

*Workshop on:*

## **FAIR WORK SCHEDULES: HOURS AND INCOME VOLATILITY -- ACCESS TO HOURS POLICIES**

### **OVERVIEW and CONTEXT**

**Lonnie Golden**, Penn State University, Prof of Economics and Labor-Employment Relations.

*Acknowledgements: Stuart Glosser, Jaeseung Kim, Susan Lambert, Bob Bruno, Alison Dickson, Pronita Gupta*



# CONTEXT

I. Happy Anniversary to the **FLSA** 80<sup>th</sup> year— a Success!

Created a premium intended to **curb excessive work hours**, by providing:

- cost **disincentive** (immediate) to employers (to create jobs rather than OT)
- **reward** (compensatory damages) to employees

Post Great Recession: structural changes toward more jobs with part time status (both in their quantity and quality ) [see EPI, 2016; PMCR, 2017; CLASP, forthcoming 2018]

now need new policy to **curb the downswings in workers' hours and their effects**

- dis-incentive** for creating short-hours, beyond that preferred by workers [prevent “zero-hours contracts”]
- reward** to job incumbents harmed
- pathways** to getting preferred hours increases



## II. Why Should We Care? Consequences of hours variability (periodic hours inadequacy):

### 1. **Income (labor earnings) volatility** for individuals and households (whether annual or intra-year).

(Schneider & Harknett, 2017; Shin, 2012; Dynan, Elmendorf, and Sichel, 2012; EPIC, 2016; Gottschalk and Moffitt, 2009; Koo, 2016; McCrate, Lambert & Henly, 2015; Messenger and Wallot, 2015; Murdoch and Schneider, 2014; Rohwedder and Wenger, 2015; Zukin and van Horn, 2015).

2. **Irregular work schedules** is by far the most common underlying **reason**, at **43%**, identified for households' month to month income volatility -- Income varied occasionally for 2 in 10, and varied quite often for almost 1 in 10 [Federal Reserve Board 2016; 2017, SHED data].

[other, related reasons include non-labor transfers, such as program benefits tied to labor market earnings]  
-- EPIC: *The relative importance of sources of income volatility is unclear, so more research is needed*

### 3. Diminishes well-being/life satisfaction

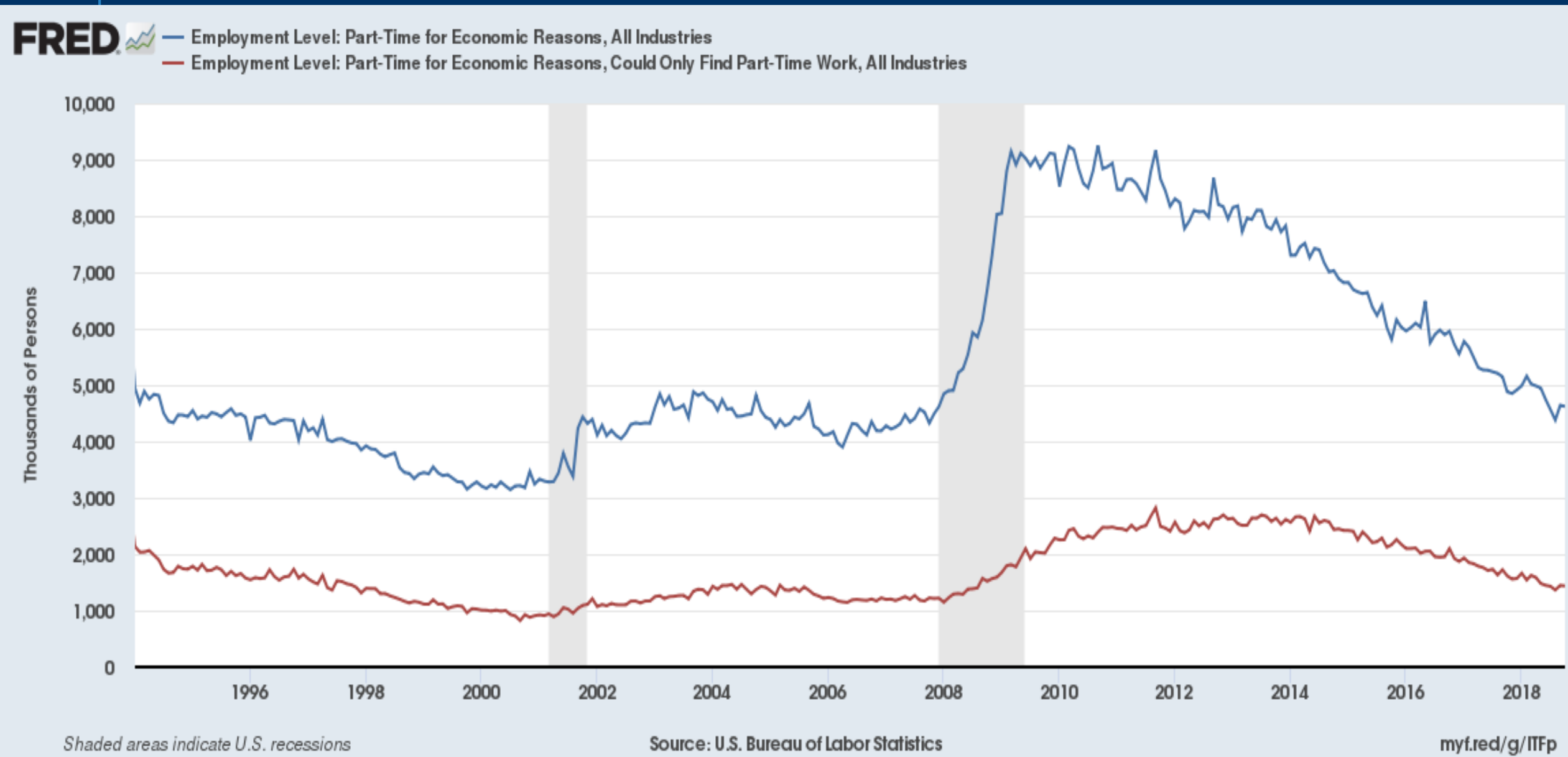
(Basner, Spaeth and Dinges 2014; Wood, Michaelides, and Totterdell 2013; Finnigan and Hale, 2017; Wooden, Warren and Drago 2009; Luce, Hammad, and Sipe, 2014; Haley-Lock and Ewert (2011), e.g., in the case of nurses (Yildirim and Aycan 2008).

