

Issue Brief | 2022-1 | April 2022

# Good if you can get it: Benefits and inequalities in the expansion of paid sick leave during COVID-19

Daniel Schneider and Kristen Harknett



## Contents

|   |    |
|---|----|
| Abstract .....  | 3  |
| Key Findings .....  | 3  |
| Introduction .....  | 3  |
| Data and Methods .....  | 6  |
| Access to Expanded Paid Leave .....                                 | 7  |
| Analysis of Inequality in Expansion of Paid Leave .....             | 7  |
| Analysis of Access to Expanded Paid Leave and Worker Outcomes ..... | 8  |
| Results .....   | 9  |
| Inequality in Paid Leave .....                                      | 9  |
| Expanded Paid Leave and Worker Outcomes.....                        | 12 |
| Conclusion .....  | 14 |
| About the Authors .....   | 15 |
| Acknowledgements .....  | 16 |
| Reference List .....  | 17 |

The views expressed in this paper are those of the authors and do not necessarily represent those of the Federal Reserve Bank of Boston or the Federal Reserve System.

## Abstract

The COVID-19 pandemic has focused attention on the important role that frontline retail, grocery, food service, and delivery workers play in the U.S. economy as well as on the difficult and often precarious working conditions these jobs involve. While low wages and unstable and unpredictable schedules pose ongoing challenges, in the context of a global pandemic, lack of access to paid sick leave is especially salient. The Families First Coronavirus Response Act exempted large employers from paid sick-leave requirements, even though prior to the pandemic, more than half of service-sector workers at large employers lacked access to paid sick leave. We draw on novel survey data from the Shift Project, collected from service-sector workers employed at large companies, to examine whether employers voluntarily increased paid sick leave when the pandemic struck. We find modest expansions in paid sick leave, which were stratified by gender and race/ethnicity, with women less likely to report expanded paid leave than their male counterparts. We find evidence that between-company segregation drove these inequalities, with women and workers of color concentrated at companies that did not voluntarily expand paid leave. Finally, we show that workers who reported that their employers expanded paid leave were less likely to work when sick, more satisfied with their jobs, less likely to plan to seek new jobs, and happier overall.

## Key Findings

- Just prior to the pandemic, more than half of service-sector workers employed by large companies lacked access to paid leave, and women and workers of color disproportionately so.
- In the absence of a federal requirement to offer paid leave during the COVID-19 pandemic, we find that just 17% of hourly workers at large retail, food service, grocery, and delivery companies reported that their employer expanded paid leave.
- White male workers were significantly more likely to report expanded paid leave than female workers.
- We find that these gender gaps were explained by between-employer segregation. Women and people of color were less likely to report expanded paid leave in large part because they were concentrated at companies that did not expand leave, not because they were less likely to get expanded paid leave than their white male coworkers.
- Expanded access to paid leave was associated with better outcomes for workers. Those who reported receiving it were less likely to work while sick, reported higher levels of job satisfaction and lower intention to seek a new job, and were also more likely to report being very or pretty happy overall.

## Introduction

The COVID-19 pandemic has focused attention on the important role that frontline retail, grocery, food service, and delivery workers play in the U.S. economy as well as on the

## Issue Brief | 2022-1 | Good if you can get it: Benefits and inequalities in the expansion of paid sick leave during COVID-19

difficult and often precarious working conditions these jobs involve. While low wages and unstable and unpredictable schedules pose ongoing challenges,<sup>1</sup> in the context of a global pandemic, lack of access to paid sick leave for many such workers is especially salient.<sup>2</sup>

Workers in these customer-facing and often food-handling jobs in retail, food service, grocery, and delivery face significant risk of exposure to COVID-19 at work.<sup>3</sup> Lack of access to paid sick leave can put these workers in the untenable position of having to choose between going to work sick or forgoing pay and perhaps even jeopardizing their jobs.<sup>4</sup> For this reason, the lack of paid sick leave may contribute to the transmission of COVID-19 and other infectious diseases and thus negatively affect population health.<sup>5</sup>

The United States has no national provision for paid sick leave. Instead, workers contend with a patchwork of state and local regulations and significant between-company variation in policies.<sup>6</sup> The Families First Coronavirus Response Act (FFCRA) added to this complex policy environment, providing for national-level paid sick leave for COVID-related reasons, but excluding workers at companies with more than 500 employees.<sup>7</sup> Overall 91% of workers at large companies already had paid sick leave headed into the pandemic, so for them, the exclusion was perhaps not such a concern.<sup>8</sup> However, the share of covered workers in the service sector was far lower: only 45% of workers at 123 of the nation's largest retail, food service, grocery, and delivery companies reported access to paid sick leave in 2019.<sup>9</sup> Further, just 8% of workers at these companies reported having earned at least 14 days of leave, the amount of time initially recommended for a COVID-19 quarantine.<sup>10</sup>

Before the pandemic, access to paid sick leave was stratified by race/ethnicity, with Hispanic workers particularly likely to lack access.<sup>11</sup> Prior research by the Shift Project, a large-scale survey and research study of work conditions in the service sector, also revealed disparities by gender in the service sector, with women less likely than men to report access to paid sick leave.<sup>12</sup>

In the context of the pandemic-induced public health crisis, retail and food service companies who were exempt from the FFCRA requirement to provide paid sick

---

<sup>1</sup> See, for example, Osterman & Shulman, 2011; Schneider & Harknett, 2019a.

