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## The Value of Sick Pay

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# The Value of Sick Pay

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August 24, 2021

## Abstract

Not all countries provide universal access to publicly funded paid sick pay. Amongst countries that do, compensation rates can be low and coverage incomplete. This leaves a significant role for employer-provided paid sick pay in many countries. In this paper, we study who has access to employer-provided sick pay, how access to sick pay relates to labor supply when sick, and how much it is valued by workers for themselves and others. We find that workers in jobs with high contact to others are particularly unlikely to have employer provided sick pay, as are economically insecure workers who are least able to afford unpaid time off work. We find that workers without sick pay are more likely to work when experiencing cold-like symptoms and are less willing to expose themselves to health risks at work during the pandemic. Using vignettes, we reveal that large shares of workers have a very high, but even more have a very low willingness to sacrifice earnings for access to sick pay. Together our findings highlight the unequal distribution of access to sick pay and the potentially strong negative externalities of not providing it publicly. The pandemic may have made these issues more salient as perceived probabilities of having to self-isolate are positively related to support for publicly provided sick pay. Finally, we find that providing information on the health externality of paid sick leave increases support for the public provision of sick pay, suggesting that there might be a public under-provision because individuals do not factor in the externalities.

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# 1 Introduction

Sick pay is an important tool of public policy for insurance and redistribution. Coverage of sick workers redistributes from the healthy to the vulnerable, and can prevent an individual health shock from translating into an economic shock to the household. While sick pay can introduce an element of moral hazard if the health status is not verified, it can also suppress negative externalities of sick workers spreading diseases to customers and colleagues. If a worker either is denied access to sick pay or has a very low willingness to pay for it, this might result in him/her going to work while being infectious, thereby imposing a negative externality on the public.

Despite the potential welfare gains of publicly provided sick pay, not all OECD countries mandate universal access to publicly funded sick pay.<sup>1</sup> Amongst countries that do have such a scheme in place, compensation rates can be low and coverage incomplete. For example, the UK has the lowest statutory sick pay of all OECD countries (OECD 2020; Thewissen et al. 2020) and workers on insecure employment contracts and who earn less than £120 per week do not qualify for the scheme.<sup>2</sup> This provides an important role for employer-provided sick pay or self-insurance in many settings.

In this paper, we study access to employer-provided sick pay, how this relates to labor supply when sick and willingness to expose oneself to health risks at work during the pandemic, how much sick pay coverage is valued by workers, and preferences for public policies involving sick pay coverage. To do so, we conducted three geographically representative surveys of workers in the UK, for a total of 12,914 respondents. Our surveys were conducted between late March and mid-May 2020 as part of a project that aims at understanding the economic consequences of the economic crisis caused by the Covid-19 pandemic. In all three waves of our survey, we ask respondents about the characteristics of their jobs, including whether they have access to sick pay beyond the statutory minimum. In what follows, our references to ‘sick pay’ imply employer-provided sick pay.

Our first set of findings consider access to, and labour supply consequences of, sick

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<sup>1</sup>The US has no federal sick pay scheme in place, for example.

<sup>2</sup>In Appendix A we give more details about the institutional features of sick pay in the UK. For example, in the first four weeks of sick leave, an eligible private-sector employee in the UK working full-time, earning an average wage and who has been working with the same employer for one year, would be entitled to £96.35 per week, compared to an OECD average of about two-thirds of previous earnings. Throughout the paper we refer to only having access to statutory sick pay and not to employer-provided sick pay as not having access sick pay.

pay. We find that workers who come into more physical contact with others are less likely to have access to sick pay. Further, workers on lower incomes and in less secure jobs are also less likely to have access to sick pay. Access to sick pay has a meaningful impact on labour supply: workers without access are more likely to express willingness to engage in presenteeism (working when infectious) and are less likely to be willing to return to work, and expose themselves to health risks, from short-time work schemes during the pandemic. From an individual perspective this puts those at the threat of an income shock that are least likely to be able to afford it. From a public perspective, it exposes the risk of accelerating the spread of viruses by creating an incentive for workers to show up at work when it would be socially beneficial for them to stay at home.

Second, following Mas and Pallais 2017, we make use of hypothetical choice vignettes to analyze workers' willingness to pay for access to sick pay beyond the statutory minimum. More precisely, workers who report having access to paid sick leave beyond the statutory minimum are presented with a choice between their current main job, and a job that pays more per hour but where they would lose their entitlement to paid sick leave. Similarly, workers who do not have access to paid sick leave through their employer are asked to choose between their current job and a job that is identical in all aspects, with the exception of a lower pay in exchange for 14 days of paid sick leave. The amount of salary increase/decrease presented in the vignette is randomly assigned between 2-20% of their salary. We find that almost half of respondents are unwilling to sacrifice 2% of their salary to get access to sick pay. Older workers and those who come into more physical contact with others value sick pay coverage more highly.

Third, we analyze workers' support for policies that would expand access to paid sick leave for employees as well as self-employed workers, and find evidence of strong support for more generous sick leave policies. Moreover, we conduct an information treatment in order to see whether the salience of the individual insurance motive or the public externality issue can increase public support. More specifically, we randomize three information treatments across respondents: (i) the respondent is presented with information about the severity of the health-related risks of being infected by Covid-19, (ii) a story about the economic consequences of the pandemic leading to large scale job losses, and (iii) a narrative about a worker without access to sick pay who might go work sick and potentially spread the virus. We then investigate whether these information treatments increase support for public policies covering sick pay compared to the control group that receives no information. Importantly, results from our information treatment

show that providing workers with accurate information on the health impacts of the pandemic and the negative externalities arising from low access to sick pay significantly increases support for public provision of sick pay for the self-employed and expansion of sick pay coverage for employees.<sup>3</sup>

Summarizing, the more vulnerable and those working in occupations in closer contact to clients and customers are less likely to have access to sick pay. From an individual perspective this puts those at the threat of an income shock that are least likely to be able to afford it. From a public perspective, it exposes the risk of accelerating the spread of viruses by forcing workers to show up at work when everybody else would be better if they were not to. Taken together, our findings suggest that the externality is not universally internalized, and highlight the importance of providing adequate sick pay coverage for workers to limit the economic shocks to households with limited means and incidence of risky behavior that are motivated by binding budget constraints.

Our paper contributes to three main strands of literature. First, we build on the literature on the externalities of sick pay coverage (Pichler and Ziebarth 2017; Stearns and White 2018; Pichler and Ziebarth 2020; Marie and Vall Castelló 2020; Adams-Prassl et al. 2020*c*; Pichler, Wen and Ziebarth 2020) and show that having adequate access to sick pay is particularly important as a means to promote safe behaviors at a time when social distancing and self-isolation are critical to contain a viral pandemic. Second, we add to the literature studying how workers value facets of work arrangements other than salary. The existing literature deals with job security and flexibility (e.g. Mas and Pallais 2017; Wiswall and Zafar 2018), amenities such as training or health packages (e.g. Eriksson and Kristensen 2014) or location (Barrero, Bloom and Davis 2021). Boeri et al. (2020) uses vignettes to analyze willingness to pay for sick pay coverage amongst the self-employed. We consider willingness to pay amongst employees, who may or may not have access to employer-provided sick pay in their main job. Third, we extend the literature using large-scale surveys to study the impact of information provision on preferences for public policies.<sup>4</sup> To the best of our knowledge, we are the first to do this in the context of public policies related to sick leave.

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<sup>3</sup>However, we find no significant treatment effect on workers' private willingness to pay for paid sick leave.

<sup>4</sup>These experiments cover topics such as the level or progressivity of taxation (e.g., Kuziemko et al. 2015; Alesina, Stantcheva and Teso 2018; Alesina and Stantcheva 2020), public debt and spending (Roth, Settele and Wohlfart 2021), immigration (Grigorieff, Roth and Ubfal 2020; Haaland and Roth 2020), public education provision (e.g., Bursztyn 2016; Lergetporer et al. 2018; Lergetporer and Woessmann 2019) or support for climate action (e.g., Andre et al. 2021). See Haaland, Roth and Wohlfart (2020) for an overview.

## 2 Data

To study variation in access to employer-provided sick pay and workers’ responses to, and preferences for different levels of coverage, we collect real time survey data on large geographically representative samples of workers in the UK.<sup>5</sup> See Appendix A for further details on public provided sick pay in the UK. The data were collected through online surveys administered between March and May 2020 by a professional survey company.<sup>6</sup> We collected three survey waves and sampled new respondents for each survey wave, so that no participant answered our survey twice.

While our surveys targeted individuals who were or had been engaged in any type of paid work, including self-employment, in the 12 months prior to the data collection, we restrict the sample to respondents who report being in employment at the time of the survey, i.e. we drop the unemployed and self-employed but retain those either currently working for an employer or who are on short-time work schemes. We do this because it is unclear what “employer-provided sick pay” means in the context of the self-employed. Our final sample spans 7,718 respondents of which the descriptive statistics can be found in Appendix Table B.1.

### 2.1 Survey Design

**Work Arrangements** Our survey is structured into several blocks. We first ask respondents to provide us with information on their demographic characteristics and collect detailed information on the characteristics of their main (or last) job.<sup>7</sup> More specifically, we first ask respondents to report how many jobs they have worked in during the past 7 days. Participants are explicitly asked to think of all jobs they did either as employees or as self-employed. Those who report having had at least one job are then asked to provide more details on their main job. In addition to information on occupation and industry, employees are further asked whether they are on a permanent contract, whether their work schedule is fixed or flexible, whether they are salaried or paid in a different way for their work (e.g. by the hour), and what percentage of their tasks they could do from home in their job. We further collect information on the

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<sup>5</sup>Appendix C includes the full battery of questions used in the analysis in order of presentation.

<sup>6</sup>See Adams-Prassl et al. (2020*a,b*) for a description of the dataset and a comparison of the characteristics of workers in our sample to the national population.

