

## Essential and Vulnerable: Service-Sector Workers and Paid Sick Leave

Against the backdrop of a global health crisis, service-sector workers are newly visible. While millions of American workers have been instructed to stay home, workers in the grocery, food-service, pharmacy, hardware, and delivery sectors continue to stock stores, fulfill take-out orders, and deliver necessities. Their work is vital to the wellbeing and survival of the population during the coronavirus pandemic. But, these members of the essential workforce are highly vulnerable to the economic and health risks posed by the pandemic.

The service sector is large, comprising nearly 20% of the American workforce. Even in good economic times, workers in these jobs earn very low wages, are exposed to substantial work schedule instability and unpredictability, and face risks to occupational health and safety. In these extraordinary times, by showing up to work, service-sector workers are risking exposure to a highly contagious and potentially lethal disease. Many also contend with increased workloads, with new requirements for frequent cleaning in the workplace, and with an intensified volume of deliveries.

In the midst of a pandemic, paid sick leave—the ability to take time off when sick to recover or care for others—stands out clearly as an essential aspect of job quality. Paid sick leave allows those who are sick to recover and protects those who are healthy against the spread of illness. Yet, recently available data from The Shift Project reveals that in many localities and workplaces, workers lack this benefit.

We find that 55% of workers at large service-sector firms have no paid sick leave, and women are

significantly less likely to have paid sick leave than their male co-workers. Workers who lack sick leave are very financially insecure—a quarter struggle to pay their bills and a third experienced hunger hardship even before the COVID-19 outbreak.

Unionization, paid sick leave laws, and high-road corporate strategies all help to increase workers' access to paid sick leave and narrow the gender gap. For instance, in California, 81% of workers reported paid sick leave. But, even in a state like California, with high coverage, just 14% of California workers had access to at least two weeks of paid sick leave, leaving workers vulnerable, particularly in the context of the current coronavirus outbreak.

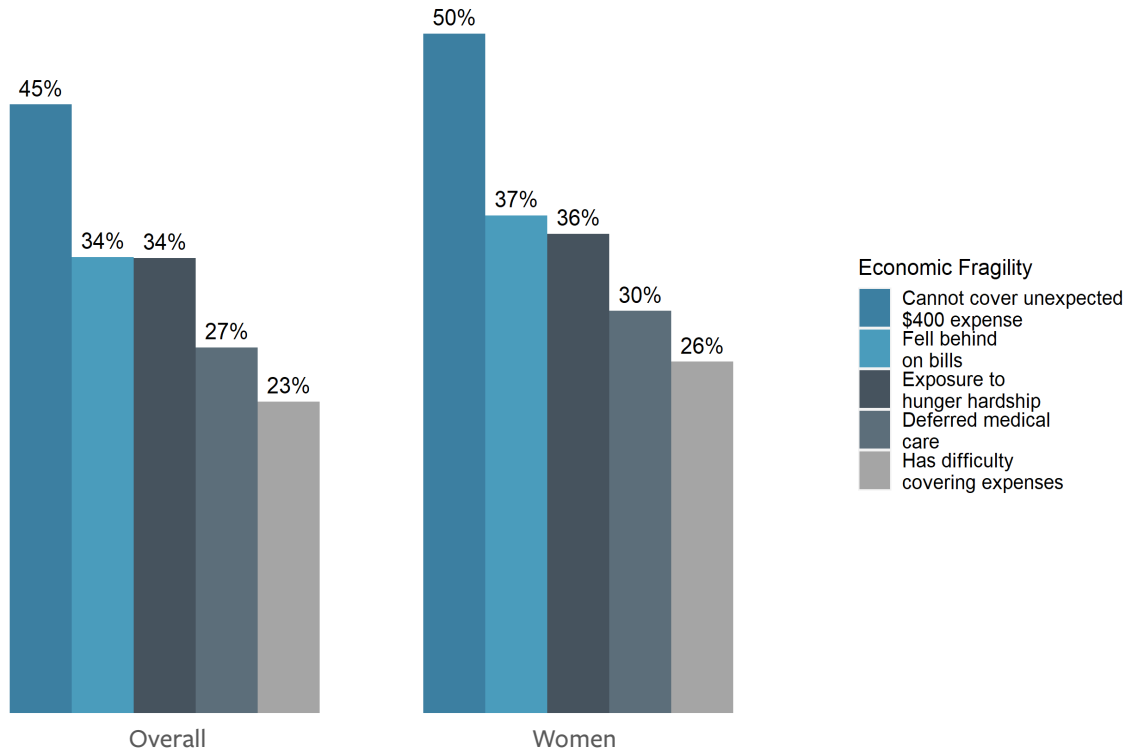
### Most Retail and Food Workers Lack Paid Sick Leave

