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Families first: A comparative study of company responses to paid care leave programs in the COVID-19 pandemic

Abstract

Despite established positive associations of paid care leave (PCL) policies on labor market outcomes such as wage replacement and job continuity, the United States is a notable outlier as the only advanced nation without a federal paid leave program. Assuming PCL programs are costly, my study examines employer perceptions and responses to PCL regulations in the US during the COVID-19 pandemic in 2020. Using a policy experiment around the 500-employee cutoff associated with the Families First Coronavirus Response Act (FFCRA), logistic regressions are used on a newly-created dataset constructed from a survey administered to 306 business managers in New York and Boston. The analysis ultimately seeks to evaluate if PCL cost concerns predict 19 different business outcomes such as changes in headcount or employee benefits. In general, while 54.6 percent of firms report cost concerns with PCL laws, the results find firms with such concerns are more likely to engage in non-employee focused operational changes such as increases in prices instead of employee-oriented outcomes such as layoffs or wage decreases. Furthermore, the policy experiment yields that large companies are more likely to increase internal paid leave, while small companies are more likely to increase the number of independent contractors at the company. My study confirms companies react to government PCL regulation in dynamic ways, dependent on the unique circumstances and culture of each company.

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1 Introduction

For caretakers, paid care leave (PCL) policies encompass the group of policies that offer paid time off to provide care for a family member or self-care.¹ Examples of PCL policies include maternity leave, family leave, sick leave, and short-term disability leave – designations that have become more widely used in the modern labor market. Commonly referred to as family-friendly policies, care leave allows a larger number of employees to maintain employment as they navigate any number of work-life balance obstacles from their own critical illness to a sick family member to the birth of a new child. In the latter scenario, according to the Organization for Economic Cooperation and Development (OECD), the average paid leave for mothers in OECD countries increased from 17 weeks in 1970 to 53 weeks in 2019 (Organization for Economic Co-Operation and Development, 2019).

Even though PCL has grown in global popularity over the past century, especially as a part of larger welfare state regimes (Lewis, 1992), the United States is a notable outlier as the only advanced economy without a paid care leave policy at the federal level. Instead, the United States traditionally relies on a “go-it-alone vision of personal responsibility” where individuals acquire jobs with PCL benefits, dispelling a shared or universalist risk approach in favor of employers taking on employee risk (Hacker, 2019). For Americans, the Family Medical Leave Act (FMLA) of 1993 is the only federal regulation providing care leave for a family member – the policy is unpaid, provides job-protection for up to 12 weeks, and only covers approximately 50 percent of the total US workforce (Kelly, 2010; Ruhm, 1997). Apart from a 2015 update to the definition of spouse to include same-sex marriage, FMLA has remained mostly unchanged for almost 30 years.

The COVID-19 pandemic created a unique opportunity to analyze how businesses respond to PCL laws, an understudied portion of the PCL literature. In 2020, the Families First Coronavirus Response Act (FFCRA), an expansion of the FMLA, provided emergency paid sick leave and paid family and medical leave, referred to here as PCL, for eligible employees experiencing effects of COVID-19. As FFCRA was only applicable (on a mandatory basis) for an abbreviated period (April 1, 2020 to December 31, 2020), I use the FFCRA timeline, and two state-level PCL policies with implementation dates on either side of 2020, the New York State Paid Family Leave (NYS-PFL) and the Massachusetts Paid Family and Medical Leave Act (MA-PFML), to establish a policy experiment. As a reference, Table 1 details the stipulations of the relevant PCL policies and it should be noted that the 500-employee cutoff used in FFCRA is a common metric signifying small versus large companies in the United States, per the US Small Business Administration (United States Small Business Administration, 2018).

In the policy experiment research design, I analyze employer responses and perceptions on PCL through a statistical analysis on a newly created dataset. As companies are typically reluctant to publicly disclose any of their internal actions (Kitching et al., 2015; Shaffer, 1995), my dataset comes from a survey created and administered in late 2020 to 306 business owners and managers in the New York and Boston metropolitan areas (by county and zip code) – sample survey questions are in the Appendix. By asking managers about their 2020 business decisions, my results use odds ratios from binary logistic regressions to report how a variety

¹ Care leave will be defined as any leave to provide care for a family member or self-care. Family leave comprises any leave to provide care for a family member – child, parent, or other immediate relative. Sick or disability leave, or self-care, in this context, is short- to mid-term time off to tend to or recover from an illness or medical procedure.

Table 1 Institutional Details: PCL Policy Information, as of January 2021

State	Title	Date of Passage	Status	Eligibility	Provisions
New York	New York State Paid Family Leave (NYS-PFL)	2016	Effective 2018; leave duration will expand every year through 2021	Employed by a covered employer for 26 consecutive weeks (or 175 days for part-time employees)	Eligible beneficiaries receive 50% of weekly wages for up to 8 weeks in a 12-month period to care for a personal illness, seriously ill family member or to bond with a new child; funded through employee payroll deductions as an extension of the existing Temporary Disability Insurance (TDI) deduction <u>2021 Expansion</u> : increased weekly wages to 67% of weekly wages and 12 weeks
Massachusetts	Massachusetts Paid Family and Medical Leave Act (MA-PFMLA)	2018	Effective 2021	Earned at least \$4,700 in the previous four calendar quarters and 30x weekly unemployment benefit that person would be able to collect	Eligible beneficiaries receive up to 80% of weekly wages for 12 weeks paid leave to care for a family member or bond with new child; 20 weeks paid leave for own illness; “a percentage of weekly income” with a max of \$850
Nationwide	Families First Coronavirus Response Act (FFCRA) <i>Only applicable to companies with less than 500 employees</i>	2020	April 1, 2020 – December 31, 2020 <i>After December 31, 2020, a voluntary policy is eligible for tax credit through September 30, 2021.</i>	Employed for 30 calendar days by the employer	Two weeks (80 hours) of fully paid sick leave, partial pay (66%) care leave for illness or minor dependent child with a school closure, or 10 weeks partial pay (66%) paid family and medical leave for incidents related to COVID-19 in 2020 only. Covered employers apply for a tax credit reimbursement for all qualifying wages covered up to the specified payment caps; includes payments to extend or maintain health insurance coverage.

Sources: National Partnership for Women & Families (2022); State of Massachusetts (2020); State of New York (2020); United States Department of Labor (2020).

of American companies use (or opt not to use) PCL laws as tools to manage PCL cost concerns and other business disruptions.

Given the American policy landscape, there is an assumption that PCL creates additional costs, although the implication is only just starting to be confirmed.² Existing research predicts companies will offset additional costs imposed by mandated benefits (Gruber, 1994; Gruber & Krueger, 1991; Summers, 1989). For example, Phillips (2002) estimates an expansion to make FMLA a paid program would cost small companies between \$30,000 and \$50,000 per year in the form of reduced sales, mandatory overtime payments, and diversion of management attention. Similarly, Schriefer & Born (2020) allude to indirect cost burdens of PCL policy expansions in the form of increased legal or compliance considerations. Despite the assumption regarding cost, there is little evidence to suggest American companies are not adopting or using PCL programs because they are too costly, or they create cost-related burdens on firm owners and managers.

My study adds two major contributions to the existing literature. First, my study confirms the existence of a general PCL cost concern, or the perception of a cost concern, as 54.6 percent of responding companies reported some level of concern about the cost of programs such as NYS-PFL, MA-PFMLA, and FFCRA. Second, my study finds that when companies report cost concerns about PCL programs, they are, in general, more likely to result in non-employee focused operational outcomes such as an increase in prices (of the goods and services of responding companies) versus the predicted explicit outcomes like layoffs or pay cuts. In other words, I do not find statistically significant evidence to suggest employers do not directly shift the burden of mandated benefits to employees as predicted by economics literature (i.e. Gruber, 1994), at least in the medium term. Additionally, similar to Kitching et al., (2015), the study gives reason to believe that (small- and mid-sized) companies respond to regulations in a variety non-uniform of ways, many of which are reflective of the internal firm culture (i.e. Bana et al., 2018). For example, the existence of an internal paid family leave (PFL) policy pre-2020 shows a statistically significant correlation to decreasing wages in small companies – specifically, companies that do not have an internal PFL policy are about 68 percent less likely to decrease wages compared to their counterparts with PFL. The dynamic nature of company responses to legislation warrants further research, where companies are not treated in a uniform way but a more stratified or intersectional way.

Further, there is evidence to suggest that the policy experiment-specific sub-categories of businesses, presented here by the 500-employee cutoff stipulation of FFCRA into *large* company and *small* company designations, have unique responses to the cost concerns presented by PCL. For example, large companies (more than 500 employees) reporting some level of PCL cost concerns, who often have lower overhead and administrative costs for administering benefits than small companies (O'Brien, 2003), are more likely to provide new or expanded paid family leave (PFL). On the other hand, small companies (less than 500 employees) that reported some level of PCL cost concerns are more likely to increase the number of independent contractors used by the firm. As part-time employees and independent contractors are

2 In general, most studies suggest regulation imposes (regressive) costs (Kitchling et al., 2015). In 2021, there is emerging literature to confirm the cost concern associated with PCL mandates, or the idea that PCL creates cost-related burdens on firm owners and managers. Notably, Bartel et al. (2021) examine the cost assumption in New York firms, where they found only a small share of NY companies opposed NYS-PFL, and Huebener et al. (2021) confirm the cost assumption through an analysis of German firms.

typically not eligible for benefits (Kessler, 2018), the hiring process and general management at small firms (in 2020) may include an aspect of avoiding employee benefits costs altogether. Therefore, the perceptions of costliness may influence the continued absence of PCL in US companies, but when businesses are required to offer PCL, the outcomes may not be as detrimental as originally predicted. Paid care leave laws and their associated costs, in the US, are largely treated like any other additional cost incurred by a company, resulting in strategic decisions targeting all costs (not just PCL costs).

It should be noted that the severity of the COVID-19 pandemic may exaggerate any differences in firm responses, which tempers the interpretation of PCL effects. In the analysis, firm characteristics are included as covariates to control for COVID-19 effects. Further, as FFCRA was paid for by the US federal government (through tax credits), the program did not impose a (net) cost burden (on policy users), as it was intended to help small companies maintain business continuity. Thus, my study aims to be a contribution to research regarding benefits administration (in the US) and company behavior. By examining how companies respond to various types of legislation, managers and policymakers can better predict the ripple effect of such policies, while solidifying the assertion that there is no uniform way 21st century companies respond to business disruptions.

The remainder of the paper is divided into the following sections: an overview of the relevant literature, data and methodology, the empirical results, and lastly, a discussion with a conclusion.

2 Conceptual Framework

The COVID-19 pandemic highlighted a troublesome reality for American workers with care-giving responsibilities: only 24 percent of private companies provided paid family leave in 2019 (Society for Human Resource Management, 2019). The lack of paid leave provisions forces American workers, especially low-wage, frontline workers, to choose between a paycheck and caring for a loved one (Ansel & Boushey, 2017). For firms, PCL mandates often create hard-to-measure administrative and cost burdens (Phillips, 2002) – burdens exaggerated by the COVID-19 pandemic.

The overall objective of paid care leave policies is to alleviate economic risk by providing time off to workers, helping to support workers' family life as well as economic activity. As a family-friendly program, PCL has gained notoriety for its ability to promote employment and productivity while improving health status, but the lack of uptake in the US is an anomaly. Per Bartel et al. (2021), "the lack of policy action in the US partially reflects concerns about the potential cost of [PCL], especially on employers," (1). Further, Bana et al. (2018) suggest firm-specific factors such as earnings premium and company culture can amplify disparities in the use of PCL, even when the benefits are more or less universally available (i.e. California). Therefore, further examination of how American companies perceive and react to PCL policies is warranted.

As such, it is important to acknowledge PCL policies are only applicable to part of the population: those who are engaged in formalized labor. Additionally, people without caretaking responsibilities may not necessarily deem paid care leave as a true welfare policy

with universal benefits. The following section will provide an overview of the literature on mandated benefits and documented outcomes associated with PCL.

2.1 Mandated Benefits

Mandated benefits are defined as the required provision of workplace benefits by the employer (Gruber, 1994). In such situations, firms are responsible for providing a good or service to their employees. In the 21st century, companies in states with mandated PCL policies like New York experience a dual effect: the demand for labor decreases as each new employee hired is more expensive, and the supply of labor increases in response to the new benefit resulting in lower wages and potentially fewer jobs (Summers, 1989). All else held constant, firms are less willing to hire workers at existing wages and are predicted to match employee costs with productivity (Gruber, 1994). In other words, the total value of compensation (i.e. salary/wage + benefits) may remain the same after the implementation of a mandated benefit, but an increase in a non-cash benefit like PCL would, all else constant, cause a reduction in another portion of the total compensation equation – usually wages. Further, the elasticity of the labor demand curve and corresponding shift necessitate a larger magnitude of change in wages to re-equilibrate after the mandate (Chetty et al., 2009). Conversely, businesses could intensify the work across existing employees in response to the new benefit, essentially increasing overall productivity while minimizing costs typically associated with higher levels of productivity. No matter how the company reacts to a PCL law, a perception exists that PCL policies are costly (Bartel et al., 2021; Huebener et al., 2021; Phillips, 2002).

Assuming firm managers are rational and self-interested agents, discriminatory behavior can occur when employers intend to shift costs onto employees. Although the magnitude of a mandated benefit is hard to estimate and largely dependent upon the perceived benefit value, mandated benefits are likely to impose costs on the targeted beneficiaries, ultimately leading to a decrease in the demand for workers who value the benefit (Ahn & Yelowitz, 2016). For example, Gruber (1994) found group-specific cost-shifting of a mandate for comprehensive health insurance coverage for maternity. Employees, with the ability to fully value a benefit, experienced no or few costs of the mandate. However, part-time and other workers with low hours saw the greatest increase in predicted costs. Similarly, Oranburg (2018) finds employers may be incentivized to reclassify their employees to avoid a mandated benefit; as independent contractors or gig workers are commonly ineligible for most benefits, an increase in such labor also shifts the cost of providing a benefit away from the employer.

Ultimately, the burden of the mandate, or in this instance a PCL policy, is thought to fall on the employees, who often do not know the true value of a benefit and, occasionally, are not aware of its existence. Chetty et al. (2009) define salience as the underreaction of consumers to a tax. Within the family policy literature, Miller & Mumford (2015) confirm that taxpayers [receiving childcare credits in the US] were less responsive to a low-salience tax change than to an equivalent change in the price of child care services, confirming the common misperceptions between perceived and actual costs of programs. The concept of tax salience is especially relevant in the case of mandated benefits because employees often do not know the value of the benefit or how it is funded, thus facilitating the company's predicted shift in costs from employer to employee.