<sup>2</sup> Desilver, 2020.

<sup>3</sup> Chaganti et al., 2020; Huang et al., 2020.

<sup>4</sup> Chaganti, 2021; Lovell, 2004.

<sup>5</sup> Marotta & Greene, 2019.

<sup>6</sup> Chaganti, 2021; Heyman et al., 2009; National Partnership for Women and Families, 2020; Schneider & Harknett, 2020a.

<sup>7</sup> Glynn, 2020.

<sup>8</sup> Desilver, 2020.

<sup>9</sup> Schneider & Harknett, 2020b.

<sup>10</sup> Schneider & Harknett, 2020b.

<sup>11</sup> Chaganti, 2021; Xia et al., 2016.

<sup>12</sup> Schneider & Harknett, 2020b.

## Issue Brief | 2022-1 | Good if you can get it: Benefits and inequalities in the expansion of paid sick leave during COVID-19

leave were pressured to voluntarily expand paid sick-leave provisions, and some large retailers did announce that they were voluntarily doing so.<sup>13</sup>

However, it remains unknown how extensive such voluntary expansions were and whether employees felt free to access them. Workers may fear employer retaliation—such as reduction in hours, worse job conditions, or job insecurity—if they take advantage of paid-leave benefits to which they are entitled.<sup>14</sup> Further, voluntary expansions may not be rolled out equitably with respect to race and gender.

Within firms, such new voluntary policies could be implemented inequitably if women and/or workers of color are granted less access to expanded paid leave than men and/or white coworkers. This kind of on-the-job discrimination has been found in analyses of work scheduling practices at certain large service-sector companies.<sup>15</sup> While large companies are likely to have formalized policies on paid sick leave that would in theory provide for eligibility by rule and thus diminish the likelihood of bias in shaping access to paid sick time, in practice, frontline managers have significant discretion over working conditions in the service sector, including over access to work hours, allocation of work tasks, and assignment of schedules.<sup>16</sup> Workers who call out sick, even if formally entitled to sick leave, may thus be subject to frontline sanctions, and how and when those sanctions are imposed may reflect a supervisor's conscious or unconscious bias.

Between firms, voluntary rollouts of paid sick leave may result in race and gender disparities via uneven adoption across companies. Given substantial evidence of gender and racial/ethnic discrimination in the hiring process, women and workers of color may be disproportionately channeled into companies with worse compensation, benefits, and working conditions.<sup>17</sup> It appears that this process of between-company segregation drives a significant portion of the gender wage gap.<sup>18</sup> In this instance, it is possible that women and workers of color may be disproportionately employed at the sort of companies that do not voluntarily adopt expanded paid leave.

Of course, expansions of paid sick leave also have the potential to help workers. Prior work shows that in cities and states that have expanded paid sick-leave mandates, there has been a reduction in presenteeism, or workers going into work while sick.<sup>19</sup> Researchers have also identified associations between access to paid sick leave and improved job satisfaction and reduced turnover.<sup>20</sup> But, despite paid sick-leave expansions being undertaken with the expectation that broader access will have downstream benefits for the health and well-being of workers and their families, the

---

<sup>13</sup> Coleman, 2020; Just Capital, 2021; Legum, 2020; *New York Times*, 2020.

<sup>14</sup> Albiston & O'Connor, 2016.

<sup>15</sup> Storer et al., 2020.

<sup>16</sup> Wood, 2020.

<sup>17</sup> Pager & Shepherd 2008; Quillian et al., 2017; Storer et al., 2020.

<sup>18</sup> Card et al., 2016; Jewell et al., 2019.

<sup>19</sup> Schneider, 2020; Stearns & White, 2018.

<sup>20</sup> Appelbaum, 2011; Colla et al., 2014; Hill, 2013; Lindemann & Britton, 2015; Smith & Kim, 2010.

research evidence on even the association between paid sick-leave access and employee well-being is very sparse.

We compare baseline data from late in 2019 with data from between March and May 2020. We ask workers if, despite their employers being exempted from the FFCRA, they received access or expanded access to paid leave. We estimate the degree of racial/ethnic and gender inequality in the disparity of access to paid leave, then consider potential explanations for the disparities, such as differences in human capital, occupation or industry, or employment by particular employers. We then estimate the associations between expanded paid leave and worker presenteeism, job satisfaction, intention to seek a new job, and happiness.

## Data and Methods

We draw on survey data collected in March, April, and May of 2020 by the Shift Project from 9,248 hourly workers at 106 of the largest service-sector companies in the United States, including Walmart, Target, McDonald's, Kroger, Costco, and Whole Foods. These months were a period of intense and historic action around paid sick leave, with Congress passing the FFCRA in March 2020 and significant scrutiny of the voluntary paid sick-leave policies of companies that were exempt from the FFCRA requirement, including by the *New York Times* and through such accountability efforts as the Better Life Lab's corporate response tracker.<sup>21</sup> The Shift Project survey data were timed to coincide with this period of concerted attention and action and enable us to describe, from the employee perspective, employers' on-the-ground responses to COVID-19.