Over the past three years, we have surveyed approximately 30,000 hourly workers at 123 of America's largest retail and food-service firms—jobs that now make up part of the essential workforce during the pandemic. We asked these workers if they had access to paid sick leave at their job.

More than half (55%) told us that they lacked access to paid sick leave. Workers may report a lack of paid sick leave due to a myriad of reasons: their employer does not offer it to any hourly workers; the benefit is conditional on job tenure or hours; administrative or cultural barriers hinder full utilization of the benefit.

One grocery store worker who we interviewed, Laura, describes an extreme case of being pressured to

**Figure 1 Household Economic Fragility Among Workers Without Access to Paid Sick**



work even when she was extremely ill:

*[I] couldn't even walk or breathe and I'm like, I think I may have to go to the hospital, because I'm not feeling well and my schedule, I think it was 3-12 that day or 2-11, something like that. So I called my boss in the morning, that was at around 9 or 10 o'clock. And I told 'em, you know I don't feel good, I need to have the day off today, because I feel real sick... He was like, "No, I cannot give you the day off. If you don't come in, I will give you 3 days of suspension" ...and I went to work like that.*

Another worker we spoke with, shortly prior to the coronavirus outbreak, described how a financial imperative to work can be a recipe for contagion at his workplace:

*They [co-workers] still work on days that they have a virus and they do get everyone else sick, because like, oh, they need that money that day.*

Even when a company has an official policy, many workers may face barriers to using it. Because our

survey collects data directly from employees at specific named firms, it provides a lens into company practice and the lived experience of workers. This perspective is an important complement—and sometimes a corrective—to official company policy.

Further, though 45% of workers reported some access to paid sick leave, we find that only 8% of workers reported having earned at least 14 days of leave.

## Workers Without Paid Sick Leave Are Economically Vulnerable

For hourly retail and food-service workers, every hour on the clock counts towards making ends meet. Workers at the 123 firms in our data earned a median hourly wage of just \$11.50 and worked an average of 33 hours per week. We find that 28% are involuntarily part-time—working fewer than 35 hours while desiring more hours at their main job. Only 14% had a second job. In all, 59% of workers in our sample have household incomes of less than \$35,000 a year.