Thus, mandated benefits can have a variety of outcomes on a company's employee base or headcount, including decreases in wages and employment. Additionally, requiring employers to provide benefits is often seen as more efficient than a universal access provision (Colla et al., 2014). Discriminatory behavior and/or rising inequalities do not necessarily stop because of a mandate. Rather, the mandate often gives justification for discriminatory behavior. Elements such as experience, seniority, and perceived dedication, or performance expectations (Correll et al., 2007) are considered during hiring and compensation decisions. When caretakers take time out of the labor market to attend to care responsibilities, they often receive lower returns to employment than their non-caretaker counterparts (Hegewisch & Gornick, 2011).

2.2 Outcomes of PCL Policies

Evaluating care leave policies solely based on the idea that workers are incentivized by wages and compensation provides an incomplete picture. Caregiving in any community is based on elements of institutional arrangements and gender ideology: gender regime, the degree of egalitarianism, family policy, and workplace culture (Adler & Lenz, 2016). Most care leave policy usage is higher with female workers given the continued role of women as primary caregivers in most cultures (Nataraj et al., 1998). Further, many caretakers, whether they are participating in formalized labor or not, are often members of historically marginalized communities (Ghilarducci & Farmand, 2020; Xheneti et al., 2019).

Therefore, care leave policies ultimately have stratified outcomes. In other words, caretakers often experience negative labor market outcomes as employers decrease caretaker employment or cut wages in an attempt to deflect the cost of the benefit (Waldfoegel, 1999). As such, many of the prevailing PCL studies are geared towards health and labor market (i.e. wage and employment) outcomes, many of which confirming the existence of a caretaker wage gap or employment penalty – i.e. Baum & Ruhm (2016); Hegewisch & Gornick (2011); Hyde et al. (1996); Mandel & Semyonov (2005); Olivetti & Petrongolo (2017); Rossin-Slater & Uniat (2019); Stock & Inglis (2021). Further, metrics, such as labor force participation and increased income support, are short-term indicators, and do not necessarily equate to positive results in the long run.

Despite the negligible or weakly positive implications of PCL on the global [female] labor market (Olivetti & Petrongolo, 2017), there is widespread support for PCL programs, especially those with some element of government support. Knoester et al. (2021) estimate approximately 86 percent of individuals in OECD countries are in favor of paid parental leave. Furthermore, as PCL policies aim to correct inefficiencies associated with employee absences, it is often more efficient (and less costly) for the employer to provide leave for an employee instead of replacing the employee (Martocchio, 2014). So, despite the perception that PCL policies are costly, there is an incentive for American companies to adopt PCL.

From the company perspective, Appelbaum & Milkman (2015) find California employers perceived minimal impact of PCL on their business operations, positive or no noticeable effect on productivity and turnover, minimal policy abuse, and cost savings experienced by about 60 percent of companies surveyed. Very similar results were found in Rhode Island, with no significant impact to business operations and high support amongst business leaders (Bartel et al., 2016). Through interviews with various company leaders in New Jersey, Lerner & Appelbaum (2014) find the New Jersey PCL policy had no (perceived) effect on overall profitability,

despite increased spending on temporary employees and overtime, and had generally positive implications for employee morale. In New York, Bartel et al. (2021) indicate employee performance after the implementation of a state-sponsored PCL is hard to measure, but there was no evidence the policy had adverse effects on companies and more than 50 percent of respondents were supportive of the NYS-PFL. White et al. (2013) cite similar favorable interpretations of PCL (in New Jersey), but also observed low awareness of the program's existence and ultimately low usage – low awareness and uptake is a common conclusion of many US care leave studies (Jelliffe et al., 2021; Kelly, 2010).

Outside of hypothetical and general compliance costs, effects of PCL policies on firms' cost and management structure is largely undocumented. However, response (and perception) to PCL is expected to vary across companies. For example, small businesses are perceived to suffer larger and more significant cost burdens or constraints because of regulation, or “red tape” (Kitcing et al., 2015). In a hypothetical compliance cost study, Phillips (2002) uses the Regulatory Impact Model (RIM) to estimate the impact of a paid expansion to FMLA and finds it would incentivize small companies to use temporary workers, resulting in an overall increase in employee costs. Similarly, Schriefer & Born (2020) allude to indirect cost burdens of PCL policy expansions in the form of increased legal considerations from events such as noncompliance, another business consideration that is expected to vary based on company characteristics. Thus, flexibility and access to resources can substantially vary the way regulations impact seemingly similar firms, but a clear-cut, universal impact on the business is not likely.

It is perhaps too early to perform a suitable review of the literature dedicated to FFCRA, as the mandated portion of the policy expired on December 31, 2020, and the voluntary portion of the policy expired on September 30, 2021. Yet, according to Pichler et al. (2020), the short-term paid sick leave aspect of FFCRA helped reduce cases per day of COVID-19, flattening the curve in states that did not previously have a short-term paid sick leave provision. Boyens (2020) analyzes claims data in California and Rhode Island during the COVID-19 pandemic to show an increase in leave-taking activity, but the continued existence of a gendered caregiving gap and inadequate solutions for companies waiting for reimbursement (via tax credits) per FFCRA guidelines. Schriefer & Born (2020) find the expansionary PCL policies, here FFCRA and private company internal policies, resulted in increased legal costs in parallel with a rise in employment practices liability insurance (EPLI) noncompliance claims. Similarly, despite more than half of all US employees being unaware of the emergency provisions provided by FFCRA, Jelliffe et al. (2021) conclude that FFCRA had fragmented results, such as low coverage rates for low-wage and service sector employees juxtaposed against reduced flu and COVID-19 infection rates from emergency sick leave usage. Conversely, Byker et al. (2022) examines leave taking behavior of FFCRA, showing that leave taking increased for both men and women, and the leave was primarily used for medical leave versus family leave (i.e. school closings). The authors also note that FFCRA may be less successful than originally thought – workers eligible and ineligible to FFCRA had similar rates of paid leave at the onset of the COVID-19 pandemic, but only FFCRA-eligible workers were able to take additional paid absences in late 2020. As such, existing research suggests FFCRA to be largely inadequate for the need presented by the COVID-19 pandemic.

Given the expected findings of mandated benefits, the assumptions about costs, the perceptions of PCL worldwide, and the issues surrounding lack of awareness and noncompliance

cited in previous studies, the next section outlines the unique data collected and the methodology used to conduct my study and contribute to the literature.

3 Data and Methodology

The experimental format allows my research design to address the gaps in the literature while focusing on a change in the law that created exogenous variation in the variable of interest (cost concern from PCL), allowing for a rich analysis of an event (FFCRA) (List, 2011). Here, the unit of analysis is the firm, so the study aims to uncover constraints perceived and/or experienced by the responding companies because of variation of inputs (the availability of PCL policies) (Bandiera et al., 2011). Further, the policy experiment research design allows for observation of the exogenous rollout of FFCRA. Since the research is guided by the assumption that PCL programs impose costs on firms, a key variable is established in the survey-based data to represent that assumption: PCL cost concern (PCOST). Developed using a Likert scale, PCOST was derived from the following question (with the associated codes and frequencies):

As the company representative, how concerned were you that state and federal PCL policies would create additional cost concerns for the business? Ex. NYS-PFL, MA-PFML, and/or FFCRA

- Extremely unconcerned (1): 7.8%
- Somewhat unconcerned (2): 18.0%
- Neither concerned nor unconcerned (3): 19.6%
- Somewhat concerned (4): 34.3%
- Extremely concerned (5): 20.3%

PCOST quantifies the perception of cost concerns regarding PCL programs across survey respondents: with a mean of 3.41, generally, firm managers in New York and Boston reported some level of concern about the cost of PCL programs like FFCRA.

As such, I establish a comparative framework to examine how companies reporting PCL cost concerns behave in the COVID-19 pandemic. First, the chosen metro areas of New York and Boston were subject to state-level PCL effective dates on either side of 2020 and FFCRA: New York's policy was enacted in January 2018 and Massachusetts's state policy was enacted in January 2021 (see Table 1 for policy details). In other words, New York had an established state-level PCL policy available during the COVID-19 pandemic, while Massachusetts companies were (potentially) aware of, but unable to use the state-level policy in 2020. Per Table 2, NY firms would have an extra PCL resource over their MA peers and, all else held constant, would be expected to be better equipped for business disruptions. It is expected that, if possible, companies would select the policy most beneficial for them.

Table 2 Available Policies for New York and Boston-area Companies in 2020

Metro Area (State)	Mandatory policies for companies with less than 500 employees	Mandatory policies for companies with more than 500 employees
New York (NY)	• NYS-PFL • FFCRA	• NYS-PFL
Boston (MA)	• FFCRA	• N/A

While not proxies for the states of New York and Massachusetts, the metropolitan areas represent a large portion of the population of each state, generate significant economic, political, and social power, and act as host for many company headquarters suitable for the survey administration – enabling appropriate units of analysis. The inclusion of geographical information as a firm control also captures any effects resulting from local labor conditions and policies not expressly discussed. For example, NYC passed a gradual minimum wage law in 2017, one year before the start of NYS-PFL, which may have lingering effects in 2020 business decisions (Bartel et al., 2021).³ Additionally, examining the geographical effects aims to add to the existing US state-level PCL literature outlined in the previous section.

My survey aims to make previously unavailable perceptions and actions regarding PCL policies available for examination. As access to firm decision-making data is limited and often private, survey or questionnaire-based research using managers as subjects allows for the collection of large sample sizes for quantitative study (Shaffer, 1995). The approximately 15-minute online survey solicited managers' knowledge in the following areas both before and after the onset of the COVID-19 pandemic in March 2020: firm and respondent demographics, care policies, employee management, and business operations.⁴

Using company city, zip code, and job title of the respondent as identifiers, my survey was administered by Qualtrics through its proprietary Small Business Panel in late 2020, returning 306 complete entries. Qualtrics limited complete entries to classifications of managers that typically have operational knowledge as well as decision-making capacity within firms, and respondents were asked to confirm that knowledge before completing the survey. Further, as the survey data was collected in November and December 2020, responding companies presumably had realized unique or specific costs due to the COVID-19 pandemic.

If firms are expected to face cost burdens from a PCL mandate like FFCRA, those companies are also expected to offset the costs of FFCRA. The two methods of offsetting PCL costs examined here are *explicit* outcomes, those that have direct employee-focused implications, and *implicit* actions, methods of cutting costs across the business without directly affecting employees (although associated ripple effects may affect employees in the future). For all questions in the survey, each outcome variable was sorted into the appropriate category. The final list of 19 outcomes analyzed, including the variable names and identifiers are separated by type of outcome and are listed in Table 3; Appendix Tables 10 and 11 include validity and reliability tests for the outcome variables.

All questions in the survey were written in a multiple-choice format, with some questions allowing for more than one option ("Select all that apply") and additional open-ended write-in comments ("Other"). The resulting data is largely categorical, except for select Likert scale questions, and the outcomes in Table 3 are dichotomous. As a quantitative methodology tool, minimizing open-ended questions allows the data to be coded and statistically interpreted (Jain et al., 2016). The survey also elicits anonymous responses by not allowing for lengthy answers that may bias or reveal the respondent.

3 It should be noted that the inclusion of New York City is a special case as the city was the center of the COVID-19 pandemic in the US, and therefore may not be generalizable to other US cities (Thompson et al., 2020).

4 Survey questions come from a variety of sources including Appelbaum & Milkman (2015), Gadhoke & Gevorkyan (2015), Hacker et al. (2014), Lerner & Appelbaum (2014), Society for Human Resource Management (2019), and Society for Human Resource Management & Oxford Economics, (2020). As a method of reliability and validity, a pilot survey was conducted over two two-week periods in June 2020 to a small group of about 30 managers in the NYC area. The full survey is available upon request.

Table 3 Outcome Variables

Explicit Variables	Implicit Variables
Change in Headcount (CHEAD)	Increase in Prices (IPRICE)
Decrease in Headcount (DHEAD)	Change in # of Locations (CLOC)
Re-classification (RCLASS)	Change in Operating Hours (COPH)
Increase in Independent Contractors (IINDC)	Reduce Returns to Capital/Profits (DRETS)
Decrease in Independent Contractors (DINDC)	Employee Productivity Measure – Altered Revenue Goals (CREVG)
Existing Business Continuity Plan Changes – New or Expanded PCL (NEXPCL)	Employee Productivity Measure – Customer Renewal Rate (CRENEW)
Existing Business Continuity Plan Changes – Layoffs or Furloughs (LAYFUR)	Employee Productivity Measure – Customer Satisfaction (CSAT)
Change in Benefits (CBENE)	
Change in Company Benefits – Decrease in Wages (DWAGE)	
Change in Company Benefits – More PSL (MPSL)	
Change in Company Benefits – More PFL (MPFL)	
Employee Productivity Measure – Cost (EMPCOST)	

Note: The variables above reflect the final list of outcome variables to be used, after Cronbach's Alpha and Chi-squared tests (details in the Appendix).

As many of the survey questions are categorical in nature, a binary logistic regression is used to evaluate the predictive capacity of the cost concern variable (PCOST) and covariates representing company characteristics on the set of 19 dichotomous outcomes from Table 3 (Egessa et al., 2020; Field, 2009). The analysis follows the equation:

$$Y_i = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \beta_3 X_{3i} + \beta_4 X_{4i} + \beta_5 X_{5i} + \beta_6 X_{6i} + \beta_7 X_{7i} + \varepsilon_i$$

where Y is an outcome variable from Table 3 and X denotes a predictor variable:

- X_{1i} is PCL cost concern (PCOST)
- X_{2i} is firm size by employee count (SIZE)
- X_{3i} is industry based on NAICS code (IND)
- X_{4i} is the location of company headquarters (NY or MA) (HQ)
- X_{5i} is the existence of an internal firm-sponsored paid sick leave policy (Yes or No) (FPSL)
- X_{6i} is the existence of an internal firm-sponsored paid family leave policy (Yes or No) (FPFL)⁵
- X_{7i} is the level of manager responding to the survey (LMAN)⁶

5 Both FPSL and FPFL variables come from a company benefits question, where the respondent selected paid care leave policies offered by the company in a "Select All That Apply" setting. If "General (short-term) Sick Leave" was selected, the new FPSL variable was given a value of 1 (and 0 if it was left blank). For the purposes of my study, FPSL did not include Short-Term Disability (STD) Leave as STD is a much less common benefit than general PSL (95 percent for PSL versus 61 percent STD per SHRM (2019)). FPFL was given a value of 1 (and 0 if it was left blank) if any of the following were selected: Parental Leave, Maternity Leave, Paternity Leave, Adoption Leave, Foster Child Leave, Paid Surrogacy Leave, General Family Leave.

