

Center for Law and Social Policy
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OPERATOR: At this time, it's my pleasure to turn the floor over to your host. Ma'am, the floor is yours.

JODIE LEVIN-EPSTEIN, CENTER FOR LAW AND SOCIAL POLICY: Thank you very much. This is Jodie Levin-Epstein from CLASP the Center for Law and Social Policy. We are based in Washington D.C. We are a national non-profit focused on promoting policies that work for low income families. Welcome to this call which is entitled "Paid Time Off is Taking Off."

There are lots of different kinds of paid time off, such as vacation time, personal time, sick days. Those are the "little p" kinds of paid time off. When you put them all together into a bank of time that does not distinguish between the types, then, you're looking at what is called PTO in caps. It has other names too, like PTO banks. That's the focus of the call. New World at Work research is providing us new insights into paid time off with little P and with the big P paid time off banks.

Before we delve into the study more broadly, some background information. For too many workers, there is very little or no paid time off; not in paid time off banks or in any form. For example, about 40 percent of all private sector workers, including 27 percent of full-time workers, do not have any paid sick days. There are campaigns in over 20 communities and states to give workers paid time for sick days and three cities have passed laws to provide paid time off for sick days. The number of people who are part-time and have no paid sick days is much, much higher than these other numbers. PTO banks appear to be growing, and in some places, employers implementing paid sick days where there are laws, appear interested in moving to PTO banks.

We'll be exploring the latest findings from the World at Work new report "Paid Time Off: Programs and Practices", which was sent to all registrants. Just a word about you, in the audience. We have nearly 80 registrants from all over the country tuning in today. My guest today is Leonard Sanicola, the benefits practice leader at World of Work – World at Work.

Before we turn to Leonard, a little housekeeping detail, the question and answer process. First, I'm going to interview Lenny – Lenny I can call you that?

LEONARD SANICOLA, BENEFITS PRACTICE LEADER AT WORLD AT WORK: Yes, you can.

LEVINE-EPSTEIN: All right. First, I'm going to interview Lenny for about 20 to 30 minutes. While I'm doing that, please show off your multi-tasking skills; email me questions. It's a simple address, audioconference@CLASP.org. That's audioconference@CLASP.org, C-L-A-S-P.org. You also were sent, as a registrant, a couple of handouts. We'll be referring to those. You don't have to have them in front of you to get the drift, but they are good visual aid. Also, if you're listening to the recording of this call, these handouts are part of the resource section. Leonard, welcome. Could you begin by filling us in on what the World at Work organization is?

SANICOLA: Love to do that. Thanks, Jodie. Hello, everyone. Thank you for being here and giving us the opportunity to share our latest data on paid time off programs and practices. World at Work, a little bit about us, we are a non-profit association of human resource professionals from primarily fortune 500 companies, as well as other leading organizations worldwide. And we focus on attracting, motivating, and retaining employees. We – in that, employee or value proposition, we address issues like compensation, benefits, work life, performance and recognition, and development and career opportunities.

Before we begin, I just want to clarify that this research that I'm going to talk about, we conducted to help our members improve their current programs and practices. This was not done for the purpose of advocacy. World at Work has not taken a position on any kind of mandatory paid leave. But, again, I'm glad to be here and we'll get started on the data.

LEVINE-EPSTEIN: Terrific. And yesterday, Leonard, you released your data at a congressional briefing and you rocked. The session was really terrific.

SANICOLA: Well, thank you.

LEVINE-EPSTEIN: I was there and there was a lot of lively conversation, and that's exactly what you want to have attached to a study. Now, this is not the first time that World at Work has had a study on paid time off. How far back was your first?

SANICOLA: Our first study was conducted in 2002, and then we did a follow up in 2006, and then this is our third one in 2010.

LEVINE-EPSTEIN: And can you give us a demographic snapshot of the roughly 1,000 companies who responded to this survey?

SANICOLA: Sure and for those...