<sup>7</sup>We collect detailed individual information on respondents’ gender, age, highest level of education, marital status and number of children below 18. In addition, we ask respondents to report their total individual labor earnings during in 2019.

number of days of paid sick leave the respondent was entitled to and classify workers as not having access to additional sick pay if they reported not being entitled to any day of additional paid sick leave beyond the statutory minimum.

We are particularly interested in the extent to which sick pay coverage generates positive externalities by limiting risky behaviors. To obtain a better sense of the behavioral response of workers to having access to additional sick pay, we asked workers for their propensity to go to work with mild cold-like symptoms, such as a cold, cough or fever. Further, in our May survey wave we asked employees that report being on furlough at the time of data collection whether they would prefer going back to work for a 20% salary cut rather than staying on furlough.

**Perceived Risks** Our surveys were conducted amidst the first wave of the coronavirus pandemic. The health risks associated with employment were, therefore, particularly salient. To obtain a better sense of how individuals think about the likely future consequences of the outbreak, we first ask individuals to state what percentage of individuals in their region they think will get infected with the virus.<sup>8</sup> We then ask them how likely they think it is that they will have to self-isolate for at least two weeks before August 1st, 2020, on a 0-100% chance scale.

**Willingness to Pay** A contribution of this paper is to elicit the willingness to pay for sick pay coverage. We follow Mas and Pallais (2017) and employ a discrete choice experiment to elicit individual preferences for work arrangements that vary in their provision of paid sick leave beyond the statutory minimum. Each individual is asked to consider a hypothetical situation where they have to make a choice between two work contracts that are identical in all aspects, except for the pay that is offered and paid sick leave entitlement. We elicit individual willingness-to-pay (WTP) or individual willingness-to-accept (WTA), depending on whether their current work arrangement already offers them additional sick pay. Employees who are currently not entitled to paid sick leave are asked to consider the following scenario:

*Suppose your employer in your main job offers you 14 days of paid sick leave per year (in addition to statutory sick pay). In exchange for having access to sick pay you would get X% lower pay per hour. All other aspects of*

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<sup>8</sup>To ease comprehension, we asked participants how many people out of 100 are likely to be infected.

*your job would stay the same. Would you accept this arrangement if given the choice? [Yes, No]*

Employees who are currently entitled to paid sick leave are instead asked to think about the following:

*Suppose your employer in your main job offers you X% higher pay per hour. In exchange for having higher pay you would lose your entitlement to paid sick leave through your employer (hence, you would only have access to statutory sick pay). All other aspects of your job would stay the same. Would you accept this arrangement if given the choice? [Yes, No]*

‘X’ randomly varies across respondents and takes on values 2, 5, 10 or 20.

**Policy Questions** To complement our willingness to pay analysis, we analyze respondents’ support for potential sick pay policies. More specifically, we asked whether respondents agree that all firms should offer at least 14 days of paid sick leave per year to their employees, and whether self-employed workers should have access to paid sick leave. Responses are recorded on a 5-point Likert scale and we ask respondents to think about these questions in general and not just for the period of the coronavirus outbreak.

**Information Treatment** To shed light on the drivers of preferences for sick pay coverage and associated policies, we conducted an information experiment in our first survey wave only. After collecting information on individuals’ work arrangements, participants were randomized into one of four groups and provided with different information on the coronavirus crisis. Randomization was performed at the individual level and each participant (in the first survey wave) had a 25% chance of being randomized into any given group. We then proceed to elicit information on perceived impacts of the coronavirus outbreak, individual preferences for alternative work arrangements, and individual policy preferences.

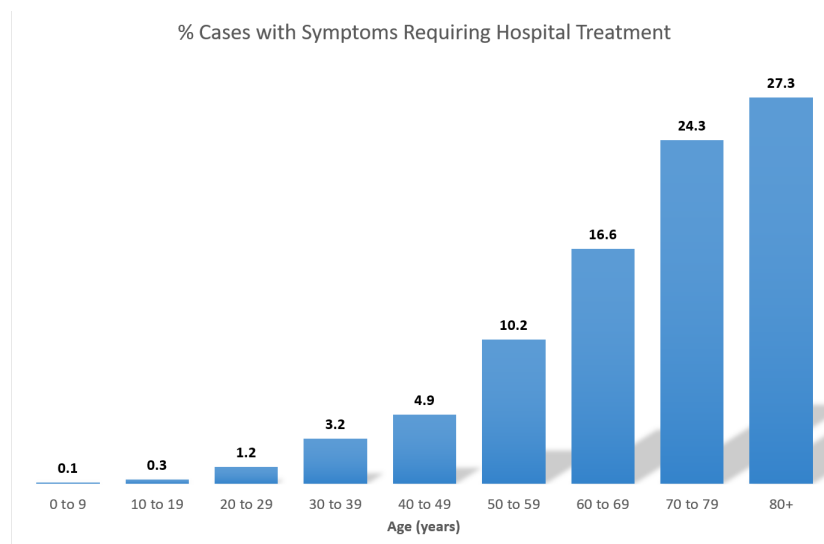
The four treatment groups are: ‘Control’, ‘Treatment 1’ (T1), ‘Treatment 2’ (T2), or ‘Treatment 3’ (T3). ‘Treatment 1’ received truthful information on health-related aspects of the coronavirus outbreak to determine whether the salience of health risks matters for preferences. More specifically, the following information is provided:



*In different countries, officials predict that more than 70% of people might get infected. While most people will only develop mild symptoms, the virus can be severe for older people, many of whom may require hospital treatment. This has already put a lot of pressure on the health systems in countries where the outbreak started earlier. For each age group, the chart below shows the estimated proportion of coronavirus cases with symptoms that need hospital treatment.*

This information is followed by a chart (reported in Figure 1) which displays the percentage of coronavirus cases with symptoms which require hospital treatment (by age group). This information was the most up-to-date information at the time the survey was conducted (Source: Imperial College COVID-19 Response Team).

Figure 1: Health Information Treatment



*Notes:* The chart displays the most updated figures (at the time the survey was administered) on the percentage of coronavirus cases with symptoms which require hospital treatment by age group. Source: Imperial College COVID-19 Response Team.

‘Treatment 2’ receives the same information as ‘Treatment 1’ and is additionally informed about the economic consequences of the outbreak.

*The virus is predicted to have a big impact on the whole economy. In the UK, economists predict that around 700,000 people will lose their jobs during the crisis.\* In the United States, unemployment has already risen sharply. 281,000 people became unemployed in the week ending 14 March, a sharp*

*rise from 211,000 in the previous week. This rise is larger than any week-to-week unemployment movement during (or since) the 2008 financial crisis. Many businesses have already been affected by a fall in revenue caused by social-distancing measures. Anne\*\*, a small business owner, has seen many orders cancelled. With no cash coming in, she says she was forced to lay off most of her 17 employees.*

*\* Estimates as of 24 March 2020 from KPMG and Capital Economics.*

*\*\* Not her real name*

‘Treatment 3’ receives the same information as ‘Treatment 1’ and additionally receives information on workers without paid sick leave. The aim of this treatment was to raise awareness of the positive externalities associated with sick leave. This could both raise individual willingness to pay for sick leave through an altruism channel, in addition to raising support for public policies to provide additional coverage.

*Many people are not entitled to paid sick leave. This puts them in a difficult situation if they risk losing their job or their income if they stay home. Adam\*, who is self-employed, said in response to the outbreak: “If you’re self-employed you have to continue working. I’m not about to make my children starve because of coronavirus. If I’m physically able to work, then isolation is not happening for me.” Adam admits that continuing to work might spread the virus. “That’s a risk I would have to take”, he said. Not granting paid sick leave to all workers poses serious threats to public health.*

*\*Not his real name.*

The quotes provided in Treatments 2 and 3 are taken from newspaper articles published shortly before the survey was conducted, and they are, to the best of our knowledge, real accounts of individuals struggling to cope with the crisis.<sup>9</sup> Treatments 2 and 3 are also accompanied with a picture illustrating the quotes (see Appendix C). The ‘Control’ group receives none of the above information.

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<sup>9</sup>The story of Anne was taken from a March 15, 2020 article published on *The New York Times*: <https://www.nytimes.com/2020/03/15/business/economy/coronavirus-economy-impact.html>. The story of Adam was taken from a March 7, 2020 article published on *The Guardian*. The unemployment figures provided in Treatment 2 were reported in a March 19, 2020 article published on *The New York Times*.

### 3 Access to Sick Pay

This section documents three facts: (i) a significant share of workers do not have access to employer-provided sick pay; (ii) those that do not have access are less likely to be able to work from home and more likely to work in close proximity to others; (iii) those that do not have access are the least likely to be able to afford going without labor earnings for an extended period of time.

18% of workers report not having access to sick pay beyond the statutory minimum in their main job. However, the availability of sick pay is not uniformly distributed. In Figure 2 we show how access to sick pay amongst employees varies across occupations and industries. It shows that workers in jobs characterised by close client contact are less likely to have access to sick pay. Workers in ‘Personal care and service’ (34%) and ‘Food preparation and serving’ (33%) occupations are most likely to have no sick pay, while amongst workers in ‘Computer and mathematical’ occupations and those related to ‘Architecture and engineering’ only around 10% and 9% do not have sick pay. In terms of industries, we find that workers in ‘Arts, entertainment and recreation’ (31%) and ‘Accommodation and food service activities’ (27%) are most likely not to have access to sick pay.