6 Four categories of manager are included in the analysis. The categories were set by Qualtrics as job titles with decision making responsibilities. Table 9 in the Appendix has descriptive statistics on all LMAN categories for all data subsets.

for firm i , and ε is the error term.⁷ Aside from cost concern (PCOST), which is based on a Likert scale and therefore an ordinal variable, the other X variables are categorical firm characteristics. According to Bana et al. (2018), the inclusion of multiple firm characteristics seeks to account for the culture of the company, which is not easily observable through any single company trait.

It should be noted that PCOST is an imperfect measure of the severity of the program's impact as it relies on the perception of the responding manager. Additionally, survey respondents are asked to only consider PCL programs, but it is difficult to truly separate PCL costs from overall business costs during a disruptive global event like the COVID-19 pandemic. For example, if a manager responds "Somewhat unconcerned" regarding PCL costs, that does not imply that there is no cost (and therefore no corresponding concern), or that the lack of concern would disincentivize a company to offset PCL costs. Some COVID-19 cost concerns may address multiple issues including PCL, such as the ability to work remotely – a business expense that has many operational implications for business continuity. As previously discussed, the dataset is limited to job titles that are assumed to have decision making responsibilities, but some managers may have more knowledge or oversight than others. For example, a respondent with the job title of CEO or Owner is assumed to have ultimate oversight and knowledge of business operations, whereas a Manager may have knowledge and decision making ability within a department or division but not across the entire organization and all of its operations. Thus, LMAN is included in the equation above as a control for varying levels of manager included in the study, and the associated categories of LMAN are list in Table 4.

Initially, the variable of interest (PCOST) is tested across the 19 outcomes in the full dataset ($N=306$). Subsequent analysis is performed on three additional subsets of the data to reflect the policy experiment format – large firms (500 employees or more), small firms (0-100, 100-200, and 200-500 employee categories), and FFCRA users.⁸ Abbreviated descriptive statistics for the firm characteristics are in Table 4; full firm and manager (respondent) information are in Tables 8 and 9 in the Appendix.

The next section compiles the results of the binary logistic regressions. I use the odds-ratios, with appropriate indications for significance. The estimated odds-ratios, or the change in odds which is denoted by $\text{Exp}(B)$ in SPSS, show how a change of one unit of an independent variable influences the chance of a particular outcome variable, and therefore can only take positive values (Field, 2009). Values between zero and one mean a negative influence of the independent variable and indicate a negative coefficient, or as the predictor increases, the likelihood of the outcome (dependent) variable decreases. Conversely, all values greater than one indicate a positive influence and a positive coefficient, or as the predictor increases, the likelihood of the outcome also increases. For example, if the odds ratio is 1.468, as it is in Table 5's statistical significance correlating PCL cost concerns (PCOST) to an increase in prices (IPRICE), it means as cost concerns increase by one unit, companies are 46.8 percent more likely to increase their prices.

⁷ The selected variable Y can also be interpreted as the probability or the odds of the outcome occurring. As such, logistic regressions analyze the logit transform of the probability of Y and connect the probability to the linear predictors in the model (Egessa et al., 2020).

⁸ Ultimately, the FFCRA Users subset is dropped from the analysis due to insufficient data ($N=40$), in conjunction with presumably usage and compliance issues associated with FFCRA, which are considered in the Discussion section.

Table 4 Summary of Surveyed Companies

Firm Characteristic	N	%
<i>Geography</i>		
New York (NY)	155	50.7%
Boston (MA)	151	49.3%
<i>Employee Count</i>		
0-100	92	30.1%
100-200	36	11.8%
200-500	57	18.6%
More than 500	121	39.5%
<i>Industry</i>		
Accommodation and Food Services	12	3.9%
Agriculture, Forestry, Fishing, Hunting	5	1.6%
Arts, Entertainment, and Recreation	10	3.3%
Construction	22	7.2%
Educational Services	19	6.2%
Finance and Insurance	33	10.8%
Health Care and Social Assistance	24	7.8%
Information	62	20.3%
Management of Companies and Enterprises	8	2.6%
Manufacturing	22	7.2%
Other Services (except Public Administration)	10	3.3%
Professional, Scientific, and Technical Services	47	15.4%
Public Administration	4	1.3%
Real Estate Rental and Leasing	3	1.0%
Retail Trade	11	3.6%
Transportation and Warehousing	6	2.0%
Utilities	6	2.0%
Wholesale Trade	2	0.7%
<i>Job Title, Level, or Responsibility</i>		
C-Level (e.g. CEO, CFO), Owner, Partner, President	92	30.1%
Vice President (EVP, SVP, AVP, VP)	14	4.6%
Director (Group Director, Sr. Director, Director)	39	12.7%
Manager (Group Manager, Sr. Manager, Manager, Program Manager)	161	52.6%

Note: N = 306.

4 Empirical Analysis

The statistical analysis seeks to evaluate if companies that reported cost concerns regarding PCL laws (PCOST) have any predictive power on a set of 19 outcomes collected through a custom survey. As all independent variables except PCOST are categorical in nature, as discussed in the previous section, many are broken out in all results tables by category (Tables 5-7 in this section).⁹ For example, HQ addresses the location of the company, New York or Boston – the

⁹ Similarly, industry (IND) and level of responding manager (LMAN) are not broken out by category in the regression analysis due to a lack of significance.

Table 5 Full Dataset Binary Logistic Regressions

Covariates	Explicit Variables	Implicit Variables		
	Employee Productivity Measure – Cost (EMPCOST)	Increase in Prices (IPRICE)	Change in # of Locations (CLOC)	Employee Productivity Measure – Customer Renewal Rate (CRENEW)
PCL Cost Concern (PCOST)	1.339** (0.107)	1.468** (0.108)	1.451** (0.123)	1.359* (0.122)
Firm Size (SIZE)				
0-100	0.515* (0.321)	1.145 (0.318)	0.422* (0.346)	1.977 (0.359)
100-200	0.845 (0.408)	0.562 (0.452)	0.537 (0.462)	1.488 (0.483)
200-500	1.185 (0.336)	1.480 (0.344)	0.521 (0.390)	2.798** (0.378)
500+	-	-	-	-
Industry (IND)	1.014 (0.028)	0.992 (0.029)	1.064* (0.031)	0.969 (0.031)
Location (HQ)				
New York	-	-	-	-
Boston	1.171 (0.264)	0.662 (0.264)	1.709 (0.292)	1.212 (0.294)
Firm-Sponsored PSL (FPSL)				
Yes	-	-	-	-
No	1.117 (0.270)	1.430 (0.276)	1.088 (0.297)	0.720 (0.296)
Firm-Sponsored PFL (FPFL)				
Yes	-	-	-	-
No	0.590 (0.275)	0.578* (0.278)	0.906 (0.298)	0.674 (0.312)
Level of Responding Manager (LMAN)	1.071 (0.058)	0.969 (0.057)	1.069 (0.065)	1.049 (0.063)
_Constant	0.184** (0.634)	0.233* (0.633)	0.047** (0.741)	0.105** (0.726)
N	306	306	306	306

Note: Odds ratios with standard errors in parentheses. Full results and variables entered on Step 1 are in Tables 12 and 13 (Appendix).

* $p < 0.05$, ** $p < 0.01$.

results treat NY firms as the control while looking for statistical significance in MA companies. Similarly, company-sponsored paid sick leave (FPSL) and paid family leave (FPFL) are indicators that a responding business had an internal paid sick leave or paid family leave before March 2020 – in both instances, having internal PSL or PFL served as the control while looking for statistical significance in firms with no PSL or PFL. My survey found that 63.4 percent of responding firms used company-sponsored PCL policies like PSL or PFL to address employee absences in 2020, while approximately 15 percent reported using government-sponsored policies like FFCRA or NYS-PFL (see Table 8 in Appendix for more details on PCL usage).

Adding controls like FPFL expands past business demographics to (incompletely) account for firm culture, which is assumed to influence greater employee management practices (Bana et al., 2018). By adding the firm characteristics, the regression isolates not only the relationship between PCOST and the set of outcome variables from external influences, but it helps identify what outcomes may be COVID-19 and/or economic effects instead of specific PCL cost shifting actions. Again, it should be noted that industry (IND) and the level of responding manager (LMAN) were not broken out into their categories due to a lack of significance, so the two variables are treated jointly for the purposes of my study.

4.3 Full Dataset

Table 5 highlights the binary logistic regressions on the full dataset, separated by the explicit and implicit outcome classifications. The table is abbreviated to show only statistical significance associated with the cost concern variable (PCOST); the full results are in Tables 12 and 13 of the Appendix. It should be noted that more outcomes show statistically significant correlations between variables than those in Table 5, but because of firm characteristics and not PCOST. For example, per Table 12 (Appendix), the smallest firm size (0-100) and a Boston location (not PCOST) show significant correlations for a business to report a change in headcount in 2020 (CHEAD), a common method of explicit cost shifting per Summers (1989). In other words, firm characteristics, potentially because of the economic climate, do a better job of explaining why firms may have changed their headcount in 2020 (vs reported PCL cost concerns).

Table 5 shows PCOST is statistically significant in one instance across explicit outcomes: changes to employee productivity measurements during COVID-19 associated with employee costs (EMPCOST).¹⁰ The EMPCOST variable depicts how a company measured employee productivity during COVID-19 – here, it would be a measure through their associated costs. The implication of EMPCOST closely matches the neoclassical labor economics notion of productivity as defined by output per hour, with the understanding that an employee incurs labor costs (per hour worked) less than or equal to their marginal product of labor (McConnell et al., 2020). Here, specifically, as companies increase their level of concern for PCL programs (by one unit), the likelihood of measuring employee productivity by their associated costs increases by a factor of 1.338. Comparatively, the PCOST variable is statistically significant in three instances across implicit outcomes: increase in the price of goods and services (IPRICE), a change in the number of firm locations (CLOC), and employee productivity measurement through customer renewal rates (CRENEW). Unlike EMPCOST, CRENEW uses customer retention as a measure of employee productivity, depicting a goal of account management versus the more traditional output per hour approach. As all PCOST odds ratios displayed in Table 5 are larger than one, the results show a positive relationship and imply a positive coefficient (β_1). As higher levels of

¹⁰ All employee productivity variables stem from the following question: “If Applicable, how have employee productivity measures changed since the onset of the COVID-19 pandemic? Select all that apply.” The question seeks to evaluate if productivity is measured objectively, based on the assumption that employee productivity is defined by output per hour (and its associated costs), versus subjective measures that depart from the output-driven concept (and their associated costs). The exact question wording, as it was presented to survey respondents, and possible responses are in the Appendix.

PCL are reported, the companies are also more likely to also report the four outcomes listed in Table 5 (EMPCOST, IPRICE, CLOC, CRENEW).

It is also important to revisit the implication of three of the four outcomes in Table 5 as implicit, or an outcome that isn't specifically employee-facing. The assumption is that PCL is costly and companies will *actively* offset any additional costs *directly* onto the workers via explicit, employee-facing actions. Additionally, the statistically significant explicit outcome correlated with PCOST isn't as straightforward as expected (all else held constant). EMPCOST is, for purposes of my study, an employee-facing outcome embedded in another (related) management decision: assessing employee productivity. The results indicate that modern employee management practices are multifaceted, often overlapping with other business functions. As such, after introductory analysis on the full survey-based dataset, I infer firms reporting higher levels of PCL cost concerns are more likely to enact non-employee facing actions like increasing the price of goods and services instead of something more direct like decreasing headcount or wages.

As previously mentioned, Table 5 also shows select instances where firm characteristics other than PCOST are better predictive variables of the outcomes analyzed. For example, an internal paid family leave (FPFL) is statistically significantly correlated increase in the price of goods and services (IPRICE): if a firm did not have an internal PFL policy (in 2020), they are roughly 42 percent less likely to increase their prices versus their peers with an internal PFL. The role of firm size (SIZE) is particularly interesting as, in general, the smallest category of company, 0-100 employees, serves as a statistically significant predictive variable in nine of the 19 actions assessed, where eight of those nine outcomes are explicit.

Similarly interesting is the lack of statistical significance of the reported industry (IND) of responding companies and the level of reporting manager (LMAN). Regarding industry, perhaps using the 20-code NAICS system, coupled with power issues in industries such as Agriculture, Forestry, Fishing, and Hunting (N=5), leaves an incomplete picture of the role of industry as a control for firm characteristics. More research needs to be conducted across different classifications of companies, such as labor-dependent businesses, to get a better idea of the (long-term) effects of PCL laws. Alternatively, the level of reporting manager (LMAN) is a statistically significantly correlated with two company actions: including new or expanded PCL as a part of business continuity plans (NEXPCL) and changing company operating hours (COPH).¹¹ Specifically, a one unit change in the level of manager reported – i.e. a CEO or owner versus a Vice President – results in a likelihood of NEXPCL occurring by a factor of 0.873, while that same one unit change results in a higher likelihood of COPH by a factor of 1.121.

Furthermore, regarding internal or company-sponsored PCL policies, the existence of an internal paid family leave (FPFL) plays a larger role than an internal paid sick leave (FPSL) in terms of predictive capacity and statistical significance. The result is interesting considering PSL is a more common benefit (than PFL) in American companies (Society for Human Resource Management, 2019); although it could be inferred that internal PSL has normalized

¹¹ All business continuity planning outcomes come first from the question, "Before March 2020, did the company have a business continuity plan?" followed by, "What changes, if any, were made to the existing business continuity plan due to the COVID-19 pandemic? Select all that apply."

enough to not be an influential influence on company actions.¹² Notably, existing internal PSL policies (FPSL) are a statistically significant predictor of implicit outcomes such as a change in operating hours (COPH), while existing internal PFL policies (FPFL) are statistically significantly correlated with explicit outcomes such as increasing the use of independent contractors (IINDC), changing benefits (CBENE), decreasing wages (DWAGE), and, as previously mentioned, increasing prices.

