

TESTIMONY

OF

RUSSELL KEATING, STAFF REPRESENTATIVE

OF THE

PENNSYLVANIA AFL-CIO

ON

HOUSE BILL 1155

PAID SICK LEAVE FOR ALL WORKERS

HOUSE LABOR RELATIONS COMMITTEE

HONORABLE ROBERT E. BELFANTI, JR., CHAIRMAN

HONORABLE GENE DIGIROLAMO, CHAIRMAN

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Russell Keating

Staff Representative

Pennsylvania AFL-CIO

319 Market (3rd Floor)

Harrisburg, PA 17101

(717) 231-2842

**Written Testimony for the House Labor Relations Committee
Submitted by the
Pennsylvania AFL-CIO
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Good afternoon, my name is Russell Keating. I would like to thank Chairman Belfanti, Chairman DiGirolamo, Committee Members and Committee Staff. I am here today on behalf of the affiliated Labor Organizations of the Pennsylvania AFL-CIO, which represent over 900,000 workers in diverse occupations, who together with their families, contribute to the vitality of Pennsylvania.

The Pennsylvania AFL-CIO commends State Representative Marc Gergely for promoting paid sick leave and for introducing House Bill 1155 that we think is a bill that benefits employees and employers. House Bill 1155 shares many similarities to paid leave statutes adopted by the District of Columbia and San Francisco. Likewise, House Bill 1155 reflects the intent of legislation that U.S. Senator Ted Kennedy, of Massachusetts, has introduced in the United States Senate.

Paid sick leave has a significant impact on the relationship between workers' morale, productivity and profits. Paid sick leave fosters profitability by raising employee morale and thus their productivity and lowering production costs.

Sick and injured employees, without paid sick leave, are left with the choice of working while they are sick and injured or not working and losing their jobs. Likewise, sick and injured employees, without paid sick leave, are left with the choice of nursing their sick and injured family members or losing their jobs. Such desperate choices do not boost employees' morale. And, such desperate choices stifle productivity and profits in other ways. Employees who work while they are sick risk the health of other workers. Also, workers who

work while sick and injured typically perform noticeably below their maximum proficiencies, and consequently productivity lags and profitability languishes.

Workers who lose their jobs because they are too sick and injured to work suffer the many setbacks of unemployment, and their former employers suffer the cycle of high employee turnover and rising costs of constantly hiring and training new employees.

Other states' studies show paid sick leave: reduces workplace illnesses, reduces production costs, increases worker retention, increases productivity and, ultimately, increases profitability.

A recent Institute for Women's Policy Research study found that providing paid sick leave in Ohio would yield a net savings of more than \$1.00 per worker per week. Consequently, Ohio is another state considering paid sick leave legislation.

This conversation should also recognize the demographics to this issue. Bureau of Labor Statistics data shows as of 2005, almost half – 42 percent – of private sector workers are not eligible for paid sick leave. These and most other workers who are not eligible for paid sick leave typically are lower paid workers. Ironically, it is more costly for employers to provide paid sick leave to higher paid employees. According to the United States Department of Labor, on average it costs about double the amount of money per man hour to provide paid sick leave for management and upper pay scale employees than to employees on the lower end of the pay spectrum.

Other Studies have also shown that people who work in low paid positions in general have more medical issues. This may become a spiral down effect for employees, and many times it does. Waiters, waitresses, hotel and resort staff, and other service industry employees are the most prevalent group of employees who are not eligible for paid sick leave. So this is a vested interest for yourself and your family: would you like yourself and your family to receive services from persons who are working while they are sick because

they must either do so or lose their jobs. Or, would it be better for your customers and ultimately your business for you, as a restaurant owner, to be the cause of your sick employees coming to work and possibly infecting your customers, or let your employees take sick leave to enable them to convalesce which in turn enables you to prevent possible contagion for your customers?

Workers recognize without business, there are no jobs. We actually believe the more profitable the business the more jobs to be created. Naturally, we believe profitability significantly depends on workers' morale and health.

Businesses that properly care for their employees improve the morale of their employees, contribute to public health and safety, and provide help and hope to those who most need support.

Finally, the issue of paid sick leave affects the issue of the workers' rights. Too often employees are faced with losing their jobs so they can care for themselves and their family members. I'm not implying every business does this, and we commend and respect those businesses that do provide for their employees, but there must be an overall standard that says, we care about the workers of this state.

I leave you with one last thought; this state has several times been the leading state on an array of issues such as the Pennsylvania Health Care Cost Containment Council, which has been called an example for all to follow. You have a chance here to be the first state to act on the issue of paid sick leave. You can show this country that when it comes to all workers' rights, Pennsylvania cares about our workers and recognizes their needs.

Thank you.

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