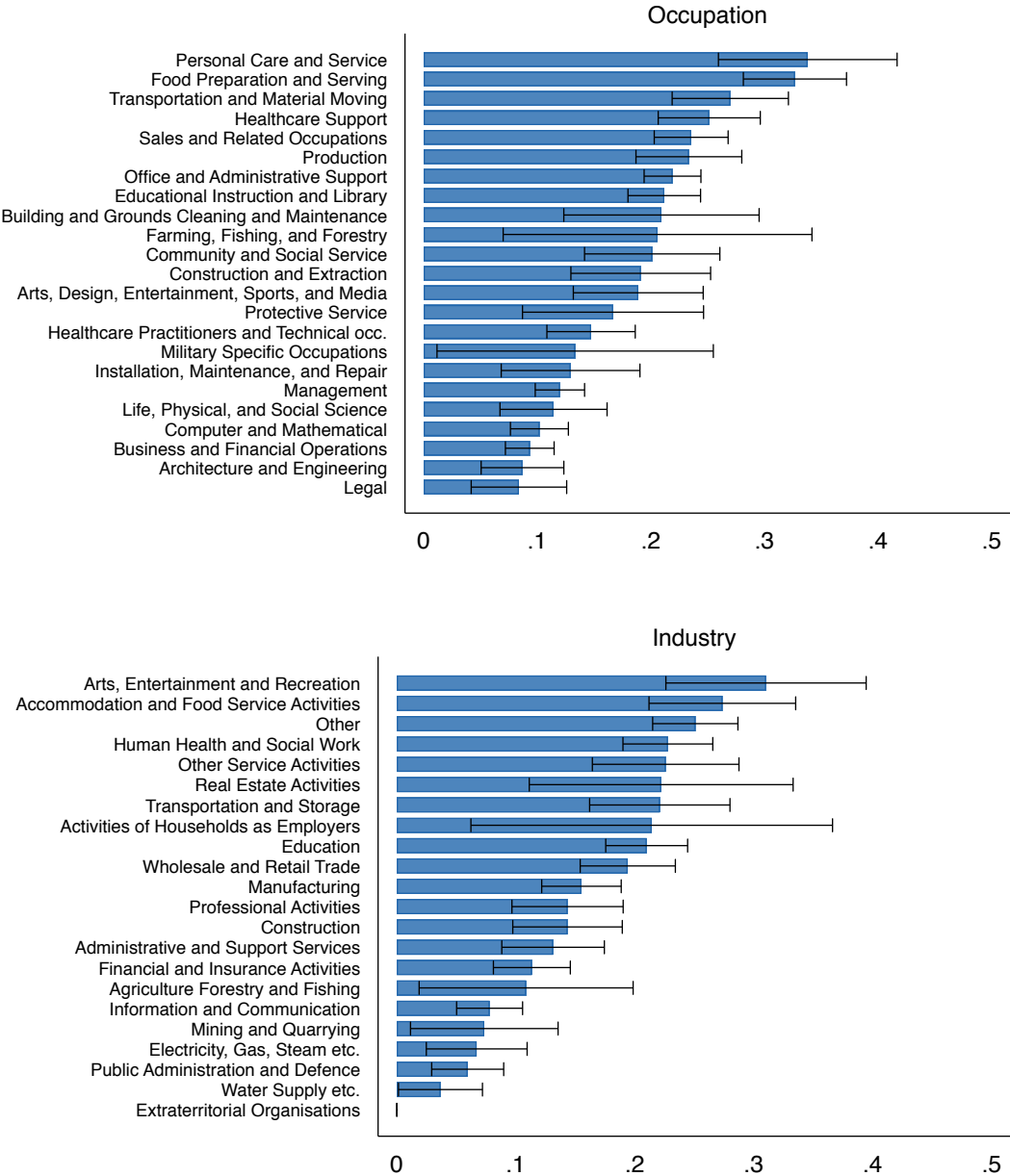
Figure 3 relates individual and job characteristics to whether workers have access to sick pay. There is a strong income gradient to access to sick pay: amongst those with an income of less than £30,000 in 2019 the share without sick pay is 25%, it is only 11% for those with an income above this level.<sup>10</sup> We see that women are more likely not to be entitled to additional sick pay than men and that workers above the age of 35 are more likely not to have sick pay than younger workers. In terms of contract types, the share of workers without sick pay is greater amongst those on temporary contracts or with varying hours than amongst those with permanent contracts or fixed schedules.

Finally, we consider the relationship between access and potential for infection/infecting others at work. Figure 4 shows a strong negative relationship between the share of workers without sick pay on the x-axis against the average share of tasks that can be done from home on the y-axis across occupations. In the right panel we see that those occupations with higher shares of workers without sick pay, also are more likely to be in close proximity to others according to the mean ONET physical proximity scores. This suggests that workers in jobs where they are most likely to spread disease to others, are those where incentives to take time off work when sick are the lowest.

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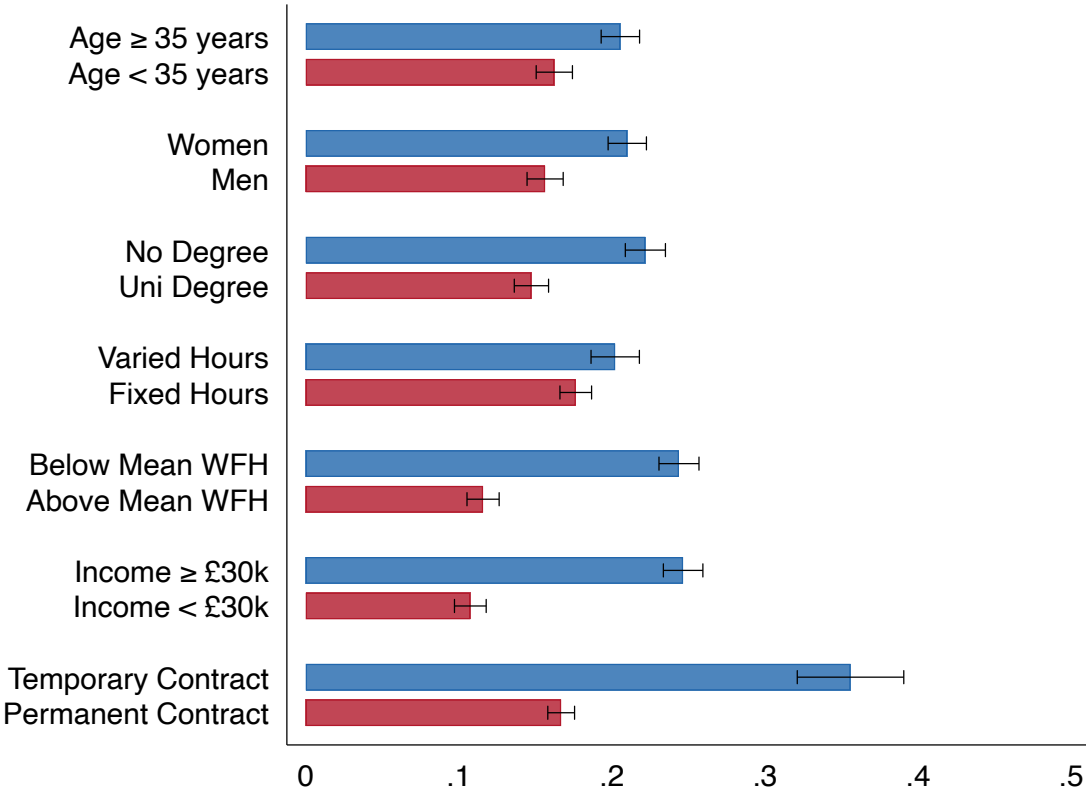
<sup>10</sup>See Appendix Figure ?? for a more detailed breakdown by income level.

Figure 2: Share of Employees without Access to Sick Pay by Occupation and Industry



Notes: The horizontal bars show the average share of workers who do not have access to sick pay in their main job for each occupation (top) and industry (bottom). The black bars represent 95% confidence intervals. The bottom panel restricts the sample to current employees from the April and May survey waves. WFH stands for the share of tasks a worker can do from home.

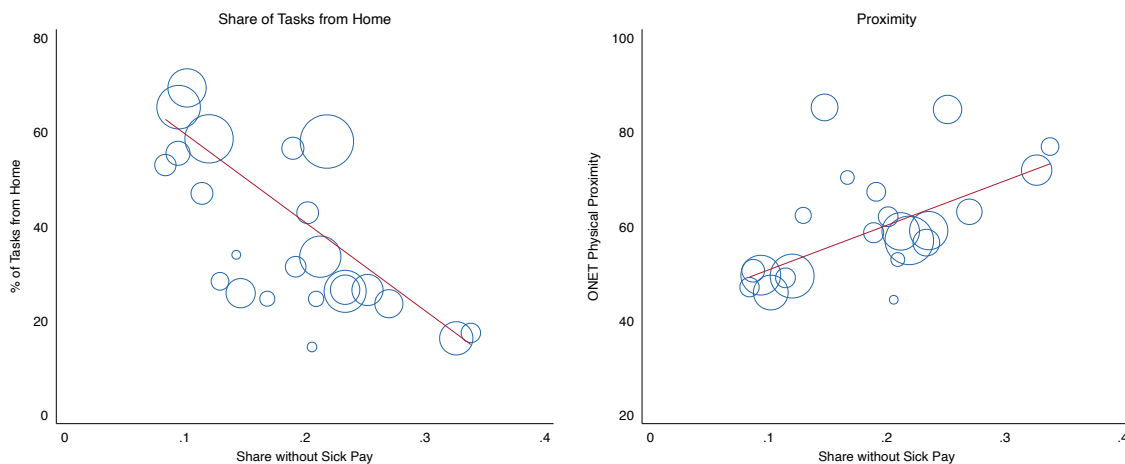
Figure 3: Share of Workers without Access to Sick Pay by Individual and Job Characteristics



Notes: The bars show the average share of workers who do not have access to sick pay in their main job for different individual and job characteristics. The black lines represent 95% confidence intervals. WFH stands for the share of tasks that can be done from home.

