverage, up from 14% a year prior.

The Ordinance sets out minimum standards for how much leave workers should accrue and be allowed to use. About three quarters of employers (77%) provide an adequate number of hours or days of leave to full-time workers. Only 61% of employers report that they cover part-time and full-time workers as required and provide enough hours of leave to their full-time workers. Many employers who do not meet this standard nonetheless believe they are in compliance with the Ordinance.

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22 As discussed in Chapter 2, all references to surveyed employers are to the group of employers who had enough employees to be subject to the Ordinance at both the first and second survey. This group does not include employers who would have more recently become subject to the Ordinance through adding a Seattle employee or growing above the 4 FTE size floor.

Although more employers are offering leave, survey and interview responses suggest some gaps remain. Only 26% of employers with temporary or basis employees offer leave to these workers, although the Ordinance does extend the right to accrue paid leave to temporary or seasonal workers upon hire. Although most employers offer the mandated amount of leave, large employers (those with 250 or more FTEs) are less likely to offer sufficient leave. Only 30% of the largest employers both cover part- and full-time workers and provide adequate leave to full-time workers. Because most workers work for large employers, many employees still lack leave. Interviews bear this out; a number of workers in the retail and food and accommodation sector – including some who work for large national employers – did not know about the Ordinance or that they could use paid sick and safe leave.

### **Implementation Was Easy for Some Employers and Caused Temporary Hassles for Others**

For many employers who offered paid sick leave before the Ordinance took effect, compliance required minor changes such as extending paid leave to a few part-time employees or re-writing policies to clarify that paid leave could be used for safe time. Others had to create or re-design policies or extend leave to a large portion of their workforce. Some employers chose to make more substantial reforms than mandated. For instance, some extended paid leave to non-Seattle employees and others revised their benefit schemes in favor of universal leave or paid time off plans.

Re-working business processes to track accrued and used leave took effort. The majority of employers figured this out quickly, but a substantial minority had difficulties. About a third of employers (32%) found it somewhat or very difficult to keep records in order to administratively comply with the Ordinance. Working with payroll vendors to accurately report leave was a particular sticking point; almost a quarter of employers (24%) experienced some challenge in this. These implementation challenges – however frustrating – were largely resolved within the first year.

### **Costs to Employers and Impact on Businesses Have Been Modest and Smaller than Anticipated**

Upon learning about the Ordinance, employers worried that offering the required leave would substantially increase their labor costs and generate staffing shortages. Experience allayed these fears, since workers used less time off than anticipated. The majority of employers saw no effect of the Ordinance on customer service, employee morale, predictability of employee absenteeism, or profitability.

Few employers undertook the difficult task of systematically tracking the cost of the Ordinance. Those who did estimate the cost said on average that providing leave cost about four tenths of one percent of total revenue. In interviews, employers described the effect of the Ordinance as “negligible.” Economic data on Seattle aligns with this finding of no or very modest impact;

there is no statistical evidence that the Ordinance caused businesses to leave Seattle or close Seattle locations.

### **Most Employers Support the Ordinance**

After a year of experience with the Ordinance, many small business owners and human resources professionals recognized paid leave as a valuable and important benefit for their workers. Overall 70% of employers supported the Ordinance, and just under half (45%) were very supportive. Some who opposed the Ordinance viewed it as part of a package of realized and potential reforms – including the federal health care reform and local minimum wage efforts – that threaten their livelihood via increased costs and reduced flexibility. Some were of two minds, seeing benefit for workers alongside potential harm to businesses.

### **Workers View the Ordinance as Helpful**

Not all workers yet know about the Ordinance or their access to paid leave. Newly eligible workers – those who did not have paid leave prior to the Ordinance but now do – appreciate having a “safety net” that allows them to take time off to care for themselves or their sick family members. However, not all workers see themselves as likely to use paid sick or safe time. Work attendance decisions are influenced by their personal work ethics, employer attitudes about taking time off, and financial repercussions of missing work. The Ordinance protects against employer retaliation and pay loss (although only partially for tipped employees). Regardless of workers’ awareness of the Ordinance or ability to access paid time off, they support the concept behind the Ordinance and believe that it will have positive implications for health and the ability to care for family members.

### **Safe Leave Was Expanded**

Alongside the requirements to offer paid sick time, the Ordinance requires employers to provide paid leave for safe time, which can be used to protect health (when a workplace or child’s school or place of care is closed for public health reasons), or for reasons related to domestic violence, sexual assault or stalking. In interviews, employers were less aware of how the “safe time” provisions function, although many acknowledge the need for such leave. Survey responses suggest the Ordinance expanded the availability and potentially the use of paid safe time. One third of employers (33.5%) expanded their policies to include safe leave, and presumably many of the 13.4% of employers who implemented new leave policies included safe time. Overall 5.1% of employers reported that one or more employees used paid safe time, although that number may be an underestimate due to employees’ preferences for privacy.

## Appendix A. Survey Sampling and Analysis<sup>23</sup>

### Sample

This study implemented a within-subjects design in order to increase the pre-post (baseline-follow up) comparison statistical power and to reduce costs. Hence, all eligible respondents at baseline were the targeted sample for the follow up study (N=551).<sup>24</sup> Of these 551 eligible businesses in the baseline sample, 435 filled out the follow up survey. Of these 435 follow up respondents, 345 were still eligible for the ordinance and 90 were deemed no longer eligible. Of the 116 businesses who did not provide follow up data (non-respondents), 15 were determined to have gone out of business, 33 refused to do the follow up survey, and 68 did not respond to multiple requests to participate.

