

No-Vacation Nation, Revised

By Adewale Maye *

May 2019

Center for Economic and Policy Research
1611 Connecticut Ave. NW
Suite 400
Washington, DC 20009

tel: 202-293-5380
fax: 202-588-1356
<http://cepr.net>

Contents

Introduction..... 3

Vacation and Holiday Laws..... 4

Paid Holidays..... 8

Special Treatments for Specific Categories of Workers..... 9

Timing of Leave..... 9

Related Types of Paid Leave..... 10

Provisions to Ensure that Leave is Taken..... 10

Conclusion..... 10

References..... 12

Acknowledgements

The author thanks Eileen Appelbaum, Hayley Brown, Hye Jin Rho, and Dawn Niederhauser for helpful comments on earlier versions of this paper. For earlier versions of this report see: *No-Vacation Nation Revisited* by Rebecca Ray, Milla Sanes, and John Schmitt (2013), and *No-Vacation Nation* by Rebecca Ray and John Schmitt (2007).

Introduction

In early 2019, Mayor Bill de Blasio of New York announced a plan that would require employers to provide at least two weeks of paid vacation to their employees, making New York City the first city in the nation to legally mandate paid vacation. While the measure would be a huge triumph for New York City workers if it passes, it also highlights the disparity between the United States and other countries when it comes to universal paid holiday and paid vacation policies for workers.

The United States continues to be the only advanced economy that does not guarantee its workers paid vacation. No city or state in the US guarantees paid annual leave with the exception of the US territory, Puerto Rico. The European Union's Working Time Directive guarantees European workers at least 20 paid vacation days per year, with some countries mandating as many as 25 to 30 days per year. Australia and New Zealand require employers to grant workers a minimum of 20 paid vacation days per year, while Canada and Japan require their employers to provide at least 10 paid vacation days. The growing disparity between the United States and the rest of the world is even more pronounced when taking into account legally mandated paid holidays. Most developed countries offer at least six paid holidays a year, while the United States provides none.

Without a federal paid vacation policy, close to one in four Americans have no paid vacation (23 percent) and no paid holidays (22 percent) — figures that are unchanged from a 2013 study on paid annual leave and paid holidays¹. According to the latest National Compensation Survey estimates, the average worker in the private sector receives only 10 paid vacation days and six paid holidays a year, which is far less than in almost every advanced economy except Japan.

For US employees who do receive paid vacation and holidays, the distribution of those benefits is extremely unequal. While 90 percent of full-time private-sector workers receive paid vacation and holiday time, only 40 percent of part-time workers receive paid vacation and 44 percent receive paid holidays. For hourly wage workers, there are also striking disparities between income levels. Workers in the top 25 percent receive paid annual vacation and paid holidays at 91 and 93 percent, respectively. However, only half of all low-wage workers (bottom 25 percent of all earners) receive paid annual leave and paid holidays (52 and 54 percent, respectively). According to the US Travel Association's Project: Time Off initiative, many American workers who do receive paid time off are also reluctant to take it due to workplace pressures.² Mounting stress experienced by American workers and the

¹ Ray, Rebecca, Milla Sanes, and John Schmitt (2014).

² US Travel Association

absence of mandated paid vacation time could potentially have a huge impact on the productivity of workers compared to other workers around the world.³

This report reviews the most recent data available from various national and international sources on statutes governing paid vacation and paid holidays in 21 rich countries, including 16 European countries, Australia, Canada, Japan, New Zealand, and the United States. The United States remains the only country out of the 21 devoid of mandated paid annual leave and paid vacation. Additionally, we find that some countries have additional paid vacation requirements for workers of different ages, shift workers, and workers who have engaged in community service (including jury duty). A few countries mandate additional time off for employees who have worked for the same employer for a certain amount of time. Most other countries in the group also established paid public holidays in conjunction with paid annual leave. Throughout the report, we distinguish between paid vacations—also referred to as paid annual leave—and paid holidays, which are organized around particular fixed dates in the calendar and are guaranteed to be paid even if the holiday does not fall on a workday. Our analysis does not cover paid leave for other reasons such as sick leave, parental leave, or leave to care for sick relatives.