LEVINE-EPSTEIN: And let me also interject here that if you have handout number one, it's the time to look at it. OK, go ahead, Leonard.

SANICOLA: Yes. If you do have figure one in front of you, or the handout number one, you'll see that approximately 37 percent are in the 5,000 greater category, 46 percent are 500 to 5,000, and then we had about 18 percent in our dataset from 500 or lower, in terms of number of employees.

LEVINE-EPSTEIN: So, the World at Work members tend to be big in big firms, which is what you said at the outset?

SANICOLA: That is correct.

LEVINE-EPSTEIN: Do you have information about how your organization's demographics compare to firm-size in the U.S., generally?

SANICOLA: You know, Jodie, I don't have that. But my understanding from BLS data is that the majority of employers in the United States are along to the smaller range, although I don't know how they define what small is and people may have different definitions of that.

LEVINE-EPSTEIN: OK. So, folks should just listen carefully that when we're talking about employers, we're not necessarily talking about a snapshot of employers throughout the U.S., we're talking about findings from this particular group?

SANICOLA: That's correct.

LEVINE-EPSTEIN: So, another thing – I want to make sure the audience appreciates this – can you set out whether or not the questions about employees that you asked were about all employees, or full-time employees, or part-time employees, what kind of employees?

SANICOLA: We focused on full-time employees.

LEVINE-EPSTEIN: Then jumping ahead, what is the percent of the firms that you've found which now have a PTO bank, and how does that compare to other paid leave systems?

SANICOLA: So, again, we had 1,036 members respond to our survey. Out of that 1,036, 40 percent reported having a paid time off bank type system. And that number has actually gone up from the first survey that we did with that 28 percent. So, we've seen a flow increase in that. Fifty-four percent of the 1,000 plus members that responded reported still having the traditional separate allotment of time for various categories such as vacation, personal, sick.

LEVIN-EPSTEIN: One of the things as a big takeaway from this survey, maybe the title of this audio call, PTO banks look like they're taking off, although you did explain that the big surge was between the first and second ; the 2002 and 2006 surveys. When there's been this growth and an ongoing consideration of PTO move to banks, what do you think is the driving force in that?

SANICOLA: We actually did ask that question of the employers in our survey and said what was the main reason, and the main reason was ease of administration came up. Another reason that got a fairly large percentage was to be able to be competitive in the market place. And then, there was a spattering of other reasons such as improved moral, employee demand or request, and things of that nature.

LEVIN-EPSTEIN: We have a question here from the audience, so thank you very much, audience, for sending in your questions. I'd like to take this one first because it relates to what you're describing right now, Lenny.

SANICOLA: OK.

LEVIN-EPSTEIN: Pam Striker (ph) who's with Dot Foods asks, "What are some guidelines for a company to transition from a traditional time off to a PTO bank system, including selling senior managers on the value?" You've got that survey response that you just described. Of those elements, what do you think might help if you wanted to sell this to the management?"

SANICOLA: I think one of the things you have to look at is cost. You know, some organizations do a good job of tracking the cost for various time off programs, other companies do not. So, you know, before you would make a decision to convert, one of the things you've kind of have to know is what is your current cost structure and how would that be impacted if you were to move to a bank type system.

Also culturally, you know, would moving to such a system work for your organizational culture? Do you think that employees would be comfortable with managing their absences, you know, as one full bucket? So, those might be some things that you might want to look at.

LEVIN-EPSTEIN: And what would you suggest would be a best first step to take? Let's say it hasn't even been an idea mentioned before, what should someone in the HR arena, who's intrigued by the idea of the bank system, do as a first step to figure out how to get to the point you're suggesting?

SANICOLA: I think the first thing you'd have to look is, you know, look at your infrastructure and your HRIS in parallel systems, and do you have the data and the analysis, because your chief financial officer is definitely going to ask you, you know, "Why do you want to do this? What are the advantages, you know, to the organization? And is there a cost involved?"