4. Educational outcomes and children's cognitive development, st scores inversely associated with parents working irregular shift times (Morsy and Rothstein, 2015; Boushey and Mitukiewicz 2014; Carillo et al, 2017; Gennetian et al 2018).



### III. Spike and painfully gradual recovery in Involuntary part-time working – the most common indicator of “underemployment”

Rates of part-timer **underemployment** = 4.6 million, 3-4% of the labor force “part time for economic reasons,” more so now because of the “could only find part time job” reason



## IV. Involuntary Part Time is just tip of the Iceberg of the Underemployment Problem...

**Workers who take part-time jobs** fall into at least **3 categories**:

- Want a full time job: longer hours and full time status (e.g., full benefits);
- Want a part time jobs but with more hours than the average (or median) they tend to get;
- Want a part time job with their average #hours sufficient, but with more stable hours, reliable minimum floor,

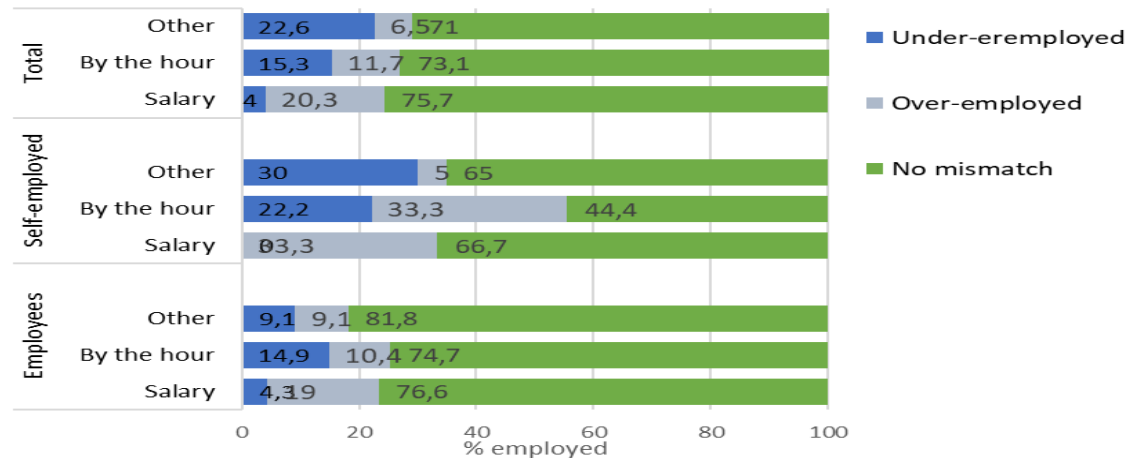
Using the ISSP and GSS surveys:

- “Objective Underemployment” --15% of hourly employees whose status is part time prefer a full time job;
- “Subjective Underemployment” --46% of hourly employees prefer **“more hours, more income”** over “same” or “fewer” hours than they have currently: [in SHED, YouGov – 36% -- higher among Part Timers, 49%]