In the Appendix Table B.2, we show that the patterns documented above are robust in a linear probability model framework. In the first column we only include individual characteristics, as well as time and region fixed effects, and find a strong age gradient. Including all controls, women are still 2-3 percentage points more likely not to have sick pay. In the second column we look at the relation between job characteristics and availability of sick pay, again finding that the income gradient is confirmed as well. We also find that workers with temporary contracts are 12-15 percentage points more likely not to have sick pay. Similarly, non-salaried employees are 8-9 percentage points more likely not to have access to sick pay. In columns (4) and (5) we see that adding occupation and industry fixed effects does not substantially change the before-

Figure 4: Share of Employees without Access to Sick Pay & Physical Contact Across Occupations



Notes: Each bubble represents an occupation and the size of the bubble is proportional to the number of observations. The line represents the linear fit. The sample includes current employees. The left hand panel shows the relationship between the mean share without sick pay and the mean share of tasks that can be done from home in an occupation. The right hand panel shows the relationship between the mean share without sick pay and the mean ONET physical proximity score for the occupation.

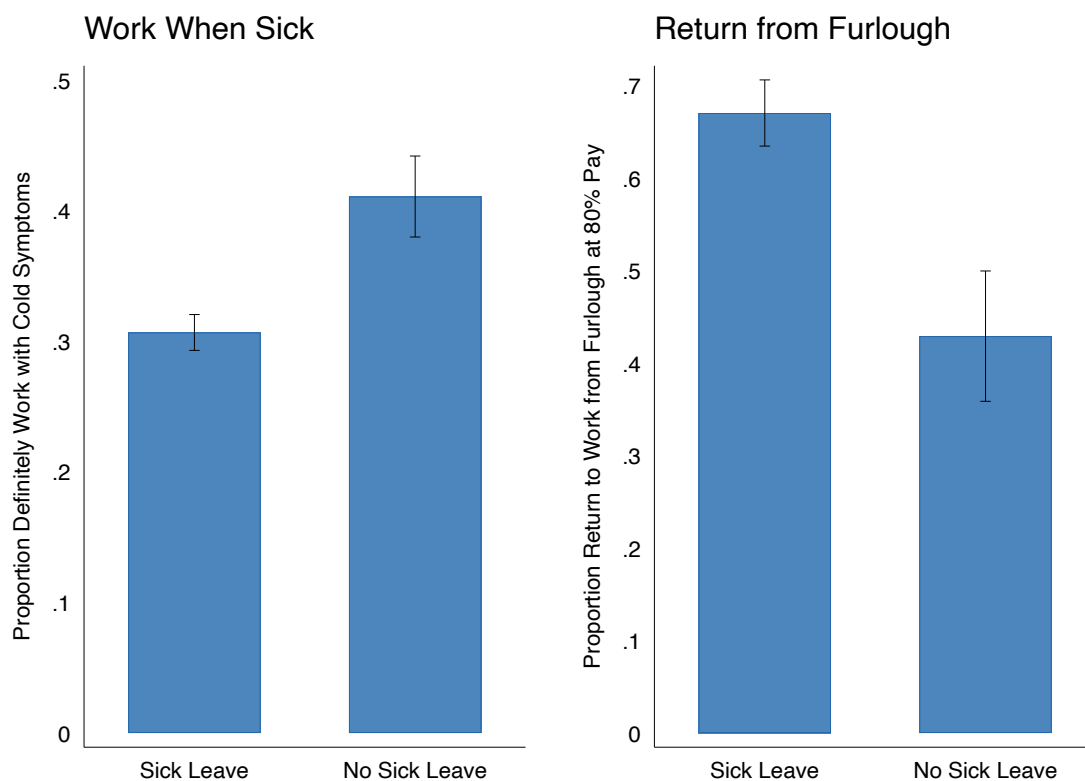
mentioned patterns.<sup>11</sup> Albeit the coefficient dropping to about 2 percentage points, it is still notable that, despite the rich set of controls, women are still more likely to be without sick pay. Finally, the elasticity of being able to work from home (WFH) to not having sick pay is about -0.10.

## 4 Labor Supply

The analysis above showed that those in the closest physical proximity to others in their job, and who are the most economically insecure, are least likely to have access to employer provided sick pay. Could this contribute to problematic labour supply responses? We consider two aspects here: does access to sick pay increase workers willingness to stay at home when they are sick? Does access to sick pay make healthy workers more willing to expose themselves to health risks in their job in the context of the coronavirus pandemic?

<sup>11</sup>Note that the introduction of industry fixed effects automatically restricts the sample to respondents to the second and third survey waves only, as we did not include questions about industry in our first survey wave.

Figure 5: Sick Pay Coverage & Labour Supply Response



Notes: The left panel shows whether workers would go to work when experiencing cold symptoms, while the right panel displays whether furloughed workers would be willing to return to work receiving only 80% of their salary. Within each panel, the left bar shows the affirmative answers for those with access to sick pay, while the right bar for those without sick pay. The black lines represent the 95% confidence intervals.

The left panel in Figure 5 shows that out of employees without access to sick pay 41% would definitely go to work while experiencing cold symptoms, while for those with access to sick pay the share is only 31%. In Table 1 we control for a range of individual and job characteristics, and find that the sick pay gap in definitely going to work with cold symptoms is 12 percentage points.

In response to the Covid pandemic, a short-time work scheme was established in the UK. At the time of our surveys, employees could be ‘furloughed’ from their job and receive 80% of their usual pay without having to work at all.<sup>12</sup> In the May wave of our survey, when an active policy debate was turning to how to incentivise employees to

<sup>12</sup>See Adams-Prassl et al. (2020a) for details.

Table 1: Working when Sick and Working During Pandemic

	Work When Sick		Return from Furlough	
	(1)	(2)	(3)	(4)
No Paid Sick Leave	0.1164*** (0.0181)	0.1152*** (0.0181)	-0.1564*** (0.0420)	-0.1535*** (0.0421)
30-39	0.0430*** (0.0166)	0.0365** (0.0166)	-0.0391 (0.0379)	-0.0309 (0.0382)
40-49	0.0578*** (0.0190)	0.0481** (0.0191)	-0.0528 (0.0489)	-0.0435 (0.0489)
50-59	0.1007*** (0.0229)	0.0906*** (0.0230)	0.0010 (0.0624)	0.0018 (0.0601)
60+	-0.0329 (0.0328)	-0.0491 (0.0327)	-0.0679 (0.0730)	-0.0603 (0.0784)
University Degree	0.0074 (0.0142)	0.0075 (0.0145)	0.0022 (0.0345)	-0.0181 (0.0346)
Female	0.0348*** (0.0134)	0.0345** (0.0139)	-0.0615* (0.0325)	-0.0643* (0.0333)
Mean ONET Proximity	-0.0721 (0.0632)		-0.1734 (0.1596)	
Income 2019 (£10,000s)	0.0049* (0.0029)	0.0056* (0.0029)	0.0230*** (0.0061)	0.0162*** (0.0062)
Temporary	-0.0530** (0.0210)	-0.0537** (0.0211)	0.0278 (0.0539)	0.0160 (0.0544)
Varied Hours	-0.0521*** (0.0150)	-0.0479*** (0.0152)	0.1624*** (0.0355)	0.1610*** (0.0362)
Non-Salaried	-0.0731*** (0.0156)	-0.0674*** (0.0158)	0.0861** (0.0368)	0.0790** (0.0380)
Work from Home	-0.0451** (0.0219)	-0.0241 (0.0227)	0.2180*** (0.0569)	0.1834*** (0.0585)
Constant	0.3556*** (0.0493)	0.3419*** (0.0380)	0.5275*** (0.1277)	0.4822*** (0.0941)
Observations	5220	5237	849	852
$R^2$	0.0375	0.0471	0.1832	0.2293
Region F.E.	yes	yes	yes	yes
Wave F.E.	yes	yes	yes	yes
Occupation F.E.	no	yes	no	yes

Notes: OLS regressions. Robust standard errors in parentheses. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . The sample in all columns is restricted to employees and in columns (3)-(4) to furloughed employees. In columns (1)-(2) the dependent variable is whether the employee would go to work when experiencing cold symptoms, and in columns (3)-(4) whether the employee would prefer returning to work on 80% of their salary or remain furloughed.



return to work from furlough, we asked furloughed respondents whether they would be willing to return to work at their furloughed pay.

The right panel in Figure 5 suggests that during the extreme example of the Covid-19 pandemic, not having access to sick pay in combination with the furlough scheme might have even reduced labor supply of healthy employees. Employees who do not have access to employer sick pay are 24 percentage points less likely to be willing to return to work for 80% of their salary. Even when a rich set of individual and job characteristics the gap remains significant at 15-16 percentage points. This highlights an important trade-off between health and economic risks; healthy workers without an adequate safety net appear to be more cautious about exposing themselves to health risks at work during a pandemic.

## 5 Valuing Sick Pay

To shed light on workers' valuation of additional paid sick leave, we present workers with hypothetical choices between jobs that are identical in all aspects, with the exception of sick pay coverage. We use as reference the characteristics of workers' main job, and vary the vignettes depending on whether the respondent reports having access to paid sick leave through their employer or not. More precisely, workers who report having access to paid sick leave beyond the statutory minimum are presented with a choice between their current main job, and a job that pays more per hour but where they would lose their entitlement to paid sick leave. Similarly, workers who do not have access to paid sick leave through their employer are asked to choose between their current job and a job that is identical in all aspects, with the exception of a lower pay in exchange for 14 days of paid sick leave. Following Mas and Pallais (2017), we randomly vary the percentage of salary sacrifice or salary increase between 2, 5, 10, and 20% across respondents.

In order to shed light on the fraction of workers that would prefer having access to paid sick leave, and their personal valuation of sick pay coverage, we compute a dummy variable that takes value 1 if a respondent chooses the alternative that offers access to paid sick leave, and zero otherwise. This will be our dependent variable in the analysis for this section.