4.4 Policy Experiment: Large Company Subset

Following the policy experiment format surrounding FFCRA, the next step in the analysis is to replicate the regressions on policy experiment-based subsets of the data. Table 6 shows the first subset: large companies (500 employees or more). Table 6 omits the SIZE variable as the large

Table 6 Large Company Subset Binary Logistic Regressions

Covariates	Explicit Variables	Implicit Variables	
	Change in Company Benefits – More PFL (MPFL)	Increase in Prices (IPRICE)	Employee Productivity Measure – Customer Renewal Rate (CRENEW)
PCL Cost Concern (PCOST)	1.663* (0.209)	1.452* (0.178)	1.958* (0.265)
Industry (IND)	1.007 (0.065)	1.009 (0.055)	0.949 (0.072)
Location (HQ)			
New York	-	-	-
Boston	0.931 (0.503)	0.619 (0.447)	1.138 (0.564)
Firm-Sponsored PSL (FPSL)			
Yes	-	-	-
No	0.752 (0.467)	1.680 (0.429)	0.646 (0.517)
Firm-Sponsored PFL (FPFL)			
Yes	-	-	-
No	0.623 (0.539)	0.710 (0.460)	1.124 (0.583)
Level of Responding Manager (LMAN)	0.830 (0.114)	0.931 (0.538)	1.208 (0.156)
_Constant	0.172 (1.118)	0.216 (1.045)	0.015** (1.607)
N	121	121	121

Note: Odds ratios with standard errors in parentheses. Full results and variables entered on Step 1 are in Tables 14 and 15 (Appendix).

* $p < 0.05$, ** $p < 0.01$.

¹² It should be noted that only approximately 34 percent of companies responding to my survey indicated they had an internal PSL policy, which is much lower than the national estimates (78 percent of civilian employees in March 2020 (US Bureau of Labor Statistics, 2021) or 75 percent per Jelliffe et al. (2021)).

company subset only includes one category of company size (500+ employees). Again, the full results are listed in Appendix Tables 14 and 15.

Although Table 6 shows only three of 19 outcomes as statistically significantly related to large company PCOST, one explicit as discussed above and two implicit: expanded company PFL (MPFL), increase in the price of goods and services (IPRICE), and measuring employee productivity through customer renewal (or retention) rates (CRENEW). As discussed in previous sections, in 2020, companies with more than 500 employees were not legally obligated to provide paid leave through FFCRA. Perhaps counterintuitively, Table 6 shows PCL concerns (PCOST) are a statistically significant predictor of large companies increasing the amount of PFL (internally) offered (MPFL). Specifically, as large companies report higher levels of PCL concerns, the probability the company also expands internal PFL increases by a factor of 1.663. The result indicates higher levels of PCL concerns would correlate with an increased likelihood of offering expanded internal PFL offerings, especially in an emergency like COVID-19. Again, 2020 is a unique case in that companies may feel compelled to expand existing benefits in an emergency like COVID-19 while still mitigating concerns about the additional costs associated with PCL on their bottom line. As such, a follow up question in my survey indicates that 96.6 percent of responding *large* companies changed internal benefits temporarily (not permanently) – it may be safe to assume that any expansions in internal PFL in 2020 would also be temporary. Additionally, it is interesting to note that an internal PFL (FPFL) was not a statistically significant predictive variable for MPFL, further verifying the importance of perceptions of PCL as one might expect existing PFL could be easily (temporarily) expanded for emergencies.

Similar to the full dataset results, IPRICE and CRENEW are significant: large companies reporting increasing PCL cost concern are also more likely to increase the prices of their goods and services by a factor of 1.452 and they are more likely to measure employee productivity through customer renewal rates by a factor of 1.958. Further, as seen in Table 5, all odds ratios for PCOST in Table 6 are greater than one, again displaying a positive relationship.

Like the previous results, the 19 observed company outcomes across the large company subset are more likely to be (statistically significantly) predicted by the firm characteristics versus a cost concern over PCL mandates, all of which are listed in the Appendix, but in general the regression produced very little significant results. The dataset is relatively small ($N=121$), but the lack of significant results is perhaps an indication that large companies either aren't overly concerned about additional costs of PCL, or that even if cost concerns exist, they do not act upon those concerns, or don't in at least the medium-term (i.e. 2020). Alternatively, the lack of significance in Table 6 suggests the intent behind FFCRA holds. If FFCRA was enacted to help small- to mid-sized businesses, and if large companies are assumed to have the resources to cover emergency paid leave (and do), then my observed outcomes would more likely be because of other firm characteristics or general economic conditions, not the concern over the cost of PCL programs.

Although limited to specific outcomes, there is some statistical significance correlated with the location of the company. For example, location (HQ) is a statistically significant predictor of a change in employee headcount (CHEAD) and a change in internal benefits (CBENE). Specifically, if a company is in Boston (instead of NYC), the company is more likely to change the composition of their employees (versus an NYC company) by a factor of 4.43 and more

likely to change company benefits during COVID-19 (versus an NYC company) by a factor of 4.29. Notably, an existing internal PFL policy (FPFL) and level of responding manager (LMAN) are never statistically significant predictors of the 19 outcomes. An existing internal PSL program (FPSL) is only statistically significance correlated with reclassifying employees (RCLASS) and measuring employee productivity through customer satisfaction (CSAT), with negative relationships in both instances, while industry (IND) is a statistically significant predictor for a decrease in headcount (DHEAD).

4.5 Policy Experiment: Small Company Subset

In the next part of the policy experiment, Table 7 shows the results of the small company subset, companies with less than 500 employees, who, through FFCRA, would have up-front costs for PCL, but would incur net zero PCL cost through the associated tax credit. The cost concern variable (PCOST) is statistically significantly correlated with six outcomes, three explicit and three implicit actions: three outcomes from Table 5 (EMPCOST, IPRICE, CLOC), added to an increase in independent contractors (IINDC), changes to business continuity planning to include layoffs or furloughs (LAYFUR) and, unlike previous iterations, measuring employee productivity through customer satisfaction (CSAT).

Notably, the statistical significance associated with the two new explicit outcomes, an increase in independent contractors (IINDC) and updates to business continuity plans to include layoffs or furloughs (LAYFUR), is worth highlighting. With increasing levels of PCL concern (by one unit), the probability that a small company hires more independent contractors increases by a factor of 1.693 and the likelihood a company updates business continuity plans to include layoff and furloughs increases by a factor of 1.480. In other words, when a small company increases their level of cost concern by one unit, the probability that company hires more independent contractor increases by about 69 percent, and by 48 percent for LAYFUR. The statistical significance associated with IINDC indicates companies may be inclined to favor employee relationships where the employer is not required to provide benefits, an action that also seems to be consistent with the idea that businesses shift away from rising benefits costs. The prevalence of temporary and part-time work in the United States is a growing phenomenon, presumably partially due to the larger portions of full-time employee compensation that benefits continue to comprise (about one-third of wages according to Oranburg (2018)). Additionally, the statistical significance associated with LAYFUR suggests companies may be setting the stage to include a decrease in their headcount as part of (future) business continuity plans, even if that was not the case in 2020. Again, like Tables 5 and 6, all odds ratios associated with PCOST in Table 7 are more than one, showing a positive relationship.

On the implicit side, like the full dataset, significant outcomes include increase in prices (of good and services) (IPRICE) and change in the number of operation locations (opening or closing locations) (CLOC), while the significance of measuring employee productivity through customer satisfaction rates (CSAT) is unique to the small company subset. With positive relationships, the results indicate as PCL cost concerns increase the likelihood of each implicit outcome also increases.

Similar to earlier results, the small group subset shows the perhaps larger role of firm characteristics as statistically significant predictors, especially firm size (SIZE). For example,

Table 7 Small Company Subset Logistic Regressions

Covariates ^a	Explicit Variables		Implicit Variables			
	Increase in Independent Contractors (IINDC)	Existing Business Continuity Plan Changes – Layoffs or Furloughs (LAVFUR)	Employee Productivity Measure – Cost (EMPCOST)	Increase in Prices (IPRICE)	Change in # of Locations (CLOC)	Employee Productivity Measure – Customer Satisfaction (CSAT)
PCL Cost Concern (PCOST)	1.693* (0.241)	1.480* (0.190)	1.361* (0.139)	1.497** (0.139)	1.657** (0.180)	1.323* (0.142)
Firm Size (SIZE)						
0-100	0.263* (0.599)	0.390 (0.513)	0.422* (0.382)	0.808 (0.377)	0.803 (0.449)	0.575 (0.388)
100-200	0.353 (0.725)	1.434 (0.527)	0.699 (0.450)	0.391 (0.489)	1.131 (0.544)	0.621 (0.477)
200-500	-	-	-	-	-	-
Industry (IND)	1.011 (0.059)	1.015 (0.045)	1.020 (0.034)	0.987 (0.034)	1.100* (0.040)	1.011 (0.035)
Location (HQ)						
New York	-	-	-	-	-	-
Boston	0.514 (0.576)	1.010 (0.451)	1.161 (0.352)	0.693 (0.343)	1.511 (0.410)	0.783 (0.351)
Firm-Sponsored PSL (FPSL)						
Yes	-	-	-	-	-	-
No	1.118 (0.532)	1.229 (0.444)	0.696 (0.371)	0.787 (0.368)	1.230 (0.414)	1.509 (0.364)
Firm-Sponsored PFL (FPFL)						
Yes	-	-	-	-	-	-
No	4.473* (0.696)	3.148* (0.509)	1.848 (0.363)	2.025* (0.358)	1.230 (0.414)	1.160 (0.364)
Level of Responding Manager (LMAN)	1.182 (0.114)	1.061 (0.092)	1.052 (0.071)	0.991 (0.069)	1.005 (0.081)	0.889 (0.070)
_Constant	0.008** (1.438)	0.021** (1.138)	0.144* (0.815)	0.215* (0.786)	0.012** (1.076)	0.330 (0.806)
N	185	185	185	185	185	185

Note: Odds ratios with standard errors in parentheses. Full results and variables entered on Step 1 are in Tables 14 and 15 (Appendix).

* $p < 0.05$, ** $p < 0.01$.

re-classifying employees (RCLASS) is significantly correlated with the smallest firm size (0-100): a company with 0-100 employees is about 69 percent less likely to reclassify employees (versus the control group, 200-500 employees), which suggests that reported outcomes are more likely to occur in the larger companies within the small group (200-500 employees), versus the smallest companies (0-100 employees). It can be assumed that none of the responding companies went out of business in 2020, so the role of company size as a statistically significant predictive variable across explicit outcomes is notable for future research on how the pandemic, or business disruptions in general, affected small companies. Similar to both the full dataset and large company subset, location (HQ) is a statistically significant predictor for a decrease in employee headcount (DHEAD) and a change in company benefits (CBENE), where both instances show Boston companies are more likely to enact either outcome by a factor of 2.287 and 2.224 respectively versus their New York peers.

The existence of internal PSL (FPSL) is a statistically significant predictor of the implicit outcome DRETS – decreasing returns to capital and/or profits, which is the only instance of statistical significance across all regressions. The outcome suggests that small companies without internal PSL are more likely to reduce returns to capital or profits by a factor of 2.934. On the other hand, FPFL also shows significance in predicting increasing the use of independent contractors (IINDC), including layoffs or furloughs in business continuity plans (LAYFUR), changing benefits (CBENE), and decreasing wages (DWAGE). The result is notable as an outcome such as decreasing wages (DWAGE) matches the intent of previous research regarding explicit outcomes, implying that the prediction may be more likely to hold on small companies that do not offer PFL internally.

4.6 Tying It Together

The policy experiment subsets show similarities to the full dataset results in Table 5, notably the consistency of IPRICE, which is perhaps an interesting parallel to the inflationary period in the US starting in late 2021 (Furman, 2022), but the (explicit) differences observed within the large and small company groups are particularly interesting in consideration of the research question. Since all odds ratios are greater than one, the results suggest large companies with growing levels of concern over PCL laws are more likely to expand company-sponsored PFL while small companies are more likely to increase the number of independent contractors used. The large company result seems to confirm the positive attitudes worldwide towards PCL (Knoester et al., 2021), allude to how costly employee turnover can be (Boushey & Glynn, 2012), or perhaps reflects pressure to expand company benefits in time of emergency. Similarly, as part-time employees and independent contractors are typically not eligible for company benefits, the small company result indicates that firms with less than 500 employees may be avoiding mandated benefits regulations like FFCRA by using more independent contractors instead of hiring more employees.

The results associated with the positive PCOST odds ratios (greater than 1) are intuitive – as concern increases, company actions such as price increases are more likely to occur, reflecting cost shifting behavior. The absence of statistical significance due to PCOST on actions such as a decrease in headcount, which was expected per the literature, perhaps points to the mismatch between the perception of cost concerns and how companies react. Like Miller &

Mumford (2015), perhaps the perception of the costs associated with FFCRA has no meaningful, uniform impact on what companies actually do in the face of mandated PCL costs. Further, the consistency of IPRICE as an outcome statistically significantly correlated with PCOST could emphasize such a perception, as companies tend to review cost structures during economic downturns, using price increases as a relatively simple way to offset losses and/or cost increases. Thus, firms appear to treat PCL costs like any other additional cost, not necessarily resulting in widespread detrimental outcomes to workers (i.e. wage cuts).

Further, the prevalence of firm characteristics as predictive variables also suggests many of the reported outcomes may be a result of general COVID-19 pandemic responses versus PCL-specific actions. For instance, a firm's concern over the cost of mandated PCL programs (PCOST) is largely not a statistically significant predictor of the explicit actions that represent shifting PCL costs directly to employees such as the decrease in headcount outcome (DHEAD), a variable signifying layoffs or other forms of decreasing the number (and costs) of employees at the firm.¹³ Rather, the evidence (up to this point) indicates that PCL cost concerns across firms in New York and Boston are, at best, addressed through more operational or implicit means. I find no evidence to support the hypothesis that PCL is costly, at least as predicted by existing research (i.e. (Summers, 1989)).

In terms of policy effectiveness, all three sets of regressions produce differing results, with some overlap (i.e. price increases), but largely each outcome is unique to the dataset under review. It is unclear if FFCRA, or mandated PCL in general, is helpful as a tool for business continuity in the US. Regarding perceptions, in the business operations section of my survey, about 54.6 percent of respondents reported PCL programs had a positive effect on employee productivity and/or morale, while 34.6 percent indicated no noticeable effect – only 10.8 percent of respondent reported negative effects. Overall, my analysis help show firm responses to PCL are not uniform (per Kitching et al., 2015), and worthy of further review across non-size based segmentations of companies. The next and last section discusses the implication of the results, including the usage of policies like FFCRA as a tool to help maintain business continuity during the COVID-19 pandemic.