Using the baseline survey weights (see Initial Study report and below), these sample numbers translate to the following estimates in the population: Of the original estimate of 11174 baseline estimate of the number of businesses eligible at baseline, 66.6 percent (7328) completed the follow up survey and remained eligible for the ordinance, 15.1 percent (1692) completed the follow up survey but were no longer eligible for the ordinance, 3.1 percent (346) were confirmed to have gone out of business, 5.9 percent (664) refused to do the follow up survey, and 10.2 percent (1144) were nonresponsive to requests to be re-surveyed.

Comparison (using baseline weights) of the 435 respondents and the 116 non-respondents revealed no overall statistically significant difference by sector ( $p>.05$ ). Comparison of the eligible respondents (N=345) with everyone else -- a combination of both the ineligible respondents and all of the non-respondents (N=206, also revealed no overall statistically significant difference by sector ( $p>.10$ ).

### Respondent Sample

Table 1 shows the number of respondents by stratified sampling stratum, i.e., employment sector. The first column, “baseline eligible sample”, shows the numbers adjusted for the slight change in the baseline sample since the baseline report described above. The second column, “baseline estimated eligible population”, is the estimated number of businesses in the population for each sector (rounded to the nearest integer). Hence the “baseline sampling weights” are the ratio of the estimated population over the number in the sample for each sector.

In the follow-up survey the target sample was the baseline eligible sample. Column 4, “follow-up sample”, shows the actual number of respondents obtained at follow-up, resulting in the

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<sup>23</sup> Dr. Cori Mar designed the statistical sampling method and wrote this appendix.

<sup>24</sup> The initial (baseline) employer survey report was based on a sample size of 550. Consequently two more surveys of ordinance eligible cases were received and one business in the original sample was discovered to be incorrectly included due to a case of mistaken identity.



follow-up “response rate” shown in column four. Note the quite good overall response rate of almost 80%. The next column, “eligible”, shows the number of these respondents still deemed eligible for the ordinance by the criteria responses to survey questions 3 and 4: Full Time Equivalent (FTE) employees category 5-19 or more AND FTE Seattle employees of category 1-4 or more. The eligibility rate by sector for the follow-up survey is shown in the next column “eligible rate”. Overall this rate approaches 80%. The last column, “eligible-eligible population estimate”, shows the estimated number of businesses in the population that were both eligible at baseline and remained eligible at follow-up. These numbers were calculated by multiplying the “eligible rate” by the “baseline estimated eligible population” and rounding to the nearest integer. The “ follow-up sampling weight”s for the follow-up sample are this population estimate divided by the number in the “follow-up sample”.

### Eligible versus ineligible respondents

Using the follow-up sampling weights in Table 1, there are no overall statistically significant differences by sector between the eligible and ineligible follow up respondents ( $p > .55$ ). There is a hint of difference between these two groups by category of FTE employees at baseline ( $p < .05$ ), however this difference seems to be driven by the 50-99 employee category: 94.4% in this group remained eligible, compared to an overall rate of 81.1%. There is stronger evidence that the number of Seattle FTE employees at baseline is associated with eligibility at follow up ( $p < .002$ ). Specifically, 39.1% of businesses reporting only 1-4 FTE Seattle employees at baseline are ineligible at follow up compared to 18.9% overall. Examination of rates of eligibility at follow up by business type at baseline (locally-, family-, woman-, minority-, immigrant-owned, publicly traded, branch of a regional or state-wide business, branch of a national or international company, and franchise) revealed no statistically significant results.

Table A1. Sample composition, response rates, and weighting

Employment Sector	Baseline eligible sample	Baseline estimated eligible population	Baseline sampling weight	Follow-up sample	Response rate	Eligible	Eligible rate	Integer eligible-eligible population estimate	Follow-up sampling weight
<b>AccomFood</b>	71	1059	14.92	48	67.6	40	83.3	883	22.08
<b>AdminWaste</b>	15	433	28.87	9	60.0	6	66.7	289	48.17
<b>ArtsEntRec</b>	5	115	23.00	5	100.0	5	100.0	115	23.00
<b>Construction</b>	94	1416	15.06	78	83.0	59	75.6	1071	18.15
<b>EverythingElse</b>	62	2708	43.68	54	87.1	43	79.6	2156	50.14
<b>HealthCare</b>	97	591	6.09	81	83.5	61	75.3	445	7.30
<b>Manufacturing</b>	25	654	26.16	22	88.0	18	81.8	535	29.72
<b>OtherServices</b>	46	1073	23.33	35	76.1	30	85.7	920	30.67
<b>ProfTech</b>	31	1895	61.13	26	83.9	23	88.5	1676	72.87
<b>RetailTrade</b>	96	1015	10.57	69	71.9	53	76.8	780	14.72
<b>TransWare</b>	9	215	23.89	8	88.9	7	87.5	188	26.86
<b>TOTAL</b>	<b>551</b>	<b>11174</b>		<b>435</b>	<b>78.9</b>	<b>345</b>	<b>79.3</b>	<b>9058</b>	

## Appendix B. Washington State Employment Data

This appendix provides additional details on the analysis presented in Chapter 3.

Data were obtained from the Washington State Employment Securities Division for 17 consecutive quarters from the 3rd quarter of 2009 to the 3rd quarter of 2013 quarter. This data included unique employer identifier, city, number of employees, wages of employees, and NAICS industry code. Seattle and the comparison cities of Bellevue, Everett, and Tacoma (BET) were identified by employer-reported city. Data were provided at the employee-quarter-employer level. Employers likely large enough to be affected by the Ordinance were identified as described in Chapter 3.