The Shift Project recruits survey participants using paid advertisements on Facebook and Instagram that are targeted to audiences of workers who work at employers of interest. The advertising platform thus provides both sampling frame and survey recruitment method. A key benefit of this approach is that we are able to sample from a broad cross-section of workers and do not select on, for instance, participation in an advocacy group or an online forum, which could introduce bias into the estimates. While these data constitute a nonprobability sample, prior work shows that the survey responses benchmark well against traditional probability sample sources.<sup>22</sup> We weight the data on race/ethnicity, age, education, and gender to align with the demographics of workers in the same occupations and industries in the American Community Survey. We further adjust the data to align the share of respondents per company in the survey data with each company's share of total employment among the 122 companies.

Our analytic sample of 9,248 survey respondents includes those who provided complete data for all measures included in our analysis. We use these data to estimate inequality in the expansion of paid leave during COVID-19 as well as to estimate the association between expanded paid leave and worker outcomes.

---

<sup>21</sup> *New York Times*, 2020; Miller et al., 2020.

<sup>22</sup> Schneider & Harknett, 2019b.

## Access to Expanded Paid Leave

The main analytic variable is derived from the question “Has [EMPLOYER NAME] made any of the following changes at your workplace in response to Coronavirus (COVID-19)? Please mark all that apply.” Respondents are offered 14 choices, and we focus on the one relevant for our research, which is “offered employees more paid time off than usual.” Respondents who did not select this choice are coded as 0, while those who indicated expanded paid time off are coded as 1. We describe the degree of voluntary expansion of paid leave by large service-sector employers in the spring of 2020. While our cross-sectional data do not permit us to distinguish between expansions that represent first-time access (for workers who did not previously have paid leave) and augmented access (for workers who did), we can leverage the employer-employee matched data to estimate if workers at companies that provided greater access to paid sick leave before the pandemic were more or less likely to report expanded paid leave in the spring of 2020.

## Analysis of Inequality in Expansion of Paid Leave

We next estimate the degree of inequality in access to expanded paid leave by the intersection of gender and race/ethnicity. To do so, we construct a four-category measure that allows us to gauge inequality across four groups: (1) white, non-Hispanic men; (2) white, non-Hispanic women; (3) men of color, and (4) women of color. Respondents in groups (3) and (4) include workers who identify as Black, Hispanic, Asian, other nonwhite racial identity, or multiracial identity. These categories were combined due to relatively small sample sizes and for ease of analysis.

We estimate a set of nested models that allow us to better understand the sources of possible inequalities. We first estimate the unadjusted gap, controlling only for month of interview. Next, after taking into account demographic differences in age, parental status, marital status, speaking a language other than English at home, and state of residence, we estimate the remaining race and gender gaps. Our third step takes into account differences in accumulated human capital. Notably, differences in these human-capital attributes—school enrollment, educational attainment, job tenure, union membership, and usual work hours—are themselves likely to be, at least in part, the product of upstream discriminatory practices. Fourth, we take into account industry and occupation, which are important contributors to disparities in wages and benefits.<sup>23</sup> Although the Shift Project sample is relatively homogenous with respect to industry and occupation, there is still some variation and the potential for race/gender segregation; therefore, we estimate race and gender gaps after taking into account occupation and industry. On the one hand, this homogeneity is valuable for eliminating sources of unobserved heterogeneity by design. On the other hand, by focusing on a particular sector of the economy, our analysis cannot shed light on the contribution of broader dynamics of occupational segregation (such as between professional and service-sector occupations) to racial/gender inequality in access to paid sick leave.

---

<sup>23</sup> Kristal et al., 2018; Levanon, et al., 2009.

Any remaining inequalities in access would occur among workers within the same occupations and industries with similar demographic attributes and levels of human capital. While all of these controls are themselves likely to be at least in part the product of more distal discriminatory practices, this residual is often interpreted as capturing proximate discrimination.<sup>24</sup>

The final step in our analysis of race and gender inequalities in paid sick-leave expansions is to separate between-company discrimination (in which workers of certain race/gender demographics are underrepresented at companies offering better amenities) from within-company discrimination (on-the-job discrimination). We do so by leveraging the novel employer-employee linked data structure of the Shift Project and introducing a fixed effect for employer. If we find evidence of residual gender or race/ethnic gaps after doing so, that would be consistent with a process of within-company on-the-job discrimination. If we do not, that would be more consistent with a process of discrimination at the point of hire, which sorts workers by gender and race/ethnicity into different types of companies.

## Analysis of Access to Expanded Paid Leave and Worker Outcomes

Finally, we estimate the association between expanded paid leave for four worker outcomes.

First, we code *presenteeism* as 1 if a respondent reported working while sick in the past 30 days and 0 if the respondent either reported not being sick or being sick but not working. Second, we code *job satisfaction* as 1 if a respondent reported being very or somewhat satisfied with their job and 0 if the respondent reported being not too satisfied or not at all satisfied with their job. Third, we code *intention to find a new job* as 1 if a respondent reported being very or somewhat likely to make a genuine effort to find a new job within the next three months and 0 if a respondent reported being not at all likely to do so. Fourth, we code *happiness* as 1 if a respondent reported being very or pretty happy and 0 if a respondent reported being not too happy.

We estimate a series of ordinary least squares (OLS) regression models to estimate the association between pandemic-related expanded paid time off and the four dependent variables. For each outcome, our first model is simply the bivariate association between the employee outcome and whether or not the employer expanded paid time off because of the pandemic.