5 Discussion

Traditionally, aside from emergency and safety net scenarios, the United States relies on the private sector to administer social and health benefits to its workers, whether at the option of the employer or mandated by the government. The lack of paid leave provisions forces American workers, especially low-wage, frontline workers to choose between a paycheck and caring for a loved one (Ansel & Boushey, 2017, Ghilarducci & Farmand, 2020). For firms, PCL mandates often create hard-to-measure administrative and cost burdens (Phillips, 2002) – burdens exaggerated by the COVID-19 pandemic.

Leveraging Kitching et al. (2015), the expectation for my study was for firms to engage in dynamic responses to regulation, but in ways explicitly affect employees. Within a dynamic

¹³ DHEAD is not significantly correlated with anything other than company size in all regressions reviewed in this section: in the full dataset, which is shown in the Appendix. Industry (IND) is a significant predictor of DHEAD in large companies – a one unit increase in IND decreases the likelihood of DHEAD by a factor of 0.894. Location (HQ) is a significant predictor for DHEAD in small companies – a Boston-based business is more likely to decrease headcount by a factor of 2.287 over its NYC peers.

response to legislation, firms were expected to shift (perceived) additional costs of PCL to employees (Gruber, 1994), which could have surfaced in a variety of ways: from changes to the head count like layoffs or reclassifications (i.e. part-time to full-time employees or vice versa) or a change in compensation and benefits such as wage cuts or additional paid leave.

My analysis confirms the general assumption that PCL laws are perceived to be costly: 54.6 percent of responding firms reported to be “somewhat concerned” or “extremely concerned” about the costs associated with PCL regulations like NYS-PFL, MA-PFML, and FFCRA. Yet, the idea that paid care leave policies and subsequent costs will inflict detrimental employee management outcomes on its beneficiaries is, in general, unsupported by my study. Overall, companies that reported cost concerns from PCL mandates (PCOST) were more likely to enact implicit actions, such as an increase in prices of the company’s goods and services (IPRICE), instead of direct or explicit outcomes such as a decrease in wages or benefits. However, it should be noted that an implicit outcome may have ripple effects that affect employees – closing physical locations (CLOC) typically results in fewer hours, wages, and/or employees. For reference, Table 18 in the Appendix is a tally of all significant outcomes and iterations of the data, with special notation for PCOST significance.

In my analysis, PCL cost concern (PCOST) acts as a statistically significant predictor of select results, such as the ability of large companies to expand company-sponsored paid leave programs (MPFL) or the increase in independent contractors (IINDC) at small firms. The prevalence of firm characteristics, like company size (SIZE), postulates that many of the reported outcomes may be caused by the COVID-19 pandemic or general economic conditions instead of PCL cost concerns. Thus, I estimate that there is no evidence that PCL cost concerns are large enough to cause detrimental effect on employees or business continuity. Instead, PCL cost concerns could influence company operations in a way similar to general cost concerns and potentially in ways indirectly damaging to employees. Managers carry assumptions or preconceived notions that PCL is costly, but my study shows that those concerns do not carry a large enough magnitude to be harmful to (existing) employees in a statistically significant way. Although, the lack of statistical significance in industry (IND) as a covariate is worth reviewing in more detail. My study used NAICS codes as a categorical variable, which produced low reference points for certain industries like Wholesale Trade (N=2). Further, industry codes may not be reflective of the hybrid nature of newer companies or conglomerates. Splitting the data by LMAN may be an interesting step in further research to examine and magnify the role of cost concern across varying levels of management (and company structure).

FFCRA is an important focal point of my study, but analysis specific to users of the policy was not significant for several reasons. Aside from the power issues with the small number of data points, and despite the disclaimer completed by all 306 managers serving as representatives, 17 of the 40 companies that reported using FFCRA also reported a firm size of more than 500 employees – as FFCRA is not applicable to companies with less than 500 employees, the results seem inaccurate. The discrepancy may be addressed by FFCRA guidelines, as companies that are public agencies or other non-Federal government units were subject to FFCRA, regardless of company size. The survey did not have an indicator for public versus private sector companies, but public sector businesses are included in the Qualtrics Small Business Panel. As such, some of the respondents, may be public sector employers. The existence of FFCRA users that seemingly do not qualify for eligibility is a concerning outcome that requires more

attention.¹⁴ Per FFCRA guidelines, claimant businesses only need to disclose the number of employees at the time of filing the claim (United States Department of Labor, 2020).

The issues of noncompliance and eligibility highlighted by FFCRA users adds to an already extensive array of literature outlining issues with American PCL programs. FMLA is notoriously only eligible to approximately 50 percent of American workers (Kelly, 2010; Ruhm, 1997), which, in some cases, extends to FFCRA eligibility as well. In the case of US state-based PCL, residents of states such as California and New Jersey were unaware of the existence of the benefit, let alone how to file a claim (Lerner & Appelbaum, 2014; White et al., 2013). For FFCRA, Long & Rae (2020) noted that roughly 17.7 million essential workers were not eligible for FFCRA – about 70 percent of those essential workers were women and about 35 percent were people of color. Furthermore, Schriefer & Born (2020) noted the increase in Employment Practices Liability (EPL) claims associated with FFCRA. It is expected that the trends of non-compliance and/or ineligibility would continue in the United States as PCL, along with many other safety net-style social welfare programs, which are means-tested (Garland, 2016).

Thus, the costs associated with PCL mandates may have implications for employees, but perhaps it is best to predict the effects of PCL the same as any other cost concern a company faces. The takeaway regarding the statistically significant correlation between PCOST and an increase in prices is important to consider as PCL becomes more popular in the United States, and potentially part of the larger US and global policy landscape. If firms are more likely to offset (perceived) costs of paid care leave programs, or any mandated benefit, through actions like price increases, future policies can take such operational effects into account. It should be noted that although certain outcomes were classified as implicit or non-employee-facing, events like site closures would also be expected to lead to changes in headcount if the employees are not re-assigned to other existing locations.

Furthermore, the significance of firm characteristics, instead of (or in addition to) cost concern, as predictors of the 19 outcomes tracked in my study indicate that many of the changes businesses experienced in 2020 are related to (COVID-19) economic conditions. Per Bana et al. (2018), firm characteristics can be indicative of the company culture, which may be the larger driving factor versus any specific policy provision. The data may be useful in a larger study of business disruptions and management. In my study, characteristics such as location and existing internal PFL increase the probability of actions such as changes in number of locations and operating hours, in addition to the way companies measure productivity of their employees – customer retention rates also proved to be a common significant result across firms that reported PCL cost concerns. Thus, if it is possible to predict which companies offset PCL costs and how those cost shifts would manifest, future business disruptions can be better managed.

14 Firms may identify as large companies with more than 500 employees, but because of franchising agreements or other hierarchical structures, the firm should be considered small, with less than 500 employees (or vice versa). For example, in July 2020, the Wage and Hour Division of the Department of Labor investigated a Subway franchise location in Irvine, California after an employee complained of being denied paid sick leave under FFCRA (Kay, 2020). The Subway location in Irvine was managed by a franchisee. The Department of Labor considers two or more entities as separate employers, and therefore subject to different employee counts, unless the firms meet the integrated employer test under FMLA, which indicates firms should not be considered separate entities if there is common management, interrelation between operations, centralized control of labor relations, and/or a degree of common ownership of financial control (United States Department of Labor, 2012, 2020). Additionally, the way the employee count question was presented to survey takers was a range that made it impossible to account for companies on either side of the 500-employee mark, and therefore impossible to identify if companies could easily manipulate headcount estimates to use the benefit, or conversely, avoid the mandate.

6 Conclusion

It is hard to discuss any PCL policy usage without acknowledging the types of employees that are using paid care leave: caretakers. The role of caretaker is typically influenced by cultural standards – most caretakers worldwide are women and/or people of color (Adler & Lenz, 2016; Nataraj et al., 1998). Although my study did not specifically ask about the characteristics of employees taking care leave, the assumption remains that caretakers are women, and therefore has stratified implications for workers. My study not only establishes the presumption of cost concern regarding PCL laws, but it also adds to existing literature suggesting many Americans who seek benefits such as PCL are being excluded and detrimental outcomes such as gender gaps continue to occur despite the intentions of such policies (Ginja et al., 2023). More evidence on which employees are using the policies firms find costly would be beneficial to the overall analysis.

Cost proves to be an incentive. PCOST acts as a proxy variable, but is an imperfect measure of the magnitude of PCL concerns – it cannot be inferred that “unconcerned” managers do not incur costs. The inclusion of firm characteristics such as company size, industry, location, and existing company PCL establishes a good control for the disruptions caused by the larger COVID-19 event. Although the job title of the responding manager is included in the model, any differing reasons for reporting PCL cost concerns did not produce statistically significant results. However, the higher likelihood of implicit outcomes may result from a trend that my data did not track: litigation concerns.¹⁵ Across a complicated legal landscape, noncompliance or ignorance of the existence of PCL policies, which potentially lead to litigation, may continue to be an issue (Kelly, 2010; Lerner & Appelbaum, 2014). While my study provides evidence for the inclination of companies to invoke *implicit* action for not only PCL cost concerns, but in reaction to the general COVID-19 pandemic, the threat of employee litigation may be a factor worth further exploration, especially in cases concerned with independent contractors as more Americans enter employment agreements with no benefits at all (Oranburg, 2018).

There is more work to be done focusing on US firms to understand a type of PCL implementation that would be helpful to all company stakeholders, at a minimal cost, assuming PCL policies would be beneficial for all parties. The results provide an important step in the evaluation of PCL policies and how companies perceive PCL mandates. The research design is intentional as it can be replicated in future instances of new PCL programs regardless of the state of the economy. As a study of policy evaluation, the effectiveness interpreted here is time inconsistent, as respondents may evaluate their circumstances in a different way outside of the COVID-19 pandemic, at different periods of time (Fitoussi & Stiglitz, 2013). The usage implications of FFCRA, along with the takeaways on firm behavior acquired from the regression analysis, establish meaningful contributions to the literature. Gathering evidence to analyze long-term policy success is a timely process, which has only just begun in the United States.

¹⁵ The Equal Employment Opportunity Commission (EEOC) has seen a dramatic rise in retaliation claims in the last 20 years, increasing from 27.1 percent of all charges in 2000 to 55.8 percent of charges in 2020 (United States Equal Employment Opportunity Commission, 2020). Employers may have chosen not to engage in employee-focused cost shifting mechanisms to avoid potential litigation, which, “may be increasing employers’ liability exposure, further complicating the legal considerations for employers as they navigate evolving guidelines for employee safety in the midst of the [COVID-19] pandemic,” (Schrieffer & Born, 2020: 13).

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Appendix

A. Survey Language

Disclaimer and Consent

We care about the quality of our survey data and hope to receive the most accurate measures of your opinions, so it is important to us that you thoughtfully provide your best answer to each question in the survey.

Do you commit to providing your thoughtful and honest answers to the questions in this survey?

- *I will provide my best answers*
- *I will not provide my best answers*
- *I can't promise either way*

Selected Questions

Since April 1, 2020, what policies have been used by employees of the firm for paid leave? Select all that apply.

- Company-sponsored paid family or sick leave policies (1)
- Company-sponsored vacation or other paid time off (PTO) (2)
- FFCRA (3)
- NYS-PFL (4)
- Other (5) _____
- ☐ Not Applicable (6)

As a company representative, are you satisfied with the care leave policies available at the state or federal level as an additional tool for business continuity during the COVID-19 pandemic?

- Extremely satisfied (1)
- Somewhat satisfied (2)
- Neither satisfied nor dissatisfied (3)
- Somewhat dissatisfied (4)
- Extremely dissatisfied (5)

Did the composition of the workforce (full-time, part-time, or independent contractors) change due to the COVID-19 pandemic?

- Yes (1)
- No (2)

Skip To: If Did the composition of the workforce (full-time, part-time, or independent contractors) change du... = No

Display This Question:

If Did the composition of the workforce (full-time, part-time, or independent contractors) change du... = Yes

If Yes, what changes were made to the employee base due to the COVID-19 pandemic? Select all that apply.

- Total number of employees increased (1)
- Total number of employees decreased (i.e. layoffs) (2)
- Employees were re-classified (3)
- Percentage of contract employees increased (4)
- Percentage of contract employees decreased (5)
- Other (6) _____

Were any company benefits, including Paid Leave benefits, adjusted for eligible employees due to the COVID-19 pandemic?

- Yes (1)
- No (2)

Skip To: If Were any company benefits, including Paid Leave benefits, adjusted for eligible employees due to... = No

Display This Question:

If Were any company benefits, including Paid Leave benefits, adjusted for eligible employees due to... = Yes

If Yes, were any of the following company benefits adjusted due to the COVID-19 pandemic? Select all that apply.

- Increase in wages or financial assistance (1)
- Decrease in wages or retirement contributions (2)
- Increased use of bonuses (3)
- More paid sick leave (4)
- More paid family leave (5)
- Additional healthcare benefits (6)
- Additional flexible working benefits (i.e. telecommuting and modified schedules) (7)
- Restrictions on company-related travel (8)
- Addition of education/childcare support for employee children or dependents (9)
- Other (10) _____

Generally, outside the context of COVID-19, what effect has Care Leave had on the company's business operations?

Recall: Care Leave (or Family and Sick Leave) can be provided by the company or mandated by state or federal programs.

- Positive effect - company productivity and/or morale has noticeably increased (1)
- No noticeable effect (2)
- Negative effect - costs have increased without a comparable boost in productivity and/or morale (3)

If applicable, how have employee productivity measures changed since the onset of the COVID-19 pandemic? Select all that apply.

- Altered revenue goals (1)
- Employee Costs (2)

- Renewal of clients/customers (3)
- Customer satisfaction (4)
- Employee morale (5)
- Absenteeism (6)
- Other (7) _____
- ⊗Not Applicable (8)

If applicable, what non-employee focused business operations changed as a result of the COVID-19 pandemic? Select all that apply.