And so, you'll have to be able to manage that against perhaps the ease of the administration, you know, will you save money by not having now to track individual silos and separate buckets of categories? Will this help in terms of improved productivity, perhaps, or improve absenteeism within the organization? So, I think you have to start by collecting some data first.

LEVIN-EPSTEIN: Data is everything, right?

SANICOLA: Yes.

LEVIN-EPSTEIN: Lenny, while your survey responses mostly are from large firms, companies of all sizes are using PTO banks as is evidenced from handout number two. For firms with 100 up to 20,000 employees, the use of PTO banks goes from about 40 percent up to 51 percent. Interestingly, those firms with fewer than 100 employees have a relatively high use of PTO banks also at 48 percent. And those at the very, very top, over 20,000, have a relatively low use at 32 percent.

Lenny, help us understand some of the implications from this chart. Are there some questions or observations you can make based on your experience in this arena that don't like jump out at us from this handout?

SANICOLA: I guess for the, you know, when we looked at the stats, clearly very large organizations continue to have the traditional program. And I guess one thing I would say is if you're very large and, you know, things have been working and the status quo has been fine, oftentimes, you know, unless employees are asking for a change or if perhaps you're not having any kind of absenteeism issues where you think it might be better to switch to a bank, companies might just say, you know, we're going to leave things well and alone. It's not an employee relations issue. There's nothing going on internally that would require us to make a change.

It sometimes it's easier for smaller organizations that don't have a large infrastructure, you know. Sometimes larger organizations have several different administrative systems, several different operating units that they might have to include in the conversion. Because remember, most companies, unless you're a start up, you are converting your existing system to a bank system and they're all start up cost with better involved in that.

LEVIN-EPSTEIN: Lenny, I just have to tell you, we have a great audience. They're sending in questions.

SANICOLA: Wonderful.

LEVIN-EPSTEIN: I have one here from Joanne Irby, who is the director of HR administration in a non-profit here in D.C. called CFED, expanding economic opportunity. Her question begins to touch at some of the things you're hinting at right now. Her question is, "Do you have any data regarding the typical pitfalls or negative impacts that companies have experienced in transitioning to PTO banks?"

SANICOLA: We don't have data specifically in this particular survey, but if Joanne is interested, we do have a lot of resources that we've done on absence management in paid time off. We have articles and books and other things, and we certainly could, offline, get that information to her.

LEVIN-EPSTEIN: That's terrific. And can you identify just so she's not teased too much nor the rest of the audience whether you have a particular typical pitfall even if you don't have a number attached to it or a typical negative impact that you're aware of in the transitioning process?

SANICOLA: Like most things, you know, not doing good planning always could be a negative. But I think, you know, being able to communicate to your workforce are the reasons behind the conversion. I think most often with any type of, whether it's employee benefit or pay program or any kind of reward program, if you don't plan in advance, if you don't communicate the reason why and what, you know, what this might mean, that's probably the biggest pitfall I would see is in the communication realm.

LEVIN-EPSTEIN: Let's turn to your analysis by industry and there's clearly a lot of variation in the take up of using paid time off banks by industry. Fill us in on those industries where it at least splits evenly between banks and traditional time off.

SANICOLA: Well, one thing we saw, we definitely saw in the social systems and health care industries where most used the banks and then we saw in the educational and public administration where they are the least used, pretty much across the board of the other industries there was a 50/50 split. We didn't ask specifically in a context around that, you know, why that might be. It was sort of all over the board.

So, you know, I don't really know why, you know, certain industries might or might not do it. Obviously, 24/7-type industries PTO banks, you know, really started in the '70s and they started in the health care arena where we had 24/7 operations, where you needed more flexibility. And the bank type model gave employers that flexibility in the 24/7 environment.

So, when you get in to hospitality as well as health care, you'll find that those are a little bit more prevalent. So, as far as the other industries, you know, oftentimes if there's a company within your competitive labor market that might do that, that might kind of give you some inclination to look at that for your own work force.

LEVIN-EPSTEIN: I have a question here from Nancy Reichman who's with the Department of Sociology at the University of Denver. She has a question about hand-out number two.