In our second model, we take into account an array of potential confounders and explanatory variables, including demographics, work characteristics, and employer and state fixed effects. If workers who have more human capital and better job quality are generally more satisfied and happier, and if employers seek to further reward such workers, then failing to control for demographics and other dimensions of job quality could bias our estimates of the effect of paid leave on worker outcomes. To guard against demographic biases, we take into account gender, race/ethnicity, age, parental status,

---

<sup>24</sup> Blau & Kahn, 2016; Petersen & Morgan, 1995.



marital status, speaking a language other than English at home, school enrollment, and educational attainment. As for work characteristics, we account for occupation, job tenure, union membership, hourly wage, work schedule type, work schedule control, and usual work hours. We further guard against confounding by adding in fixed effects for respondents' state of residence, which controls for policy and labor market environments, and for the employer, which accounts for sorting into particular kinds of employers.

By focusing on within-employer comparisons, our second model should reduce the likelihood that a positive association between paid leave expansion and better worker outcomes is simply an artifact of employment at a more positive or supportive company and increase the likelihood that the positive association reflects a true benefit of the expansion in paid sick leave.

## Results

By late May 2020, 17% of hourly workers overall across all 122 of the companies in our data reported that their employer had offered employees more paid time off than was usually available.

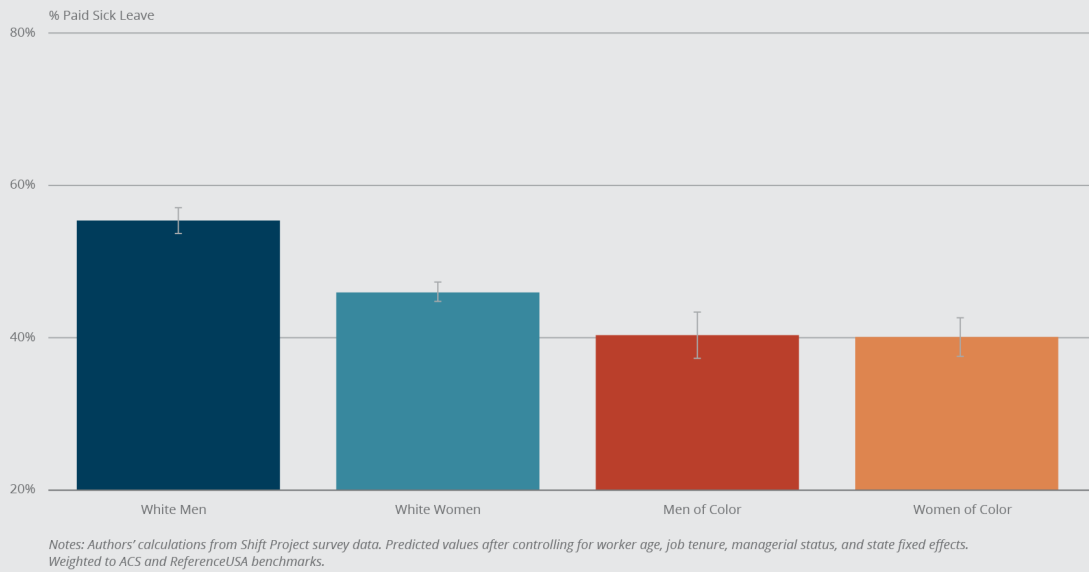
Although our cross-sectional data do not permit us to examine whether this change represented expanded access for workers who already had some paid leave or new access for workers who had not previously had it, we can examine whether companies that offered paid sick leave prior to the pandemic were more or less likely to provide expanded paid leave during our period of study, spring 2020.

We find that paid sick-leave expansions were concentrated at companies that were already offering some paid sick leave before the pandemic. At companies with the most limited access to paid sick leave (fewer than 25% of workers) in the year before the pandemic, just 5% of workers reported that their employer expanded paid leave in the early months of the pandemic. In contrast, at companies that offered the most widespread access to paid sick leave (to more than 75% of workers) before the pandemic, almost half of workers (46%) reported further expansions of paid sick leave. These companies, including Home Depot, Costco, Safeway, and Chipotle, offered much broader access to paid sick leave before the pandemic, and their workers were most likely to report expanded access to paid leave at the start of the pandemic.

## Inequality in Paid Leave

Beyond continuing existing between-companies inequalities in paid leave, were expansions extended unequally across race/ethnicity and gender groups? In fall 2019, prior to the pandemic, fewer than half of service-sector workers reported having access to paid sick leave, and access to this benefit was stratified by race/ethnicity and gender. White men were the most likely to have access to paid sick leave (55%). The share of white women with paid sick leave was 9 percentage points lower (46%), and the share of men and women of color was 15 percentage points lower (40%).