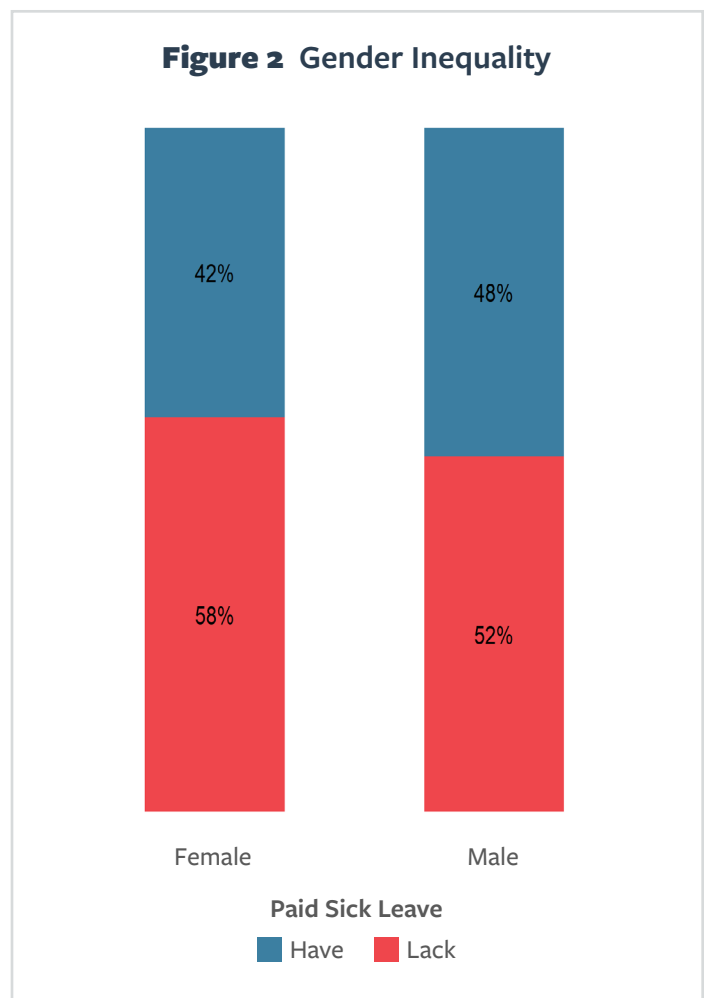
A missed shift or missed days of work without pay to recover from sickness or care for an ill family member can be the difference between just getting by and no longer making ends meet. We see this clearly in the deep economic vulnerability of workers without paid sick leave. We find that 23% of workers without paid sick leave reported that it was very difficult for them to cover all of their expenses and pay their bills in a typical month. Workers without paid sick leave live very close to the financial margin. Forty-five percent of those without paid sick leave reported that they were not confident they could cope with an unexpected \$400 shock—the equivalent to the income lost by missing a week of work at \$11.50 an hour, an all-too-common experience for many service-sector workers in the midst of the pandemic.

We also find high levels of deprivation among hourly workers without paid sick leave. Thirty-four percent of workers without paid sick leave reported a time in the last year when they fell behind on their bills and 27% reported a time when they or a member of their household needed medical care but didn't get it because of the cost. Workers without paid sick leave also reported high levels of hunger hardship—34% reported a time in the last year when they went hungry because they couldn't afford enough to eat or received free food or meals because they lacked sufficient funds to buy food.

## Gender Inequality in Paid Sick Leave and Economic Vulnerability

The lack of access is even more pronounced for female hourly workers. We find that 58% of women report lacking access to paid sick leave at their jobs versus 52% of male workers. This inequality is particularly glaring because women in our sample are far more likely to be single parents and because, in general, women bear a much larger share of care work than men.

Women are less likely to have paid sick leave than their male counterparts, and women without



paid sick leave are also even more economically insecure. We find that 26% of women without paid sick leave reported difficulty covering expenses and bills and 50% reported they wouldn't be able to cope with a \$400 shock. Material hardship was also common among the 58% of women who lacked paid sick leave—37% reported a time when they fell behind on bills, 30% reported forgoing medical care, and 36% reported hunger hardship.

## Getting Workers Paid Sick Leave and Narrowing the Gender Gap: What Works?

► **Build Worker Power.** Union membership is uncommon among our surveyed workers at 123 large retail and food-service firms, at just about

9%. But, workers who reported being in a union were significantly more likely to report access to paid sick leave—49% of union workers had paid sick leave versus 44% of non-unionized workers. Paid sick leave is also more gender equitable among unionized workers. While men were 15% more likely to have paid sick leave among non-union members, the gap is just 11% among union members.

► **Raise the Floor.** Fourteen states and 18 cities and counties have enacted laws requiring employers to provide paid sick leave to their employees. Workers in Connecticut have had this protection since 2012, but other laws, such as those in New Jersey and Maryland, are more recent, and laws in Maine and Michigan that provide for more general time off have only just gone into effect. We compare workers' reports of access to paid sick leave in the seven states where paid sick leave has been on the books since 2017 (when our data begin) against workers in states that have not passed paid sick laws at all.

