The Daily Dish

Paid Sick Leave Meets COVID-19

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Eakinomics: Paid Sick Leave Meets COVID-19

As part of the response to COVID-19 – the disease spread by the coronavirus pandemic – Speaker Pelosi and Minority Leader Schumer have floated the idea of having a taxpayer-paid sick-leave program. As reported by Talking Points Memo, "'Workers impacted by quarantine orders or responsible for caring for children impacted by school closures must receive paid sick leave to alleviate the devastating consequences of lost wages,' the Democrats asserted."

At first blush, this seemed like a sensible concern. After all, having infected workers coming to the workplace is simply a bad idea. But then I started thinking harder.

- Who should get such a benefit? People who have COVID-19.
- How can we tell with workers have COVID-19? We need to test them.
- Why would they take time off work to get tested? We may have to cover this cost too.
- Should they be eligible if their employer pays sick leave? No, but how do we know this?
- Should everybody get the benefit? No, only the lower-wage workers – where is the cutoff?
- Do they get a full wage? Perhaps, but that is more expensive than a partial benefit.

And the list could go on.

Fortunately for both you and me, AAF's Tara O'Neill Hayes and Isabel Soto did a lot of the thinking on our behalf, and it is contained in their latest research. First, from a public-health perspective the success of response largely depends upon all the infected (or potentially infected) individuals undergoing a 14-day quarantine. Since roughly one-fourth of U.S.

workers do not have paid sick leave, such a program *might* be a step toward a more effective response. The kicker is that paid leave simply ensures that the worker is not at work; it doesn't mean the worker is quarantined and not in the local pub.

Second, it turns out that there are three different benefits getting put into the mix: a sick-leave benefit for confirmed cases, a benefit to encourage testing in suspected cases, and a childcare-support benefit. They address different problems and should be thought about differently.

Third, the potential budget costs are sizeable. In their attempts to get the scale of the budgetary hit, a "14-day wage replacement benefit for all but the top 25 percent of earners could cost as much as $180 billion, depending on its generosity and targeting" – that is, depending on whether you have full or partial replacement of the lost wages and whether you narrowly target the poorest workers or not. And it will likely cost up to $45 billion for the testing benefit. Figuring out what it looks like to allow parents to stay with kids who are out of school is left to be explored.

Finally, this is hard to do – especially quickly. It is illustrative to recall the enormous architecture needed to determine whether workers are offered affordable health insurance under the Affordable Care Act. Ten years later it is still an enormous and inaccurate undertaking. Doing a similar thing quickly is a recipe for errors.

Congress may yet go down this road as part of the response. But don't expect it to go smoothly, efficiently, or cheaply.