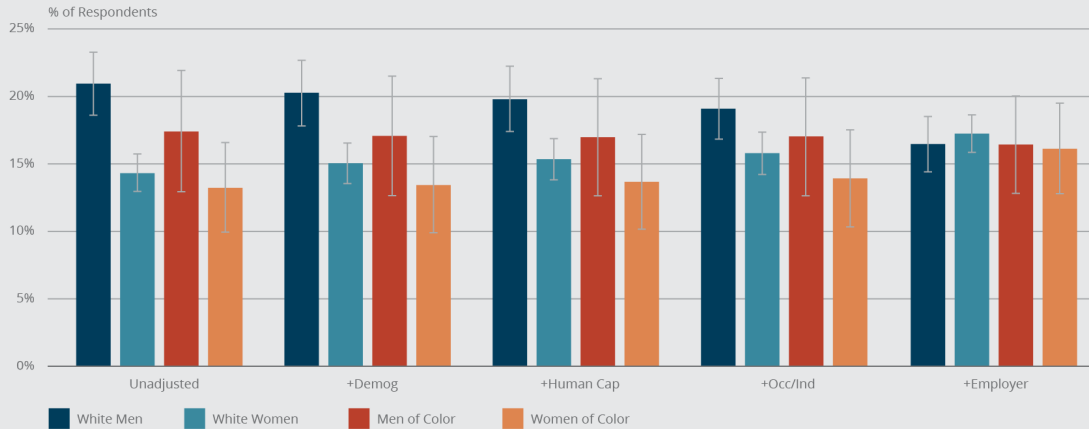
Figure 1. Paid Sick-Leave Access in Fall 2019 by Race/Ethnicity and Gender



Do we see similar stratification in access to additional paid time off offered early in the pandemic? Yes: access to additional paid time off was sharply unequal by race/ethnicity and gender. While 21% of white men reported receiving additional paid time off, only 14% of white women ( $p < .001$ ) and 13% of women of color ( $p < .001$ ) did so. Men of color were also disadvantaged relative to their white male counterparts, with 18% reporting access to additional paid time off, though this gap was not statistically significant. These gaps are presented graphically in the first set of bars, labeled “unadjusted,” in Figure 2.

Figure 2. Predicted Reports of Employer Expansion of Paid Leave by Race/Ethnicity and Gender

Employer Expanded Paid Sick Leave During COVID



Source: Authors' calculations from Shift Project data.

Note: Our adjustments are for the following characteristics: (1) "demog:" age, parental status, marital status, speaking a language other than English at home, state, (2) "human cap:" school enrollment, educational attainment, job tenure, union membership, usual work hours, (3) "Occ/Ind:" occupation, industry, (4) "Employer:" employer.

The next set of bars in Figure 2, labeled “+Demog,” show the race and gender gaps in expansions to paid sick leave after taking into account demographic attributes. As shown, only a small portion of the unadjusted gaps are explained by differences in demographic attributes across groups, such as age, parental status, or marital status. After adjusting for these characteristics, the gaps between white men and all women remain large: a 5 percentage-point gap for white women ( $p < .001$ ) and a 7 percentage-point gap for women of color ( $p < .01$ ). The middle set of bars, labeled “+Human Cap,” show that accounting for human-capital differences only slightly reduces the inequalities in paid sick-leave expansion, narrowing the inequality between white men and white women to 4.5 percentage points ( $p < .01$ ) and between white men and women of color to 6 percentage points ( $p < .01$ ).

The bars labeled “+Occ/Ind” reveal that segregation by occupation and industry modestly contribute to inequalities in paid sick-leave expansion. After adjusting for occupation and industry, the gap between white men and white women is reduced to insignificance and the gap between white men and women of color is reduced to 5 percentage points ( $p < .05$ ). Nevertheless, the remaining gaps—after holding constant demographics, human capital, and occupation and industry—are still sizeable in percentage terms: white women are 17% and women of color are 27% less likely to report expanded paid leave than their white male counterparts.<sup>25</sup>

<sup>25</sup> The percent estimates are the gap between groups divided by the estimated level for white males. For white women, the 17% gap is equal to the 3.3 percentage point difference divided by 19.3% of white males with expanded leave. For women of color the 27% gap is equal to the 5.3 percentage point difference divided by 19.3%.

As noted earlier, many of the factors already controlled are themselves likely the product of earlier discriminatory practices that contributed to gaps in human capital or to occupational and industrial segregation.

We next attempt to adjudicate between two potential remaining mechanisms that could lead to unequal outcomes. One possibility is that gender and racial/ethnic gaps in access occur within companies. This within-company inequality—after accounting for demographics, human capital, occupation, and industry—could stem from bias that arises when managers have discretion to shape on-the-job conditions such as access to benefits. An alternative possibility is that women and people of color are overrepresented at companies with worse benefits and terms of employment, and that fact then drives inequalities in access to paid leave expansions. We find support for the latter mechanism.<sup>26</sup> After accounting for employer, there are no significant or substantive remaining gaps between our four gender/racial categories. This evidence suggests that inequalities in paid sick leave access for women and workers of color stem from a sorting process in which these workers end up at companies offering lower-quality jobs and not because of unequal treatment on the job.

## Expanded Paid Leave and Worker Outcomes

Table 1 presents the OLS regression estimates of the relationship between expanded paid time off during the pandemic and employee presenteeism, job satisfaction, intention to look for a new job, and happiness. In the first two columns, we present the results for presenteeism. We estimate consistent significant and negative associations between receiving expanded paid leave and working while sick. In both the simple bivariate and the fully adjusted model, workers who received expanded paid leave were almost 5 percentage points less likely to work while sick ( $p > .05$ ). While 36% of workers who did not report expanded paid leave worked sick, the share was 31.5% among those who reported expanded paid leave.