## 5.1 Individual Willingness to Pay/Accept

In Figure 6 we show estimates of the share of respondents on the x-axis that would be willing to sacrifice a given percentage of their salary on the y-axis, in exchange for entitlement to additional paid sick leave. We see that almost half of respondents, with no heterogeneity by current sick pay entitlement, would not be willing to give up 2% of their salary, and more than a third would be willing to give up 20% of their salary.<sup>13</sup> Demand is also more elastic for those without current access to sick pay. This result suggests the presence of both workers with a very low and very high willingness to sacrifice earnings for access to sick pay. Therefore, a private insurance market would be unlikely to be able to provide sick-leave insurance at a price which would lead all to enroll.<sup>14</sup>

In Table 2 we show the results of a linear probability model in which the dependent variable is whether the respondent is willing to accept a given salary sacrifice for access to sick pay, where the baseline level is a sacrifice of 2%. Including the different levels of salary sacrifice as dummies clearly reveals that less respondents are willing to accept additional sick pay with a greater salary sacrifice. In Appendix Table B.4 we include the level of the salary sacrifice instead of the categorical dummies and find an elasticity close to one, i.e. a one percent increase in salary sacrifice is associated with a one percent drop in the likelihood of accepting sick pay.

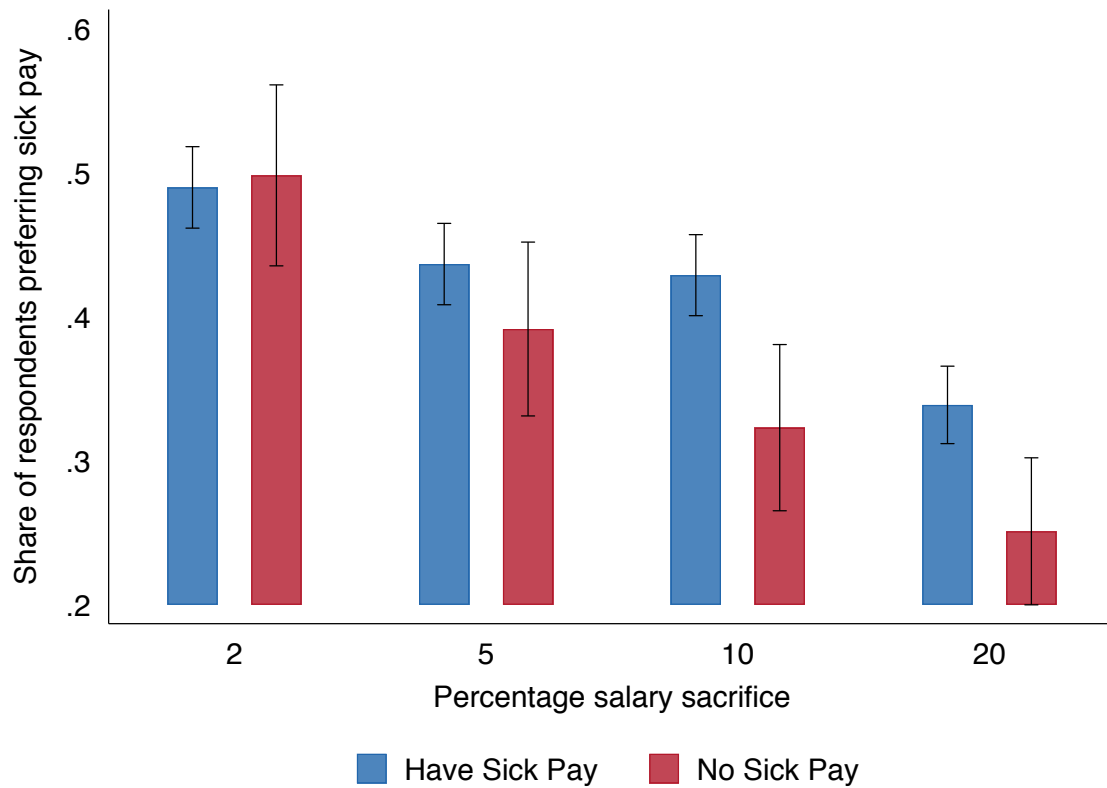
Looking at the relation of other covariates to the willingness to accept a salary sacrifice for access to sick pay, we find that the valuation of sick pay tends to be higher amongst women, increasing in age, declining in income, and lower for those who can do more of their tasks from home. There is no systematic variation in willingness to pay by subjective beliefs about the probability of self-isolation once covariates are conditioned on. Finally, workers without sick pay are significantly less likely to be willing to accept a salary sacrifice to gain access to sick pay. While, on the one hand, this might appear surprising, on the other hand, it might indicate revealed preferences and/or adverse selection.

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<sup>13</sup>In Appendix Figure ?? we see that when we plot the same shares for each survey wave separately, the shares stay relatively constant without a clear pattern of shifts to be made out.

<sup>14</sup>Subtracting weekends and public holidays, there are about 253 working days in the UK. Additionally, a full-time worker in the UK has the right to 28 days' holiday. 14 days of sick leave out of the remaining 225 days of work would amount to 6.2% of working time. On average, workers take about 6 days ( $\approx 2.7\%$ ) of sick leave per year (Chartered Institute of Personnel and Development 2020). If almost half are unwilling to sacrifice 2% of their earnings, then, according to this back of the envelope calculation, they would be unlikely to find coverage in the market in a pooling equilibrium.

Figure 6: Individual Willingness to Pay for Access to Sick Pay



Notes: The graph shows the fraction of respondents that value access to sick pay at least 2, 5, 10 or 20% of their salary. The sample is restricted to employees across all waves, and additionally respondents in wave 1 who were also assigned to the 'Control' group.

Table 2: Individual Willingness to Pay for Access to Sick Pay

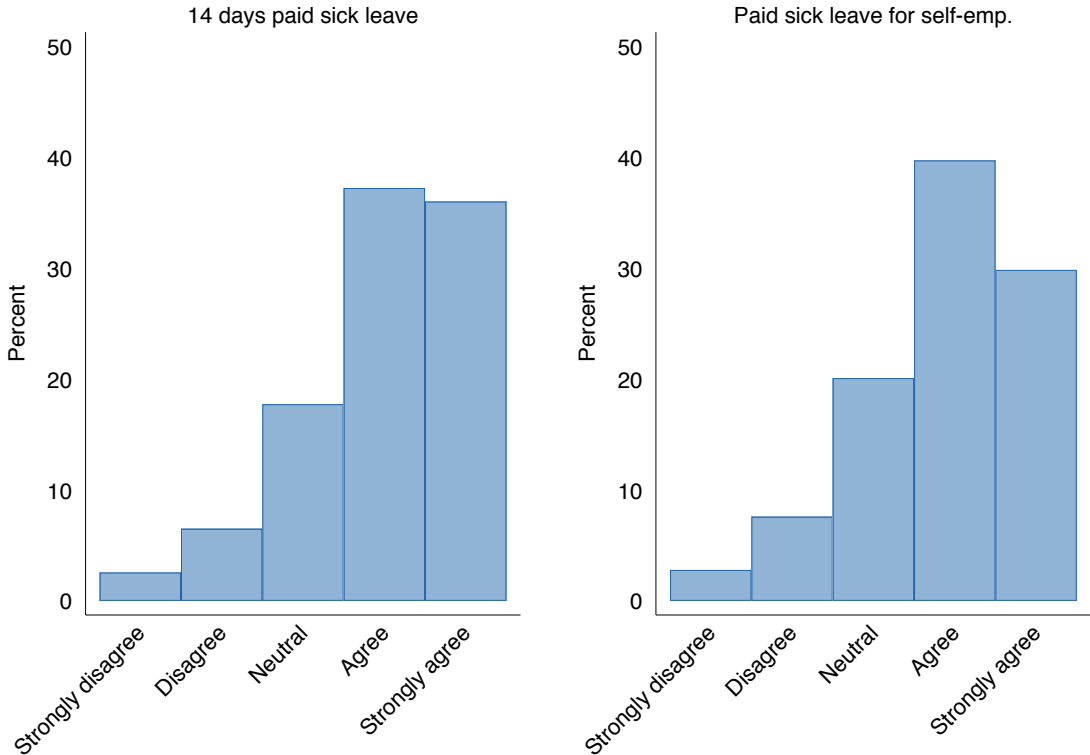
	(1)	(2)	(3)	(4)
No Paid Sick Leave	-0.0975*** (0.0182)	-0.0973*** (0.0182)	-0.1011*** (0.0183)	-0.1008*** (0.0183)
5% Salary Increase / Decrease	-0.0640*** (0.0177)	-0.0641*** (0.0177)	-0.0664*** (0.0177)	-0.0664*** (0.0177)
10% Salary Increase / Decrease	-0.0824*** (0.0177)	-0.0831*** (0.0177)	-0.0842*** (0.0176)	-0.0848*** (0.0177)
20% Salary Increase / Decrease	-0.1719*** (0.0174)	-0.1727*** (0.0174)	-0.1770*** (0.0173)	-0.1779*** (0.0174)
30-39	0.0553*** (0.0161)	0.0559*** (0.0161)	0.0497*** (0.0161)	0.0504*** (0.0162)
40-49	0.1455*** (0.0186)	0.1441*** (0.0186)	0.1360*** (0.0187)	0.1349*** (0.0188)
50-59	0.2279*** (0.0216)	0.2258*** (0.0218)	0.2141*** (0.0218)	0.2123*** (0.0220)
60+	0.2138*** (0.0304)	0.2103*** (0.0306)	0.2031*** (0.0305)	0.2000*** (0.0307)
University Degree	0.0138 (0.0136)	0.0147 (0.0136)	0.0104 (0.0138)	0.0112 (0.0139)
Female	0.0541*** (0.0130)	0.0538*** (0.0130)	0.0401*** (0.0136)	0.0398*** (0.0136)
Av. ONET Proximity	0.2142*** (0.0616)	0.2137*** (0.0616)		
Income 2019 (£10,000s)	-0.0140*** (0.0026)	-0.0139*** (0.0026)	-0.0119*** (0.0026)	-0.0119*** (0.0027)
Temporary	0.0019 (0.0221)	0.0019 (0.0221)	0.0033 (0.0220)	0.0033 (0.0220)
Varied Hours	-0.0896*** (0.0146)	-0.0888*** (0.0147)	-0.0873*** (0.0147)	-0.0865*** (0.0148)
Non-Salaried	-0.1240*** (0.0150)	-0.1242*** (0.0150)	-0.1143*** (0.0152)	-0.1146*** (0.0152)
Work from Home	-0.0880*** (0.0199)	-0.0858*** (0.0201)	-0.0941*** (0.0207)	-0.0919*** (0.0210)
Prob. Self-Isolate for Two Weeks		-0.0211 (0.0223)		-0.0200 (0.0222)
Constant	0.5038*** (0.0526)	0.5166*** (0.0538)	0.6216*** (0.0414)	0.6332*** (0.0431)
Observations	5725	5717	5744	5736
$R^2$	0.1059	0.1058	0.1137	0.1136
Region F.E.	yes	yes	yes	yes
Wave F.E.	yes	yes	yes	yes
Occupation F.E.	no	no	yes	yes