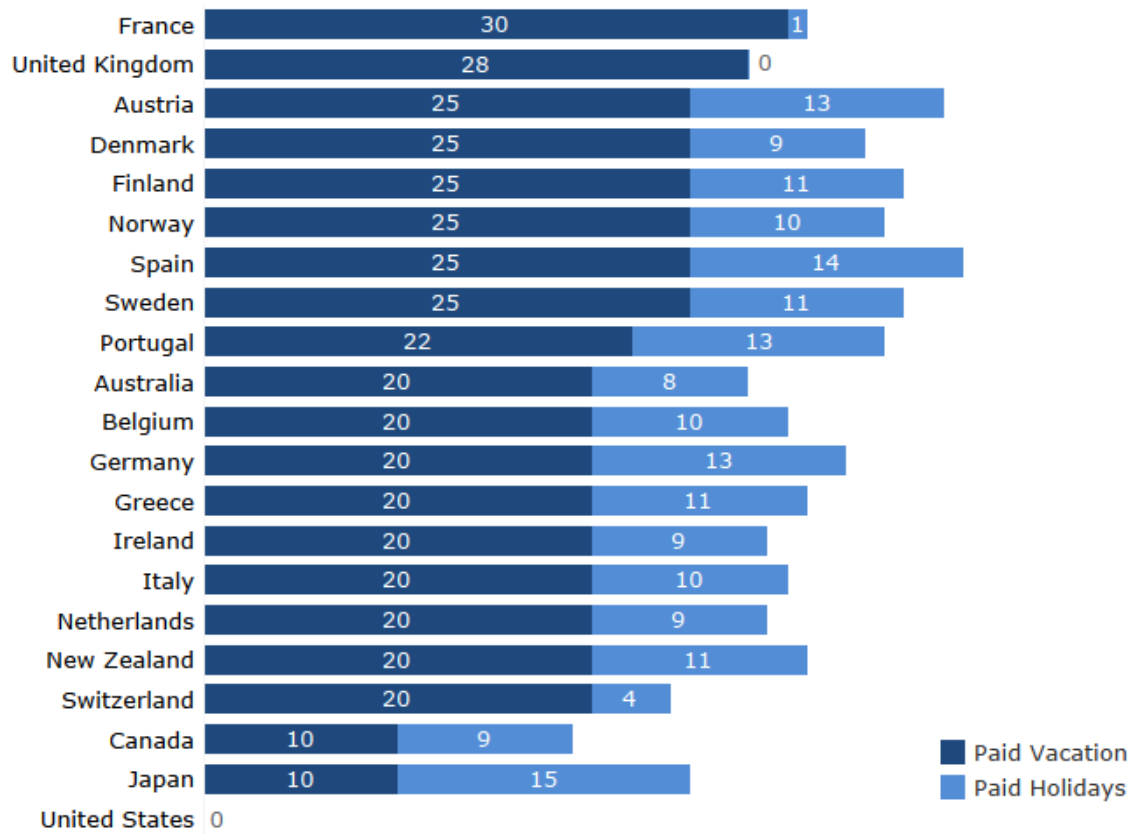
Vacation and Holiday Laws

Figure 1 summarizes the legal right to paid vacation for 21 of the richest countries in the world (see also **Table 1**). Figure 1 also shows the total number of mandated paid holidays, separately from paid vacation. From top to bottom, countries are ordered from most generous to least generous in terms of paid vacation.

³ Schulze (2017).

FIGURE 1

Paid Vacation and Paid Holidays, OECD Nations, in Working Days



Sources and notes: See Table 1 for sources. Several nations' laws refer to working days, while others refer to calendar days or weeks. Our comparison assumes five working days per week for all employees who have worked for a given employer for at least one year. Vacation times that are taken in practice as a full calendar month were noted as 22 working days (the average number of working days in a month). For more detail, see Table 1.

In 1993, the European Union (EU) Working Time Directive established a floor of at least four weeks, or 20 working days, of paid vacation for all workers employed in EU member countries. Several countries impose their own requirements in excess of the EU minimum. France mandates at least 30 working days of paid annual leave; the United Kingdom requires 28; Austria, Denmark, Finland, Sweden, and Spain all require 25; and Portugal requires at least 22 working days of paid vacation per year.