We find that workers in these seven states that require paid sick leave are much more likely to report having access to paid sick than those in states where it is not required by law. The gap is large—76% of workers in the states with paid sick leave report having access to the benefit against just 36% of those in places without legal requirements. The mandate substantially benefits both men and women, but we find that in these states with paid sick leave, the gender gap is narrower—7% vs. 14% in states without paid sick leave laws.

► **Take the High Road.** A number of employers across subsectors of retail and food service have also adopted a “high road” approach when it comes to job quality. At these firms, which include Home Depot, Safeway, Costco, and Aldi, among others, more than 80% of workers report access to paid sick leave. Averaging across 16 high-road firms in our data, we find that 86% of workers at these companies have paid sick days against just 40%

## FOCUS ON CALIFORNIA

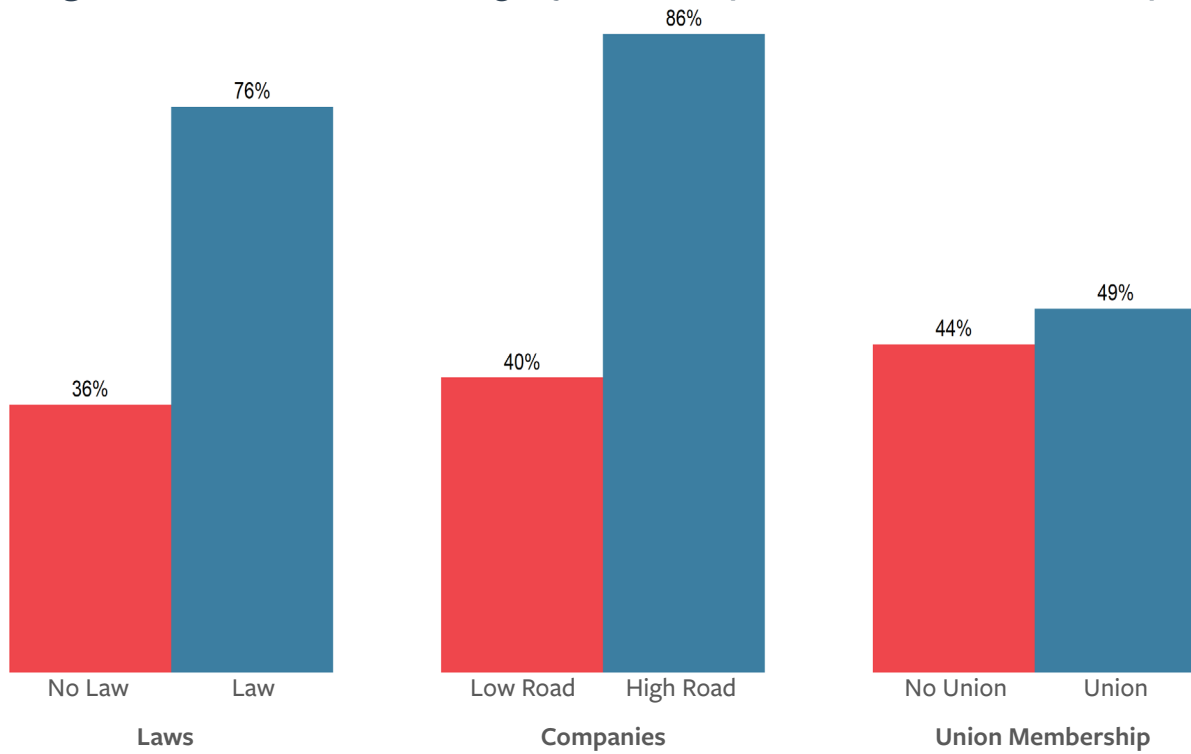
California has been at the vanguard of efforts to mandate paid sick leave, with San Francisco passing the first law in the country to require paid sick leave in 2006, and with subsequent laws in San Diego, Emeryville, Santa Monica, and Los Angeles. State-wide legislation took effect in 2015. Under the law, workers with at least 90 days on the job who work at least 30 days in a year can use paid sick leave accrued at 1 hour per 30 hours worked, and can accrue at least 3 days of leave.