- Increasing prices of goods/services (1)
- Decreasing prices of goods/services (2)
- Opening/closing of additional locations (3)
- Changes in operating hours (4)
- Reducing returns to capital/profits (5)
- Other (6) _____
- Not Applicable (7)

B. Descriptive Statistics

Table 8 Summary of Surveyed Companies

Firm Characteristic	N	%
<i>Geography</i>		
New York (NY)	155	50.7%
Boston (MA)	151	49.3%
<i>Employee Count^a</i>		
0-100	92	30.1%
100-200	36	11.8%
200-500	57	18.6%
More than 500	121	39.5%
<i>Industry^b</i>		
Accommodation and Food Services	12	3.9%
Administrative Support and Waste Management Remediation Services	0	0.0%
Agriculture, Forestry, Fishing, Hunting	5	1.6%
Arts, Entertainment, and Recreation	10	3.3%
Construction	22	7.2%
Educational Services	19	6.2%
Finance and Insurance	33	10.8%
Health Care and Social Assistance	24	7.8%
Information	62	20.3%
Management of Companies and Enterprises	8	2.6%
Manufacturing	22	7.2%
Mining	0	0.0%
Other Services (except Public Administration)	10	3.3%
Professional, Scientific, and Technical Services	47	15.4%

(continued)

Table 8 Continued

Firm Characteristic	N	%
Public Administration	4	1.3%
Real Estate Rental and Leasing	3	1.0%
Retail Trade	11	3.6%
Transportation and Warehousing	6	2.0%
Utilities	6	2.0%
Wholesale Trade	2	0.7%
<i>Cost Concern</i>		
Extremely unconcerned (1)	24	7.8%
Somewhat unconcerned (2)	55	18.0%
Neither concerned nor unconcerned (3)	60	19.6%
Somewhat concerned (4)	105	34.3%
Extremely concerned (5)	62	20.3%
<i>PCL Policies Used in 2020^c</i>		
Company-sponsored paid family or sick leave	194	63.4%
Company-sponsored vacation or other PTO	123	40.2%
FFCRA	40	13.1%
NYS-PFL	0	0.0%
Other	5	1.6%
<i>Company-Sponsored PCL Policies^c</i>		
Parental Leave	116	37.9%
Maternity Leave	105	34.3%
Paternity Leave	71	23.2%
Adoption Leave	55	18.0%
Foster Child Leave	41	13.4%
Paid Surrogacy Leave	29	9.5%
General Family Leave	82	26.8%
Short-Term Disability Leave	104	34.0%
General (Short-Term) Sick Leave	105	34.3%
General Paid Time Off (PTO) covers all leave	81	26.5%
Other	5	1.5%

Note: N = 306.

^aIndicator Variable for FFCRA policy experiment – the three employee count ranges under 500 are the *small company* group and the “More than 500” category is the *large company* group.

^bAll industry groups are based on NAICS. Of the 31 companies selecting “Other” as their most appropriate industry, 14 classified themselves as Information, Technology, or IT – each was recoded into the Professional, Scientific, and Technical per NAICS guidelines.

^cThe frequencies do not add up to 306 (100 percent) because the relevant question was a Select All That Apply question; some companies selected more than one option (or none).

Table 9 Summary of Survey Respondents by Demographic Information

Firm Characteristic	N	%
<i>Job Title, Level, or Responsibility^a</i>		
C-Level (e.g. CEO, CFO), Owner, Partner, President	92	30.1%
Vice President (EVP, SVP, AVP, VP)	14	4.6%
Director (Group Director, Sr. Director, Director)	39	12.7%
Manager (Group Manager, Sr. Manager, Manager, Program Manager)	161	52.6%
<i>Large Company Subset: Job Title, Level, or Responsibility^a</i>		
C-Level (e.g. CEO, CFO), Owner, Partner, President	21	17.4%
Vice President (EVP, SVP, AVP, VP)	7	5.8%
Director (Group Director, Sr. Director, Director)	18	14.9%
Manager (Group Manager, Sr. Manager, Manager, Program Manager)	75	62.0%
<i>Small Company Subset: Job Title, Level, or Responsibility^a</i>		
C-Level (e.g. CEO, CFO), Owner, Partner, President	71	38.4%
Vice President (EVP, SVP, AVP, VP)	7	3.8%
Director (Group Director, Sr. Director, Director)	21	11.4%
Manager (Group Manager, Sr. Manager, Manager, Program Manager)	86	46.4%
<i>Age</i>		
Under 21	3	1.0%
21-34	75	24.5%
35-44	156	51.0%
45-54	35	11.4%
55-64	25	8.2%
65+	12	3.9%
<i>Gender^b</i>		
Female	99	32.4%
Male	207	67.6%
<i>Race and Ethnicity</i>		
White	266	86.9%
Black or African American	21	6.9%
American Indian or Alaska Native	2	0.7%
Asian	12	3.9%
Native Hawaiian or Pacific Islander	0	0.0%
Hispanic/Latinx	15	4.9%
<i>Education</i>		
Less than High School Degree	1	0.3%
High School Graduate (high school diploma or equivalent/GED)	16	5.2%
Some College but No Degree	15	4.9%
Associate Degree in College (2-year)	14	4.6%
Bachelor's Degree in College (4-year)	104	34.0%
Master's Degree	113	36.9%
Doctoral Degree	22	7.2%
Professional Degree (JD, MD)	21	6.9%

Note: N = 306.

^aJob titles and ranges provided by Qualtrics.

^bNo respondents identified as nonbinary.

C. Reliability and Validity Tests

Table 10 List of Original Outcome Variables Measured in Survey

Explicit Variables	Implicit Variables
Change in Headcount (Q32)	Increase in Prices (Q123_1)
Increase in Headcount (Q33_1)	Decrease in Prices (Q123_7)
Decrease in Headcount (Q33_2)	Change in # of Locations (Q123_2)
Re-classification (Q33_3)	Change in Operating Hours (Q123_3)
Increase in Independent Contractors (Q33_4)	Reduce Returns to Capital/Profits (Q123_6)
Decrease in Independent Contractors (Q33_5)	Employee Productivity Measure – Altered Revenue Goals (Q88_1)
Existing Business Continuity Plan Changes – New or Expanded PCL (Q76_2)	Employee Productivity Measure – Customer Renewal Rate (Q88_3)
Existing Business Continuity Plan Changes – Layoffs or Furloughs (Q76_4)	Employee Productivity Measure – Customer Satisfaction (Q88_4)
New Business Continuity Planning – New or Expanded PCL (Q82_2)	Employee Productivity Measure – Employee Morale (Q88_5)
New Business Continuity Planning – Layoffs or Furloughs (Q82_4)	Absenteeism Monitor (Q13)
Change in Benefits (Q52)	Existing Business Continuity Plan (Y/N) (Q71)
Change in Company Benefits – Decrease in Wages (Q55_2)	Existing Business Continuity Plan Changes – Remote Work (Q76_1)
Change in Company Benefits – More PSL (Q55_4)	Existing Business Continuity Plan Changes – Health and Safety Measures (Q76_7)
Change in Company Benefits – More PFL (Q55_5)	New Business Continuity Plan – Remote Work (Q82_1)
Change in PCL after NYS-PFL (Q6)	New Business Continuity Plan – Health and Safety Measures (Q82_7)
Change in PCL after MA-PFML (Q105)	
Employee Productivity Measure – Cost (Q88_2)	

Note: The notation “Q#” refers to the associated question; a variable name was only given to outcome variables used in the binary logistic regressions. Table 2 lists the simplified table of the final 19 outcome variables used after the Cronbach’s Alpha and Chi-Squared test (details in Tables 10 and 11) – three explicit and seven implicit variables were removed to improve the Cronbach’s Alpha metric.

Table 11 Reliability and Validity Statistics

	Explicit Variables	Implicit Variables
<i>Reliability Statistics</i>		
Cronbach’s Alpha	0.622	0.493
Chi-Squared	All Significant at 5%	All Significant at 5% except Q88_5
<i>Revised Reliability Statistics</i>		
Cronbach’s Alpha ^a	0.651	0.507 ^b
Chi-Squared	All Significant at 5%	All Significant at 5%

Note: N = 306.

^aThree explicit and seven implicit variables were removed to improve the Cronbach’s Alpha.

^bQ88_5 was removed after the first Chi-Squared test.

D. Binary Logistic Regressions

Table 12 Full Dataset Multivariate Binary Logistic Regressions with Categorical Variables: Explicit Variables

Covariates ^a	Change in Headcount ^b (CHEAD)	Decrease in Headcount ^b (DHEAD)	Re- classification (RCLASS)	Increase in Independent Contractors (IINDC)	Decrease in Independent Contractors (DINDC)	Existing Business Continuity Plan Changes – New or Expanded PCL (NEXPCL)	Existing Business Continuity Plan Changes – Layoffs or Furloughs (LAVFUR)	Change in Benefits ^b (CBENE)	Change in Company Benefits – Decrease in Wages (DWAGE)	Change in Company Benefits – More PSL (MPSL)	Change in Company Benefits – More PFL (MPFL)	Employee Productivity Measure – Cost (EMPCOST)
PCL Cost Concern (PCOST)	0.881 (0.108)	1.026 (0.106)	1.133 (0.120)	1.343 (0.171)	0.968 (0.134)	1.052 (0.122)	1.224 (0.134)	0.836 (0.115)	1.056 (0.153)	1.083 (0.110)	1.241 (0.126)	1.339** (0.107)
Firm Size (SIZE)												
0-100	1.890* (0.325)	0.716 (0.329)	0.365* (0.407)	0.809 (0.547)	0.999 (0.414)	0.224** (0.454)	0.539 (0.440)	2.526** (0.332)	0.113** (0.784)	0.406* (0.352)	0.316** (0.420)	0.515* (0.321)
100-200	2.121 (0.422)	0.781 (0.431)	0.785 (0.469)	0.989 (0.706)	0.463 (0.669)	1.032 (0.443)	1.603 (0.474)	1.580 (0.437)	0.942 (0.554)	0.592 (0.443)	0.561 (0.508)	0.845 (0.408)
200-500	0.957 (0.390)	1.058 (0.348)	1.030 (0.369)	2.822* (0.465)	0.761 (0.467)	1.120 (0.370)	1.182 (0.404)	0.306* (0.497)	0.883 (0.451)	0.948 (0.348)	1.249 (0.365)	1.185 (0.336)
500+	-	-	-	-	-	-	-	-	-	-	-	-
Industry (IND)	1.013 (0.028)	0.974 (0.029)	1.003 (0.034)	0.980 (0.048)	1.023 (0.040)	0.995 (0.034)	0.990 (0.037)	1.028 (0.030)	0.929 (0.048)	0.956 (0.030)	0.994 (0.035)	1.014 (0.028)
Location (HQ)												
New York	-	-	-	-	-	-	-	-	-	-	-	-
Boston	2.754** (0.275)	1.409 (0.271)	0.663 (0.306)	0.693 (0.416)	0.465* (0.366)	1.320 (0.311)	0.685 (0.333)	2.982** (0.290)	0.879 (0.398)	1.512 (0.280)	0.942 (0.309)	1.171 (0.264)
Firm-Sponsored PSL (FPSL)												
Yes	-	-	-	-	-	-	-	-	-	-	-	-
No	0.869 (0.294)	0.671 (0.274)	0.575 (0.298)	1.171 (0.397)	0.880 (0.357)	0.968 (0.314)	0.890 (0.323)	0.616 (0.313)	0.999 (0.382)	0.651 (0.282)	1.039 (0.313)	1.117 (0.270)

(continued)

Table 12 Continued

Covariates ^a	Change in Headcount ^b (CHEAD)	Decrease in Headcount (DHEAD)	Re-classification (RCLASS)	Increase in Independent Contractors (IINDC)	Decrease in Independent Contractors (DINDC)	Existing Business Continuity Plan Changes – New or Expanded PCL (NEXPCL)	Existing Business Continuity Plan Changes – Layoffs or Furloughs (LAVFUR)	Change in Benefits ^b (CBENE)	Change in Company Benefits – Decrease in Wages (DWAGE)	Change in Company Benefits – More PSL (MPSL)	Change in Company Benefits – More PFL (MPFL)	Employee Productivity Measure – Cost (EMPCOST)
Firm-Sponsored PFL (FPFL)												
Yes	-	-	-	-	-	-	-	-	-	-	-	-
No	1.514 (0.281)	0.816 (0.283)	0.855 (0.321)	0.262* (0.529)	0.876 (0.372)	0.762 (0.326)	0.474* (0.367)	2.023* (0.296)	0.324* (0.488)	0.988 (0.290)	0.817 (0.325)	0.590 (0.275)
Level of Responding Manager (LMAN)	1.013 (0.061)	1.058 (0.060)	0.919 (0.066)	1.064 (0.090)	0.904 (0.074)	0.873* (0.067)	1.081 (0.074)	1.033 (0.065)	0.907 (0.084)	0.984 (0.061)	0.923 (0.067)	1.071 (0.058)
_Constant	0.258* (0.638)	0.560 (0.631)	0.628 (0.706)	0.051** (1.049)	0.412 (0.790)	0.571 (0.712)	0.149* (0.802)	0.273 (0.666)	0.758 (0.905)	0.779 (0.647)	0.278 (0.737)	0.184** (0.634)
N	306	306	306	306	306	306	306	306	306	306	306	306

Note: Odds Ratios, or Exp(B), presented here with standard errors in parentheses.

^aWhere applicable, abbreviations correspond to the associated variables entered on Step 1: PCOST: 1 = Extremely unconcerned, 2 = Somewhat unconcerned, 3 = Neither concerned nor unconcerned, 4 = Somewhat concerned, 5 = Extremely concerned; FSIZE: 1 = 0-100, 2 = 100-200, 3 = 200-500, 4 = More than 500; IND: 1 = Agriculture, Forestry, Fishing, Hunting, 2 = Mining, 3 = Utilities, 4 = Construction, 5 = Manufacturing, 6 = Wholesale Trade, 7 = Retail Trade, 8 = Transportation and Warehousing, 9 = Information, 10 = Finance and Insurance, 11 = Real Estate Rental and Leasing, 12 = Professional, Scientific, and Technical Services, 13 = Management of Companies and Enterprises, 14 = Administrative Support and Waste Management Remediation Services, 15 = Educational Services, 16 = Health Care and Social Assistance, 17 = Arts, Entertainment, and Recreation, 18 = Accommodation and Food Services, 19 = Other Services (except Public Administration), 20 = Public Administration; HQ: 1 = New York City, 4 = Boston; FPSL: 1 = “General (Short-Term) Sick Leave”, 0 = missing value; FPFL: 1 = “Parental Leave” or “Maternity Leave” or “Paternity Leave” or “Adoption Leave” or “Foster Child Leave” or “Paid Surrogacy Leave” or “General Family Leave”, 0 = missing value; LMAN: 1 = C-Level (e.g. CEO, CFO), Owner, Partner, President, 4 = Vice President (EVP, SVP, AVP, VP), 5 = Director (Group Director, Sr. Director, Director), 6 = Manager (Group Manager, Sr. Director, Manager, Program Manager)

^bAll but CHEAD and CBENE use a “Select All That Apply” Option where 1 = Option Selected, 0 = missing value. For CHEAD and CBENE, 1 = Yes, 2 = No.

