

GLOSSARY

Paid holiday. A day for which employees who are not required to work receive pay for the day off, or for which employees who are required to work get premium pay or compensatory time off. A holiday is usually, but not necessarily, a day of special religious, cultural, social, or patriotic significance.

Paid vacation. Leave from work (or pay in lieu of time off) provided on an annual basis and normally taken in blocks of days or weeks. Paid vacations are commonly granted to employees only after they meet specified service requirements. The amount of vacation leave received each year commonly varies by length of service.

Paid personal leave. Also called general purpose leave, it can be used for any purpose or purposes that an employee chooses. Personal leave is designed as a “catch-all” to provide the employee with time off from work for miscellaneous purposes that may or may not be covered by other types of leave plans.

Paid family leave. Paid leave given to an employee to care for a family member. It includes paid maternity and paternity leave. The leave may be used to care for a newborn child, an adopted child, a sick child, or a sick adult relative. Paid family leave is granted in addition to any disability benefits or sick, vacation, or personal leave that is available to the employee.

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up the paid leave category. Vacation leave was the most costly of the paid-leave benefits, with a cost of 92 cents in private industry and \$1.08 in State and local government. The cost of holidays was 59 cents in private industry and \$1.02 in State and local government. Sick leave averaged 22 cents in private industry and 78 cents in State and local government, while personal leave averaged 6 cents in private industry and 23 cents in State and local government.

Private-industry occupations that pay higher compensation incur higher paid-leave costs. For example, the average worker in management, professional, and related occupations, in which total compensation averaged \$47.55, received \$3.96 in paid-leave benefits; this was equal to 8.3 percent of total compensation. In contrast, service workers, who averaged \$13.27 in total compensation, received 58 cents in paid-leave benefits, or 4.4 percent of total compensation.

Trends in paid leave

Access to paid holidays and paid vacation leave has remained stable for the past 2 decades. The average number of paid holidays and vacation days provided during the period has also remained relatively stable. In contrast, access to paid personal leave for private-industry workers has increased significantly since the early 1990s. About 14 percent of workers received paid personal leave according to the 1990–91 Employee Benefits Surveys, and that number increased to 37 percent by March 2008. State and local government workers with access to paid-family-leave benefits swelled from 1 percent to 15 percent of all State and local government workers during the same period. (The 1990–91 surveys separated “paid family leave” into two subcategories—maternity leave and paternity leave.) Employer costs for paid leave, which historically have tended to increase along with wages and salaries, have remained essentially the same as a percent of total compensation. ●

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HEALTH

PAID LEAVE

RETIREMENT

Welcome to
the second issue of
Program Perspectives,
a new publication from
the U.S. Bureau of Labor
Statistics in which BLS
programs showcase
their latest data.

ON PAID-LEAVE BENEFITS

Vacations, holidays, and personal leave: access, quantity, costs, and trends

It is common for U.S. employers to offer paid leave to their workers in forms such as holidays, vacations, sick leave, and personal leave. Employers typically incur substantial costs in doing so. As of early 2008, State and local government workers averaged 11 holidays per year while workers in private-sector establishments averaged 8 days. Paid-leave costs were higher for government employers than for employers in private industry, both in number of dollars and as a percentage of total compensation. In March 2008, the average cost per hour worked for paid leave in the public sector was \$3.12, which accounted for 8.2 percent of total compensation. The cost per hour in the private sector was \$1.80, which accounted for 6.7 percent of total compensation.

This is the second issue of BLS's *Program Perspectives*. The first issue featured health benefits, and the next will feature retirement benefits.