SANICOLA: Number two? OK.

LEVIN-EPSTEIN: And she asks "figure two reports data out for 863 firms, 490 which are traditional systems, and PTO banks systems. I understand she says that there were 1036 respondents. What do the other 173 firms do?"

SANICOLA: People choose to answer certain questions, you know, so sometimes you'll get people, for whatever reason, may not answer a certain question. But if we go back to the original question in the survey where we asked what you do, there was five percent that reported having both a pay time off bank-type and a traditional system. And some of the open comments in that five percent indicated that they might have a system for a certain employee classification and a certain system for another employee classification. And that was five percent.

Another one percent reported having unlimited leave. And if you remember, Jodie, that came up in the briefing yesterday where a lot of folks are interested in what kind of companies would be doing that. And a lot of the high-tech professional knowledge worker type employer would probably fall into that category. So, those are the other percentages that came up.

LEVIN-EPSTEIN: Many firms offer some kind of pay time off to some employees but not to all employees. For example, firms sometimes have different policies for their part-time workers than they do for their full-time workers. Your survey asked only about the full time workers. Do you think that in the future you might add a question about PTO banks and other paid time off policies and how they apply to part-time workers to sort of tease out whether or not this is might be existing in the firms in your network?

SANICOLA: That's a great question. Yes, I definitely think in a future survey we would want to ask that. I know from my experience as a former practitioner and from talking to our members, most of the folks that I've talked to do offer paid time off but on a pro rata basis to their part-timers. In fact, I was talking to a group of folks at the meeting the other day. And I asked them, "Well, how do you – you know, is it for all part-timers or is there minimum number of hours?" And it was all over the board. I had some folks that say, "Well, as long as you work at least 8 to 10 hours, you'll get something." Others reported you had to be, you know, 16 or more hours." But clearly, it was indicative that part-timers got some pro rata portion of pay time off based on the hours that they worked.

LEVIN-EPSTEIN: You mentioned before some of the reasons that firms have supported the idea of paid time off banks. We have a question here from Massachusetts, from Brenda Curley (ph), who asks "Is there a data to suggest that PTO banks improve absenteeism?"

SANICOLA: In fact in our survey, and while I'm talking I'm going to try to look for it, but that did come out as one of the reasons that employers do offer PTO banks. And I'll, you know, let's use an example. If I have a high absenteeism rate, if I'm tracking it, which I said earlier some organizations don't do a good job of it, but let's say I do have a good tracking method and let's say I give, on average, you know, five to six days a year. And for whatever reason, people seem to use the full allotment of that sick amount and we feel that we have an absenteeism problem in the organization. Typically, by converting to a PTO bank, you might only put in a portion of those five sick days into the bank.

So, in a sense, those people that have – that never used sick time get the advantage of having additional time that they can use for perhaps an extended vacation. For those that might get ill often, they have the opportunity for an extended illness bank, you know, they'll have extra number of days. And for those that might abuse the system, if they in fact draw into their PTO bank, then they have the potential of exhausting and not having any time available. So, someone who might abuse the system might think twice and say, "Gee, you know, do I really want to call in sick when perhaps I can use this day for, you know, vacation down the road?"

So, yes, there have been studies that have shown that PTO banks can control absenteeism issues if organizations have had those issues. And in our survey, although it wasn't the top reason, ease of administration was the number one reason, improving absenteeism and productivity did come up as a reason that employers might choose to go down with the PTO bank model.

LEVIN-EPSTEIN: Let's turn to the issue of no-fault absenteeism, which is a question you asked about with respect to whether or not firms which offer paid sick days in a traditional way or other paid leave in a traditional way also have a

policy, usually called no-fault absenteeism by companies; this sometimes goes by other names, maybe advocate sometimes use the word demerits . We've got this vocabulary issue going on here as in so many things in this field.