Data were then aggregated to the quarter-city level before analysis, yielding 34 observations for Seattle and BET across 17 quarters. Chapter 3 reports on the three outcomes – total number of employers, total number of employees, and total wages. Ordinary Least Squares regression analyses were used to test for whether the differences (if any) between Seattle and BET were different in the post-Ordinance period (2012 quarter 3 and later). Models included a linear time trend and controls for seasons (3 dummy variables), Seattle, the Ordinance period, and the Seattle\*Ordinance period interaction. Significant coefficients on the Seattle\*Ordinance variable indicate differences between Seattle and BET for the Ordinance period.

Tables A2.1 – A2.3 summarize the regression results. All models predict well (R-squared >.85) The Seattle\*Ordinance interaction is highly significant for the total number of employers (4.05, p<.001) and marginally significant for total wages (p<.10). Table 4 presents an additional analysis of average wage per employee. The interaction coefficient is similar in magnitude to that of total wages, suggesting a possible suppression effect. This coefficient is not significant at the p<.10 level [Pr(>|t|) = .1086].

Table B1: Total Number of Employers

Coefficients:	Estimate		Std. Error	t value	Pr(> t )
(Intercept)	94.22166	***	0.57188	164.758	< 2e-16
Post Ordinance Period	-1.30725	.	0.75345	-1.735	0.094580
Time Trend	0.21610	***	0.05474	3.948	0.000536
Quarter 2	2.51970	***	0.51982	4.847	5.03e-05
Quarter 3	3.87291	***	0.49141	7.881	2.34e-08
Quarter 4	2.86722	***	0.51982	5.516	8.66e-06
Seattle	2.43897	***	0.40552	6.015	2.37e-06
Seattle*Ordinance Period	4.04827	***	0.83599	4.842	5.09e-05

NOTES: Signif. codes: 0 '\*\*\*' 0.001 '\*\*' 0.01 '\*' 0.05 '.' 0.1 ' ' 1

MODEL FIT: Residual standard error: 1.034 on 26 degrees of freedom. Multiple R-squared: 0.8991. Adjusted R-squared: 0.8719. F-statistic: 33.09 on 7 and 26 DF, p-value: 2.21e-11

**Table B2: Total Number of Employees**

Coefficients:	Estimate		Std. Error	t value	Pr(> t )
(Intercept)	92.16979	***	0.49249	187.150	< 2e-16
Post Ordinance Period	0.99964		0.64886	1.541	0.13550
Time Trend	0.33710	***	0.04714	7.151	1.36e-07
Quarter 2	3.32701	***	0.44766	7.432	6.84e-08
Quarter 3	5.85275	***	0.42319	13.830	1.70e-13
Quarter 4	3.50103	***	0.44766	7.821	2.70e-08
Seattle	1.10201	**	0.34922	3.156	0.00402
Seattle*Ordinance Period	-0.62556		0.71994	-0.869	0.39285

NOTES: Signif. codes: 0 '\*\*\*' 0.001 '\*\*' 0.01 '\*' 0.05 '.' 0.1 ' ' 1

MODEL FIT: Residual standard error: 0.8903 on 26 degrees of freedom. Multiple R-squared: 0.931. Adjusted R-squared: 0.9124. F-statistic: 50.09 on 7 and 26 DF, p-value: 1.718e-13

**Table B3: Total wages**

Coefficients:	Estimate		Std. Error	t value	Pr(> t )
(Intercept)	97.3665	***	1.3804	70.537	< 2e-16
Post Ordinance Period	2.5226		1.8186	1.387	1.387
Time Trend	0.9060	***	0.1321	6.857	2.8e-07
Quarter 2	-0.9032		1.2547	-0.720	0.4781
Quarter 3	0.9986		1.1861	0.842	0.4075
Quarter 4	9.9729	***	0.9788	-0.632	0.5329
Seattle	-0.6186		0.9788	-0.632	0.5329
Seattle*Ordinance Period	-4.0992	.	2.0179	-2.031	0.0525

NOTES: Signif. codes: 0 '\*\*\*' 0.001 '\*\*' 0.01 '\*' 0.05 '.' 0.1 ' ' 1

MODEL FIT: Residual standard error: 2.495 on 26 degrees of freedom. Multiple R-squared: 0.8826. Adjusted R-squared: 0.851. F-statistic: 27.93 on 7 and 26 DF, p-value: 1.509e-10

**Table B4: Average wage**

Coefficients:	Estimate		Std. Error	t value	Pr(> t )
(Intercept)	105.7769	***	1.3784	76.741	< 2e-16
Post Ordinance Period	1.2500		1.8160	0.688	0.497342
Time Trend	0.5577	***	0.1319	4.227	0.000258
Quarter 2	-4.5857	**	1.2529	-3.660	0.001127
Quarter 3	-5.3368	***	1.1844	-4.506	0.000124
Quarter 4	6.2334	***	1.2529	4.975	3.59e-05
Seattle	-1.8777	.	0.9774	-1.921	0.065736
Seattle*Ordinance Period	-3.3482		2.0149	-1.662	0.108588

NOTES: Signif. codes: 0 '\*\*\*' 0.001 '\*\*' 0.01 '\*' 0.05 '.' 0.1 ' ' 1

Residual standard error: 2.492 on 26 degrees of freedom. Multiple R-squared: 0.8515. Adjusted R-squared: 0.8116. F-statistic: 21.3 on 7 and 26 DF, p-value: 2.95e-09

## Appendix C. About the Employer and Worker Interviews<sup>y</sup>

### About the employer interviews

There were 47 employers who were randomly selected from the set of respondents who completed the 2012 baseline survey to participate in the in-depth interview. The response rate was 47%. Two additional two employers participated in the interviews, one of whom volunteered and the other willing participated through a connection from one of the research team members.