Many EU countries offer a generous number of paid holidays as well. Spain leads the group, guaranteeing 14 paid holidays, followed closely by Austria, Germany, and Portugal, with 13 paid holidays. Greece, Finland, and Sweden all follow with 11; and Belgium and Italy both have 10 paid holidays.

TABLE 1

Paid Vacation and Paid Holidays in OECD Nations		
Country	Statutory Minimum Annual Leave	Paid Holidays
Australia ¹	20 working days	8
Austria ¹	25 working days (which includes Saturdays), or 30 calendar days	13
Belgium ¹	20 working days for 5-day week workers; 24 working days for 6-day week workers	10
Canada ⁴	2 weeks or 10 working days; 3 weeks or 15 working days after 6 consecutive years of employment with the same employer	9
Denmark ¹	25 working days	9
Finland ¹	25 working days (2.5 working days leave per month worked)	11
France ^{1,2}	30 calendar days or 25 working days	1
Germany* ^{1,3}	20 working days (24 for 6-day workweeks); 25-30 working days for workers under age 18, depending on age; 25 working days for workers with qualifying disabilities	Varies between 9 and 13
Greece ¹	20 working days for a 5-day week (24 working days for 6-day week) plus 1 work day after the 2nd year	11
Ireland ¹	4 weeks or 20 working days	9
Italy ²	20 working days	10
Japan ^{1,2}	10 working days	15
Netherlands ¹	4 weeks or 20 working days	9
New Zealand ¹	4 weeks or 20 working days	11
Norway ^{1,3}	25 working days; 31 working days for those 60 and older	10
Portugal ^{1,3}	22 working days; 20 working days in the first year	13
Spain ^{1,2}	30 calendar days or 25 working days	14
Sweden ^{1,3}	25 working days	11
Switzerland ^{1,3}	4 weeks; 5 weeks for workers age 20 and younger	4
United Kingdom ^{1,3}	28 working days	0
United States ⁵	0 working days	0

Sources and notes: 1. European Commission (n.d.) a.; 2. World Policy Analysis Center; 3. OECD; 4. HRSDC 2018; 5. USDOL (n.d.)

*Varies by region; standards for employees under federal jurisdiction are presented here

The OECD countries listed outside of the EU also have considerable minimum requirements for vacation. In Europe, Norway requires 25 working days of paid annual leave for all workers and 31 working days for workers age 60 or older. Workers in Australia, New Zealand, and Switzerland have four weeks of vacation.

Aside from the US, Canada and Japan have the lowest statutory minimums for paid annual leave. However, both countries require increases in the number of vacation days offered to workers based on seniority.

TABLE 2**Availability and Generosity of Actual Paid Annual Leave and Paid Holidays, Private-Sector Workers, United States, 2018**

(days)

	Percent Share of Workers Whose Employer Provides		Average Number of Days			
	Paid Vacation	Paid Holidays	All Workers with Benefits		All Workers	
			Paid Vacation	Paid Holidays	Paid Vacation	Paid Holidays
All	77	78	13	8	10	6
Full-time	90	90	14	8	13	7
Part-time	40	44	10	6	4	3
Hourly Wage						
Lowest 25 percent	52	54	10	6	5	3
Highest 25 percent	91	93	17	9	15	8
Establishment Size						
Small (1-99 workers)	70	71	12	7	8	5
Medium to large (100+)	86	87	15	8	13	7

Sources and Notes: Author's Analysis of National Compensation Survey. Average number of paid vacation days calculated as a weighted average of number of paid vacation days by minimum length of service, using authors' calculations of private-sector job tenure from CEPR's analysis of the Current Population Survey Displaced Worker Supplement, Employee Tenure, and Occupational Mobility Supplement (2018) and prevalence of consolidated leave plans from Employee Benefits in the United States, March 2018. We use average tenure distribution for both small and medium-to-large establishments.

The United States remains the only country in the OECD that does not legally require employers to provide paid annual leave. Although many employers in the United States grant some – or even all — of their employees paid vacations and paid holidays, there is no law that establishes a legal minimum for either benefit.