---

<sup>26</sup> Our contribution lies in documenting the race and gendered inequalities in paid sick leave and showing that the sorting of women and workers of color into companies that offer poorer benefits and terms of employment plays an important role in driving inequality in paid sick leave. It is beyond the scope of the present analysis to speculate on the mechanisms behind the observed differences.

Table 1. Association between Expanded Paid Leave and Worker Outcomes

|                               | Presenteeism |          | Very/Somewhat Satisfied with Job |           | Very/Somewhat Likely to Seek New Job |           | Very/Pretty Happy |          |
|-------------------------------|--------------|----------|----------------------------------|-----------|--------------------------------------|-----------|-------------------|----------|
|                               | M1           | M2       | M3                               | M4        | M5                                   | M6        | M7                | M8       |
| <b>Expanded Paid Leave</b>    | -0.046 *     | -0.047 * | 0.128 ***                        | 0.145 *** | -0.106 ***                           | -0.071 ** | 0.054 **          | 0.062 ** |
| <b>Month Fixed-Effects</b>    | Y            | Y        | Y                                | Y         | Y                                    | Y         | Y                 | Y        |
| <b>Demographic Controls</b>   | N            | Y        | N                                | Y         | N                                    | Y         | N                 | Y        |
| <b>Work Controls</b>          | N            | Y        | N                                | Y         | N                                    | Y         | N                 | Y        |
| <b>Employer Fixed-Effects</b> | N            | Y        | N                                | Y         | N                                    | Y         | N                 | Y        |
| <b>State Fixed-Effects</b>    | N            | Y        | N                                | Y         | N                                    | Y         | N                 | Y        |
| <b>N</b>                      | 9248         | 9248     | 9248                             | 9248      | 9248                                 | 9248      | 9248              | 9248     |

Source: Authors' calculations from Shift Project data. Y indicates inclusion in the model. N indicates not included in the model.

The association between expanded paid leave and workers' job satisfaction is substantial, significant, and persistent across models. Even after adjusting for demographics, job quality, state and month fixed-effects, and employer fixed-effects, we see that workers who received expanded paid leave were almost 15 percentage points more likely ( $p < .001$ ) to be somewhat or very satisfied with their jobs.

We also find a significant negative association between paid leave expansion and intentions to find a new job. After controlling for demographics, job quality, state and month fixed-effects, and employer fixed-effects, we find that workers who received expanded paid leave were 7 percentage points less likely ( $p < .01$ ) to plan to look for a new job within the next three months.

Finally, we find a small but statistically significant ( $p < .01$ ) association between expanded paid leave and worker happiness, including when controlling for demographics, job quality, state and month fixed-effects, and employer fixed-effects, with a six-percentage point gap in happiness between workers who reported expanded paid leave and those who did not.

## Conclusion

The COVID-19 pandemic has laid bare the deficiencies in the United States' approach to paid leave. Nearly alone among developed countries, the United States lacks a national provision for paid sick leave. While the FFCRA marked an advance in providing for some paid sick leave, it fell far short of universal provision, in no small part because it exempted large employers from the requirement.

We draw on novel data collected in the early months of the COVID-19 pandemic to chart voluntary expansions of paid leave by large employers in retail, grocery, food service, delivery, and other frontline service-sector businesses. Just before the pandemic struck, more than half of service-sector workers employed at large companies reported no access to paid sick leave. Access to paid sick-leave benefits was also unequal, with women and workers of color substantially less likely to have access to paid sick leave than their white male counterparts.

During the pandemic, some large companies pledged that they would expand paid sick leave voluntarily. However, we find that in the absence of a legal requirement, fewer than one in five workers reported that their employer expanded paid leave. These modest expansions were not provided equitably and further exacerbated inequalities in paid sick-leave access in the service sector. We note, for instance, that the companies that offered paid sick leave most broadly before the pandemic were the most likely to expand paid leave during the pandemic. Further, we find that compared to white male workers, white women were about 6 percentage points less likely to report access to expanded paid leave. Women of color were the least likely to receive expanded paid leave, about 8 percentage points less likely than white men. These gaps are not explainable by differences in demographic attributes or human capital, and occupational and industry segregation only partially explain the differences.

Women and workers of color may experience inequality because they are disproportionately employed by companies offering lower-quality terms of employment and working conditions. In fact, we find that once we control for employer fixed effects, there are no remaining gaps in paid sick-leave expansion by race or gender. This finding illustrates the hazards of leaving policy action to the discretion of companies, as the FFCRA large-company exemption does: while some companies did expand paid leave voluntarily, the companies that made that decision were ones that disproportionately employed white men, resulting in a widening of race and gender inequality. These companies were also the ones already offering paid sick leave most broadly to their workers prior to the pandemic. Their expanded offering thus further reinforces the between-company inequality production process.

These inequalities are noteworthy because expansions of paid leave are associated with benefits for workers. Workers who reported access to expanded paid leave were more likely to report that they did not work while sick. While 36% of workers who lacked expanded paid leave reported working while sick, only 31% of those receiving that benefit worked while sick. This association between paid sick-leave expansion and lower levels of presenteeism is notable because lower levels of presenteeism benefit

## Issue Brief | 2022-1 | Good if you can get it: Benefits and inequalities in the expansion of paid sick leave during COVID-19

both workers and general public health. Because grocery, food service, and retail work involve high levels of customer contact (often involving food preparation), presenteeism increases the likelihood of spread of COVID-19, whereas lower levels of presenteeism may help to arrest transmission.<sup>27</sup>

Expansion of paid leave was also associated with workers' satisfaction with their jobs. Among workers who reported expanded paid leave, 91% reported being very or somewhat satisfied with their jobs, against just 77% of those whose employers did not expand leave. Expansion of paid leave was also associated with lower intention to search for a new job. While 41% of workers who did not receive expanded paid leave reported being very or somewhat likely to look for a new job within the next three months, that share was significantly lower, at 34%, among those who received expanded paid leave benefits.