Employers were drawn from three industries chosen for their public health importance: 1) retail, 2) food and accommodation, and 3) health care and social services. At least some employees in all sectors have contact with the general public; hence working while sick with an infectious disease could lead to further transmission.

Employers participated in two waves of interviews. The first wave was completed from November 2012 thru June 2013. During the first wave of interviews, employer were asked a series of questions about their workforce, benefits offered, time off polices, and their awareness about PSST and challenges they perceived to encounter due to the ordinance. These questions were developed based of concerns from business owners and city council. Information regarding shift swapping, abused, and financial impact was of special concern. The majority of these interviews were done in-person at the employers' establishment. 20 of the original 24 employers participated in the follow interviews that took place from September 2013 thru February 2014. This round of interviews captured any challenges or financial impacts encountered due to the ordinance. The majority of these interviews were conducted over the phone. Table 1 highlights the information that was gathered from both waves of employer interviews. All interviews were audio-recorded, then transcribed and checked for accuracy.

Table C1. Topics covered in employer interviews

Overview of workforce - job types, worker demographics
Scheduling
Benefits
Fringe benefits/no fringe benefits
Paid time off
Sick leave/Sick leave with PSSTO
Seattle Ordinance - awareness, thoughts, opinions, financial impacts

<sup>y</sup> Interviewers Chantel Johnson and Tracy Brazg prepared this appendix.

## About the worker interviews

Two waves of interviews were conducted between April 2013 and January 2014. Wave 1 interviews of 28 workers took place in the Spring and Summer of 2013. Wave 2 interviews, conducted approximately six to nine months after Wave 1, involved second interviews with 11 of the workers who participated in Wave 1 along with five newly recruited workers.

Workers across both waves were drawn from three industries that were chosen based on their public health importance: 1) retail, 2) food and accommodation, and 3) health care and social services. Workers were recruited through Craigslist, employer referral, worker referral, and flyers in public places around the city. Employers who participated in the employer interviews referred five of the worker interviewees.

Workers were deemed eligible for a Wave 1 interview if 1) they worked in one of the three target industries, 2) they were considered Seattle workers under the Ordinance and worked for employers with more than 4 FTE positions, and 3) they reported having contact with the general public through their jobs. We recruited workers from the three industries and from the three size tiers of businesses described in the Ordinance. In addition, we sought out workers with children, to examine how the Ordinance might impact parents. Wave 2 workers met the same eligibility criteria and also did not have access to paid sick leave prior to the Ordinance.

During Wave 1 interviews workers were asked a series of questions about themselves, their current place of employment, benefits offered, use of sick leave, and awareness, thoughts and opinions about PSST. The followed up interviews, Wave 2, focused on any changes in paid time off benefits offered at the workers place of employment and their experience using PSST. The majority of interviews took place in public setting of the interviewees choosing. All interviews were audio-recorded, then transcribed and checked for accuracy.

Table C2. Topics covered in worker interviews

Personal background
Employment history
Current job – tasks, schedule, benefits including time off/leave policies
Sick time
Recent personal and family illness or need for leave
Deciding to use sick time
Employer attitude
PSSTO—awareness, thoughts, opinions
Demographics

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## Appendix D. Survey Results – Responses by Item<sup>2</sup>

The tables below display item-by-item responses to the follow-up survey of employers. In most cases, both raw and weighted numbers are given. The raw sample size of 345 is the number of employers subject to the Paid Sick and Safe Time Ordinance (PSSTO) who responded to the follow-up survey. The weighted sample size of 9,058 is estimated based on three numbers (the final population of businesses (N=29,702), returned survey sample (N=1,460), and the raw sample eligible for the PSSTO at follow-up (N=345) by 11 strata of industrial sectors.

Although 345 employers responded to the survey, not all answered every question. Unless otherwise noted in the tables below, non-responses were assumed to be “no” or negative answers in the case of affirmative questions.

### PART 1 – BUSINESS OR ORGANIZATIONAL INFORMATION

1. Today’s date: \_\_\_\_\_  
MM / DD / YYYY

Ranges from Aug. 28, 2013 to Nov 22, 2013. Two dates are missing.

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<sup>2</sup> Data analyst Wes Bignell prepared this appendix based on a format created by Chiho Song.

2. Is your organization a non-profit?

	Raw (N=345)	Weighted (N=9058)		
	Freq.	%	Lower bound	Upper bound
Affirmative (Yes)	47	9.53	6.72	13.35

Note: No missing values

3. How many **Full Time Equivalent** employees does your business or organization have? *On the last survey, you or the previous respondent indicated that <<BNAME>> had <<FTEMPLOY>>. If this is still the same, please select it again below.*  
 Use your own definition of Full-Time Equivalent (FTE). If your organization does not have a set definition, consider an FTE to be 40 hours per week. For example: if you define full-time as working 40 hours per week and have four employees who each work 20 hours per week, then you have 2 FTEs.

