

June 5, 2013

To: House Rules Committee  
From: Testimony by Lee Mercer, Executive Team Member, Main Street Alliance of Oregon  
Re: Main Street Alliance of Oregon Support For Paid Sick Leave (HB 3390-2)

Chair Garrett and Committee Members,

My name is Lee Mercer. I am a small business owner and member of the Executive Team of the Main Street Alliance of Oregon. We have 1200 business owners in our statewide network. Main Street Alliance of Oregon supports HB 3390- 2 creating a paid sick leave standard in Oregon. I have also submitted a letter of from 27 Main Street Alliance small business owners statewide with a sampling of their comments in support of earned sick leave.

As part of Main Street's outreach last year, we surveyed over 700 businesses statewide on policy issues including benefits like sick leave. Last Spring we asked *"Do you agree or disagree with the values statement, 'Small businesses care more about their workers than big chains do. Small business owners see their workers as family and want to treat them right, including offering benefits like health care and paid time off.'"* Of 350 Oregon business owners surveyed, 79% agreed with this view of small business. This indicated to us that a strong majority of businesses really want to do the right things for their employees in terms of benefits.

More polling data was obtained last fall on questions dealing explicitly with earned sick time. To a sampling of 370 rural Oregon small business owners we asked: *"Do you currently offer earned sick leave or other paid time off to your employees?"* Fully 80% of those surveyed did not offer paid time off. But, when asked, *"Would you support a sick leave standard for all employers?"* 46% would support a standard, 41% would oppose, the balance, were undecided. So even in rural Oregon, often characterized as more conservative than the Portland Metro area, more small business owners supported a sick leave standard to level the playing field on this benefit, than would oppose.

Many who oppose this legislation will do so citing its cost to small business. But, since for small business owners, the "bottom line" is often the most important consideration, what is the actual cost of paid time off?

Let's look at several costs of illness in the workplace. One cost, of course, is each business' share of the \$160 billion nationally in lost productivity due to workplace illness. Closer to home are the tens of thousands of dollars spent by businesses in re-hiring and re-training employees due to employee turnover.

But what are the costs of providing the benefit itself? According to the Bureau of Labor statistics, the cost of providing pack sick time for private industry workers in the Pacific West region is .9% of total compensation. A high end-estimate based on paying sick time and for replacement workers every time is 1.9%.

Having owned and managed movie theaters in California and Nevada for over 20 years, several of them really struggling to keep the doors open, I never ran a theater at which .9 to 1.9% of payroll would make or break the business.

And a boarding and grooming kennel my wife and I now own and operate offers paid time off, health insurance and a retirement plan to 30 employees. These benefits have attracted and retained a caring, motivated and productive team of employees who have helped grow our business, even through the recent recession, into a sustainable and profitable enterprise.

Please vote yes on HB 3390-2 to create a statewide sick leave standard in Oregon.

Thanks for your time and consideration in this matter.

Lee Mercer

Main Street Alliance of Oregon