Expanded paid leave was also associated with overall feelings of well-being: workers receiving that benefit were significantly more likely to report feeling very or pretty happy than those who did not.

Frontline workers at companies in retail, food service, grocery, and delivery face a patchwork of paid sick-leave laws and policies. Large companies in those subsectors were exempted from the FFCRA, leaving their workers vulnerable. We show that the lack of a broad national mandate is a recipe for consequential inequality. As the federal government continues to grapple with the ongoing pandemic, policymakers must look beyond simply renewing the now-lapsed provisions of the FFCRA to secure meaningful and equitable access to paid sick leave for all workers in the United States.

## About the Authors



### **Daniel Schneider**

Daniel Schneider is a professor of public policy at the Harvard Kennedy School and a professor of sociology at Harvard University. He is a visiting scholar at the Federal Reserve Bank of Boston.

[dschneider@hks.harvard.edu](mailto:dschneider@hks.harvard.edu)



### **Kristen Harknett**

Kristen Harknett is a professor of sociology in the Department of Social and Behavioral Sciences at the University of California, San Francisco.

[Kristen.Harknett@ucsf.edu](mailto:Kristen.Harknett@ucsf.edu)

---

<sup>27</sup> Pichler et al., 2020.

## Acknowledgements

The authors would like to thank Sara Chaganti, Erin Graves, Marybeth Mattingly, Jeffrey Thompson, and the anonymous reviewer for their comments and Francesca Forrest for able copyediting.



## Reference List

- Albiston, C., & O'Connor, L. T. (2016). Just leave. *Harvard Journal of Law and Gender*, 39, 1-65.
- Appelbaum, E., & Milkman, R. (2011). *Leaves that pay: Employer and worker experiences with paid family leave in California*. Center for Economic and Policy Research. <https://www.cepr.net/documents/publications/paid-family-leave-1-2011.pdf>
- Blau, F., & Kahn, L. (2016). *The gender wage gap: Extent, trends, and explanations* (Working Paper 21913). National Bureau of Economic Research. <https://www.nber.org/papers/w21913>
- Card, D, Cardoso, A. R., & Kline, P. (2016). Bargaining, sorting, and the gender wage gap: Quantifying the impact of firms on the relative pay of women. *Quarterly Journal of Economics*, 131, 633–686.
- Chaganti, S. (2021). *Pandemic response reveals potential for more equitable paid sick leave coverage in the Northeast* (Issue Brief 2021-2). Federal Reserve Bank of Boston. <https://www.bostonfed.org/publications/community-development-issue-briefs/2021/pandemic-response-reveals-potential-for-more-equitable-paid-sick-leave-coverage-in-the-northeast.aspx>
- Chaganti, S., Graves, E., Higgins, A., Mattingly, M. J., Savage, S., & Tonsberg, C. (2020). *The effects of the novel coronavirus pandemic on service workers in New England* (Issue Brief 2020-1). Federal Reserve Bank of Boston. <https://www.bostonfed.org/publications/community-development-issue-briefs/2020/the-effects-of-the-novel-coronavirus-pandemic-on-service-workers-in-new-england.aspx>
- Coleman, J. (2020, March 11). Major companies updating sick leave policies in response to coronavirus. *The Hill*. <https://thehill.com/policy/healthcare/public-global-health/486988-major-companies-updating-sick-leave-policies-in>
- Colla, C., Dow, W., Dube, A., & Lovell, V. (2014). Early effects of the San Francisco paid sick leave policy. *American Journal of Public Health*, 104, 2453– 2460.
- Desilver, D. (2020, March 12). *As coronavirus spreads, which U.S. workers have paid sick leave – and which don't?* Pew Research Center. <https://www.pewresearch.org/fact-tank/2020/03/12/as-coronavirus-spreads-which-u-s-workers-have-paid-sick-leave-and-which-dont/>
- Glynn, S. J. (2020, April 17). *Coronavirus paid leave exemptions exclude millions of workers from coverage*. Center for American Progress. <https://www.americanprogress.org/article/coronavirus-paid-leave-exemptions-exclude-millions-workers-coverage/>
- Heymann, J., Rho, H. J., Schmitt, J., & Earle, A. (2009). *Contagion nation: A comparison of paid sick day policies in 22 countries*. Center for Economic and Policy Research. <https://cepr.net/documents/publications/paid-sick-days-2009-05.pdf>
- Hill, H. (2013). Paid sick leave and job stability. *Work & Occupations*, 40,143–173.