Access to paid leave

Paid holidays were available to 77 percent of private-industry workers as of March 2008, and paid vacation leave was available to 78 percent of the workers. (See table 1.) Sixty-eight percent of State and local government workers received paid holidays, and 60 percent received paid vacation leave. Government workers' access to paid holidays and vacation leave was lower than that of their private-sector counterparts, primarily because workers in education occupations typically work 9 or 10 months per year and many do not receive paid holidays. For example, 29 percent of public-sector primary, secondary, and special education schoolteachers received paid holidays and only 9 percent received paid vacation leave. Compared with access to holidays and vacation leave, access to sick leave was less frequent in private industry but

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TABLE 1

Paid leave: percent of workers with access to benefits and number of paid holidays per year, March 2008

Worker or establishment characteristic	Percent of workers with access						Number of holidays	
	Private industry			State and local government			Private industry	State and local government
	Holidays	Vacations	Personal leave	Holidays	Vacations	Personal leave		
All workers	77	78	37	68	60	59	8	11
Worker characteristics								
Full time	89	90	42	75	68	65	8	11
Part time	40	39	21	31	20	30	6	11
Union	85	84	47	70	57	72	10	11
Nonunion	76	77	36	67	62	49	8	11
Establishment characteristics								
Goods-producing industries	86	86	33	-	-	-	9	-
Service-providing industries	75	76	38	68	60	59	8	11
1-99 workers	69	71	26	70	66	46	7	11
100 workers or more	86	86	50	68	59	61	9	11

Note: Dash indicates datum not available.

Source: National Compensation Survey.

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more frequent in State and local government. (A future issue of Program Perspectives will cover sick-leave benefits in more detail.) Fifty-nine percent of State and local government workers received paid personal leave, compared with 37 percent of workers in private industry.

Paid-leave benefits varied by worker characteristics. Paid-leave provisions for full-time workers were more generous than those for part-time workers. Differences in holidays and vacation leave for union workers compared with nonunion workers were most pronounced in private-sector establishments. Eighty-five percent of private-sector union workers received paid holidays, compared with 76 percent of nonunion workers. Eighty-four percent of union workers

received paid vacation leave, compared with 77 percent of nonunion workers. For personal leave, the difference between union and nonunion workers was greater in State and local government, in which 72 percent of union workers received personal leave, in contrast to 49 percent of nonunion workers.

Leave benefits in private-sector establishments also varied by establishment characteristics—that is, by establishment size and by whether the establishment was in a goods-producing industry or a service-providing industry. Eighty-six percent of private-sector workers in goods-producing industries received paid holidays and vacation leave, compared with about three-quarters of workers in service-providing industries. Sixty-nine percent of workers

in establishments employing 1-99 workers received paid holidays, and 71 percent received paid vacation leave. This contrasts with workers in establishments employing 100 or more workers, where 86 percent received both holidays and vacation leave. Twenty-six percent of workers in the smallest establishments (those with 1-99 workers) received personal leave, compared with 50 percent of workers in establishments employing 100 workers or more.

Holidays and vacation leave

In private-sector establishments, the number of paid holidays varied by worker and establishment characteristics. (See table 1.) Union workers, for example, averaged 10 paid holidays, whereas nonunion workers received 8 days on average. Private-sector work-

ers in management, professional, and related occupations averaged 9 paid holidays; by contrast, workers in service and natural resources, construction, and maintenance occupations averaged 7 days. Workers in private establishments employing 100 workers or more averaged 9 paid holidays, while workers in smaller establishments averaged 7 days.

The numbers of paid vacation days available by length of service are shown in chart 1. Private-sector workers in establishments employing 100 workers or more received significantly more vacation days than workers in smaller establish-

ments. The difference becomes more pronounced after 10 and 20 years of service, when workers in the larger establishments generally were receiving about a week more vacation time than workers in the smaller establishments. Workers in State and local governments received more vacation days at nearly all lengths of service than their private-sector counterparts.

