

Paid sick leave and flextime benefits result in significantly more retirement savings

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LeaAnne DeRigne, Ph.D., co-author and an associate professor in the Phyllis and Harvey Sandler School of Social Work at Florida Atlantic University; and Patricia Stoddard Dare, Ph.D., lead author and a professor of social work at Cleveland State University. Credit: Florida Atlantic University and Cleveland State University

The United States is facing a retirement savings crisis. Nearly half of all Americans have nothing saved for their retirement or have no access to retirement plans at work. About half of white Americans will not be able to maintain their standard of living in retirement and the situation is even more dire for black and Hispanic Americans. Understanding what variables influence workers' retirement savings and to what extent is critical.

A Florida Atlantic University and Cleveland State University study is the first to collectively explore the relationship between workplace employment benefits and [retirement](#) savings. Researchers examined 994 older U.S. male workers (ages 47-55) by their access to flextime (flexible hours and telecommuting), paid sick leave and [vacation time](#).

Results of the study, published in the journal *Community, Work & Family*, showed that after controlling for 12 demographic, education, household, and work-related variables, including income, workers with flexible work time enjoyed a 24.8 percent increase in retirement savings compared to those who did not have flexible work time. Workers with paid sick leave had retirement savings 29.6 percent higher than those workers who lacked paid sick leave benefits. In addition, when measuring the number of paid sick days, workers with six to 10 paid sick leave days and workers with more than 10 paid sick leave days annually had a statistically and significantly higher amount in their retirement savings (30.1 percent and 40.7 percent, respectively).

"These findings appear to point to a relationship between having sick days and flexible work options to increased retirement savings, which might mean that workers are able to stay attached to work and retirement savings programs regardless of personal or family health issues when time away from work is needed," said LeaAnne DeRigne, Ph.D., co-author and an associate professor in the Phyllis and Harvey Sandler School of Social Work within FAU's College for Design and Social Inquiry. "When employees have access to sick leave they don't have to put their jobs in jeopardy to manage a health care crisis."

The researchers also found statistically significant decreases in retirement savings for workers with only one to five vacation days annually.

"Our findings add to a growing body of literature that examines the relationship between employment benefits and employee well-being," said Patricia Stoddard Dare, Ph.D., lead author and a professor of social work at Cleveland State University. "Managing the competing demands of work, health and family life is a challenge for most Americans. That is why it's vital to design employment benefits packages that allow workers to remain in the labor force, receive wages during brief periods of sick leave, and benefit from long-term continuous retirement savings that will hopefully result in financial security during the golden years of life."

The finding that older adult male workers with an increased number of paid sick days (six to 10 days, and more than 10 days) have increasingly larger gains in their retirement savings also supports efforts to empirically determine the ideal number of paid [sick days](#) that are necessary to observe positive associations for workers.

Although prior research has shown positive and negative correlates of flexible workplace benefits on employees, in this study's sample of older

adult male workers, those with flexible working conditions enjoyed significantly higher retirement savings compared to workers without this benefit.

For the study, DeRigne and Stoddard-Dare used data from the National Longitudinal Survey of Youth (NLSY79), which included a total of 12,686 respondents in the 2012 NLSY dataset. The 994 adult males in the study were 21.2 percent black, 17 percent Hispanic, and 61.8 percent non-black and non-Hispanic. On the high end, 47.1 percent of the sample had access to all three benefits, and on the low end, 0.7 percent of the sample had access to only paid sick leave and no flexible work or vacation days.

Among the workers studied, those who were black and/or Hispanic and those without college experience had at least a 25 percent reduction in their retirement accounts compared to either non-black, non-Hispanic males or those with some college education.

DeRigne, Stoddard-Dare and co-authors Cyleste Collins, Ph.D., an assistant professor of social work; and Linda M. Quinn, Ph.D., a professor of practice of mathematics, both at Cleveland State University, emphasize that all of these findings can be considered as human resource planners and policymakers study ideal benefits to support their employees' [financial security](#).

These robust results fill an important gap demonstrating the unique value in the availability of paid sick leave and flexible work arrangements that cannot be accounted for by vacation when it comes to retirement savings among older adult males. Although future research is needed, these findings suggest that expanding access to paid [sick leave](#) and flexible work might support workers as they plan for retirement.

More information: Patricia Stoddard-Dare et al, Retirement savings

among U.S. older adult male workers by paid sick leave, flexible work, and vacation benefit status, *Community, Work & Family* (2019). DOI: [10.1080/13668803.2019.1677557](https://doi.org/10.1080/13668803.2019.1677557)

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