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Releases

New study exposes business lobby myths on 10 days paid sick leave

(Unceded Squamish, Tsleil-Waututh and Musqueam territories — Vancouver, BC) Despite business lobbyists' claims of dire implications for employers, a new study shows 10 days of paid sick leave will mean negligible increases in costs for BC businesses.

According to the study, conducted by economist Jim Stanford at the Centre for Future of Work, the BC Federation of Labour's proposed 10-day paid sick leave plan would increase overall costs for BC businesses by just one-fifth of one percent (0.21%). Even in the hospitality sector, where some employers have claimed paid sick leave would be especially harmful to business viability, costs would increase by less than one half of one percent (0.44%).

The study calculates the impact of the proposed 10-day plan on sick leave entitlements, absences, replacement staff costs, and bottom-line business expenses. It does not consider the business benefits of paid sick leave, such as higher productivity, healthier workplaces and lower employee turnover, which may offset any increased costs. The findings are a sharp rebuke to warnings of economic ruin from the Canadian Federation of Independent Business, boards of trade and other business lobby groups.

“Ten days of employer paid sick leave is the floor throughout most of the OECD. Countries like New Zealand and Australia have 10 days, while Sweden has 14 and Germany 30,” said Laird Cronk, President of the BCFED. “We know the public health and inequality-fighting benefits of paid sick leave. This new study makes clear the solid economic case for it too.”

The BC government recently completed public consultations on whether to bring in three, five or 10 days of paid sick leave. They are expected to decide in the coming weeks on the number of days workers will have access to starting January 1. Polling shows that a vast majority of British Columbians across party lines support a 10-day program.

“The claim that an increase in business costs of this order of magnitude could cause widespread bankruptcy is simply not credible,” said Dr. Stanford. “Even if workers claimed every sick day they were entitled to, the bottom-line cost is just one-third of one percent of total business expenses. That’s far too small to make any measurable difference to the overall competitiveness and profitability of B.C. businesses.”

Background:

- Download the full report here.
- Explore the polling by Research Co on support for paid sick leave here.