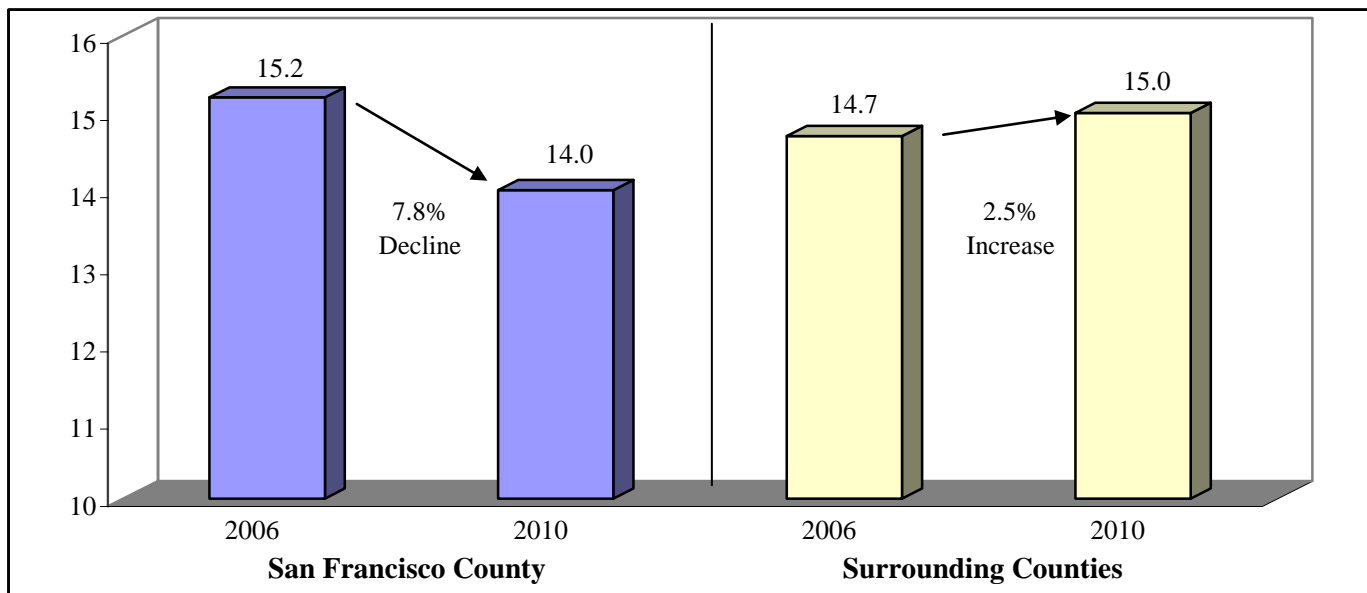


## Restaurant Employment Impact of San Francisco’s Paid Sick Leave Mandate

- Effective February 5, 2007, San Francisco’s paid sick leave ordinance required employers to allow their employees to earn one hour of paid sick leave for every 30 hours worked. Employees in small businesses (fewer than 10 employees) can accrue a maximum of 40 hours of paid sick leave, while employees in larger businesses (10 or more employees) can accrue a maximum of 72 hours.
- In the National Restaurant Association’s March 2012 nationwide survey of 600 restaurant operators, 55 percent of respondents said they would reduce the number of employees in their business as a result of a paid sick leave mandate, while 24 percent said they would add labor-saving equipment. These actions are typically more likely to occur in the quickservice segment, where there are more options to substitute technology for labor, as compared to the fullservice segment.
- Indeed, these anticipated actions on the national level were illustrated by the actual experiences in San Francisco’s quickservice restaurant segment following the imposition of the paid sick leave ordinance.
- According to data from the Bureau of Labor Statistics, quickservice restaurants in San Francisco employed an average of 15.2 workers per establishment in 2006, the year before the paid sick leave ordinance went into effect. By 2010 (most recent data available), quickservice restaurants employed only 14.0 workers per establishment, a decline of 7.8 percent.
- In comparison, quickservice restaurants in the five counties surrounding San Francisco employed 15.0 workers per establishment in 2010, up 2.5 percent from an average of 14.7 workers in 2006.
- The net result was a decline of 1,300 quickservice employees in San Francisco between 2006 and 2010. During the same four-year period, San Francisco’s overall private sector added 2,300 jobs.

**Average Number of Employees Per Quickservice Restaurant**  
San Francisco County versus Five Surrounding Counties\*



Source: National Restaurant Association analysis of Bureau of Labor Statistics data: QCEW Program ([www.bls.gov/cew/](http://www.bls.gov/cew/))

\*Surrounding counties include Alameda, Contra Costa, Marin, San Mateo and Santa Clara