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Business-commissioned Study Inflates Cost of NYC Paid Sick Leave, Say Researchers

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In a [letter](#) to the Speaker of the New York City Council, the [Institute for Women's Policy Research \(IWPR\)](#) and other leading scholars outlined flaws in a study by the Partnership for New York City estimating high costs to businesses due to proposed paid sick leave legislation.

The Ernst and Young survey that was commissioned by the Partnership for New York City, a group of 200 leaders of major corporations in the city, claims that the proposed paid sick leave legislation would cost New York City businesses \$789 million per year. The Partnership has not released the methodology used to estimate projected costs.

“Despite the Partnership’s stated intent to acquire hard data from employers, their survey, its implementation, and their analysis suffer from a number of critical flaws,” said Robert Drago, research director with IWPR. “The survey was not random, and the analysis misinterprets the proposed legislation.”

In their letter to New York City Council Speaker Christine Quinn, IWPR points out that the employers who participated in the survey were not proportionally representative, but part of a self-selecting group with an overrepresentation from large businesses. Sixty percent of the Partnership’s estimated cost of the proposed paid sick leave legislation is attributed to the need for employers to change their sick leave policies; however, the study incorrectly assumes that providers already offering paid sick leave must change their policies. The cost estimate also incorrectly includes costs for covering independent contractors—even though they would not be covered under the proposed legislation.

Senior researchers from a number of universities and think tanks signed the letter, including scholars from Columbia University, New York University, the Center for American Progress, the Center for Economic and Policy Research, the National Partnership for Women and Families, the Center for Law and Social Policy, the Women of Color Policy Network, Human Impact Partners, and the Labor Project for Working Families. A number of the signatories participate in a research working group, convened by

IWPR, dedicated to improving the quality and availability of social science research on sick leave and family leave.

The Partnership's survey also contradicts recent estimates for the New York metropolitan region released by the Bureau of Labor Statistics showing that 27 percent of private-sector workers lack sick days, as do 63 percent of workers in the bottom wage quartile. The Partnership found that only 12 percent of private-sector workers in New York City lack access to sick leave.

A veto-proof majority of 36 members of the New York City Council currently supports the proposed paid sick leave legislation. The bill is modeled on a similar one that was passed in San Francisco. Recent research by New York's Drum Major Institute finds San Francisco has experienced job growth competitive with surrounding counties since the law was implemented.

Previous cost-benefit analysis by IWPR demonstrated that paid sick leave legislation in [New York City](#) would result in cost savings for businesses by increasing worker productivity and reducing turn-over. "The Partnership study, in failing to describe its methods, does not follow accepted standards of rigor," said Kevin Miller, senior research associate with IWPR. "Critical methodological flaws make it misleading—at best—as a guide for shaping policy."

A June poll by the National Opinion Research Center at the University of Chicago found strong national support for paid sick leave legislation—with 86 percent of respondents favoring legislation that would guarantee up to seven paid sick days per year. According to a [report](#) released May 2010 by the Community Service Society of New York, a public policy institute focusing on poverty issues, three in four New Yorkers support similar legislation.

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