

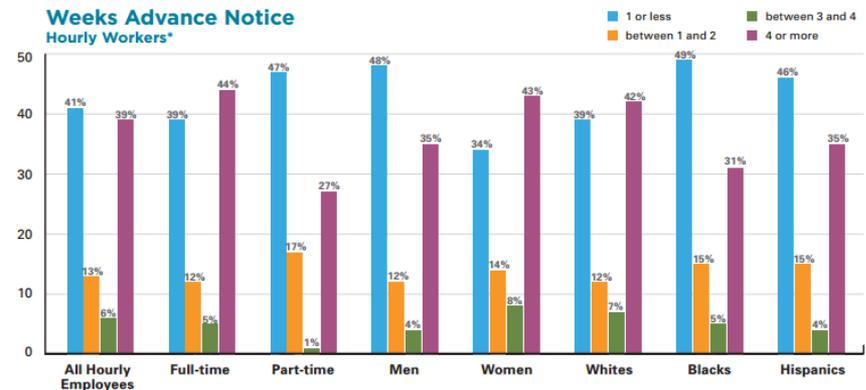
CITY OF MINNEAPOLIS

# Working Families Impact Overview

City Council Study Session

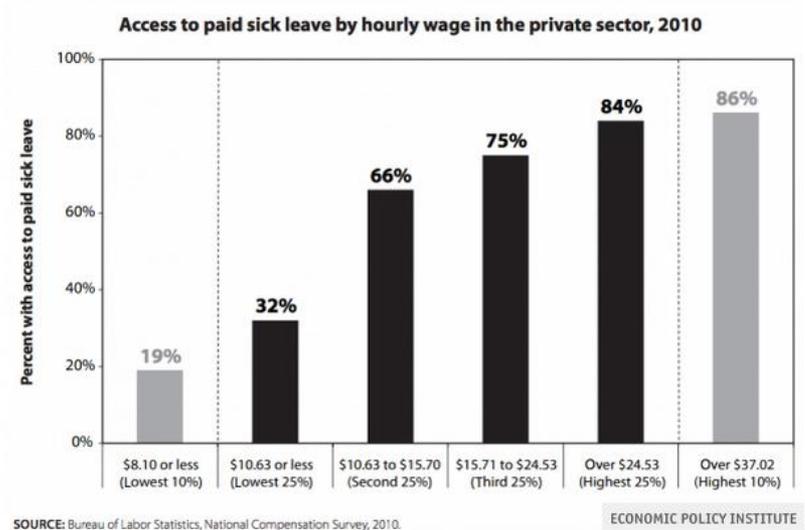
# Impacts on Women & People of Color

- Two-thirds of low wage workers are women (NWLC 2013)
- More than 70% of African-American and Latino workers are paid hourly (Lambert, Haley-Lock, Henly 2012)
- 49% of Black non-Hispanic workers in hourly jobs report a week or less of advance notice (Lambert, Fugiel, Henly 2015)
- Low wage workers more likely to be single parents, have children with special needs, and to be caregivers for elderly or sick relatives (Williams & Boushey 2010, et al.)



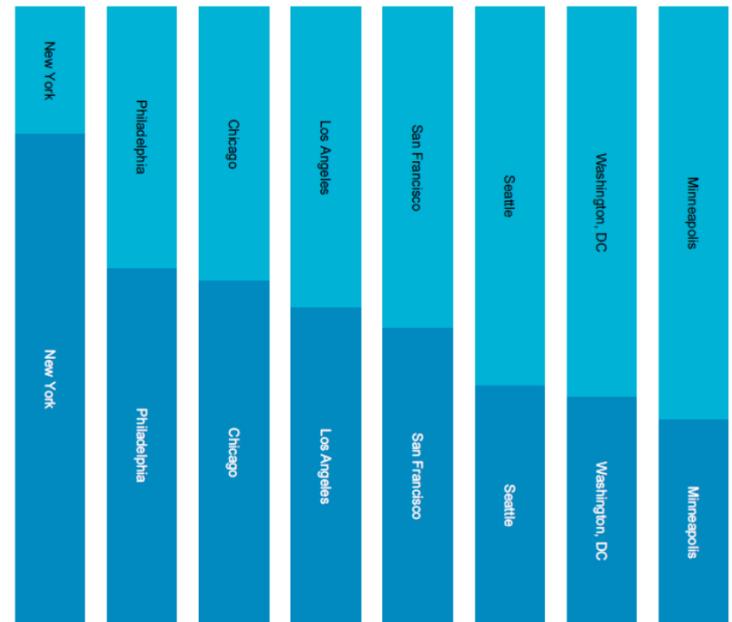
# Impacts on Workers

- About 59% of Minneapolis residents have sick time
- Nationally 86% of highest 10% of income earners, but just 19% of lowest 10% have sick time



# Impacts on Minneapolis Residents

- Among major cities currently considering or implementing workforce ordinances, Minneapolis has the lowest percentage of its residents working inside the city. Of all workers employed in Minneapolis, only 24% also live in Minneapolis. Of low-wage workers employed in Minneapolis, 33% live in Minneapolis.