Table 2 provides data on paid vacations and paid holidays in the US private sector from the 2018 National Compensation Survey. The first column shows that 77 percent of private-sector employees work for an employer that offers paid vacation. The next column indicates that 78 percent of workers receive paid holidays. The next two columns specify the average number of paid vacation and paid holidays for private-sector workers who have paid vacation and paid holidays. Such workers are afforded an average of 13 paid vacation days and eight paid holidays per year. The two rightmost columns show the average number of paid vacation days and paid holidays for all private sector workers, including workers who receive neither type of paid time off. US workers have on average 10 days of paid vacation and six paid holidays. All of these estimates fall well below the statutory minimums in most OECD countries, with even larger divergences between certain subgroups of workers.

The table also highlights that part-time workers, low-wage earners, and workers in small firms (fewer than 100 workers) are less likely to receive either paid vacation or paid holidays. When these types of workers do see these benefits, they receive fewer paid days off. Low-wage workers are less likely (52 percent) than higher-wage workers (91 percent) to have paid vacations. The disparity is even wider between part-time and full-time workers — 40 percent and 90 percent, respectively. Seventy percent of employees in small establishments receive paid vacations compared to 86 percent of employees in medium and large establishments.

Of workers who do receive benefits, part-time workers and low-wage (bottom 25 percent) workers average the fewest paid vacation days and paid holidays—10 and 6, respectively, for both groups. Overall, private-sector part-time workers receive an average of four vacation days and three holidays, and low-wage workers receive an average of five vacation days and three holidays a year. Among workers who receive benefits, those who work for larger firms (100+ employees) fare better than those who work for small businesses, averaging three more vacation days and one more holiday per year. The difference is even greater when workers who receive neither paid vacation nor paid holidays are included; those who work for small firms receive five fewer vacation days and two fewer holidays than those who work for larger firms. Part-time workers, low-wage earners, and those who work for smaller establishments are routinely excluded from paid leave benefits compared to full-time workers, high earners, and employees of larger establishments.

Paid Holidays

Many advanced economies also guarantee paid holidays, including New Year's Day, Good Friday, Easter Monday, and Christmas. Other popular paid holidays are Labor Day, Ascension Thursday, and All Saints' Day. Portugal and Austria have 13 paid public holidays. Spain has 14 public holidays, two of which are local holidays; Italy, Norway, and Belgium, 10; Ireland, Denmark, and the Netherlands, nine; Australia, eight; and Switzerland, four. France guarantees only one paid holiday. Two countries determine public holidays at the regional level: Germany (with a minimum of nine holidays), and Canada (which offers at least five in each province, and nine on average). Again, US law has no provisions mandating paid holidays, though this is also the case in the United Kingdom.

Special Treatments for Specific Categories of Workers

A few countries require more paid leave for workers based on their age. In Europe, Germany and Switzerland mandate greater vacation time for young workers. Germany grants 30 working days of annual paid leave to workers under the age of 16, 27 working days to workers under 17, and 25 working days if the worker has not turned 18 by the start of the calendar year. Switzerland requires a statutory minimum of five weeks of annual leave for employees and apprentices under 21 years of age. Switzerland also grants five additional days of leave to workers under 30 years old who volunteer with young people. Regarding older workers, Norway offers an additional week, 31 working days, of paid vacation to workers age 60 and older.

In some nations, leave entitlement increases with a worker's seniority. Japan is the most generous in this respect, guaranteeing workers who have worked longer than 18 months for their current employer an increase by one workday per year of employment, up to a maximum of 20 days of paid vacation. In Austria, after an employee has worked 25 years the annual leave entitlement increases to six weeks for a total of 30 working days paid vacation. Greece mandates an annual leave increase (from four weeks minimum for all workers) of one additional workday after two to three years of service under an employer. After 10 years, Greece mandates that employers offer 25 and 30 days of leave for employees working a five-day and six-day workweek schedule, respectively. Canada's annual leave provisions vary from province to province, with most provinces granting workers an additional week of vacation after five to ten years of service.

Timing of Leave

Nine European nations have regulations that guarantee workers the right to take some of their paid annual leave during peak vacation season, usually summer. The Netherlands has one of the strictest guidelines for the timing of leave, with Dutch employers granting their workers leave in one continuous period from April 30th through October 1st. The other countries that require employers to provide their workers with the option to schedule their leave in blocks include Sweden and Finland (four consecutive weeks), Norway (18 days), Denmark (15 days), France (12 days), Portugal (10 days), and Greece (two consecutive weeks).