Notes: OLS regressions. Robust standard errors in parentheses. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . The sample is restricted to employees across all waves, and additionally respondents in wave 1 who were also assigned to the 'Control' group.

## 5.2 Policy Preferences

Access to sick pay is an equilibrium outcome driven by worker and firm preferences as well as public policy. In order to gain an understanding of preferences for policies about sick pay coverage, we ask respondents whether they (dis)agree with the statements that firms should offer 14 days of paid sick leave and whether self-employed workers should have access to paid sick leave. We show the distributions of levels of (dis)agreement with both statements on a five-point Likert scale, separately for those that do not have access to sick pay (blue) and those that do (transparent), in the two panels of Figure 7. We see that, in general, support for both statements is high, with around three quarters agreeing or strongly agreeing with broader sick pay coverage, but that those with access to sick pay are slightly more likely to strongly agree.

Figure 7: Distribution of Policy Preferences



Notes: The graphs show the distribution of answers to questions on whether the respondent agreed that firms should give employees access to 14 days of paid sick leave and that self-employed workers should have access to paid sick leave. The sample is restricted to employees across all waves, and additionally respondents in wave 1 who were also assigned to the 'Control' group.

In Table 3 we show the results of a linear probability model in which the dependent variable takes value one for those who at least agree with the statement that firms should offer 14 days of sick pay and zero otherwise. In the first two columns we are using the full sample, whereas in columns (3) and (4) the sample is restricted to those with and without access to sick pay, respectively. When looking at the full sample we see that younger workers and those that can work from home are less likely to support access to sick pay, in contrast to women and those with university education. We also find that workers on varying hour contracts are less likely to support access to sick pay. Controlling for job and individual characteristics, not having access to sick pay is not significantly correlated with policy preferences. In the second column we add the perceived share of infected individuals in the region of the respondent, as well as the perceived probability of having to self-isolate before August. We find that the perceived probability of having to self-isolate is positively related to support for access to sick pay.

Table 3: Support for Sick Pay Policies

	14 Days Sick Leave		Self-Emp Statutory Sick Leave	
	(1)	(2)	(3)	(4)
30-39	0.0542*** (0.0158)	0.0494*** (0.0158)	0.0683*** (0.0163)	0.0629*** (0.0162)
40-49	0.0999*** (0.0171)	0.0927*** (0.0172)	0.1151*** (0.0178)	0.1048*** (0.0178)
50-59	0.0941*** (0.0198)	0.0866*** (0.0200)	0.1004*** (0.0206)	0.0901*** (0.0207)
60+	0.1119*** (0.0280)	0.1041*** (0.0279)	0.0929*** (0.0298)	0.0854*** (0.0297)
University Degree	0.0221* (0.0129)	0.0299** (0.0131)	0.0364*** (0.0133)	0.0410*** (0.0136)
Female	0.0330*** (0.0123)	0.0277** (0.0128)	0.0712*** (0.0127)	0.0591*** (0.0132)
Mean ONET Proximity	0.2760*** (0.0574)		0.2039*** (0.0601)	
Income 2019 (£10,000s)	-0.0030 (0.0026)	-0.0017 (0.0026)	-0.0082*** (0.0027)	-0.0064** (0.0028)
Temporary	-0.0393* (0.0218)	-0.0369* (0.0218)	0.0119 (0.0214)	0.0133 (0.0214)
Varied Hours	-0.0940*** (0.0140)	-0.0873*** (0.0141)	-0.0825*** (0.0144)	-0.0759*** (0.0146)
Non-Salaried	-0.0465*** (0.0141)	-0.0440*** (0.0144)	-0.0059 (0.0146)	-0.0007 (0.0149)
Work from Home	-0.0563*** (0.0178)	-0.0444** (0.0191)	-0.0016 (0.0187)	0.0076 (0.0198)
Prob. Self-Isolate for Two Weeks	0.0993*** (0.0196)	0.1005*** (0.0195)	0.1148*** (0.0207)	0.1152*** (0.0207)
Constant	0.5744*** (0.0487)	0.7069*** (0.0394)	0.4897*** (0.0519)	0.6003*** (0.0415)
Observations	5718	5737	5718	5737
$R^2$	0.0462	0.0568	0.0404	0.0515
Region F.E.	yes	yes	yes	yes
Wave F.E.	yes	yes	yes	yes
Occupation F.E.	no	yes	no	yes

*Notes:* OLS regressions. Robust standard errors in parentheses. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . The sample is restricted to employees across all waves, and additionally respondents in wave 1 who were also assigned to the 'Control' group. The dependent variable is a binary variable that takes the value 1 if a respondent agrees or strongly agrees with the relevant policy statement.

### 5.3 Information Treatment

Next, we turn to the effects of our information treatments on individual willingness to pay for sick pay, and workers' support for government policies about access to sick pay. For this part of the analysis, we restrict the sample to respondents from our March survey wave, when we ran the information experiment. We estimate treatment effects using linear probability models, where we regress the dependent variable of interest on the three treatment dummies. In all regressions, we control for the full set of background and job characteristics, including occupation fixed effects.<sup>15</sup>

In the first column of Table 4 we examine whether providing workers with information on the negative health and economic consequences of the Covid-19 pandemic affects workers' willingness to sacrifice their salary for paid sick leave. Our dependent variable is a binary indicator that takes value 1 if the respondent prefers the hypothetical job offer with 14 days of sick pay entitlement and lower pay to the equivalent offer with higher pay and no additional sick pay beyond the statutory minimum. The estimated treatment effects are all insignificant and close to zero, suggesting that information about the negative impacts of the pandemic and negative externalities arising from low sick pay does not affect workers' personal valuation of sick pay entitlement.

Columns (2) to (7) of Table 4 shows treatment effects on the minimum level of support for extending access to 14 days of paid sick leave beyond the statutory minimum to all employees, and providing access to paid sick leave for the self-employed. The binary dependent variable takes the value 1 if respondents at least show the level of support indicated in the heading of the column, and zero if less. Looking at column (2), we find that our 'Health + Sick Pay' information treatment has a positive and significant effect on support for firms providing 14 days of paid sick leave to their employees: treated participants are 3 percentage points less likely to disagree with the statement compared to the control group. However, neither do we have enough precision to detect an increase in the share at least agreeing or strongly agreeing, nor do our other information treatments have a significant effect on support for mandatory 14 days of sick pay. Turning to support for an expansion of paid sick leave to the self-employed, columns (5) to (7) show that all our information treatments significantly

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<sup>15</sup>Our controls include age group indicators, a gender and university dummy, and income in 2019. We also control for the full set of job characteristics, including occupation fixed effects, a binary variable for whether the respondent is (was) self-employed in their main (last) job, binary indicators for whether the respondent is employed under a temporary and non-salaried contract, and for whether their hours vary, the share of tasks the respondent can do from home, and whether or not they have access to additional paid sick leave beyond the statutory minimum.



increase support for granting self-employed workers access to paid sick leave. We note that our ‘Health + Sick Pay’ treatment has the largest treatment effect: It reduces the share of respondents disagreeing by 3 percentage points and increases the share of those strongly agreeing with the policy statement by 8 percentage points.

Overall, results from this section show that workers strongly support policies aimed at expanding access to paid sick leave beyond the statutory minimum. Moreover, raising awareness about the health impacts of the pandemic and the negative externalities arising from low sick pay increases support towards policies about sick pay coverage, whilst not affecting workers’ private willingness to pay for paid sick leave.