	Raw (N=345)	Weighted (N=9058)		
	Freq.	%	Lower bound	Upper bound
None (0)	-	-	-	-
1 - 4 (If you have one part-time employee, please select this option)	-	-	-	-
5 - 19	187	51.67	45.28	58.01
20 - 49	66	19.46	14.90	25.02
50 - 99	37	11.20	7.68	16.04
100 - 249	24	6.67	4.24	10.34
250 or more	31	11.00	7.39	16.06

Note: No missing values



4. How many of your FTE employees are **Seattle** employees? *On the last survey, you or the previous respondent indicated that <<BNAME>> had <<SEMPLOY>>. If this is still the same, please select it again below.*

A “Seattle employee” is an employee who is based in Seattle or performs more than 240 hours (30 full-time days) of work in Seattle within a calendar year. This includes employees who telecommute in Seattle, who work in Seattle on an occasional basis, temporary employees, and those who make pickups, deliveries, and sales calls in Seattle. For example: A full-time worker who works half the time in Seattle and half the time in another location is a 0.5 FTE Seattle employee.

If all your employees work in Seattle, your answer is the same as for question 3.

	Raw (N=345)	Weighted (N=9058)		
	Freq.	%	Lower bound	Upper bound
None (0)	-	-	-	-
1 - 4 (If you have one part-time employee, please select this option)	67	20.88	16.15	26.56
5 - 19	176	50.84	44.53	57.13
20 - 49	58	15.79	11.83	20.76
50 - 99	19	5.07	2.89	8.74
100 - 249	14	3.48	1.92	6.23
250 or more	11	3.93	1.96	7.73

*Note: No missing values*

5. Which of the following statements are true about **where** your employees work? Please check all that apply. We have employees who work...

		Raw ( N=345)	Weighted (N=9058)		
		Freq.	%	Lower bound	Upper bound
Exclusively within the City of Seattle (exclude business travel)	Affirmative (Yes)	223	65.36	59.28	70.98
Exclusively outside of the City of Seattle	Affirmative (Yes)	57	21.48	16.44	27.56
Both inside and outside of the City of Seattle (such as delivery workers, technicians or service persons who travel to different job sites, or employees based in non-Seattle locations who regularly or occasionally work at a Seattle location or vice versa)	Affirmative (Yes)	181	57.64	51.51	63.55

*Note: No missing values*

## PART 2 – BENEFITS

For questions in Part 2 and Part 3, please report **only** for the employees that work in the City of Seattle. Any employee who works only in Seattle or performs more than 240 hours (30 full-time days) of work in Seattle within a calendar year is a Seattle employee. This includes employees who telecommute in Seattle, who work in Seattle on an occasional basis, temporary employees, and those who make pickups, deliveries, and sales visits in Seattle.

6. How many **Seattle** employees do you have in each of the following employment categories?

	Raw Response Categories (N=345)		
	Has this type of employee	Does not have this type of employee	Data missing
Full-time employees	310	24	11
Part-time employees	196	122	27
Temporary employees (over the past year)	66	223	56
Seasonal employees (over the past year)	41	250	54
Occasional employees (those who are based outside of Seattle but work more than 240 hours per year within the City)	41	248	56

If you do not have any Seattle employees, please skip ahead to Question 16 on page 5.

7. Which of the following benefits does your business or organization offer to its **Seattle** employees?

	<b>Raw Counts (N=345)</b>				<b>Total (N) (1)+(2)+(3) +(4)</b>
	(1) Offered to <b>full-time</b> employees only	(2) Offered to <b>full-time</b> and <b>part-time</b> employees only	(3) Offered to <b>full-time, part-time, seasonal,</b> and <b>temporary</b> employees	(4) This benefit is <b>not offered / data missing</b>	
	<b>Freq.</b>	<b>Freq.</b>	<b>Freq.</b>	<b>Freq.</b>	
a. Health insurance for employee	206	69	6	64	345
b. Health insurance for employee's spouse, domestic partner, or dependents	155	56	5	129	345
c. Paid sick leave	120	87	36	102	345
d. Paid vacation leave	158	65	9	113	345
e. Paid holidays	161	81	15	88	345
f. Undesignated leave or universal "Paid time off" (PTO)	63	51	12	219	345

	Weighted % (N=9058)												Total (N) (1)+(2)+(3) +(4)
	(1) Offered to full-time employees only			(2) Offered to full-time and part-time employees only			(3) Offered to full-time, part-time, seasonal, and temporary employees			(4) This benefit is not offered / data missing			
	%	LB	UB	%	LB	UB	%	LB	UB	%	LB	UB	
a. Health insurance for employee	62.20	56.09	67.95	20.63	15.89	26.35	2.76	1.10	6.77	14.41	11.35	18.12	100.0
b. Health insurance for employee's spouse, domestic partner, or dependents	47.26	41.13	53.48	16.44	12.17	21.83	2.52	0.93	6.62	33.78	28.33	39.70	100.0
c. Paid sick leave	36.80	30.85	43.17	28.24	22.75	34.46	8.63	6.09	12.08	26.34	21.34	32.03	100.0
d. Paid vacation leave	47.80	41.54	54.14	21.88	16.86	27.88	1.99	0.93	4.18	28.33	23.32	33.94	100.0
e. Paid holidays	51.35	45.12	57.54	24.35	19.17	30.40	4.53	2.43	8.29	19.77	16.30	23.77	100.0
f. Undesignated leave or universal "Paid time off" (PTO)	19.68	15.20	25.10	13.42	9.62	18.42	3.16	1.50	6.53	63.74	57.40	69.63	100.0

8. For each of the types of paid leave listed below, how many days or 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 COLUMN BELOW (either # of days or # of hours). If your business **does not** offer paid leave to full-time **Seattle** employees, please enter zeros below.

