



Increased Minimum Wage & Access to Earned Sick Leave is Good for Workers and Good for Business

Missouri workers are the driving force behind our state's economy. When workers earn a decent wage and are given the opportunity to care for their health and their families' health without risking their jobs or paychecks, they are more focused at work on providing high quality services to their clients and customers.

Later this year, Missourians will have the opportunity to extend commonsense benefits to workers across the state through a ballot initiative that would:

- Expand access to paid sick leave for nearly one in three private sector workers who currently have none.
- Gradually increase the minimum wage to \$15 an hour, providing a raise to nearly one in four Missouri workers.

For more information on the specific provisions of the ballot initiative, see <https://mobudget.org/analysis-min-wage-earned-sick-ballot/>

Upcoming Ballot Initiative is Good for Business

Many Missouri businesses already offer competitive wages and sick leave. Expanding these benefits to workers across the state would strengthen our communities by ensuring that hardworking Missourians and their families are better able to make ends meet, contribute to their local economies, and keep their families, coworkers, customers, and clients safe and healthy.

Access to paid sick leave and an increased minimum wage are associated with a rise in employment and greater workforce stability.ⁱ This is because businesses that provide higher wages and stronger benefits have less turnover among employees.

Further, when employees can take time off to recover from illness or care for a sick family member, they are less likely to spread illness to coworkers, reducing overall absenteeism. They can then come back to work healthy, focused, and ready to contribute.

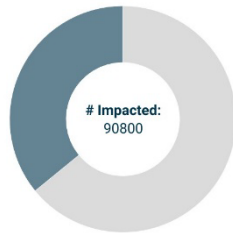
Overall, paid sick leave leads to additional benefits for employers, including:ⁱⁱ

- ✓ **Increased productivity from employees** – estimated \$104 million in savings to Missouri employers from reduced presenteeism
- ✓ **Reduced absenteeism** - estimated 18% reduction in illness-related absenteeism.
- ✓ **Fewer workers' compensation claims** - estimated \$20 million in savings to employers.
- ✓ **Reductions in health care costs** - estimated \$34 million in savings to employers.
- ✓ **Reductions in illness and visits to the emergency room** - estimated 28% reduction in influenza-like illnesses.

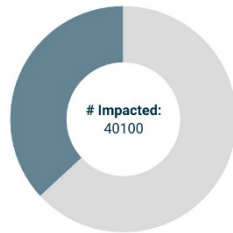
Strengthening the Economy and Growing Healthy Communities

When workers do better, our communities do better, and our economy grows. We all benefit when every hardworking Missourian, regardless of race or gender, has the opportunity to fully participate in the workforce. Increasing the minimum wage would help narrow existing gender and race gaps in the labor market that depress economic growth and cost the economy trillions.ⁱⁱⁱ

Over one in three Black and Hispanic workers would see their incomes rise



36% of Black Workers Would see Wage Increases



37% of Hispanic Workers Would see Wage Increases

Source: Economic Policy Institute Minimum Wage Simulation Model; 2015-2019 5-year ACS data pinned to 2022 CPS wage distribution. Employment scaled to match 2022 CPS labor force size. For more details see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer. <https://www.epi.org/publication/minimum-wage-simulation-model-technicalmethodology/>
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61% of Missourians who would see wage increases are working women, and over one third of all Black and Hispanic workers would see their incomes rise.^{iv} These benefits would have an outside impact on workers in the helping professions—the vast majority of care workers are women, and Black and Hispanic women are more likely to be care workers than other professions.^v

Increased wages and job security lead to greater local economic activity and support for local businesses—who are in turn better able to hire and retain the workforce they need. Together, paid sick leave and increases in the minimum wage would inject hundreds of millions into our local economy, strengthening the health of our communities and bolstering our state for generations to come.

- ✓ Increasing the minimum wage to \$15/hour would inject over \$609 million in new wages into Missouri's economy.^{vi}
- ✓ Improving workers' access to earned sick time would generate over \$600 million in societal savings each year.^{vii}

ⁱ Dicke, R., Ohler, A., & Thorpe, A. (2022) *Research on paid leave in Missouri*. MU Institute of Public Policy. <https://truman.missouri.edu/sites/default/files/publication/Research-on-Paid-Leave-in-Missouri-Report.pdf>; Wiltshire, J., McPherson, C., & Reich, M. (2023). *Minimum wage effects and monopsony* (IRLE Working Paper No. 105-23). <https://irle.berkeley.edu/wp-content/uploads/2023/09/Minimum-Wage-Effects-and-Monopsony-Explanations.pdf>

ⁱⁱ Dicke, R., Ohler, A., & Thorpe, A. (2022) *Research on paid leave in Missouri*. MU Institute of Public Policy. <https://truman.missouri.edu/sites/default/files/publication/Research-on-Paid-Leave-in-Missouri-Report.pdf>; Vander Weerd, C., Stoddard-Dare, P., & DeReigne, L. (2023). Is paid sick leave bad for business? A systematic review. *American Journal of Industrial Medicine*, 66(6), 429-440. Missouri Economic Research and Information Center (MERIC). *Missouri Overview Top Openings 2022-2024*. Retrieved from <https://meric.mo.gov/media/pdf/statewide-top-openings>

ⁱⁱⁱ Buckman, S., Choi, L., Daly, M., & Seitelman, L. (2021). *The economic gains from equity*. (Federal Reserve Bank of San Francisco Working Paper 2021-11); Noel, N., Pinder, D., Stewart, S., & Wright, J. (2019). *The economic impact of closing the racial wealth gap*. McKinsey & Company.

^{iv} Economic Policy Institute Minimum Wage Simulation Model; 2015-2019 5-year ACS data pinned to 2022 CPS wage distribution. Employment scaled to match 2022 CPS labor force size. For more details see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer. <https://www.epi.org/publication/minimum-wage-simulation-model-technicalmethodology/>

^v Banerjee, A., Gould, E., & Sawo, M. (2021). *Setting higher wages for child care and home health care workers is long overdue*. Economic Policy Institute. <https://www.epi.org/publication/higher-wages-for-child-care-and-home-health-care-workers/>

^{vi} Economic Policy Institute Minimum Wage Simulation Model; 2015-2019 5-year ACS data pinned to 2022 CPS wage distribution. Employment scaled to match 2022 CPS labor force size. For more details see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer. <https://www.epi.org/publication/minimum-wage-simulation-model-technical-methodology/>

^{vii} Dicke, R., Ohler, A., & Thorpe, A. (2022) *Research on paid leave in Missouri*. MU Institute of Public Policy. <https://truman.missouri.edu/sites/default/files/publication/Research-on-Paid-Leave-in-Missouri-Report.pdf>