* $p < 0.05$, ** $p < 0.01$.

Table 13 Full Dataset Multivariate Binary Logistic Regressions: Implicit Variables

Covariates ^{a,b}	Increase in Prices (IPRICE)	Change in # of Locations (CLOC)	Change in Operating Hours (COPH)	Reduce Returns to Capital/Profits (DRETS)	Employee Productivity Measure – Altered Revenue Goals (CREVG)	Employee Productivity Measure – Customer Renewal Rate (CRENEW)	Employee Productivity Measure – Customer Satisfaction (CSAT)
PCL Cost Concern (PCOST) ^c	1.468** (0.108)	1.451** (0.123)	0.951 (0.102)	1.143 (0.150)	1.103 (0.105)	1.359* (0.122)	1.220 (0.107)
Firm Size (SIZE)							
0-100	1.145 (0.318)	0.422* (0.346)	1.029 (0.311)	0.930 (0.426)	1.684 (0.316)	1.977 (0.359)	0.582 (0.326)
100-200	0.562 (0.452)	0.537 (0.462)	0.542 (0.443)	0.527 (0.673)	1.012 (0.440)	1.488 (0.483)	0.591 (0.438)
200-500	1.480 (0.344)	0.521 (0.390)	1.148 (0.340)	0.722 (0.516)	1.728 (0.352)	2.798** (0.378)	0.952 (0.344)
500+	-	-	-	-	-	-	-
Industry (IND)	0.992 (0.029)	1.064* (0.031)	1.010 (0.028)	1.014 (0.038)	1.065* (0.028)	0.969 (0.031)	1.003 (0.029)
Location (HQ)							
New York	-	-	-	-	-	-	-
Boston	0.662 (0.264)	1.709 (0.292)	1.606 (0.263)	1.545 (0.374)	1.450 (0.267)	1.212 (0.294)	0.647 (0.266)
Firm-Sponsored PSL (FPSL)							
Yes	-	-	-	-	-	-	-
No	1.430 (0.276)	1.088 (0.297)	0.590* (0.268)	0.481 (0.382)	0.803 (0.278)	0.720 (0.296)	0.537* (0.271)

(continued)

Table 13 Continued

Covariates ^{a,b}	Increase in Prices (IPRICE)	Change in # of Locations (CLOC)	Change in Operating Hours (COPH)	Reduce Returns to Capital/Profits (DRETS)	Employee Productivity Measure – Altered Revenue Goals (CREVG)	Employee Productivity Measure – Customer Renewal Rate (CRENEW)	Employee Productivity Measure – Customer Satisfaction (CSAT)
Firm-Sponsored PFL (FPFL)							
Yes	-	-	-	-	-	-	-
No	0.578* (0.278)	0.906 (0.298)	0.636 (0.275)	1.882 (0.384)	1.101 (0.276)	0.674 (0.312)	1.115 (0.279)
Level of Responding Manager (LMAN)	0.969 (0.057)	1.069 (0.065)	1.121* (0.058)	1.010 (0.082)	0.903 (0.057)	1.049 (0.063)	0.905 (0.058)
_Constant	0.233* (0.633)	0.047** (0.741)	0.561 (0.610)	0.088** (0.883)	0.212* (0.624)	0.105** (0.726)	0.898 (0.622)
N	306	306	306	306	306	306	306

Note: Odds Ratios, or Exp(B), presented here with standard errors in parentheses.

^aWhere applicable, abbreviations correspond to the associated variables entered on Step 1: PCOST: 1 = Extremely unconcerned, 2 = Somewhat unconcerned, 3 = Neither concerned nor unconcerned, 4 = Somewhat concerned, 5 = Extremely concerned; FSIZ: 1 = 0-100, 2 = 100-200, 3 = 200-500, 4 = More than 500; IND: 1 = Agriculture, Forestry, Fishing, Hunting, 2 = Mining, 3 = Utilities, 4 = Construction, 5 = Manufacturing, 6 = Wholesale Trade, 7 = Retail Trade, 8 = Transportation and Warehousing, 9 = Information, 10 = Finance and Insurance, 11 = Real Estate Rental and Leasing, 12 = Professional, Scientific, and Technical Services, 13 = Management of Companies and Enterprises, 14 = Administrative Support and Waste Management Remediation Services, 15 = Educational Services, 16 = Health Care and Social Assistance, 17 = Arts, Entertainment, and Recreation, 18 = Accommodation and Food Services, 19 = Other Services (except Public Administration), 20 = Public Administration; HQ: 1 = New York City, 4 = Boston; FPSL: 1 = "General (Short-Term) Sick Leave", 0 = missing value; FPFL: 1 = "Parental Leave" or "Maternity Leave" or "Paternity Leave" or "Adoption Leave" or "Foster Child Leave" or "Paid Surrogacy Leave" or "General Family Leave", 0 = missing value; LMAN: 1 = C-Level (e.g. CEO, CFO), Owner, Partner, President, 4 = Vice President (EVP, SVP, AVP, VP), 5 = Director (Group Director, Sr. Director, Director), 6 = Manager (Group Manager, Sr. Director, Manager, Program Manager)

^bAll outcomes use a "Select All That Apply" Option where 1 = Option Selected, 0 = missing value.

^cPCOST comes from a Likert scale and is not categorical.

* $p < 0.05$, ** $p < 0.01$.

Table 14 Large Company Dataset Binary Logistic Regressions with Categorical Variables: Explicit Variables

Covariates ^a	Change in Headcount ^b (CHEAD)	Decrease in Headcount (DHEAD)	Re- classification (RCLASS)	Increase in Independent Contractors (IINDC)	Decrease in Independent Contractors (DINDC)	Existing Business Continuity Plan Changes – New or Expanded PCL (NEXPCL)	Existing Business Continuity Plan Changes – Layoffs or Furloughs (LAYFUR)	Change in Benefits ^b (CBENE)	Change in Company Benefits – Decrease in Wages (DWAGE)	Change in Company Benefits – More PSL (MPSL)	Change in Company Benefits – More PFL (MPFL)	Employee Productivity Measure – Cost (EMPCOST)
PCL Cost Concern (PCOST)	0.853 (0.198)	0.934 (0.171)	0.994 (0.182)	1.032 (0.265)	1.007 (0.219)	1.110 (0.186)	0.975 (0.199)	0.815 (0.195)	0.839 (0.210)	1.161 (0.171)	1.663* (0.209)	1.325 (0.170)
Industry (IND)	1.110 (0.061)	0.894* (0.055)	0.959 (0.060)	0.917 (0.089)	1.103 (0.079)	1.011 (0.058)	0.951 (0.066)	1.049 (0.058)	0.957 (0.073)	0.941 (0.054)	1.007 (0.065)	0.992 (0.052)
Location (HQ)												
New York	-	-	-	-	-	-	-	-	-	-	-	-
Boston	4.434** (0.512)	0.864 (0.441)	0.484 (0.491)	1.141 (0.666)	0.229* (0.701)	1.420 (0.478)	0.426 (0.539)	4.287** (0.500)	0.599 (0.579)	1.192 (0.438)	0.931 (0.503)	1.279 (0.429)
Firm- Sponsored PSL (FPSL)												
Yes	-	-	-	-	-	-	-	-	-	-	-	-
No	0.982 (0.514)	0.779 (0.425)	0.362* (0.458)	1.518 (0.648)	0.884 (0.574)	0.789 (0.463)	1.006 (0.482)	0.574 (0.506)	0.669 (0.535)	0.722 (0.421)	0.752 (0.467)	0.799 (0.409)
Firm- Sponsored PFL (FPFL)												
Yes	-	-	-	-	-	-	-	-	-	-	-	-
No	0.948 (0.532)	1.097 (0.456)	1.239 (0.499)	0.307 (0.837)	2.231 (0.579)	1.067 (0.492)	0.658 (0.550)	2.008 (0.506)	0.545 (0.638)	1.192 (0.438)	0.623 (0.539)	0.707 (0.439)

(continued)

Table 14 Continued

Covariates ^a	Change in Headcount ^b (CHEAD)	Decrease in Headcount ^b (DHEAD)	Re-classification (RCLASS)	Increase in Independent Contractors (IINDC)	Decrease in Independent Contractors (DINDC)	Existing Business Continuity Plan Changes – New or Expanded PCL (NEXPCL)	Existing Business Continuity Plan Changes – Layoffs or Furloughs (LAYFUR)	Change in Benefits ^b (CBENE)	Change in Company Benefits – Decrease in Wages (DWAGE)	Change in Company Benefits – More PSL (MPSL)	Change in Company Benefits – More PFL (MPFL)	Employee Productivity Measure – Cost (EMPCOST)
Level of Responding Manager (LMAN)	0.957 (0.132)	1.108 (0.110)	0.902 (0.109)	0.881 (0.148)	0.884 (0.127)	0.900 (0.112)	1.179 (0.136)	1.105 (0.139)	0.964 (0.130)	0.722 (0.421)	0.830 (0.114)	1.119 (0.107)
_Constant	0.114 (1.154)	1.563 (1.032)	2.198 (1.088)	0.459 (1.516)	0.151 (1.356)	0.339 (1.086)	0.339 (1.245)	0.143 (1.167)	1.210 (1.248)	0.920 (0.104)	0.172 (1.118)	0.215 (1.013)
Observations	121	121	121	121	121	121	121	121	121	121	121	121

Note: Odds Ratios, or Exp(B), presented here with standard errors in parentheses.

^aWhere applicable, abbreviations correspond to the associated variables entered on Step 1: PCOST: 1 = Extremely unconcerned, 2 = Somewhat unconcerned, 3 = Neither concerned nor unconcerned, 4 = Somewhat concerned, 5 = Extremely concerned; FSIZE: 1 = 0-100, 2 = 100-200, 3 = 200-500, 4 = More than 500; IND: 1 = Agriculture, Forestry, Fishing, Hunting, 2 = Mining, 3 = Utilities, 4 = Construction, 5 = Manufacturing, 6 = Wholesale Trade, 7 = Retail Trade, 8 = Transportation and Warehousing, 9 = Information, 10 = Finance and Insurance, 11 = Real Estate Rental and Leasing, 12 = Professional, Scientific, and Technical Services, 13 = Management of Companies and Enterprises, 14 = Administrative Support and Waste Management Remediation Services, 15 = Educational Services, 16 = Health Care and Social Assistance, 17 = Arts, Entertainment, and Recreation, 18 = Accommodation and Food Services, 19 = Other Services (except Public Administration), 20 = Public Administration; HQ: 1 = New York City, 4 = Boston; FPSL: 1 = "General (Short-Term) Sick Leave", 0 = missing value; FPFL: 1 = "Parental Leave" or "Maternity Leave" or "Paternity Leave" or "Adoption Leave" or "Foster Child Leave" or "Paid Surrogacy Leave", 0 = missing value; LMAN: 1 = C-Level (e.g. CEO, CFO), Owner, Partner, President, 4 = Vice President (EVP, SVP, AVP, VP), 5 = Director (Group Director, Sr. Director, Director), 6 = Manager (Group Manager, Sr. Director, Manager, Program Manager)

^bAll but CHEAD and CBENE use a "Select All That Apply" Option where 1 = Option Selected, 0 = missing value. For CHEAD and CBENE, 1 = Yes, 2 = No.

* $p < 0.05$, ** $p < 0.01$.

Table 15 Large Company Dataset Binary Logistic Regressions: Implicit Variables

Covariates ^{a,b}	Increase in Prices (IPRICE)	Change in # of Locations (CLOC)	Change in Operating Hours (COPH)	Reduce Returns to Capital/ Profits (DRETS)	Employee Productivity Measure – Altered Revenue Goals (CREVG)	Employee Productivity Measure – Customer Renewal Rate (CRENEW)	Employee Productivity Measure – Customer Satisfaction (CSAT)
PCL Cost Concern (PCOST) ^c	1.452* (0.178)	1.308 (0.184)	0.775 (0.172)	1.378 (0.246)	1.132 (0.185)	1.958* (0.265)	1.102 (0.169)
Industry	1.009 (0.055)	0.990 (0.053)	0.977 (0.053)	1.017 (0.071)	1.079 (0.058)	0.949 (0.072)	0.985 (0.054)
Location (HQ)							
New York	-	-	-	-	-	-	-
Boston	0.619 (0.447)	1.917 (0.445)	1.019 (0.432)	1.853 (0.594)	1.301 (0.474)	1.138 (0.564)	0.514 (0.438)
Firm-Sponsored PSL (FPSL)							
Yes	-	-	-	-	-	-	-
No	1.680 (0.429)	1.521 (0.429)	0.764 (0.417)	0.689 (0.579)	1.379 (0.466)	0.646 (0.517)	0.416* (0.422)
Firm-Sponsored PFL (FPFL)							
Yes	-	-	-	-	-	-	-
No	0.710 (0.460)	1.154 (0.450)	0.574 (0.454)	1.719 (0.594)	1.193 (0.478)	1.124 (0.583)	1.566 (0.457)

(continued)

Table 15 Continued

Covariates ^{a,b}	Increase in Prices (IPRICE)	Change in # of Locations (CLOC)	Change in Operating Hours (COPH)	Reduce Returns to Capital/ Profits (DRETS)	Employee Productivity Measure - Altered Revenue Goals (CREVG)	Employee Productivity Measure - Customer Renewal Rate (CRENEW)	Employee Productivity Measure - Customer Satisfaction (CSAT)
Level of Responding Manager (LMAN)	0.931 (0.538)	1.277 (0.127)	1.300* (0.119)	0.972 (0.147)	0.866 (0.111)	1.208 (0.156)	0.965 (0.105)
_Constant	0.216 (1.045)	0.044** (1.179)	0.845 (1.020)	0.041* (1.461)	0.152 (1.092)	0.015** (1.607)	1.290 (0.999)
Observations	121	121	121	121	121	121	121

Note: Odds Ratios, or Exp(B), presented here with standard errors in parentheses.