Employer costs for paid leave

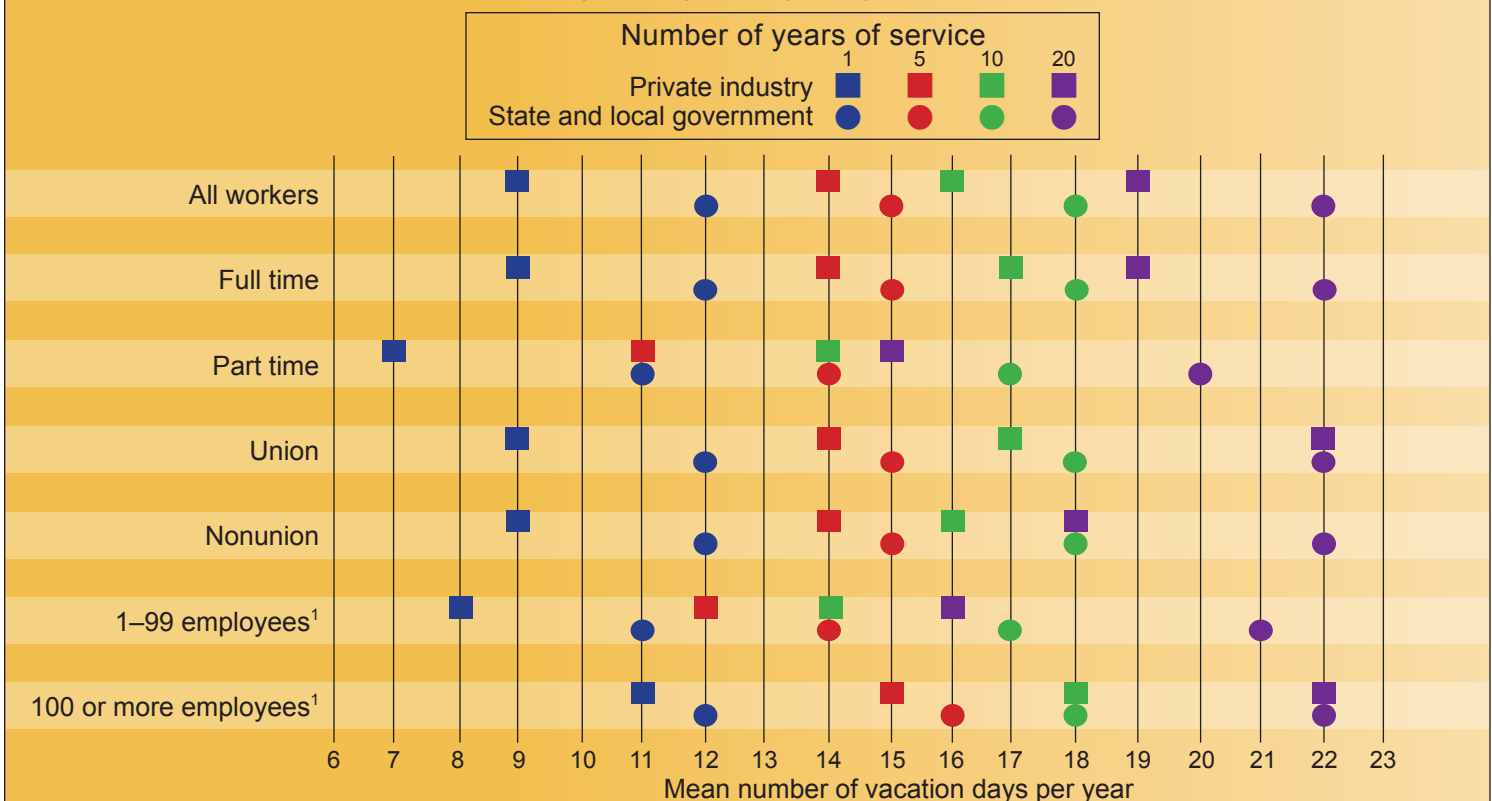
Employer costs of providing paid-leave benefits to workers can be determined by computing the cost per hour worked (CPHW). The CPHW can be calculated for

workers as a whole and also can be calculated for separate groups of workers, which provides important opportunities for comparison. The CPHW is simply the annual cost of a benefit divided by the number of hours worked during the same period. The mean cost of paid leave for private-sector employers was \$1.80 per hour (6.7 percent of total compensation) and was higher for employers in State and local governments, at \$3.12 (8.2 percent). The higher costs in State and local government held for all the individual benefits that make

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CHART 1

Paid vacations: mean number of days per year, by length-of-service requirement, March 2008



¹This refers to employees who work in an establishment of the stated size.

Source: National Compensation Survey.