Related Types of Paid Leave

Several nations offer additional leave for specific purposes. Employees in Spain receive paid leave for acts of civic duty, including jury service, and for moving households, getting married, or for acts related to union work. Sweden also requires employers to provide paid leave for workers fulfilling union duties. Although French law does not guarantee paid leave for situations like community work, France does offer paid leave with partial salary for “individual training” that is less than one year.

Provisions to Ensure that Leave is Taken

Several nations have additional stipulations to ensure that workers take their allotted leave each year. Portugal, Spain, Switzerland, and the United Kingdom have provisions specifically forbidding employers from offering employees additional pay for forfeiting vacation days. Australia offers a less strict version of this protection, allowing untaken annual leave exceeding the minimum of four weeks to be “cashed out.”

Another method of guaranteeing that workers have access to their leave is to require leave to be taken by the end of the year in which it is granted. Denmark, Switzerland, and the United Kingdom have such provisions, and Ireland requires leave to be taken within six months after the end of the year.

Conclusion

This assessment of international requirements for paid vacation and paid holidays reveals a significant disparity between the United States and the rest of the world’s rich countries. The United States is the only advanced economy that does not mandate any paid vacation time for workers and it is one of the only countries that does not require employers to offer at least some paid holidays.

Without a legal requirement for paid vacation and paid holidays, about one-fourth of the US labor force has no paid vacation or paid holidays throughout the course of the work year. The estimated sum of the *average* paid vacation and paid holidays offered for private-sector employees in the United States —10 vacation days and six paid holidays in total— falls short of the *minimum* annual leave requirement for all EU countries as well as the average of paid vacations and paid holidays for all countries reviewed in this report (about 22 paid vacation days and 10 paid holidays).

The absence of mandated paid vacation and paid holidays in the United States disproportionately affects lower-wage and part-time workers, and employees of small establishments. Low-wage, part-time, and small business employees are all far less likely to receive paid vacations or paid holidays, and when they do receive paid time off, the amount they receive is far less than what is available to their higher-wage, full-time counterparts working for larger employers.

References

- Bureau of Labor Statistics (BLS). 2018. “National Compensation Survey: Employee Benefits in the United States, March.” www.bls.gov/ncs/ebs/benefits/2018/ownership/prvt_all.pdf
- Department of Labor. “Vacation Leave.” www.dol.gov/general/topic/workhours/vacation_leave
- Employment and Social Development Canada. “Public Holidays” www.canada.ca/en/revenue-agency/services/tax/public-holidays.html
- European Commission. 2003. “Working Conditions: Working Time Directive.” November. ec.europa.eu/social/main.jsp?catId=706&langId=en&intPageId=205
- European Commission. “The European Job Mobility Portal: Living and Working.” ec.europa.eu/eures/main.jsp?acro=lw&lang=en&catId=490&parentId=0
- Goodman, J. David, and Jeffery C. Mays. 2019. “Paid Vacation to Be Required for Private Sector Workers, Mayor Says.” *The New York Times*, January 9. www.nytimes.com/2019/01/09/nyregion/bill-de-blasio-paid-vacation-nyc.html
- Norwegian Labour Inspection Authority. “Working Conditions: Holiday.” www.arbeidstilsynet.no/en/working-conditions/holiday
- Organisation for Economic Co-operation and Development (OECD) Family Database. 2016. “PF2.3: Additional Leave Entitlements for Working Parents.” www.oecd.org/els/soc/PF2_3_Additional_leave_entitlements_of_working_parents.pdf
- Ray, Rebecca, Milla Sanes, and John Schmitt. 2014. “No-Vacation Nation Revisited.” Washington, DC: Center for Economic and Policy Research. April. cepr.net/documents/no-vacation-update-2014-04.pdf
- Schulze, Elizabeth. 2017. “Vacation Can Make You More Productive - Just Ask the Europeans.” CNBC, August 25. www.cnbc.com/2017/08/25/vacation-can-make-you-more-productive--just-ask-the-europeans.html
- US Travel Association. 2019. “Time Off and Vacation Usage.” April 1. www.ustravel.org/toolkit/time-and-vacation-usage.
- WORLD Policy Analysis Center, UCLA. “Is Paid Annual Leave Available to Workers?” www.worldpolicycenter.org/policies/is-paid-annual-leave-available-to-workers