^aWhere applicable, abbreviations correspond to the associated variables entered on Step 1: PCOST: 1 = Extremely unconcerned, 2 = Somewhat unconcerned, 3 = Neither concerned nor unconcerned, 4 = Somewhat concerned, 5 = Extremely concerned; FSIZE: 1 = 0-100, 2 = 100-200, 3 = 200-500, 4 = More than 500; IND: 1 = Agriculture, Forestry, Fishing, Hunting, 2 = Mining, 3 = Utilities, 4 = Construction, 5 = Manufacturing, 6 = Wholesale Trade, 7 = Retail Trade, 8 = Transportation and Warehousing, 9 = Information, 10 = Finance and Insurance, 11 = Real Estate Rental and Leasing, 12 = Professional, Scientific, and Technical Services, 13 = Management of Companies and Enterprises, 14 = Administrative Support and Waste Management Remediation Services, 15 = Educational Services, 16 = Health Care and Social Assistance, 17 = Arts, Entertainment, and Recreation, 18 = Accommodation and Food Services, 19 = Other Services (except Public Administration), 20 = Public Administration; HQ: 1 = New York City, 4 = Boston; FPSL: 1 = "General (Short-Term) Sick Leave", 0 = missing value; FPFL: 1 = "Parental Leave" or "Maternity Leave" or "Paternity Leave" or "Adoption Leave" or "Foster Child Leave" or "Paid Surrogacy Leave", 0 = missing value; LMAN: 1 = C-Level (e.g. CEO, CFO), Owner, Partner, President, 4 = Vice President (EVP, SVP, AVP, VP), 5 = Director (Group Director, wSr. Director, Director), 6 = Manager (Group Manager, Sr. Director, Manager, Program Manager)

^bAll outcomes use a "Select All That Apply" Option where 1 = Option Selected, 0 = missing value.

^cPCOST comes from a Likert scale and is not categorical.

p* < 0.05, *p* < 0.01.

Table 16 Small Company Dataset Multivariate Binary Logistic Regressions with Categorical Variables: Explicit Variables

Covariates ^a	Change in Headcount ^b (CHEAD)	Decrease in Headcount (DHEAD)	Re-classification (RCLASS)	Increase in Independent Contractors (IINDC)	Decrease in Independent Contractors (DINDC)	Existing Business Continuity Plan Changes – New or Expanded Furloughs PCL (NEXPCL)	Existing Business Continuity Plan Changes – Layoffs or Furloughs PCL (LAYFUR)	Change in Benefits ^b (CBENE)	Change in Company Benefits – Decrease in Wages (DWAGE)	Change in Company Benefits – More PSL (MPSL)	Change in Company Benefits – More PFL (MPFL)	Employee Productivity Measure – Cost (EMPCOST)
PCL Cost Concern (PCOST)	0.900 (0.133)	1.084 (0.142)	1.303 (0.170)	1.693* (0.241)	0.985 (0.177)	1.043 (0.166)	1.480* (0.190)	0.853 (0.144)	1.492 (0.246)	1.022 (0.148)	1.001 (0.165)	1.361* (0.139)
Firm Size (SIZE)												
0-100	2.131 (0.396)	0.586 (0.398)	0.313* (0.463)	0.263* (0.599)	1.435 (0.519)	0.206** (0.501)	0.390 (0.513)	8.299** (0.500)	0.102** (0.850)	0.407* (0.414)	0.244** (0.466)	0.422* (0.382)
100-200	2.229 (0.471)	0.727 (0.480)	0.750 (0.508)	0.353 (0.725)	0.634 (0.728)	0.929 (0.488)	1.434 (0.527)	5.126* (0.571)	1.095 (0.631)	0.611 (0.488)	0.410 (0.538)	0.699 (0.450)
200-500	-	-	-	-	-	-	-	-	-	-	-	-
Industry (IND)	0.980 (0.033)	1.018 (0.035)	1.027 (0.042)	1.011 (0.059)	0.998 (0.048)	0.984 (0.043)	1.015 (0.045)	1.014 (0.035)	0.894 (0.067)	0.971 (0.037)	0.995 (0.043)	1.020 (0.034)
Location (HQ)												
New York	-	-	-	-	-	-	-	-	-	-	-	-
Boston	1.918 (0.342)	2.287* (0.375)	0.985 (0.415)	0.514 (0.576)	0.728 (0.474)	1.285 (0.429)	1.010 (0.451)	2.224* (0.370)	1.376 (0.598)	2.052 (0.390)	1.087 (0.424)	1.161 (0.352)
Firm-Sponsored PSL (FPSL)												
Yes	-	-	-	-	-	-	-	-	-	-	-	-
No	1.267 (0.370)	1.644 (0.371)	1.143 (0.420)	1.118 (0.532)	1.090 (0.483)	0.901 (0.441)	1.229 (0.444)	1.664 (0.408)	0.501 (0.636)	1.647 (0.388)	0.714 (0.461)	0.696 (0.371)

(continued)

Table 16 Continued

Covariates ^a	Change in Headcount ^b (CHEAD)	Decrease in Headcount (DHEAD)	Re-classification (RCLASS)	Increase in Independent Contractors (IINDC)	Decrease in Independent Contractors (DINDC)	Existing Business Continuity Plan Changes – New or Expanded PCL (NEXPCL)	Existing Business Continuity Plan Changes – Layoffs or Furloughs (LAYFUR)	Change in Benefits ^b (CBENE)	Change in Company Benefits – Decrease in Wages (DWAGE)	Change in Company Benefits – More PSL (MPSL)	Change in Company Benefits – More PFL (MPFL)	Employee Productivity Measure – Cost (EMPCOST)
Firm-Sponsored PFL (FPFL)												
Yes	-	-	-	-	-	-	-	-	-	-	-	-
No	0.515 (0.348)	1.681 (0.381)	1.767 (0.442)	4.473* (0.696)	2.686 (0.535)	1.627 (0.4574)	3.148* (0.509)	0.460* (0.375)	7.702* (0.843)	1.148 (0.396)	0.999 (0.443)	1.848 (0.363)
Manager (LMAN)	1.013 (0.069)	1.063 (0.074)	0.949 (0.083)	1.182 (0.114)	0.940 (0.093)	0.859 (0.086)	1.061 (0.092)	1.004 (0.075)	0.909 (0.119)	1.027 (0.076)	0.956 (0.085)	1.052 (0.071)
_Constant	0.557 (0.771)	0.112* (0.853)	0.108* (0.992)	0.008** (1.438)	0.112* (1.053)	0.524 (0.976)	0.021** (1.138)	0.154* (0.871)	0.045* (1.512)	0.331 (0.867)	0.633 (0.958)	0.144* (0.815)
Observations	185	185	185	185	185	185	185	185	185	185	185	185

Note: Odds Ratios, or Exp(B), presented here with standard errors in parentheses.

^aWhere applicable, abbreviations correspond to the associated variables entered on Step 1: PCOST: 1 = Extremely unconcerned, 2 = Somewhat unconcerned, 3 = Neither concerned nor unconcerned, 4 = Somewhat concerned, 5 = Extremely concerned; FSIZE: 1 = 0-100, 2 = 100-200, 3 = 200-500, 4 = More than 500; IND: 1 = Agriculture, Forestry, Fishing, Hunting, 2 = Mining, 3 = Utilities, 4 = Construction, 5 = Manufacturing, 6 = Wholesale Trade, 7 = Retail Trade, 8 = Transportation and Warehousing, 9 = Information, 10 = Finance and Insurance, 11 = Real Estate Rental and Leasing, 12 = Professional, Scientific, and Technical Services, 13 = Management of Companies and Enterprises, 14 = Administrative Support and Waste Management Remediation Services, 15 = Educational Services, 16 = Health Care and Social Assistance, 17 = Arts, Entertainment, and Recreation, 18 = Accommodation and Food Services, 19 = Other Services (except Public Administration), 20 = Public Administration; HQ: 1 = New York City, 4 = Boston; FPSL: 1 = "General (Short-Term) Sick Leave", 0 = missing value; FPFL: 1 = "Parental Leave" or "Maternity Leave" or "Paternity Leave" or "Adoption Leave" or "Foster Child Leave" or "Paid Surrogacy Leave" or "General Family Leave", 0 = missing value; LMAN: 1 = C-Level (e.g. CEO, CFO), Owner, Partner, President, 4 = Vice President (EVP, SVP, AVP, VP), 5 = Director (Group Director, Sr. Director, Director), 6 = Manager (Group Manager, Sr. Director, Manager, Program Manager)

^bAll but CHEAD and CBENE use a "Select All That Apply" Option where 1 = Option Selected, 0 = missing value. For CHEAD and CBENE, 1 = Yes, 2 = No.

* $p < 0.05$, ** $p < 0.01$.

Table 17 Small Company Dataset Multivariate Binary Logistic Regressions: Implicit Variables

Covariates ^{a,b}	Increase in Prices (IPRICE)	Change in # of Locations (CLOC)	Change in Operating Hours (COPH)	Reduce Returns to Capital/Profits (DRETS)	Employee Productivity Measure – Altered Revenue Goals (CREVG)	Employee Productivity Measure – Customer Renewal Rate (CRENEW)	Employee Productivity Measure – Customer Satisfaction (CSAT)
PCL Cost Concern (PCOST) ^c	1.497** (0.139)	1.657** (0.180)	1.047 (0.134)	1.000 (0.197)	1.089 (0.131)	1.198 (0.141)	1.323* (0.142)
Firm Size (SIZE)							
0-100	0.808 (0.377)	0.803 (0.449)	0.803 (0.376)	1.383 (0.557)	1.034 (0.371)	0.705 (0.386)	0.575 (0.388)
100-200	0.391 (0.489)	1.131 (0.544)	0.466 (0.486)	0.730 (0.762)	0.612 (0.477)	0.531 (0.495)	0.621 (0.477)
200-500	- (0.987)	- (1.100*)	- (1.028)	- (1.012)	- (1.064)	- (0.975)	- (1.011)
Industry (IND)	0.034 (0.034)	0.040 (0.040)	0.034 (0.034)	0.047 (0.047)	0.033 (0.033)	0.035 (0.035)	0.035 (0.035)
Location (HQ)							
New York	-	-	-	-	-	-	-
Boston	0.693 (0.343)	1.511 (0.410)	2.035* (0.353)	1.356 (0.506)	1.505 (0.338)	1.375 (0.361)	0.783 (0.351)
Firm-Sponsored PSL (FPSL)							
Yes	-	-	-	-	-	-	-
No	0.787 (0.368)	1.230 (0.414)	1.981 (0.358)	2.934* (0.515)	1.754 (0.355)	1.292 (0.369)	1.509 (0.364)

(continued)

Table 17 Continued

Covariates ^{a,b}	Increase in Prices (IPRICE)	Change in # of Locations (CLOC)	Change in Operating Hours (COPH)	Reduce Returns to Capital/Profits (DRETS)	Employee Productivity Measure – Altered Revenue Goals (CREVG)	Employee Productivity Measure – Customer Renewal Rate (CRENEW)	Employee Productivity Measure – Customer Satisfaction (CSAT)
Firm-Sponsored PFL (FPFL)							
Yes	-	-	-	-	-	-	-
No	2.025* (0.358)	1.230 (0.414)	1.585 (0.359)	0.454 (0.522)	0.983 (0.347)	1.731 (0.375)	1.160 (0.364)
Manager (LMAN)	0.991 (0.069)	1.005 (0.081)	1.076 (0.070)	1.026 (0.100)	0.922 (0.068)	1.016 (0.071)	0.889 (0.070)
_Constant	0.215* (0.786)	0.012** (1.076)	0.152* (0.802)	0.085* (1.146)	0.257 (0.766)	0.206 (0.820)	0.330 (0.806)
Observations	185	185	185	185	185	185	185

Note: Odds Ratios, or Exp(B), presented here with standard errors in parentheses.

^aWhere applicable, abbreviations correspond to the associated variables entered on Step 1: PCOST: 1 = Extremely unconcerned, 2 = Somewhat unconcerned, 3 = Neither concerned nor unconcerned, 4 = Somewhat concerned, 5 = Extremely concerned; FSIZE: 1 = 0-100, 2 = 100-200, 3 = 200-500, 4 = More than 500; IND: 1 = Agriculture, Forestry, Fishing, Hunting, 2 = Mining, 3 = Utilities, 4 = Construction, 5 = Manufacturing, 6 = Wholesale Trade, 7 = Retail Trade, 8 = Transportation and Warehousing, 9 = Information, 10 = Finance and Insurance, 11 = Real Estate Rental and Leasing, 12 = Professional, Scientific, and Technical Services, 13 = Management of Companies and Enterprises, 14 = Administrative Support and Waste Management Remediation Services, 15 = Educational Services, 16 = Health Care and Social Assistance, 17 = Arts, Entertainment, and Recreation, 18 = Accommodation and Food Services, 19 = Other Services (except Public Administration), 20 = Public Administration; HQ: 1 = New York City, 4 = Boston; FPSL: 1 = "General (Short-Term) Sick Leave", 0 = missing value; FPFL: 1 = "Parental Leave" or "Maternity Leave" or "Paternity Leave" or "Adoption Leave" or "Foster Child Leave" or "Paid Surrogacy Leave" or "General Family Leave", 0 = missing value; LMAN: 1 = C-Level (e.g. CEO, CFO), Owner, Partner, President, 4 = Vice President (EVP, SVP, AVP, VP), 5 = Director (Group Director, Sr. Director, Director), 6 = Manager (Group Manager, Sr. Director, Manager, Program Manager)

^bAll outcomes use a "Select All That Apply" Option where 1 = Option Selected, 0 = missing value.

^cPCOST comes from a Likert scale and is not categorical.

* $p < 0.05$, ** $p < 0.01$.

Table 18 Significance Scorecard

Outcome	Full Dataset	Large Companies	Small Companies
Explicit Outcomes			
Change in Headcount (CHEAD)	X	X	
Decrease in Headcount (DHEAD)		X	X
Re-classification (RCLASS)	X	X	X
Increase in Independent Contractors (IINDC)	X		X*
Decrease in Independent Contractors (DINDC)	X	X	
Existing Business Continuity Plan Changes – New or Expanded PCL (NEXPCL)	X		X
Existing Business Continuity Plan Changes – Layoffs or Furloughs (LAYFUR)	X		X*
Change in Benefits (CBENE)	X	X	X
Change in Company Benefits – Decrease in Wages (DWAGE)	X		X
Change in Company Benefits – More PSL (MPSL)	X		X
Change in Company Benefits – More PFL (MPFL)	X	X*	X
Employee Productivity Measure – Cost (EMPCOST)	X*		X*
Implicit Outcomes			
Increase in Prices (IPRICE)	X*	X*	X*
Change in # of Locations (CLOC)	X*		X*
Change in Operating Hours (COPH)	X	X	
Reduce Returns to Capital/Profits (DRETS)			X
Employee Productivity Measure – Altered Revenue Goals (CREVG)	X		
Employee Productivity Measure – Customer Renewal Rate (CRENEW)	X*	X*	
Employee Productivity Measure – Customer Satisfaction (CSAT)	X	X	X*

Note: N=19.