And so, can you fill us in exactly on what your report tells us with respect to the practice of no-fault absenteeism and its relationship to time off? And maybe if you could offer your definition of no-fault absenteeism, that would also help. Appreciate it.

SANICOLA: As you said, Jodie, we had one question and that one question was addressed to our respondents that had indicated they had a traditional paid time-off system and also indicated that they offered some form of paid sick leave, and that was 87 percent, in fact. So, that question was specifically addressed to that group.

Four hundred and sixteen folks in that dataset chose to answer that question. And out of that 416, 40 percent indicated that they had some form of absence control policy. So – and not a large amount. We did not ask anything in terms of structure of policies around that, you know, whether they involved demerit. There was no open-ended follow-up question, so we really don't have any data to support any conclusions around what that means.

You know, from my experience, there are some organizations that have issues with productivity and absenteeism, you know, and therefore, you know, have progressive discipline policies around the number of occurrences, whether excused or not, within a certain period of time. You don't see it too much with PTO banks because the whole idea of moving to a PTO bank is to let folks manage that bank as they see fit. But those that have traditional systems and have the separate, you know, sick pay might find that they have people that, you know, use it when they're really not sick and therefore it affects planning and scheduling and overtime and things of that nature. But, again, in our question, we didn't ask anything around structural policies. So, I really don't have anything to say what that means.

LEVIN-EPSTEIN: When you Google for no-fault absenteeism, for example, what pops up is a general understanding that it's a method to control absence and it can range from a reward system for those who have perfect attendance clear through to automatic firing based on having achieved X number of no-fault absentee days. Is that right?

SANICOLA: That is correct, yes. The definition could mean different things to different people and policies accordingly can be all over the board. And we, in our survey, did not ask anything specific about the type of policy, just other than do you have some form of absence control policy.

LEVIN-EPSTEIN: I want to again thank our audience for multitasking. For those of you forgotten or misplaced your little note about how to send in a question, its audioconference@CLASP.org. That's audioconference@CLASP.org, C-L-A-S-P.org.

What I'd like to do now is jump, Lenny, to kind of set us operational issues, and these would be about PTO banks, specifically. Your report offers a whole set of operational information on traditional policies, too. But we're just going to jump to the ones about the banks because I think folks in the audience probably have less familiarity with how banks have been handling some of these operational questions.

SANICOLA: OK.

LEVIN-EPSTEIN: First off, about this notion of accruing and how you earn your PTO bank time, does time for PTO banks typically accrue over a year or are they given in a lump at the beginning? How does that work?

SANICOLA: Typically, it's accrued. And in terms of the PTO bank systems, since that's what we're specifically talking about, in our survey, 85 percent of participating organizations award PTO bank time on an accrual basis throughout the year, so much more prevalent than a lump sum.

LEVIN-EPSTEIN: Another question that has come in from the audience comes from Vicky Shabo over at the National Partnership for Women and Families. She asked, "Does the report provide any information about how the employers surveyed deal with employees who need to use PTO on short notice for things like" – and she means PTO banks – "on short notice for things like sick time and whether there are issues with employees being able to access their PTO bank time on short notice?"

SANICOLA: What I can tell you is that the whole purpose of a PTO bank is to be able to provide flexibility to manage one's absence. Now, that being said, just like in a traditional system, you need to work with your supervisor or manager on planned time off. However, as things come up, you know, the car breaks down, my child is sick, I am sick, or whatever, that typically happens, you know, when you're getting ready to go to work, then you would basically call in and say, you know, "I need to take a PTO day because of this situation."

So, whereas in the traditional systems when you have certain categories, employers may require that the reason for your absence fits nicely and neat into that category. And sometimes that could be an issue. For example, historically, although I believe this has changed over the years, historically, sick time was for your own illness. Well, what do you do when someone in your family is sick? Well, if my company was very strict on that policy and say, "Well, you know, only if you're sick you can use the time," then you would have employees that would basically have to, you know, make up an excuse that they themselves were ill.

