



Fact Sheet

IWPR No. B264

October 2008

Job Growth Strong with Paid Sick Days

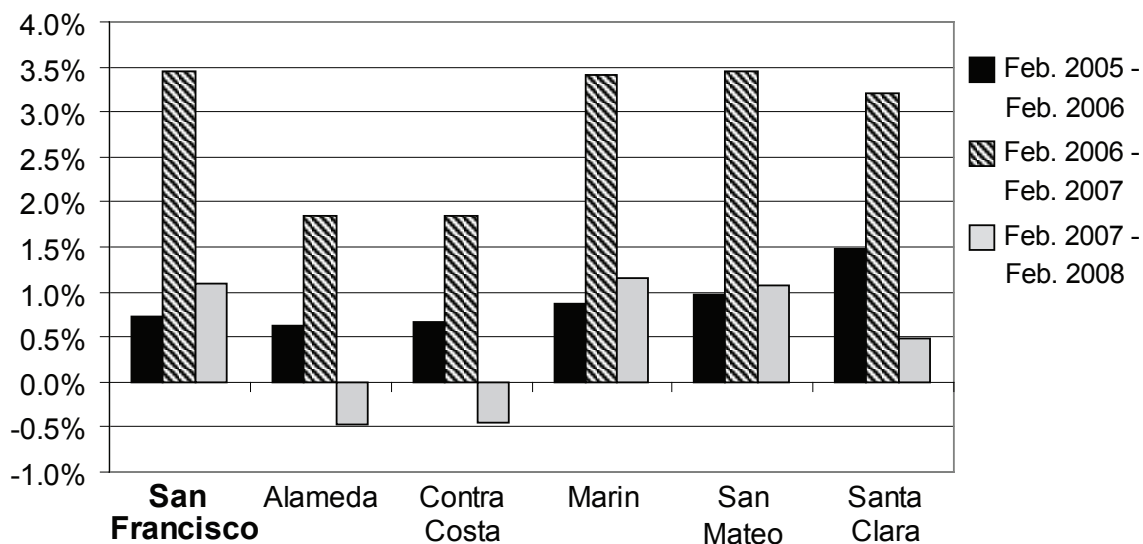
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Job growth has been strong in San Francisco compared with other Bay Area counties following implementation of a new paid sick days standard in San Francisco on February 5, 2007, according to data from the California Employment Development Department.¹

San Francisco's paid sick days ordinance took effect on February 5, 2007. The law mandates that employees earn paid sick time at the rate of one hour of paid sick time for every 30 hours worked. Employees in small businesses (those with fewer than 10 employees) may accrue a maximum of 40 hours of paid sick time; those in larger firms may accrue a maximum of 72 hours. Paid sick days may be used for employees' own health care and to care for family members. More information is available on the SFGov web site, http://www.sfgov.org/site/olse_index.asp?id=49389.

Despite an economic slowdown affecting employment in all counties in the Bay Area in 2007,² San Francisco maintained a competitive job growth rate that exceeds the average growth rate of nearby counties (Figure 1). In the 12-month period following the effective date of the new policy, employment in San Francisco expanded by 1.1 percent, the same rate as Marin and San Mateo counties and substantially above the rate of employment change in Alameda, Contra Costa, and Santa Clara counties (-0.5, -0.5, and 0.5 percent, respectively).

Figure 1. Percent Change in Employment Before and After Implementation of the San Francisco Paid Sick Days Ordinance



Source: Institute for Women's Policy Research analysis of data from the California Employment Development Department.

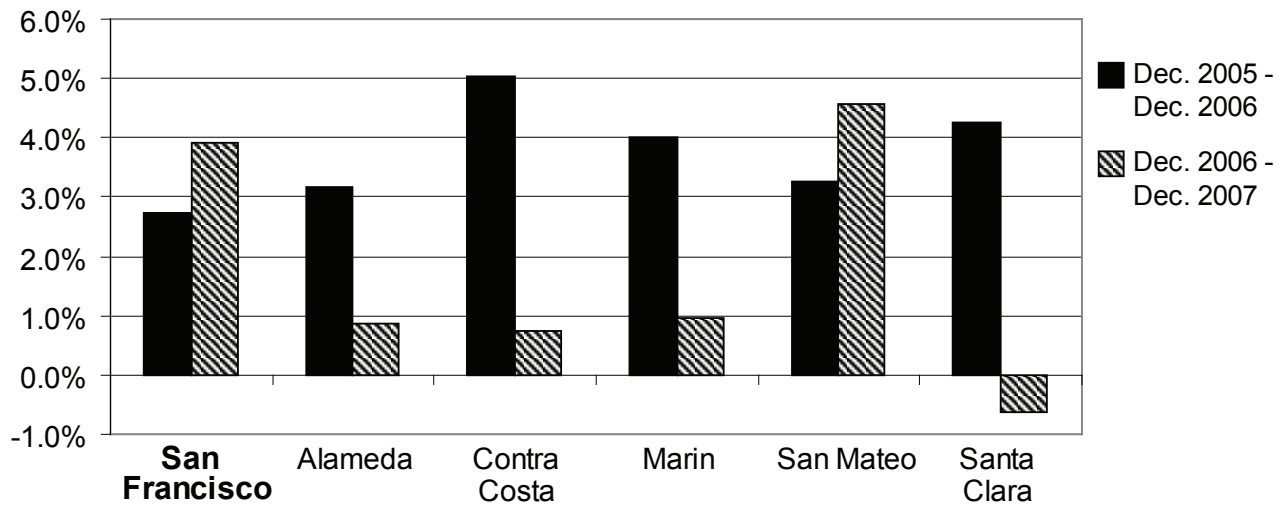
¹ The city and county of San Francisco are the same entity.

² Nationally, GDP growth fell from 2.8 percent in 2006 to 2.0 percent in 2007 (U.S. Bureau of Economic Analysis 2008).

Assessments of San Francisco’s new paid sick days policy by business organizations underscore its minor impact on employers. The director of the Golden Gate Restaurant Association told the *San Francisco Chronicle* that “it hasn’t been a big issue” for the companies he represents (quoted in DeBare 2008) and characterized the policy as “successful” (Singer 2008). The San Francisco Chamber of Commerce agreed, noting that “we really have not heard much about it being a major issue” (quoted in the *Wall Street Journal*; Spors 2008).

The strength of San Francisco’s labor market is notable in the restaurant industry, where most workers currently lack paid sick days (78 percent; Hartmann 2007). Employment increased by 3.9 percent between the 4th quarter of 2006 and the 4th quarter of 2007—a higher growth rate than in the year before the new paid sick days policy was implemented, and stronger growth than any nearby Bay Area county except San Mateo (Figure 2).

Figure 2: Percent Change in Restaurant and Hospitality Employment Before and After Implementation of the San Francisco Paid Sick Days Ordinance



Source: Institute for Women’s Policy Research analysis of data from the California Employment Development Department.

The strength of San Francisco’s job market since implementation of the paid sick days policy suggests that, like minimum and living wages, adoption of this minimum labor standard does not adversely affect job growth (Dube, Naidu and Reich 2007, Brenner 2005, Potter 2006).

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