In our survey data, retail and food-service workers in California reported high levels of access to paid sick leave—81% report access as opposed to 36% of workers in places without paid sick leave laws. Further, the gender gap in paid sick leave was much smaller in California, with men only 4% more likely than women to have paid sick leave, against 13% in places without paid sick leave laws.

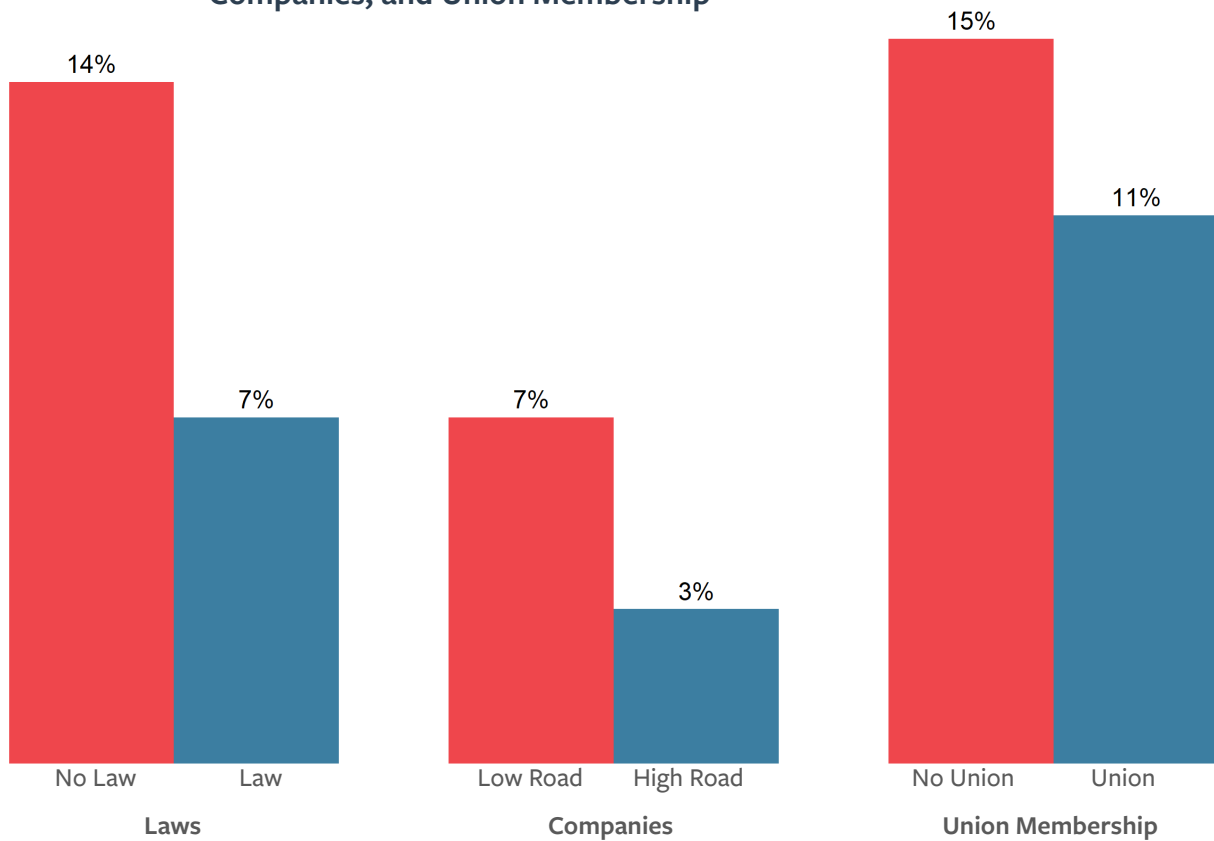
Although California workers are more protected than workers in states without paid sick leave, the majority do not have enough paid time off to cover an illness lasting one week or more. In recent data from The Shift Project, we collected information on the number of sick days California employees had accrued. In this recent snapshot from Fall 2019, we find that 40% of California workers reported that they had accrued 3 or fewer paid sick days. Two-thirds had accrued one week or less. Only about 14% of workers reported having accrued two weeks of paid sick leave.

at other firms. Further, at these high-road firms, there is more gender equality in access to paid sick days, with men just 3% more likely than women to have paid sick at high-road firms compared with a 7% gap at other firms.