Well, a PTO bank kind of gets rid of that because now this is the bank of time that you have, whatever it is, 10 days, 20 days, 15 days, whatever. So if a family member is sick, you don't have to worry about whether, you know, it's you or the family member, you just would call in and say "Unfortunately, someone is ill in my family and I'm not going to be able to come in from my shift today."

So, again, you still need to work with your manager and supervisor on planning your time off. But when things happen, and things do happen in life, you'd be able to then obviously call in to use your PTO bank. And of course, you know, every company has different policies and procedures, which our survey did not go into, but has policies and procedures and contexts around these things. But generally speaking, that would be the philosophy of how a bank would work in terms of managing absence.

LEVIN-EPSTEIN: Terrific. Maybe this is a question I should've asked you really at the outset. I think we touched on it, but I think it bears repeating. And the question is simply, do PTO banks always bank every kind of reason for time off, or are there different banks constructions?

SANICOLA: Yes, good question. I mean – and it is different. But according to our data, when we asked about what made up a PTO bank, primarily those that responded as having one indicated that the vacation, sick, and personal were the ones that they converted, more or less, into that bank. So, holidays, fixed holidays were kept separate. And I believe our survey reported that on average, employers gave nine paid holidays across industry sectors.

So, many organizations will have primarily a PTO bank that will be used for the things that I mentioned. But on top of that, they'll be separate fixed holidays when the organization perhaps closes its doors, you know, New Years, you know, Labor Day and Memorial Day, whatever the case might be. So that is fairly typical.

We also saw people that had floating holidays or, you know, floating personal days and those might be separate. So, there is variety out there in the universe. But in terms of our dataset, the 54 percent that reported having traditional time-off programs, it was vacation, sick, and personal. And 40 percent that had the PTO banks was similar, and fixed holidays were kept separate.

LEVIN-EPSTEIN: It's interesting that the set of questions that have just come in are all about the amount of PTO banks and the days available under PTO banks. So let me ask a first broad question and then get into the audience specific question.

SANICOLA: OK.

LEVIN-EPSTEIN: Does your data show whether the amount of paid time-off from PTO banks is significantly different than the amount of time from traditional paid time-off? And how did you weigh the apples and oranges, given what you just ran through about the difficulty of even defining what's going inside of a bank?

SANICOLA: OK, great question. In our survey, obviously, we asked the number of paid time-off days that were allocated annually. And we asked that based upon years of service, because typically greater tenure warrants additional

paid time-off days. So, we had it broken down by years of service. And then, we broke it down by those that had PTO banks and those that had traditional.

And if you look at the survey results, you will see typically a difference in the number of days. I don't know if what people would define as significant, but typically, if you look at the data in our survey you'll see one to two days difference. And what you'll see is that those in a PTO bank type system typically have one to two days less than those in a traditional. So what does that mean? Does that mean that's a takeaway? Not necessarily.

In a traditional time-off system, you have an allotment of separate categories. Well, a category is one is vacation, and typically, vacation is paid out because it's an earned asset. So, upon any separation of service you would pay vacation. That might also be the case with personal. But typically, sick time as a separate category, is not paid out. An employer does not have to pay out sick time.

With PTO banks, most States look at PTO banks as an "earn the vacation asset". Even though you can use it for a variety of reasons, it's still an earned asset. So the number of days in a PTO bank is basically a liability on the books of employers and upon separation needs to be paid out in most cases. So, when an employer chooses to convert from a traditional program to a paid time-off bank program, typically you'll see one to two days less because they're not throwing in the total number of sick days that were available under the traditional system. And that makes sense if you do back to my earlier example of – with the person, you know, that's using, you know, who'd never get sick, they now have an extra couple of days that they can use for vacation. And those that, perhaps, do get sick often, they have a greater number of days for an extended illness. And those that perhaps have abused the system, hopefully, will think twice before abusing or exhausting the number of PTO banks. So, it isn't unusual for you to see that the number in the bank is less in that transition or conversion.