Table 4: Treatment Effect on Preferences

	Ind. WTP	14 Days Sick Leave			Self-Employed Sick Leave		
	(1)	Neutral (2)	Agree (3)	Str. agree (4)	Neutral (5)	Agree (6)	Str. agree (7)
Health	0.0046 (0.0270)	0.0208 (0.0145)	0.0174 (0.0235)	0.0325 (0.0274)	0.0170 (0.0156)	0.0116 (0.0245)	0.0582** (0.0268)
Health + Econ	-0.0148 (0.0264)	-0.0005 (0.0156)	0.0279 (0.0238)	0.0143 (0.0278)	0.0144 (0.0160)	0.0194 (0.0250)	0.0539** (0.0272)
Health + Sick Pay	-0.0016 (0.0265)	0.0316** (0.0139)	0.0358 (0.0232)	0.0380 (0.0276)	0.0277* (0.0151)	0.0324 (0.0243)	0.0765*** (0.0270)
Observations	2515	2516	2516	2516	2517	2517	2517
$R^2$	0.1223	0.0388	0.0547	0.0375	0.0441	0.0588	0.0255
Mean of control group	0.4508	0.9175	0.7524	0.3968	0.9048	0.7206	0.3175
Controls	yes	yes	yes	yes	yes	yes	yes

*Notes:* OLS regressions. Robust standard errors in parentheses. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . The sample in all columns is restricted to employees in wave 1. The dependent variable in column (1) is the individual willingness to pay from the vignettes, while in columns (2)-(7) it is a binary variable that takes the value 1 if a respondent at least states the opinion concerning the relevant policy statement indicated in the heading of the column. The ‘Health’ treatment highlights the health impacts of the pandemic, the ‘Econ’ treatment gives an example of someone impacted economically, and the ‘Sick Pay’ treatment presents a narrative of a self-employed worker going to work due to lacking access to sick pay. Controls include indicators for age groups, a binary variable for women, a binary indicator for respondents with a university degree, income in 2019, occupation fixed effects, indicators for being self-employed, on a temporary, on a non-salaried contract, two indicators for being on a contract with varying hours decided by the worker or by the employer respectively, share of tasks the respondents can do from home, and a binary variable for access to paid sick leave..

## 6 Conclusions

In this paper, we use novel survey data to shed light on access to employer-provided sick pay, its influence on health-relevant dimensions of labour supply, and its valuation by workers. This is of relevance given the absence, or low generosity, of public sick pay in many settings. Our findings suggest that those with a high social value to sick pay, i.e. those who come into physical contact with many people at work and who are least able to afford to self-isolate without pay, are least likely to have access to employer-provided sick pay. This is particularly relevant considering that access to sick pay has a meaningful impact on labour supply: workers without access are more likely to express willingness to engage in presenteeism, thereby placing others at risk.

Using hypothetical vignettes we discover a large share of workers with a very low willingness to sacrifice salary for access to sick pay. Therefore, a private insurance market would be unlikely to achieve universal coverage. Considering the large potential externalities due to the potential spread of infectious diseases, the lack of access to sick pay might present a potentially costly market failure. The results from our information treatment suggest that indeed individuals, absent any information treatment, might not fully factor in the potentially hazardous externalities. Providing workers with accurate information on the health impacts of the Covid-19 pandemic and the threat to public health arising from low sick pay access, significantly increases support for public policies aimed at expanding sick pay coverage.

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## A Institutional Context

Statutory sick pay (SSP) is available in the UK. However, not all workers are eligible and its generosity is very low. To qualify for SSP to qualify for Statutory Sick Pay (SSP) employees must:<sup>16</sup>

- have an employment contract (this disqualifies workers on casual and zero-hours contracts)
- have done some work under their contract
- have been sick for 4 or more days in a row
- earn an average of at least £120 per week

In practise, this means that over 2 million workers do not have access to statutory sick pay in the UK (Brewer and Gustafsson 2020).

Further, those eligible receive a very low amount: £96.35 per week for up to 6 months. Median full time employee weekly earnings were £586 in April 2020.<sup>17</sup> This is low compared to international standards: the mean mandatory sick pay replacement rates was 60% in OECD countries before the Covid-19 pandemic (Brewer and Gustafsson 2020).

## B Additional Tables and Figures

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<sup>16</sup><https://www.gov.uk/employers-sick-pay/eligibility-and-form-ssp1>

<sup>17</sup><https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2020>

Table B.1: Background Characteristics

	N	Mean	St. Dev.
Female	7718	0.528	0.499
University Degree	7718	0.499	0.500
Married	7712	0.642	0.479
Number of Kids	7716	0.960	1.001
<i>Age</i>			
<30	7718	0.280	0.449
30-39	7718	0.309	0.462
40-49	7718	0.217	0.412
50-59	7718	0.140	0.347
60+	7718	0.054	0.226

*Notes:* The table shows the demographic characteristics of our final sample, pooling all employed respondents across the three survey waves.

Table B.2: Not Having Access to Sick Pay

	(1)	(2)	(3)	(4)	(5)
30-39	0.0128 (0.0109)		0.0439*** (0.0110)	0.0391*** (0.0109)	0.0328** (0.0130)
40-49	0.0468*** (0.0125)		0.0801*** (0.0128)	0.0739*** (0.0129)	0.0676*** (0.0153)
50-59	0.0648*** (0.0151)		0.0871*** (0.0150)	0.0790*** (0.0151)	0.1021*** (0.0188)
60+	0.0965*** (0.0235)		0.1169*** (0.0230)	0.1095*** (0.0230)	0.1122*** (0.0282)
University Degree	-0.0592*** (0.0090)		0.0049 (0.0095)	0.0124 (0.0097)	0.0206* (0.0115)
Female	0.0580*** (0.0088)		0.0323*** (0.0088)	0.0267*** (0.0089)	0.0239** (0.0108)
Mean ONET Proximity		0.1140*** (0.0414)	0.0854** (0.0417)		
Income 2019 (£10,000s)		-0.0174*** (0.0015)	-0.0169*** (0.0015)	-0.0148*** (0.0015)	-0.0147*** (0.0018)
Temporary		0.1394*** (0.0179)	0.1490*** (0.0176)	0.1478*** (0.0176)	0.1193*** (0.0207)
Varied Hours		-0.0140 (0.0101)	-0.0059 (0.0101)	-0.0030 (0.0102)	0.0030 (0.0125)
Non-Salaried		0.0649*** (0.0103)	0.0777*** (0.0107)	0.0779*** (0.0109)	0.0881*** (0.0135)
Work from Home		-0.1197*** (0.0138)	-0.1095*** (0.0140)	-0.1159*** (0.0144)	-0.0937*** (0.0172)
Constant	0.1317*** (0.0185)	0.1757*** (0.0317)	0.1034*** (0.0328)	0.1426*** (0.0241)	0.0157 (0.0503)
Observations	7718	7613	7613	7641	5118
$R^2$	0.0250	0.0773	0.0859	0.0936	0.1066
Region F.E.	yes	yes	yes	yes	yes
Wave F.E.	yes	yes	yes	yes	yes
Occupation F.E.	no	no	no	yes	yes
Industry F.E.	no	no	no	no	yes

Notes: OLS regressions. Standard errors in parentheses. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . The sample in all columns is restricted to employees. Column (5) restricts the sample to respondents to the April and May survey wave only, when we asked the question about industry of main job. The dependent variable is a dummy variable that takes value 1 if the respondent had no access to sick pay beyond the statutory minimum, and 0 otherwise.



Table B.3: Balance Table

	Mean (SD)				Diff. against other groups (SE)		
	Control	T1	T2	T3	T1	T2	T3
Female	0.508 (0.500)	0.525 (0.500)	0.509 (0.500)	0.559 (0.497)	-0.001 (0.023)	-0.022 (0.023)	0.045** (0.023)
Age	38.476 (12.827)	38.246 (12.377)	37.750 (12.448)	37.794 (12.798)	0.240 (0.576)	-0.420 (0.581)	-0.365 (0.576)
University Degree	0.429 (0.495)	0.458 (0.499)	0.438 (0.497)	0.472 (0.500)	0.011 (0.023)	-0.015 (0.023)	0.030 (0.023)
Income 2019 (£10,000s)	3.191 (2.529)	3.151 (2.400)	3.058 (2.116)	3.081 (2.284)	0.040 (0.107)	-0.082 (0.108)	-0.052 (0.107)
Temporary	0.111 (0.315)	0.104 (0.306)	0.090 (0.286)	0.083 (0.275)	0.010 (0.014)	-0.010 (0.014)	-0.019 (0.014)
Fixed Hours	0.668 (0.471)	0.668 (0.471)	0.699 (0.459)	0.684 (0.465)	-0.015 (0.021)	0.026 (0.021)	0.005 (0.021)
Variable Hours (Worker)	0.173 (0.379)	0.170 (0.376)	0.155 (0.362)	0.165 (0.372)	0.005 (0.017)	-0.014 (0.017)	-0.001 (0.017)
Variable Hours (Firm)	0.159 (0.366)	0.162 (0.369)	0.146 (0.353)	0.151 (0.358)	0.010 (0.017)	-0.012 (0.017)	-0.004 (0.017)
Non-Salaried	0.405 (0.491)	0.391 (0.488)	0.376 (0.485)	0.388 (0.488)	0.001 (0.022)	-0.018 (0.022)	-0.003 (0.022)
Work from Home	0.372 (0.350)	0.381 (0.350)	0.383 (0.350)	0.416 (0.351)	-0.009 (0.016)	-0.007 (0.016)	0.037** (0.016)
No Paid Sick Leave	0.210 (0.407)	0.215 (0.411)	0.214 (0.411)	0.188 (0.391)	0.011 (0.018)	0.010 (0.019)	-0.024 (0.018)
<i>Vignettes - Salary Change</i>							
2% Salary Change	0.229 (0.420)	0.260 (0.439)	0.264 (0.441)	0.265 (0.442)	0.008 (0.020)	0.013 (0.020)	0.014 (0.020)
5% Salary Change	0.241 (0.428)	0.224 (0.417)	0.253 (0.435)	0.235 (0.424)	-0.019 (0.019)	0.019 (0.020)	-0.004 (0.019)
10% Salary Change	0.290 (0.454)	0.274 (0.446)	0.243 (0.429)	0.259 (0.438)	0.010 (0.020)	-0.031 (0.020)	-0.011 (0.020)
20% Salary Change	0.240 (0.427)	0.241 (0.428)	0.240 (0.427)	0.241 (0.428)	0.001 (0.020)	-0.001 (0.020)	0.001 (0.020)
Observations	630	642	625	642	2,539	2,539	2,539

*Notes:* Columns (1)-(4) display the means of the control variables in the control and treatment groups. Standard deviations are displayed in brackets. Columns (5)-(7) show the difference in means between the treatment group and the rest of the sample, separately for each treatment group. Standard errors are displayed in brackets and p-values for a test of difference in means are reported in parentheses. \* p < .10, \*\* p < .05, \*\*\* p < .01. ‘Vignettes - Salary Change’ refers to the salary difference in the hypothetical vignettes about alternative job arrangements.