**Figure 3** Paid Sick Leave Coverage by Laws, Companies, and Union Membership



**Figure 4** Female Relative Disadvantage in Paid Sick Leave Coverage by Laws, Companies, and Union Membership



## Discussion

In many states and cities across the United States, most retail and food-service workers have no access to paid sick leave when they face illness or urgent caretaking needs. Given that many of these workers are also perilously close to a financial cliff, they face a strong incentive to work even when sick. The widespread lack of paid sick leave for workers in the service sector, therefore, has serious consequences for workers' own health, for the wellbeing of those they care for, as well as for public health. During a global pandemic, these consequences become all the more urgent and widespread.

Data from The Shift Project allow for an accounting of workers' self-reported, lived experience of having or lacking access to paid sick leave by geographic location and by company. With this data, we document a great deal of variation, which demonstrates that worker power, policy responses, and company action can be effective means for increasing access to paid sick leave. In particular, states like California have raised the floor through legislation requiring employers to offer paid sick time to their workforce. However, and notably, the amount of paid sick leave reported by workers in California would not be sufficient for an illness that lasted one week or more.

Complementing and supplementing these local and state efforts, some companies—such as Costco and In-N-Out Burger—have offered their workers access to paid sick leave even in the absence of legislative requirements. These companies are the exception to the rule, however. Most large service-sector companies do not offer paid sick leave coverage to their workforce.

As the coronavirus pandemic wears on, we have seen some rapid responses to address the widespread lack of paid sick leave. Most prominently, the Federal Families First Coronavirus Response Act expanded paid sick leave, but exempted employers with 500 or more employees. This exemption leaves as many as 85% of essential workers in

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In-N-Out Burger, founded in 1948 in Los Angeles, is a California institution. The iconic crossed palm trees found outside many locations mark the spot for its distinct limited menu of burgers, fries, and milk shakes.

In-N-Out is also distinct in the large and crowded fast-food market for providing paid sick leave to its workers. We compared paid sick leave access for workers at In-N-Out in the five states where the company does business (California, Texas, Arizona, Utah, and Nevada) to access at other food-service establishments in those same states. We find that 86% of In-N-Out workers report access to paid sick leave, compared to just 46% of workers at other fast-food and casual dining establishments in the same states.

grocery, pharmacy, and general merchandise unprotected. Although attention to paid sick leave at the federal level is an important step, the limited coverage leaves many workers and, by extension, the public vulnerable.

At the same time, some large employers have engaged in voluntary action to offer new or expanded access to paid sick leave for their workforce. (For a catalogue of company responses, see corporate tracking by [Just Capital](#) or [New America Foundation's Better Life Lab](#)). Notably, company responses vary in their accessibility and coverage. The most comprehensive responses are those that offer at least two weeks of paid leave, cover all workers, including part-timer workers, and do not require a COVID-19 diagnosis or particular medical documentation.

Unfortunately, many large employers that have announced voluntary action on paid sick leave require a COVID-19 diagnosis or official quarantine recommendation, which may render this policy inaccessible for most workers who need it. The shortage of testing and the surge experienced by local health

care systems will likely make tests and official medical documentation difficult or impossible to obtain for many sick workers.

Public health experts project that it may be several months, or even a year or more, before the coronavirus pandemic is under control. The policy and company actions to expand paid sick leave coverage are a step in the right direction for protecting workers and promoting public health. However, there is still much room for improvement in making paid sick leave widely available and truly accessible to essential workers. Most importantly, a pressing next step is to expand the paid sick leave requirement in recent Federal legislation to include large employers. The huge loophole in this legislation leaves the vast majority of service-sector workers uncovered. But, employers need not wait for legislation to take action. Employers can follow the lead of their competitors who have made paid leave available and accessible to all their employees. And, consumers have a role to play, too, in giving their business to companies that act in the best interest of workers and public health by making paid leave available to all their employees.

