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New Keystone Research Center Analysis: Nearly 10,000 Allentown Workers Would Gain Paid Sick Leave at Modest Cost

Proposed paid sick leave ballot question would cost employers roughly 7 cents for every $100 of Allentown's economic output; research from other cities and states finds no significant job losses or business closures

ALLENTOWN, Pa. — Nearly 10,000 people who work in Allentown — about one in every five workers in the city — would gain paid sick leave if voters approve the paid sick leave ballot question on November 3, according to a new analysis released today by the **Keystone Research Center (KRC)**. The report, *The Economic Impact of Paid Sick Leave in Allentown, Pennsylvania*, finds the proposal would provide a valuable benefit to workers at a modest cost relative to the city's economy.

Under the ballot initiative, employees of companies with 15 or more workers would accrue one hour of paid sick time for every 30 hours worked in Allentown, up to 72 hours per year. Smaller employers would face a lower standard, including a 48-hour annual cap.

"For workers who would newly gain access, missing a shift means some really tough choices — less money for groceries or rent or utility bills," said **Claire Kovach, Research Director at the Keystone Research Center and a co-author of the report.** "Paid sick leave allows a worker to take necessary time away from work while keeping that income. So even though the estimated wage cost is small relative to the city's economy, the benefit matters a great deal, especially to households managing tight budgets."

Using the U.S. Department of Labor's Worker Paid Leave Usage Simulation (Worker PLUS) Model and national research on paid sick leave mandates, KRC found:

- **9,822 workers would gain paid sick leave** — about one out of every five people employed in Allentown.
- **Workers would use fewer than three days a year.** Newly covered workers would use an average of 19.3 hours of paid sick leave annually.
- **The cost to employers is modest.** The estimated wage cost is $523 per newly covered worker per year, or $5.1 million in total. This amounts to only about 0.07% of Allentown's estimated $7.7 billion GDP.
- **Prior research additionally shows that productivity savings could be substantial.** Research suggests paid sick leave can reduce turnover and the number of employees who come to work sick. In one illustrative example, every 1,000 newly covered workers at firms with more than 50 employees could mean about 32 avoided separations and roughly $314,000 in replacement-cost savings.
- **No evidence of job losses or closures.** Studies of similar laws in other cities and states have found no statistically significant declines in employment or increases in business closures. A 2023 review of 43 U.S. studies found more evidence of favorable than unfavorable effects on businesses.

"When someone shows up to work sick because they don't have the ability to take leave, they're not operating at full capacity — the employer is paying their wage but not getting the full value of their capabilities in return," said **Jake Pawlak, Pittsburgh Director of Strategic Policy Initiatives at the Keystone Research Center and a co-author of the report**. "In many cases, it is cheaper for the employer to pay the employee to stay home for a day or two and then come back at full capacity than to have them reporting to work over a longer period, not at full performance, because they're trying to work while grappling with an illness."

The report also examines how Philadelphia and Pittsburgh enforce paid sick leave laws. Both cities fold enforcement into broader municipal departments rather than maintaining large dedicated staffs. Philadelphia received 47 sick leave complaints and opened 25 investigations in the first six months of 2026, context suggesting enforcement costs in Allentown would likely be relatively small.

"Our goal with this report is to give workers, employers, and the broader community clear information about what this proposal could mean for Allentown," said **Kovach**.

The full report, a one-page summary, and methodology are available here.

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The Keystone Research Center (KRC) was founded in 1996 as an independent, nonpartisan research and policy organization to broaden public discussion on strategies to achieve a more prosperous and equitable Pennsylvania economy. Since its creation, KRC has become a leading source of independent analysis of Pennsylvania's economy and public policy. Most of KRC's original research is available at keystoneresearch.org.