# Impacts on Businesses

- High worker turnover
  - 56% annually in retail (Cauthen 2011)
  - Low-wage workers with flexibility 30% less likely to leave their positions within 2 years (WFD Consulting 2006)
- Safety risks
  - Irregular schedules lead to increased fatigue and depression (Golden & Joregensen 2002)
- Infectious disease outbreaks
  - Nearly 2/3 of cooks and servers report cooking or serving while sick (ROCU 2010)

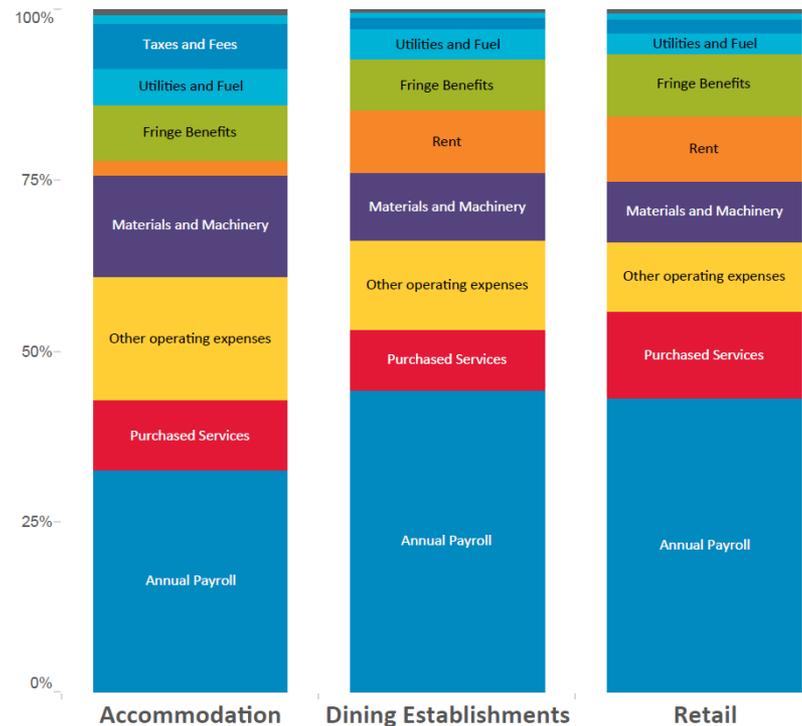
Comparison of Flexible Work Options among Low-Wage and Medium- and High-Wage Employees<sup>22</sup>



Source: Bond, J.T. & Galinsky, E. (2006)

# Impacts on Businesses

- Among businesses in the Accommodation, Dining, and Retail sectors, (those most likely to be impacted by labor ordinances) payroll and benefits account for the largest portion of annual expenses.
- A percent increase in these categories would have a significantly greater impact on total annual costs than would an increase in other categories, such as rent or taxes.