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Support for this brief was provided in large part by the James Irvine Foundation, as well as the Robert Wood Johnson Foundation (Award No. 74528 and Award No. 45264), the Eunice Kennedy Shriver National Institute of Child Health & Human Development of the National Institutes of Health (Award No. R21HDO91578), the W.T. Grant Foundation, the Washington Center for Equitable Growth, and the Institute for Research on Labor and Employment. The views expressed here do not necessarily reflect the official views of the sponsors.

## Methodological Appendix

The Shift Project has collected survey data from hourly service-sector workers employed at large retail and food establishments since the fall of 2016. This brief focused on a subsample of 30,337 hourly service-sector workers employed at 123 of the largest food-service and retail firms who were interviewed between September 2017 and November 2019. The survey data collection was national in scope and the survey sample includes respondents from all 50 U.S. states and Washington, D.C. Uniquely, The Shift Project data identify the firm at which each respondent works and contains substantial numbers of respondents at each of the 123 firms described here. The average number of respondents per firm is 247.

The Shift Project recruits survey respondents using online Facebook/Instagram advertisements, targeted to workers employed at large retail and food-service employers. Those who responded to the Shift survey invitation were automatically routed to a survey landing page where they were asked to consent to participate in the study, then began the online self-administered survey using the Qualtrics platform. As an incentive, those who completed the survey and provided contact information were entered into a lottery for an Apple iPad. The survey included modules on job characteristics, work schedules, demographics, economic stability, health, parenting, and child outcomes. To screen out invalid survey responses, we used an attention filter (a question that instructed respondents to select a particular response category to verify the accuracy of their responses) as well as a speed filter (discarding data for surveys that were completed too hastily).

The survey recruitment approach yields a non-probability sample of workers, which may differ from the broader population of service-sector workers. Therefore, the estimates in this brief may differ somewhat from the percent and number of workers who lack paid sick leave in the broader population of workers. To mitigate this potential bias,

we have applied weights that adjust our sample to reflect the universe of service-sector workers in the United States. These weights are constructed in two stages.

First, we construct survey weights to adjust the demographic characteristics of the Shift survey sample to match the demographic characteristics of service-sector workers in the American Community Survey (ACS) for the years 2008-2017. We align the ACS sample with the Shift sample by selecting workers in the ACS who are employed in the same occupations and industries as the Shift sample.

Second, to ensure that our sample accurately reflects the distribution of employment types among large retail and food-service employers, we use data from the Reference USA database of U.S. establishments. The RefUSA database contains a detailed listing of all retail and food establishments nationally. RefUSA contains the size of the workforce for each establishment, which we aggregate up to the firm level. Then, using the aggregated RefUSA employer data, we weight our Shift survey sample to match the distribution of workers by firm. All of the descriptive results we present in this report apply these ACS demographic and RefUSA employer weights.

In our analysis of the extent of access to paid sick leave, the financial insecurity of workers without paid sick leave, and gender gaps in sick leave and insecurity, we estimate weighted unadjusted descriptive statistics. In our analysis of union differences in paid sick leave, we present predicted levels of paid sick leave from weighted regression models that adjust for age, gender, race/ethnicity, and having children. In our analysis of paid sick laws, we present predicted levels of paid sick leave from weighted regression models that adjust for age, gender, race/ethnicity, and having children. These models are run on the subset of respondents in the seven states that implemented paid sick leave by 2017, compared to those in states that have not passed paid sick leave, excluding respondents in states that implemented paid sick after 2017 or who are in



cities/counties with sub-state paid sick leave laws. In our analysis of high-road companies, we present predicted levels of paid sick leave from weighted regression models that adjust for age, gender, race/ethnicity, and having children. In these models, we do not include the second-stage employment size weight calculated from the RefUSA data.

For a detailed discussion of The Shift Project data collection, methodology, and data validation, see Schneider, D. and K. Harknett. 2019. “What’s to Like? Facebook as a Tool for Survey Data Collection.” *Sociological Methods & Research*. <https://doi.org/10.1177/0049124119882477>.