- Huang, K, Lindman, T., Bernhardt, A., & Thomason, S. (2020). Physical proximity to others in California's workplaces: Occupational estimates and demographic and job characteristics. UC Berkeley Labor Center. <https://laborcenter.berkeley.edu/physical-proximity-to-others-in-californias-workplaces/>
- Jewell, S., Razzu, G., & Singleton, C. (2019). Who works for whom and the UK gender pay gap," *British Journal of Industrial Relations*, 58(1), 50–81.
- Just Capital. (2021). *Here's how companies are approaching paid sick leave during the coronavirus crisis—and what good looks like*. Just Capital. <https://justcapital.com/reports/how-the-100-largest-employers-are-performing-regarding-covid-19-paid-sick-leave-and-best-practices/>
- Kristal, T., Cohen, Y., & Navot, E. (2018). Benefit inequality among American workers by gender, race, and ethnicity, 1982–2015. *Sociological Science*, 5, 461–488.
- Legum, J. (2020, March 9). Free breadsticks during a coronavirus outbreak [UPDATED]. *Popular Information*. <https://popular.info/p/free-breadsticks-during-a-coronavirus>
- Levanon, A., England, P., & Allison, P. (2009). Occupational feminization and pay: Assessing causal dynamics using 1950–2000 U.S. census data," *Social Forces*, 88 (2), 865–981.
- Lindemann, D., & Britton, D. (2015). *Earned sick days in Jersey City: A study of employers and employees at year one*. Rutgers Center for Women and Work. <https://smlr.rutgers.edu/center-for-women-and-work>
- Lovell, V. (2004). *No time to be sick: Why everyone suffers when workers don't have paid sick leave* (IWPR Publication B242). Institute for Women's Policy Research. <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>
- Marotta, J., & Greene, S. (2019). *Paid sick days: What does the research tell us about the effectiveness of local action?* Urban Institute. [https://www.urban.org/sites/default/files/publication/99648/paid\\_sick\\_days.\\_what\\_does\\_the\\_research\\_tell\\_us\\_about\\_the\\_effectiveness\\_of\\_local\\_action\\_0.pdf](https://www.urban.org/sites/default/files/publication/99648/paid_sick_days._what_does_the_research_tell_us_about_the_effectiveness_of_local_action_0.pdf)
- Miller, R., Schulte, B., & Swenson, H. (2020). *Which companies still aren't offering paid sick days?* New America Better Life Lab. <https://www.newamerica.org/better-life-lab/reports/which-companies-still-arent-offering-paid-sick-days/>
- National Partnership for Women and Families. (2020). *Paid sick days: State and district statutes* (chart). National Partnership for Women and Families. <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/paid-sick-days-statutes.pdf>
- New York Times* Editorial Board. (2020, March 14). The companies putting profits ahead of public health. *New York Times*.

- Osterman, P., & Shulman, B. (2011). *Good jobs America: Making work better for everyone*. Russell Sage Foundation Press.
- Pager, D., & Shepherd, H. (2008). The sociology of discrimination: Racial discrimination in employment, housing, credit, and consumer markets. *Annual Review of Sociology*, 34, 181–209.
- Petersen, T., & Morgan, L. (1995). Separate and unequal: Occupation-establishment sex segregation and the gender wage gap. *American Journal of Sociology*, 101(2), 329–365.
- Pichler, S., Wen, K., & Ziebarth, N. (2020). COVID-19 emergency sick leave has helped flatten the curve in the United States." *Health Affairs*, 39(12), 2197–2204.
- Quillian, L., Pager, D., Hexel, O., & Midtbøen, A. H. (2017). Meta-analysis of field experiments shows no change in racial discrimination in hiring over time. *Proceedings of the National Academy of Sciences*, 114(41), 10870–10875.
- Schneider, D. (2020). Paid sick leave in Washington state: Evidence on employee outcomes, 2016–2018. *American Journal of Public Health*, 110(4), 499–504.
- Schneider, D., & Harknett, K. (2019a). Consequences of routine work-schedule instability for worker health and well-being. *American Sociological Review*, 84(1), 82–114.
- Schneider, D., & Harknett, K. (2019b). What's to like? Facebook as a tool for survey data collection. *Sociological Methods & Research*, 51(1), 108–40.
- Schneider, D., & Harknett, K. (2020a). *Estimates of workers who lack access to paid sick leave at 91 large service sector employers* [Report]. Shift Project. <https://shift.hks.harvard.edu/paid-sick-leave-brief/>
- Schneider, D., & Harknett, K. (2020b). *Essential and vulnerable: Service-sector workers and paid sick leave* [Research Brief]. Shift Project. <https://shift.hks.harvard.edu/essential-and-vulnerable-service-sector-workers-and-paid-sick-leave/>
- Smith, T., & Kim, J. (2010). *Paid sick days: Attitudes and experiences*. National Opinion Research Center, University of Chicago. <https://www.norc.org/PDFs/publications/PaidSickDaysReport.pdf>
- Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking? *Labour Economics*, 51, 227–246.
- Storer, A., Schneider, D., & Harknett, K. (2020). Race/Ethnic gaps in service-sector job quality: Firm sorting and organizational dynamics. *American Sociological Review*, 85(4), 537–572.
- Wood, A. J. (2020). *Despotism on demand*. Cornell University Press.
- Xia, J., Hayes, J., Gault, B., & Nguyen, H. (2016). *Paid sick days access and usage rates vary by race/ethnicity, occupation, and earnings* (IWPR Publication B356). Institute for Women's Policy Research. <https://iwpr.org/iwpr-issues/esme/paid-sick-days-access-and-usage-rates-vary-by-race-ethnicity-occupation-and-earnings/>