	Raw N	Weighted Mean (if leave is offered)	Lower Bound	Upper Bound
a. Paid sick leave	203	7.866094	6.827214	8.904973
b. Paid vacation leave	204	9.833666	8.790953	10.87638
c. Paid holidays	227	7.430122	7.012368	7.847875
d. Undesignated leave or universal "Paid time off" (PTO)	169	6.820889	5.35856	8.283219

Percent of employers providing paid sick leave

	Raw (N=345)	Weighted (N=9058)			
	Freq	%	lb	ub	count
Yes	203	61.42	55.13	67.36	5564
No	15	2.83	1.57	5.05	256
Missing	127	35.75	29.91	42.05	3238

Percent of employers providing paid vacation leave

	Raw (N=345)	Weighted (N=9058)			
	Freq	%	lb	ub	count
Yes	204	62.71	56.56	68.48	5680
No	18	3.54	2.22	5.61	321
Missing	123	33.75	28.06	39.95	3057

Percent of employers providing paid holidays

	Raw (N=345)	Weighted (N=9058)		
	Freq	%	lb	ub
Yes	227	70.19	64.82	75.06
No	16	3.92	2.34	6.49
Missing	102	25.89	21.23	31.16

Percent of employers providing undesignated leave or universal "Paid time off" (PTO)

	Raw (N=345)	Weighted (N=9058)		
	Freq	%	lb	ub
Yes	107	30.05	24.52	36.22
No	62	16.02	12.08	20.94
Missing	176	53.93	47.56	60.17

**PART 3 – WHEN EMPLOYEES ARE SICK OR ABSENT**

9. What happens at your business when a **Seattle** employee is sick? (CHECK ALL THAT APPLY)

		Raw (N=345)	Weighted (N=9058)		
		Freq.	%	Lower bound	Upper bound
The employee stays home	Affirmative (Yes)	326	95.90	92.81	97.69
The employee comes in anyhow	Affirmative (Yes)	121	37.58	31.56	44.01
The employee gets sent home if s/he comes in sick	Affirmative (Yes)	185	50.44	44.19	56.67
Other (please specify) _____	Affirmative (Yes)	33	12.00	8.20	17.23

10. What happens **most often** at your business when a **Seattle** employee is sick? (CHECK ONLY ONE)

	Raw (N=345)	Weighted (N=9058)		
	Freq.	%	Lower bound	Upper bound
The employee stays home	261	77.18	71.62	81.93
The employ comes in anyhow	18	5.08	2.96	8.60
The employee gets sent home if s/he comes in sick	11	2.52	1.24	5.07
Other (please specify)	13	4.24	2.14	8.23
Multiple / Don't know / Missing	42	10.98	7.92	15.02



11. When a **Seattle** employee is absent, how often does your business or organization use the following replacements?

a. call in another employee as a replacement?

	Raw (N=324)	Weighted (N=9058)		
	Freq.	%	Lower bound	Upper bound
Never	115	45.66	39.52	51.93
Rarely	72	20.58	15.87	26.25
Sometimes	46	12.27	8.84	16.78
Frequently	50	11.51	8.45	15.48
Always	41	9.99	7.12	13.84

\*dropped “don’t know”, ‘missing’, and ‘skip’, and adjusted weights based on missing observations

b. hire an outside replacement?

	Raw (N=318)	Weighted (N=9058)		
	Freq.	%	Lower bound	Upper bound
Never	234	74.40	68.20	79.75
Rarely	65	22.16	17.04	28.29
Sometimes	13	2.09	1.15	3.78
Frequently	4	1.17	0.37	3.65
Always	2	0.18	0.05	0.65

\*dropped “don’t know”, ‘missing’, and ‘skip’, and adjusted weights based on missing observations

12. In the **past year**, have any of your full-time **Seattle** employees taken paid sick leave?

	Raw (N=345)	Weighted (N=9058)		
	Freq	%	lb	ub
Yes	250	72.75	66.98	77.85
No	44	12.05	8.87	16.16
Don't know	11	4.39	2.26	8.35
N/A-no paid leave offered	29	8.03	5.30	12.01
Missing/Skip	11	2.78	1.39	5.48

13. In the **past year**, have any of your part-time **Seattle** employees taken paid sick leave?

	Raw (N=345)	Weighted (N=9058)		
	Freq	%	lb	ub
Yes	114	31.78	26.28	37.84
No	90	24.11	19.48	29.44
Don't know	16	5.57	3.16	9.65
N/A-no paid leave offered	111	35.13	29.40	41.31
Missing/Skip	14	3.41	1.86	6.17

14. In the **past year**, how many **Seattle** employees were reprimanded (verbally or in writing) for abuse of sick leave?

	Raw (N=345)	Weighted (N=9058)		
	Freq.	%	Lower bound	Upper bound
None	273	79.84	74.26	84.47
One employee	16	5.69	3.22	9.86
2-5 employees	4	1.03	0.31	3.40
6 or more employees	2	0.87	0.21	3.50
NA - no sick leave offered	19	4.84	2.88	8.03
Don't Know / Missing / Skip	31	7.73	5.05	11.65

15. In the **past year**, have any of your **Seattle** employees (full-time, part-time or otherwise) taken paid safe leave? (Safe leave is leave that can be used in the event of certain public health emergencies or for personal safety reasons related to domestic violence, sexual assault or stalking.)