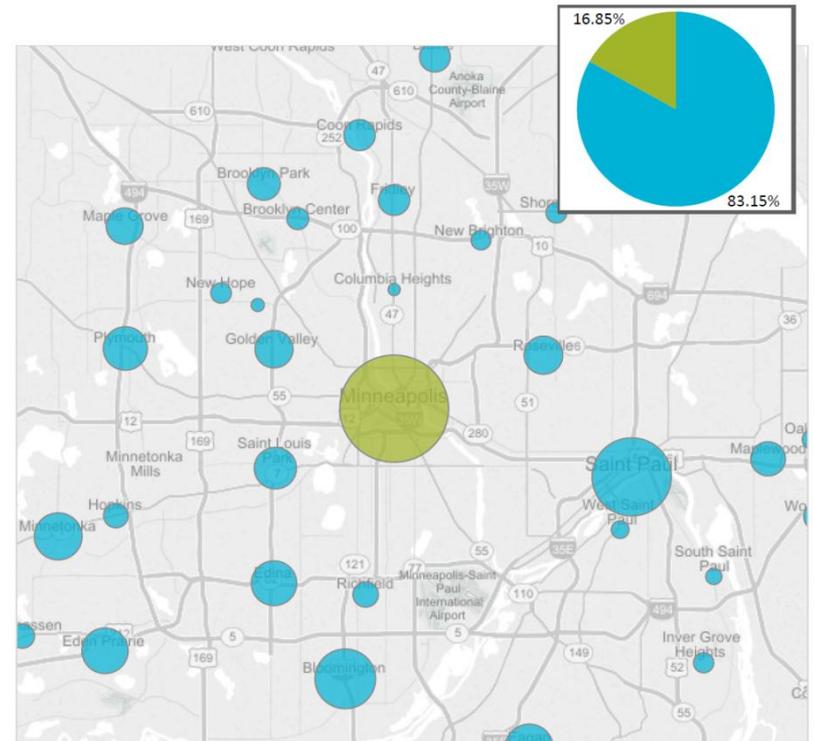
# Impacts on Economy

- Health care costs
  - Parents without access to paid sick days are 5 times as likely as parents with paid sick days to take a child or another family member to ER (Smith & Kim 2010)
  - Working adults without paid sick days are nearly twice as likely as those with paid sick days to have family members who have delayed or forgone needed medical care (Lovell 2007)



# Impacts on Economy

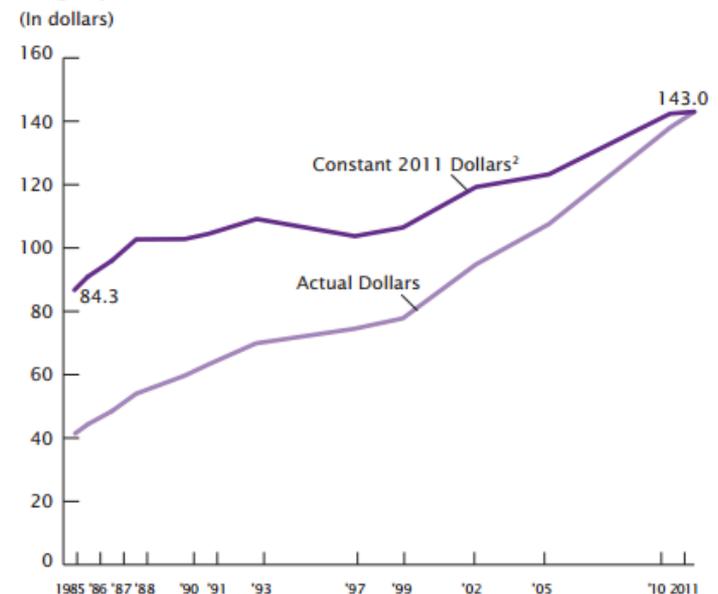
- Though Minneapolis has the single greatest number of jobs in the Twin Cities, overall it represents less than 17% of all jobs across the Metro.



# Impacts on Families

- Children
  - 53% of working mothers and 48% of working fathers don't have paid sick days to care for an ill child (Lovell 2007)
  - 75% of low-wage working parents report insufficient time for their children (Matos & Galinsky 2011)
  - Schedule challenges often lead to substandard child care (Ben-Ishai, Matthews, Levin-Epstein 2014)
  - Children of workers with non-standard schedules have lower performance in school and more behavioral and mental health problems (Waldfogel & McLanahan 2011)
- Marriages
  - Non-standard schedules contribute to higher divorce and depression rates, and more family conflict and anxiety (Perry-Jenkins et al. 2007)

Figure 5.  
**Average Weekly Cost of Child Care for Families With Employed Mothers: 1985-2011<sup>1</sup>**



<sup>1</sup> Average expenditures per week among people making child care payments.

<sup>2</sup> Computed using average Consumer Price Index for a given calendar year as calculated by the Bureau of Labor Statistics.

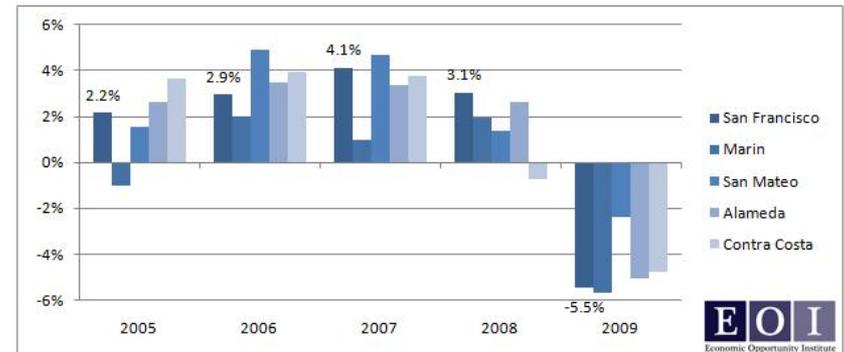
Note: Beginning in 1997, edits of employment categories were changed to better capture arrangements other than wage and salary employment, which may affect comparisons to survey data from earlier years.