Table B.4: Individual Willingness to Pay for Access to Sick Pay

	(1)	(2)
% Salary Increase / Decrease	-0.9609*** (0.0830)	-0.9095*** (0.0882)
30-39	0.0415*** (0.0152)	0.0355** (0.0162)
40-49	0.0973*** (0.0171)	0.0905*** (0.0184)
50-59	0.1398*** (0.0199)	0.1174*** (0.0216)
60+	0.0977*** (0.0277)	0.0777** (0.0303)
University Degree	-0.0051 (0.0129)	-0.0061 (0.0138)
Female	0.0506*** (0.0127)	0.0434*** (0.0136)
Income 2019 (£10,000s)	-0.0095*** (0.0025)	(0.0026)
Self-Employed	0.2778*** (0.0258)	0.2833*** (0.0281)
Temporary Contract	0.0698*** (0.0207)	0.0641*** (0.0221)
Varied Hours (Worker)	-0.0795*** (0.0168)	-0.0765*** (0.0178)
Varied Hours (Firm)	-0.0994*** (0.0192)	-0.0813*** (0.0207)
Non-Salaried Contract	-0.1143*** (0.0148)	-0.1064*** (0.0159)
Work from Home	-0.1228*** (0.0188)	-0.1279*** (0.0202)
No Paid Sick Leave	-0.1267*** (0.0153)	-0.1366*** (0.0167)
Constant	0.6604*** (0.0376)	0.5963*** (0.0782)
Observations	6933	6112
$R^2$	0.0972	0.1022
Region F.E.	yes	yes
Wave F.E.	yes	yes
Occupation F.E.	yes	yes
Industry F.E.	no	yes

*Notes:* OLS regressions. Standard errors in parentheses. \* p<0.1, \*\* p<0.05, \*\*\* p<0.01. The sample in column (1) is restricted to respondents to the March, April and May survey wave who were in work before the crisis. Column (2) restricts the sample to respondents to the April and May survey wave only, when we asked the question about industry of main or last job. The dependent variable is a dummy variable that takes value 1 if the respondent would accept the offer with paid sick leave.

## C Questionnaire

### Employment status and hours worked

[Wave 2 & 3 only] *How many jobs, where self-employment activity counts as a job, did you have in February 2020? Please think of any work you did other than completing surveys. If you were furloughed from a job, please count this as a job.*

*Many people work as employees, where they have an employment contract with an employer, or in self-employment. There is a lot of variation in self-employment, some people might be selling goods or services in their own business, or working through a digital platform such as Uber or Upwork. In addition to working a regular job for an employer, sometimes people do other things to earn money. These activities also count as self-employment.* [None, 1, 2, 3 or more]

[If worked at least one job in February] *Think about a typical week in February for you at work (in all of your jobs). How many hours did you work in a typical week in February?* [Answers in 5-hour increments, from 0 to “More than 55 hours”]

*How many jobs, where self-employment activity counts as a job, have you had last week? Please think of any work you did other than completing surveys. If you were furloughed from a job, please count this as a job.*

*Many people work as employees, where they have an employment contract with an employer, or in self-employment. There is a lot of variation in self-employment, some people might be selling goods or services in their own business, or working through a digital platform such as Uber or Upwork. In addition to working a regular job for an employer, sometimes people do other things to earn money. These activities also count as self-employment.* [None, 1, 2, 3 or more]

[If worked at least one job last week] *Now think about all the work you did last week (in all of your jobs). How many hours did you work last week?* [Answers in 5-hour increments, from 0 to “More than 55 hours”]

[If reports working at least one job last week] *In your main job, that is the job that you spent the most time working in over the last 7 days, were you working as an employee or self-employed?* [Employee, Self-employed]

[If reports working zero jobs last week; wave 2 and wave 3 only] *Please think about your last job. In your last job, were you working as an employee or self-employed?* [Employee, Self-employed]

[If reports working at least one job last week] *In your main job, that is the job that you usually spend the most time working in, are you working as an employee or self-employed?* [Employee, Self-employed]

[For current employees] *Have you been furloughed?* [Yes, No]

[If reports working zero jobs last week] *For how long have you not had a job?* [Recorded in weeks/months]

[If reports working zero jobs last week] *If you lost your job recently, do you think this was related to the coronavirus outbreak?* [Answers on 5-item scale, from “Definitely yes” to “Definitely no”, with additional option “I did not lose my job recently”]

### **Income**

*Which category represents your total individual annual income (before taxes) in 2019? This should include money from all jobs, net income from a business or farm, and any rent, pensions, dividends, interest, social security payments or other money income you received.* [Answers on 12-point scale, from “Less than \$10,000” to “\$150,000 or more”]

### **Job characteristics**

Questions phrased to refer to main or last job, depending on the respondent’s employment status.

*What sort of occupation best describes this job?* [O\*NET SOC 2018 major groups for US and UK; ISCO-08 major groups for Germany]

[Wave 2 & 3 only] *What category best describes the industry you work in?* [NACE Rev. 2 industry classification]

[For current or former employees] *Do you have a permanent contract?* [Yes, No]

[For current or former employees] *Is your job salaried or how do you get paid?* [Salaried, Hourly, Paid by the job, Commission or tips only, Other]

[For current or former employees] *Are the number of hours you work fixed or do they vary?* [Fixed, Vary - I choose how many hours I work, Vary - My employer decides how many hours I work but I am guaranteed some work each week, Vary - I am an on-call worker]

*In your job, what percentage of the tasks could you do from home? Examples: Andy is a waiter and cannot do any of his work from home (0%). Beth is a website designer and can do all her work from home (100%).* [Answer on 0-100 slider]

*In addition to statutory sick pay, how many days of paid sick leave are you entitled to per year through your job?* [None, 1-5 days, 6-10 days, 11-15 days, 16-20 days, More than 21 days]

### **Information treatment 1 - Wave 1**

*In different countries, officials predict that more than 70% of people might get infected. While most people will only develop mild symptoms, the virus can be severe for older people, many of whom may require hospital treatment. This has already put a lot of pressure on the health systems in countries where the outbreak started earlier. For each age group, the chart below shows the estimated proportion of coronavirus cases with symptoms that need hospital treatment.*

[See Figure 1]

### **Information treatment 2 - Wave 1**

*In different countries, officials predict that more than 70% of people might get infected. While most people will only develop mild symptoms, the virus can be severe for older people, many of whom may require hospital treatment. This has already put a lot of pressure on the health systems in countries where the outbreak started earlier. For each age group, the chart below shows the estimated proportion of coronavirus cases with symptoms that need hospital treatment.*

[Same figure as in treatment 1]

*The virus is predicted to have a big impact on the whole economy. In the UK, economists predict that around 700,000 people will lose their jobs during the crisis.\* In the United States, unemployment has already risen sharply. 281,000 people became unemployed in the week ending 14 March, a sharp rise from 211,000 in the previous week. This rise is larger than any week-to-week unemployment movement during (or since) the 2008 financial crisis. Many businesses have already been affected by a fall in revenue caused by social-distancing measures. Anne\*\*, a small business owner, has seen many orders cancelled. With no cash coming in, she says she was forced to lay off most of her 17 employees.*

*\* Estimates as of 24 March 2020 from KPMG and Capital Economics.*

*\*\* Not her real name*

Figure B.1: ‘Health + Econ’ treatment



### **Information treatment 3 - Wave 1**

*In different countries, officials predict that more than 70% of people might get infected. While most people will only develop mild symptoms, the virus can be severe for older people, many of whom may require hospital treatment. This has already put a lot of pressure on the health systems in countries where the outbreak started earlier. For each age group, the chart below shows the estimated proportion of coronavirus cases with symptoms that need hospital treatment.*

[Same figure as in treatment 1]

*Many people are not entitled to paid sick leave. This puts them in a difficult situation if they risk losing their job or their income if they stay home. Adam\*, who is self-employed, said in response to the outbreak: “If you’re self-employed you have to continue working. I’m not about to make my children starve because of coronavirus. If I’m physically able to work, then isolation is not happening for me.” Adam admits that continuing to work might spread the virus. “That’s a risk I would have to take,” he said. Not granting paid sick leave to all workers poses serious threats to public health.*

*\*Not his real name.*

Figure B.2: ‘Health + Sick Pay’ treatment



### **Expectations**

*Out of 100 individuals in your region, how many do you think will be infected with coronavirus?*

*On a scale of 0-100%, how likely are the following scenarios to occur before 1st August 2020?*

- *I will have to self-isolate for at least two weeks*

### **Preferences for alternative work arrangements<sup>18</sup>**

*Suppose your employer in your main job offers you 14 days of paid sick leave per year (in addition to statutory sick pay). In exchange for having access to sick pay you would get X% lower pay per hour. All other aspects of your job would stay the same. Would you accept this arrangement if given the choice? [Yes, No]<sup>19</sup>*

### **Policy Preferences**

*How much do you agree with the following statements? Please think about these questions in general and not just for the period of the coronavirus outbreak. [Answers on a five-point Likert scale from 1 ‘Strongly disagree’ to 5 ‘Strongly agree’.]*

- *All firms should offer at least 14 days of paid sick leave per year to employees*
- *Self-employed workers should have access to paid sick leave*

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<sup>18</sup>Wording adapted to the employment status and job characteristics of the respondent.

<sup>19</sup>‘X’ randomly drawn from 2, 5, 10 or 20%.