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

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

Access to paid leave

Paid holidays were available to 77 percent of private-industry workers as of March 2008, and paid vacation leave was available to 78 percent of the workers. (See table 1.) Sixty-eight percent of State and local government workers received paid holidays, and 60 percent received paid vacation leave. Government workers’ access to paid holidays and vacation leave was lower than that of their private-sector counterparts, primarily because workers in education occupations typically work 9 or 10 months per year and many do not receive paid holidays. For example, 29 percent of public-sector primary, secondary, and special education schoolteachers received paid holidays and only 9 percent received paid vacation leave. Compared with access to holidays and vacation leave, access to sick leave was less frequent in private industry but
more frequent in State and local government. (A future issue of Program Perspectives will cover sick-leave benefits in more detail.) Fifty-nine percent of State and local government workers received paid personal leave, compared with 37 percent of workers in private industry.

Paid-leave benefits varied by worker characteristics. Paid-leave provisions for full-time workers were more generous than those for part-time workers. Differences in holidays and vacation leave for union workers compared with nonunion workers were most pronounced in private-sector establishments. Eighty-five percent of private-sector union workers received paid vacation leave, compared with 77 percent of nonunion workers. For personal leave, the difference between union and nonunion workers was greater in State and local government, in which 72 percent of union workers received personal leave, in contrast to 49 percent of nonunion workers.

Leave benefits in private-sector establishments also varied by establishment characteristics—that is, by establishment size and by whether the establishment was in a goods-producing industry or a service-providing industry. Eighty-six percent of private-sector workers in goods-producing industries received paid holidays and vacation leave, compared with about three-quarters of workers in service-providing industries. Sixty-nine percent of workers in establishments employing 1–99 workers received paid holidays, and 71 percent received paid vacation leave. This contrasts with workers in establishments employing 100 or more workers, where 86 percent received both holidays and vacation leave. Twenty-six percent of workers in the smallest establishments (those with 1–99 workers) received personal leave, compared with 50 percent of workers in establishments employing 100 workers or more.

### Holidays and vacation leave

In private-sector establishments, the number of paid holidays varied by worker and establishment characteristics. (See table 1.) Union workers, for example, averaged 10 paid holidays, whereas nonunion workers received 8 days on average. Private-sector work...
ers in management, professional, and related occupations averaged 9 paid holidays; by contrast, workers in service and natural resources, construction, and maintenance occupations averaged 7 days. Workers in private establishments employing 100 workers or more averaged 9 paid holidays, while workers in smaller establishments averaged 7 days.

The numbers of paid vacation days available by length of service are shown in chart 1. Private-sector workers in establishments employing 100 workers or more received significantly more vacation days than workers in smaller establishments. Workers in State and local governments received more vacation days at nearly all lengths of service than their private-sector counterparts.

### Employer costs for paid leave

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

__continued on back page__

---

### CHART 1

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

<table>
<thead>
<tr>
<th>Number of years of service</th>
<th>Private industry</th>
<th>State and local government</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>All workers</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time</td>
<td></td>
</tr>
<tr>
<td>Part time</td>
<td></td>
</tr>
<tr>
<td>Union</td>
<td></td>
</tr>
<tr>
<td>Nonunion</td>
<td></td>
</tr>
<tr>
<td>1–99 employees¹</td>
<td></td>
</tr>
<tr>
<td>100 or more employees¹</td>
<td></td>
</tr>
</tbody>
</table>

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

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

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

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

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

---

**Trends in paid leave**

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

---

For additional assistance on benefits, contact one of our information offices:

**NATIONAL:** WASHINGTON, DC

- **(202) 691-6199**
- **TDD:** (800) 877-8339

- NCSinfo@bls.gov
- www.bls.gov/ebs

**REGIONAL:**

- **ATLANTA** (404) 893-4222
- **BOSTON** (617) 565-2327
- **CHICAGO** (312) 353-1880
- **DALLAS** (214) 767-6970
- **KANSAS CITY** (816) 285-7000
- **NEW YORK** (646) 264-3600
- **PHILADELPHIA** (215) 597-3282
- **SAN FRANCISCO** (415) 625-2270

U.S. BUREAU OF LABOR STATISTICS