LEVIN-EPSTEIN: Lenny, we have a question here from Laura Harper who's with Maine's Women's Lobby, and her question is that she has heard that companies sometimes pursue PTO bank as a way of reducing cost. Could you comment on that? Is it that they cutback on the number of days, or is there a reduction in cost in another way? How would you respond to this question about cost?

SANICOLA: I would go back to our survey result that clearly – converting basically gives employers ease of administration and gives employees more flexibility. Typically, there is actually can be an increase in cost in the short-term in converting into a PTO bank because, like I said, the amount of days of that are earned in a PTO bank become a liability, whereas under the traditional system, the separate category of sick usually is not required to be paid out. So, converting to a PTO bank would not necessarily always be cost-neutral or save money. Actually, it would be the opposite.

LEVIN-EPSTEIN: Could you help us understand when you talk about administrative costs in some firms, is administrative ease also translating into administrative cost-savings? And can that be substantial or is that just getting rid of a headache?

SANICOLA: I think it's a combination of both. Again, every company, depending upon the infrastructure that you have in terms of your payroll or human information system, you know, if you have to track the reason that someone is not there and you have to record it, you know, on the paycheck stub, sometimes you have the separate categories. So, I mean, I think it's both.

I think both can be a headache. I think sometimes it might make it difficult for the line manager who is supervising staffs, you know, they probably don't like it and going to a bank-type model. Then, like I said, they know and expect their employees to use their bank. It might help them in planning. They don't have to worry about categorizing different types of absences. So it's probably, definitely a headache issue for line managers or line supervisors that have to manage it on a day-to-day basis.

From a corporate standpoint, you know, there could be administrative efficiencies attained because, you know, it's less in terms of recording in the payroll system and timesheets. You just put things down as PTO.

LEVIN-EPSTEIN: One of the things that you mentioned earlier about a PTO bank system as opposed to the traditional system, which has a lot of different silos for different kinds of paid leave, is that the bank system requires a kind of culture. Could you delve into that a little bit more? What do you mean by that?

SONICOLA: I think, you know, certain employees get used to certain, you know, certain structures. So I think it has to be a culture where people want to manage themselves and are comfortable with that, and the management staff is comfortable with that as well. So I think that's where the culture kind of comes into place. Just – you know, would this work in our environment? You know, also, you know, people – companies that have separate business units, that could be an issue as well. Well, culturally...

LEVIN-EPSTEIN: What do you mean by that?

SANICOLA: In other words, you might add it through a merger or acquisition or you might have, you know, standalone separate business units where the culture might be different. So perhaps, you know, this model may not work in this environment, but would work in this environment. So I think that has to come into play as well.

LEVIN-EPSTEIN: Let me let me ask you, because I've heard this described, too, that for a PTO bank system to work, the culture has to really have not just management ease by the employee or the employer, but it has to, in fact, include and be premised on a certain amount of interest in trusting each other.

SANICOLA: Yes, it's true.

LEVIN-EPSTEIN: Is that a fair way to look at that?

SANICOLA: Yes, I would agree with that. Yes, I would agree with that. And again, often times if you want to move more towards that getting away from that traditional might help you in that endeavor because you no longer have to, you know, kind of keep things, you know, siloed.

LEVIN-EPSTEIN: And I think overall, what you were saying before is that a bank system provides a degree of flexibility inherently for the employee than having different silos that you have to meet. Could you – this is also not in the survey, but for our listeners who are working with low income employees, what do you think they ought to take from the survey, or anecdotally from experience if they wanted to approach employers to consider PTO banks – they may not wish to but if they wanted to – do you have any particular advice for that population or is it basically the same for any wage population?

SANICOLA: From my perspective, I think it's the same for any wage population. And flexibility obviously goes beyond PTO banks or traditional paid time off systems. A PTO bank just gives more of an environment to where managers and supervisors can be a little bit more flexible. But flexibility, you know, which we talked about it briefly in the event yesterday, obviously goes beyond PTO banks and traditional paid time off system than it has to do with, you know, the relationship between the manager and the employee and the needs, and recognizing what those needs are, and that we have, you know, we have responsibilities outside of work, and we have life and family issues.