	Raw (N=345)	Weighted (N=9058)		
	Freq.	%	Lower bound	Upper bound
No	209	59.12	52.78	65.16
Yes	21	5.09	3.16	8.08
N/A - no safe leave offered	44	11.85	8.40	16.46
Don't know / Missing / Skip	71	23.95	18.88	29.88

**PART 4 –CITY OF SEATTLE ORDINANCE – EMPLOYER BACKGROUND**

*REMINDER - Every legal measure will be taken to safeguard the confidentiality of your responses. The name of your business and whether you participate will not be shared with the City. Results will be reported in aggregate form so that individual responses cannot be identified.*

16. Has your organization or business heard about the City of Seattle Paid Sick and Safe Time Ordinance that went into effect on September 1, 2012?

	Raw (N=345)	Weighted (N=9058)		
	Freq.	%	Lower bound	Upper bound
Affirmative (Yes)	295	83.47	78.06	87.76

17. How did you hear about the Paid Sick and Safe Time Ordinance? Please check all that apply.

		Raw (N=345)	Weighted (N=9058)		
		Freq.	%	Lower bound	Upper bound
I haven't heard about the Paid Sick and Safe Time Ordinance	Affirmative (Yes)	18	4.96	2.86	8.47
City of Seattle	Affirmative (Yes)	168	47.65	41.44	53.93
Legal counsel, payroll processor, bookkeeper, accountant, or other service provider	Affirmative (Yes)	117	30.87	25.40	36.93
News media	Affirmative (Yes)	190	53.06	46.63	59.39
Other business owners	Affirmative (Yes)	56	14.87	11.00	19.80
This survey or another survey	Affirmative (Yes)	63	21.60	16.59	27.61
Trade association or Chamber of Commerce	Affirmative (Yes)	51	14.22	10.47	19.04
Other (please specify)	Affirmative (Yes)	26	5.85	3.76	9.02

18. Not all businesses and organizations have to comply with the City of Seattle Paid Sick and Safe Time Ordinance. To the best of your knowledge, does your business or organization have to comply with the Ordinance?

	Raw (N=344)	Weighted (N=9058)		
	Freq.	%	Lower bound	Upper bound
No	48	14.34	10.64	19.05
Yes	221	62.83	56.47	68.78
Don't know	75	22.83	17.83	28.74

\*dropped one missing observation and adjusted weights based on missing observations

19. Did your business or organization change policies when the City of Seattle Paid Sick and Safe Time Ordinance went into effect?

	Raw (N=344)	Weighted (N=9058)		
	Freq.	%	Lower bound	Upper bound
No	162	49.37	43.10	55.65
Yes	140	36.89	31.15	43.03
Don't know	27	9.87	6.51	14.69
N/A - not required to comply	15	3.87	2.24	6.59

\*dropped one missing observation and adjusted weights based on missing observations

20. To the best of your knowledge, how well has your business or organization complied with the Paid Sick and Safe Time Ordinance?

	Raw (N=345)		Weighted (N=9058)	
	Freq.	%	Lower bound	Upper bound
Not in compliance	2	0.44	0.11	1.72
Somewhat in compliance	5	1.13	0.49	2.62
Mostly in compliance	23	7.71	4.84	12.05
Fully in compliance	236	67.25	61.04	72.91
Don't know	52	16.68	12.30	22.24
N/A - not required to comply	27	6.78	4.55	10.00

21. Overall, how supportive is your business or organization of the City of Seattle Paid Sick and Safe Time Ordinance?

	Raw (N=279)		Weighted (N=9058)	
	Freq.	%	Lower bound	Upper bound
Not at all supportive	53	15.07	11.39	19.68
Not too supportive	32	14.38	9.84	20.54
Somewhat supportive	67	25.22	19.54	31.89
Very supportive	127	45.33	38.33	52.52

\*dropped 65 'don't know' observations and 1 'missing' observation and adjusted weights based on missing observations

**PART 5 – CITY OF SEATTLE ORDINANCE – IMPACTS**

22. In order to comply with the City of Seattle Paid Sick and Safe Time Ordinance, has your business or organization made any of the following policy or business changes? Please answer Yes or No for each.

		Raw (N=345)		Weighted (N=9058)	
		Freq.	%	LB	UB
a. implement a paid leave policy because your business or organization didn't have one before?	Affirmative (Yes)	58	13.36	10.4	17.01
b. increase accrual rates for paid leave or increase the amount of leave available to employees?	Affirmative (Yes)	73	18.86	14.68	23.89
c. expand eligibility to employees who did not previously qualify for paid sick or safe leave?	Affirmative (Yes)	105	24.63	20	29.93
d. shorten the waiting period for accruing or using paid sick or safe leave?	Affirmative (Yes)	36	8.84	6.14	12.55
e. start paying for the first day of sick or safe leave?	Affirmative (Yes)	69	17.27	13.56	21.75
f. expand your policies to include safe leave?	Affirmative (Yes)	120	33.49	27.97	39.5
g. decrease vacation time to compensate for required increases to paid sick and safe leave?	Affirmative (Yes)	21	4.73	2.96	7.49
h. change to a universal leave or paid time off (PTO) system?	Affirmative (Yes)	41	10.09	7.09	14.18
i. decrease employee pay raises or bonuses?	Affirmative (Yes)	23	5.5	3.54	8.44
j. raise prices or otherwise pass on the cost to customers?	Affirmative (Yes)	29	7.13	4.62	10.85
k. reduce number of employees in Seattle locations or move employees outside of Seattle?	Affirmative (Yes)	8	2.34	1.14	4.74
l. close or relocate Seattle locations	Affirmative (Yes)	2	0.58	0.15	2.3

23. Did you make any other policy or business changes in response to the Paid Sick and Safe Time Ordinance that were not mentioned above?