Source: Tabulations derived from Current Population Reports, Series P70-36, Table 6, U.S. Census Bureau, Survey of Income and Program Participation (SIPP), 1996 Panel Wave 4 and 10; 2004 Panel Wave 4; 2008 Panel Wave 5 and 8.

# Implementation: San Francisco

- Sick leave (since 2007)
  - Job growth in city higher than in neighboring counties
  - 2/3 of employers in city support sick leave law
  - Average time taken off is 3 days/year (5-9 available)
  - 25% of workers took no time off in past year
  - 14% of businesses said it had impact on profits (Drago & Lovell 2011)

PERCENTAGE ANNUAL CHANGE IN JOBS IN ACCOMMODATION AND FOOD SERVICE JOBS,  
SAN FRANCISCO AND ADJACENT COUNTIES, 2005-2009



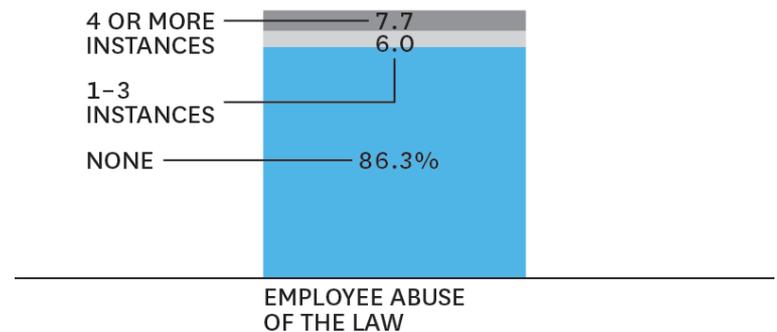
Source: California Employment and Development Department, Employment by Industry Data, annual averages, 2000-2009

# Implementation: Connecticut

- Sick leave (since 2011)
  - Average time taken off is 3 days/year (5 available)
  - Around 1/3 of workers used no sick days
  - 14% of employers reported worker abuses
  - Of businesses where it increased costs, 2/3 said it less than 2%
  - 1% cut wages due to new law costs (CEPR 2014)

## THE MYTH OF FAKING SICK

In 2013, more than a year after Connecticut's sick leave law went into effect, companies reported few instances of employees abusing it.



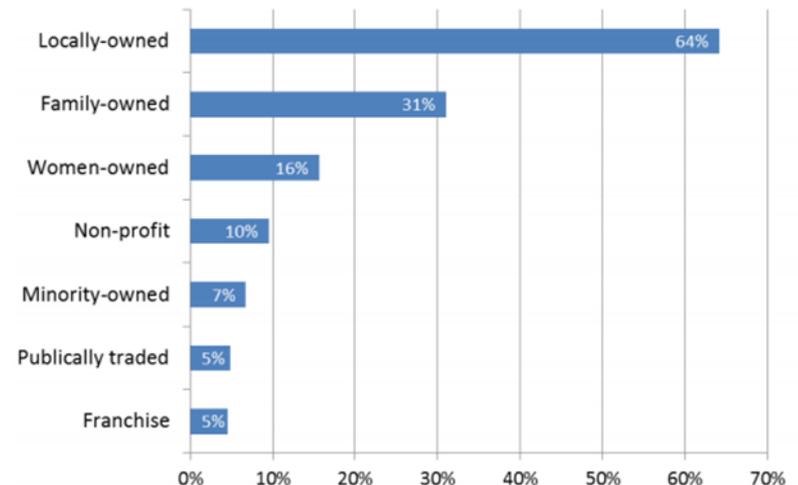
**SOURCE** "GOOD FOR BUSINESS? CONNECTICUT'S PAID SICK LEAVE LAW," CENTER FOR ECONOMIC AND POLICY RESEARCH

HBR.ORG

# Implementation: Seattle

- Sick leave (since 2012)
  - 70% of employers support ordinance
  - 8% of employers reported worker abuse
  - $\frac{3}{4}$  of businesses reported at least one employee used sick leave
  - 6% of businesses decreased pay raises
  - <3% reduced or moved employees
  - 1 in 12 increased prices (Romich et al. 2014)

Figure 2.1. Characteristics of employers subject to the Ordinance



Source: Author analysis of Seattle Employer Survey follow-up, N=345