You know, in terms of the PTO bank, one of the things we talked about yesterday was that a lot of employers that the dataset reported, you know, allowing shorter increments of paid time off. You know, I think, you know, two-hour tier or 15-minute to tier, I think, in the survey reported where – you know, if I needed to leave early I can get to a school event, you know, I can take two hours PTO if I needed to leave early, whereas sometimes in the traditional system that is a little more challenging.

LEVIN-EPSTEIN: Lenny, I really want to thank you for your time. Is there a takeaway that you hope everybody here – and particularly, for those in the audience who may focus on low-wage workers who often aren't afforded as much flexibility- about how to use your findings in this exploration ahead of making the workplace more flexible for workers.

SANICOLA: I guess I would say a couple of things here. You know, in terms of our survey and comparing the data to the '02 and '06, we definitely see that a large percentage of employers do in fact offer paid leave to their employees and

do recognize that it is important in attracting, motivating, and retaining employees and that it is very important in terms of being competitive. We've also seen that looking at the demographics.

And, again, I know small employers define different ways, but, you know, 18 percent of, you know, between 100 and 500 offer some form of paid time off and five percent, again, less than 100 employees offered some form of paid time off. So, I think it's all over the board and it depends upon a particular company's workforce needs in an industry. But hopefully the takeaway is that employers are continually looking at ways to attract, motivate, and retain.

And one of the questions in this particular survey before I close is during the recession we asked "Did you make changes to your paid time off allocations or programs and practices?" And as you know, we saw a lot of salary cuts and pay freezes, and other types of benefit cuts. And paid leave was one of the benefits that seemed to kind of get through unscathed. Very few employers in our dataset reported that they made reductions or significant changes to their paid leave program. So, that's a good thing. That's a good thing. And since '02, we've seen the actual number of paid leave days slightly creep up as well. So, a lot of employers actually have added to their paid leave program.

LEVIN-EPSTEIN: Thank you very much, Lenny, for giving us your time today. I want to thank the audience for sending in their questions. And I just want to note that CLASP, along with its colleague organizations hopes to generate some background materials, particularly through the lens of low-wage workers with regard to these different policies related to paid time off to explore the pluses and minuses, to identify places that are doing PTO banks successfully or PTO banks and having problems, so that we have just a better understanding, grounded in experience on what this might or might not mean for a low-wage workers. It's very helpful to know what your findings have been, Lenny. And are we going to have to wait until 2014 to get the next one?

SANICOLA: Hopefully not. We'll talk to the survey and research team.

LEVIN-EPSTEIN: Good.

SANICOLA: And again, if you can get me, I know there was some – one of the audience member that had some questions that I needed to follow up on. So, if you can get me that, we'll go from there.

LEVIN-EPSTEIN: We'll definitely do that. And we'll probably pile on you as well some questions we hope you'd get a question chance to ask in your next round.

SANICOLA: Oh, great.

LEVIN-EPSTEIN: And everybody should feel free to send me as well at Jodie, J-O-D-I-E at clasp, C-L-A-S-P dot org, any suggestions for what you might want to see in issue breeze with respect to these different approaches to paid time off and low-wage workers.

And any follow-up questions you didn't get to send in, I'm sure, Lenny, if I can speak on your behalf are you going to holler right now. Would you be game for those as well?

SANICOLA: No. Definitely I would be glad to that. And definitely would be interested on any feedback on items that you might like to see that would be helpful to you for our future research.

LEVIN-EPSTEIN: Terrific. Well, thank you so very much. And have a great day everybody.

SANICOLA: Thank you very much.

LEVIN-EPSTEIN: Take care now. All right. Bye-bye.

SANICOLA: Bye-bye.

OPERATOR: Thank you. This does concludes today's teleconference. We thank you for your participation. You may disconnect your line at this time. Have a great day.

END