



Small Business Owners. Small Business Values.

February 16, 2015

To: Senate Workforce and House Business and Labor Committees
From: The Main Street Alliance of Oregon, delivered by Stephen Michael, State Director
Re: Support of SB454 and HB2005

Dear Chairs Dembrow and Holvey and Committee Members,

The Main Street Alliance of Oregon, a network of over 2500 small business owners statewide, supports HB 2005 and SB 454, an earned paid sick days standard for the state of Oregon. We are encouraged by the current draft bill as it includes all businesses and allows for employers to front load their sick days.

Small business owners know that an investment in our employees is an investment in our business. By providing the opportunity for our employees to earn paid sick days, similar to how they earn a wage, we know that we're helping to keep our staff happy and healthy. A happy and healthy workforce is critical to all business success—regardless of size.

Increasing access to earned paid sick days has a number of benefits for small businesses. These include protecting workplace productivity, decreasing turnover and associated costs and reducing health care costs. The loss in productivity to the U.S. economy due to illness in the workplace has been estimated at \$160 million annually, with the majority of this coming from workers going to work sick. Data suggests that workers who have the benefit of paid sick time are less likely to leave their jobs than workers who do not, reducing turnover and associated costs. When workers have the opportunity to earn paid sick time they are more likely to stay home when they are ill, get healthy and return to work sooner, avoiding spreading illness to other workers and customers.

As a part of our outreach at The Main Street Alliance of Oregon, we survey small business owners all across the state. Over the past year, we surveyed 443 small business owners, 95% of which have fewer than 25 employees. We have collected this data, and released *The State of Main Street*. I have submitted a copy for your reference.

In the survey, when asked, "What do you believe small businesses need most to create jobs and help get the economy back on track?" **52%** responded "**more customers.**" More customers—to get more customers, we need our community members to have more discretionary income so they can keep spending it in our local businesses. One way to encourage that is to make sure that all

Oregonians have access to earned paid sick days, so when they get sick, they don't have to miss out on pay. After all, our employees are our neighboring businesses' customers.

We know that the business community is divided on the issue of paid sick days, in our survey, we found that there is, however, a plurality of support. **48% of respondents voiced support** for a "paid sick leave standard for all employers," 36% opposed, and 16% were undecided. Interestingly, when looking just at women small business owners, **51% were supportive**, with 24% opposed and 25% undecided. We know that there is a lot of misinformation out there, and many of those who were undecided requested more information on the issue.

Paid sick days standards, like those proposed in HB 2005 & SB 454, establish a modest floor for paid sick time as a basic work standard, like workplace safety or the minimum wage. Small business owners have a close relationship with their communities, customers and employees, and a part of that relationship is about being able to provide a basic standard for employees, like paid sick days.

As small businesses, retaining well-trained and valued employees, and thereby reducing turnover and associated costs, is one of our top concerns. To put it more simply, we believe that if we take care of our employees, they will take care of us, and our businesses will thrive.

'Earned paid sick days' is really just a basic employment standard, like worker's compensation or child labor rules. That's why we support HB 2005/SB 454, and increased access to earned paid sick days in the state of Oregon. It's the right thing to do.

Yours respectfully,



Jim Houser, co-chair
Hawthorne Auto Clinic, Portland



Mark Kellenbeck, co-chair
BrainJoy LLC, Medford