Other changes (please explain)



24. How difficult has it been for your business or organization to comply with the Paid Sick and Safe Time Ordinance? If your business or organization does not have to comply with the Ordinance, please mark "N/A."

a. understand the legal requirements of the Paid Sick and Safe Time Ordinance?

	Raw (N=345)	Weighted (N=9058)		
	obs	%	lb	ub
Not difficult at all	86	34.41	27.70	41.79
Not too difficult	95	36.70	29.97	43.99
Somewhat difficult	63	22.38	16.82	29.13
Very difficult	22	6.51	4.19	9.99

\*Dropped if response ="Don't Know" or ="N/A" and adjusted weights based on missing observations

b. keep records in order to administratively comply with the Paid Sick and Safe Time Ordinance?

	Raw (N=345)	Weighted (N=9058)		
	obs	%	lb	ub
Not difficult at all	80	37.04	29.70	45.02
Not too difficult	87	31.44	24.73	39.03
Somewhat difficult	47	18.26	13.15	24.79
Very difficult	38	13.26	9.29	18.58

\*Dropped if response ="Don't Know" or ="N/A" and adjusted weights based on missing observations

c. work with a payroll vendor to report accrued sick and safe time?

	Raw (N=345)	Weighted (N=9058)		
	obs	%	lb	ub
Not difficult at all	85	50.01	40.91	59.11
Not too difficult	54	26.00	18.47	35.27
Somewhat difficult	24	10.46	6.43	16.58
Very difficult	25	13.52	9.12	19.60

\*Dropped if response = "Don't Know" or = "N/A" and adjusted weights based on missing observations

d. notify your employees about the Paid Sick and Safe Time Ordinance?

	Raw (N=345)	Weighted (N=9058)		
	obs	%	lb	ub
Not difficult at all	124	53.85	45.99	61.52
Not too difficult	92	36.49	29.20	44.45
Somewhat difficult	19	5.68	3.25	9.75
Very difficult	14	3.99	2.38	6.60

\*Dropped if response = "Don't Know" or = "N/A" and adjusted weights based on missing observations

e. reassign or delay work responsibilities when your employees take sick or safe leave?

	Raw (N=345)	Weighted (N=9058)		
	obs	%	lb	ub
Not difficult at all	91	43.45	35.58	51.65
Not too difficult	72	29.13	22.28	37.09
Somewhat difficult	50	18.42	13.11	25.27
Very difficult	27	9.00	6.12	13.04

\*Dropped if response = "Don't Know" or = "N/A" and adjusted weights based on missing observations

25. How has complying with the Paid Sick and Safe Time Ordinance affected your business or organization? If your business or organization does not have to comply with the Ordinance, please mark "N/A."

<i>How has complying with the Paid Sick and Safe Time Ordinance affected your business's or organization's...</i>	<b>Raw counts</b>					
	Much better	Better	No change or about the same	Worse	Much worse	Nobs
a. customer service?	1	3	233	12	2	251
b. employee morale?	1	26	219	7	1	254
c. employee honesty?	0	8	222	19	2	251
d. employee turnover?	0	2	243	3	1	249
e. number of sick employees on the job?	0	11	232	7	4	254
f. predictability of employee absenteeism?	0	1	222	21	10	254
g. profitability?	0	1	191	47	10	249

<i>How has complying with the Paid Sick and Safe Time Ordinance affected your business's or organization's...</i>	<b>Weighted percentages</b>				
	Much better	Better	No change or about the same	Worse	Much worse
h. customer service?	0.19	0.74	95.71	2.88	0.48
i. employee morale?	0.32	7.58	90.21	1.80	0.08
j. employee honesty?	0.00	3.82	89.90	5.59	0.68
k. employee turnover?	0.00	1.08	98.33	0.50	0.09
l. number of sick employees on the job?	0.00	3.54	94.35	1.28	0.83
m. predictability of employee absenteeism?	0.00	1.14	91.00	4.53	3.34
n. profitability?	0.00	0.86	82.64	13.99	2.51

\*Dropped if response ="Don't Know" or ="N/A" and adjusted weights based on missing observations

26. Has your business or organization identified the costs to comply with the City of Seattle Paid Sick and Safe Time Ordinance for the year that started on September 1, 2012 (or for the current calendar or fiscal year)?

	Raw (N=345)	Weighted (N=9058)		
	obs	%	lb	ub
Yes, specific costs to comply with the ordinance have been identified.	28	8.11	5.23	12.37
No, we do not plan to or have no resources to identify costs associated with the ordinance	206	58.73	52.36	64.82
We are currently in the process of identifying the specific costs to comply	28	7.33	4.83	10.97
Unsure/Don't know	74	23.75	18.60	29.81
Missing	9	2.07	0.98	4.33

The City Council is interested in knowing how much this Ordinance costs employers. If your business or organization has identified the costs to comply with the Ordinance, please provide the information below.

Total annual revenue (gross) \$ \_\_\_\_\_

First year cost of changing systems and policies \$ \_\_\_\_\_

Annual cost of providing mandated paid time off \$ \_\_\_\_\_

How did you calculate these costs? \_\_\_\_\_

Additional information \_\_\_\_\_