KEYSTONE RESEARCH CENTER

Economic Impacts of Paid Sick Leave for Allentown

Key Findings from Modeling & Comparative Research

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About KRC

The Keystone Research Center conducts original research, produces reports, and promotes public dialogue to address important economic and civic problems, proposes new policies to help resolve those problems, and engages in strategic communications, advocacy, and coalition building to advance those policies.

Paid Sick Leave in Allentown, PA

Paid sick leave is on the ballot in Allentown this November.
KRC analyzed what the proposal could mean for workers, employers, and the local economy.

Report



Resource page QR code:

One Page Summary

English & Spanish





Top Lines:

9,822 workers
Newly covered by paid sick leave

19.3 Hours
Average sick leave usage of newly covered workers, fewer than 3 business days

7¢ out of every $100
In Allentown's overall economic output

$523
Cost per year for each newly covered worker

No decline in employment
According to studies of jurisdictions where similar laws have been enacted

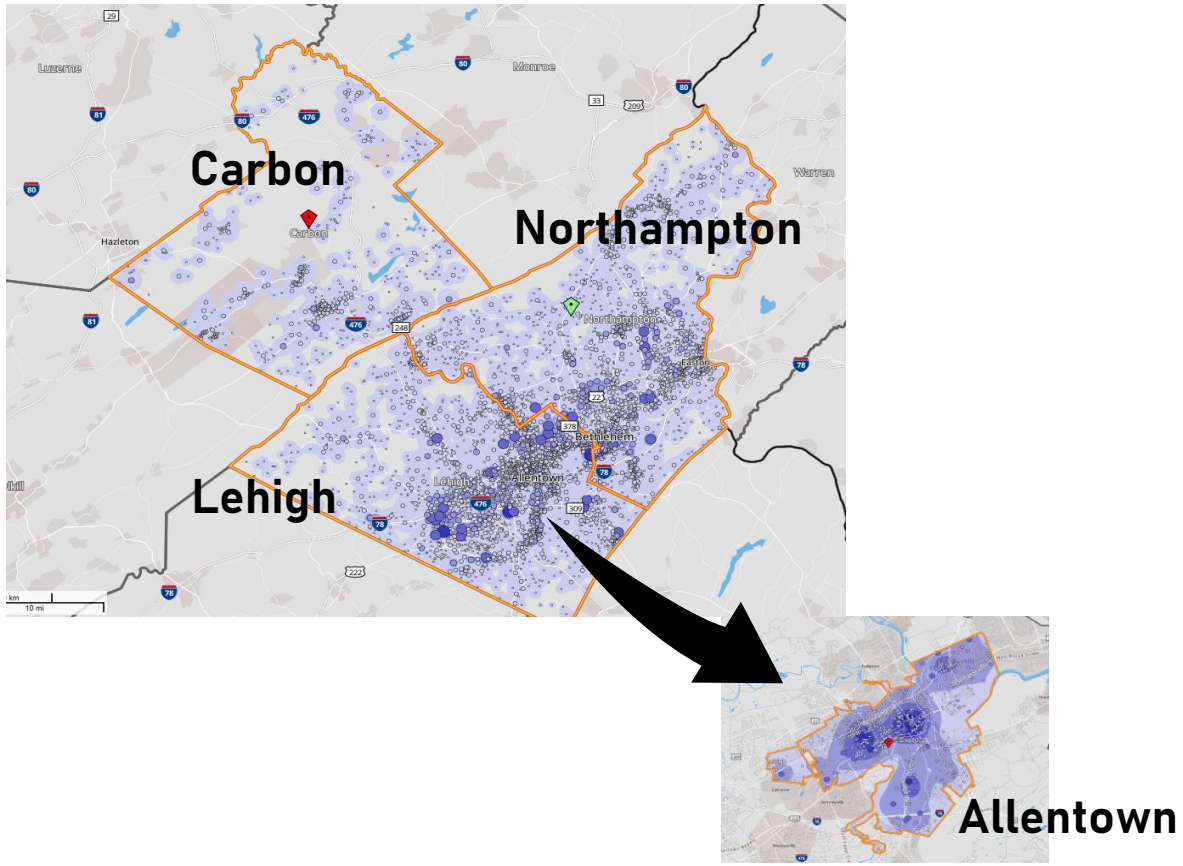
U.S. DEPARTMENT OF LABOR

Microsimulation Model on Worker Leave

Worker PLUS Microsimulator

Tool to estimate how workers might use paid leave under different policy designs.

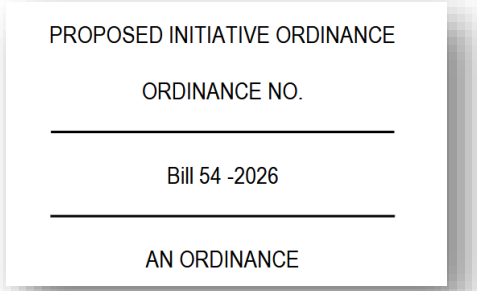
- National FMLA survey data about workers' leave needs
- Census data about workers' jobs, earnings, & demographic characteristics
- Combined with program parameters, it produces statewide estimates of leave-takers and costs



Source: https://www.dol.gov/resource-library/microsimulation-model-worker-leave

Source: https://onthemap.ces.census.gov/

Under Allentown's proposal,
covered employees would earn **one hour** of paid sick leave for every **30 hours worked**, up to **72 hours** per year at employers with **15 or more employees** and **48 hours** at smaller employers.


PROPOSED INITIATIVE ORDINANCE

ORDINANCE NO.

Bill 54 -2026

AN ORDINANCE

Source: Proposed Initiative Ordinance Bill 54-2026, https://allentownpa.legistar.com/View.ashx?M=F&ID=15679525&GUID=7BB21C87-0349-4DFC-8043-B9694F31188C

- **9,822 workers** would gain access to paid sick leave, ~ **20% of workers employed in Allentown**.
- Newly covered workers earn an average of **$27.08 per hour**.
- Each newly covered worker is expected to use an average of **19.3 hours of paid sick leave per year**.
- The estimated annual cost is **$523 per newly covered worker**.

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Possible Savings:

Reduced Turnover

Access to paid sick leave may reduce turnover among workers who might otherwise lose or be forced to leave their jobs to deal with illness.

In Seattle, a study estimated a 10% reduction in job separations among workers at establishments with more than 50 employees.

Greater Productivity

Workers with access to paid sick leave are less likely to report to work while sick and thus perform below their usual capacity, a phenomenon called “presenteeism.”

Reduced presenteeism through paid sick leave could increase the productivity of newly covered Allentown workers when they return to work after an illness.

Questions About the Findings?

Report



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