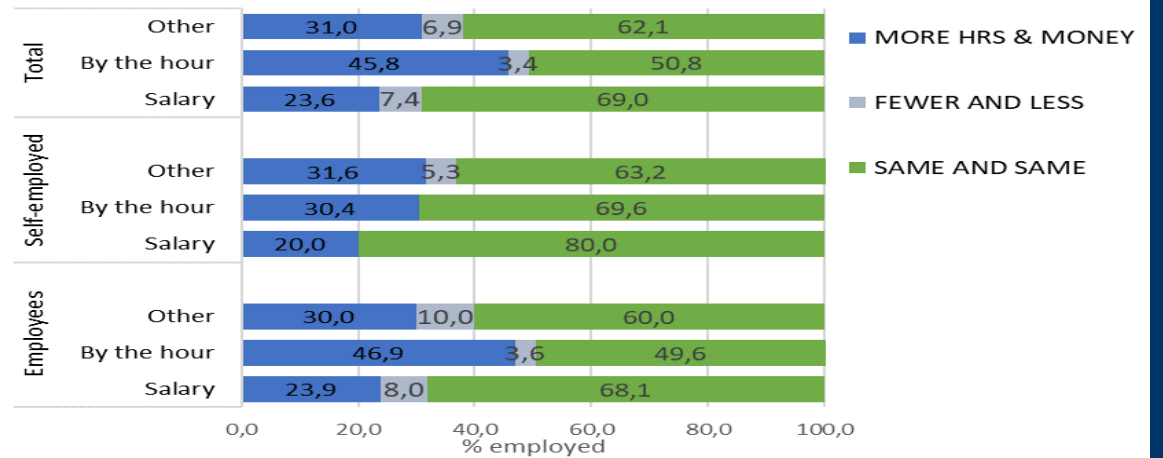
Clearly Higher among just the hourly paid workers, even higher for part time hours’ workers

### G14 – How are you paid (USA)

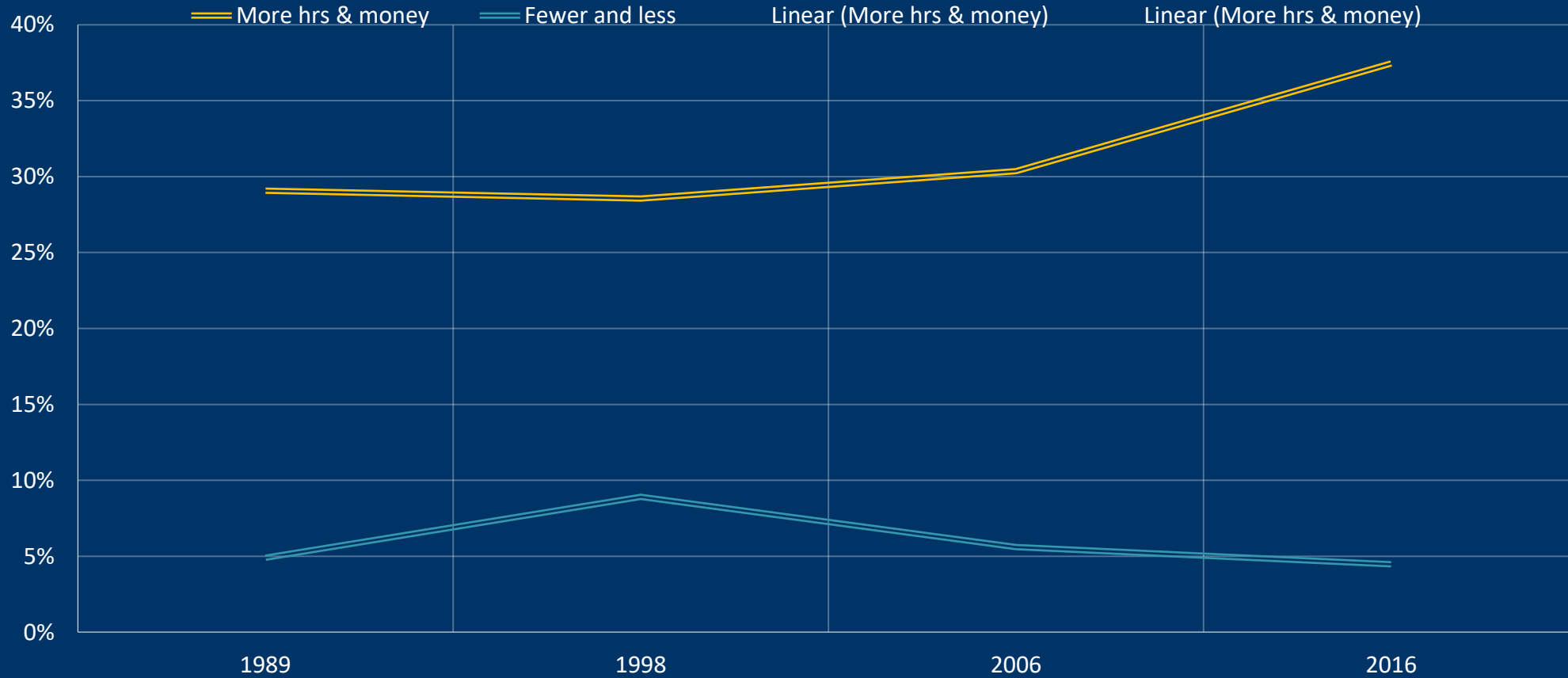
Comparison between preference and actual hours of work (Q9 and working hours)



Preference in working hours (Q11)



# “Subjective” underemployment % is higher than 10 years ago

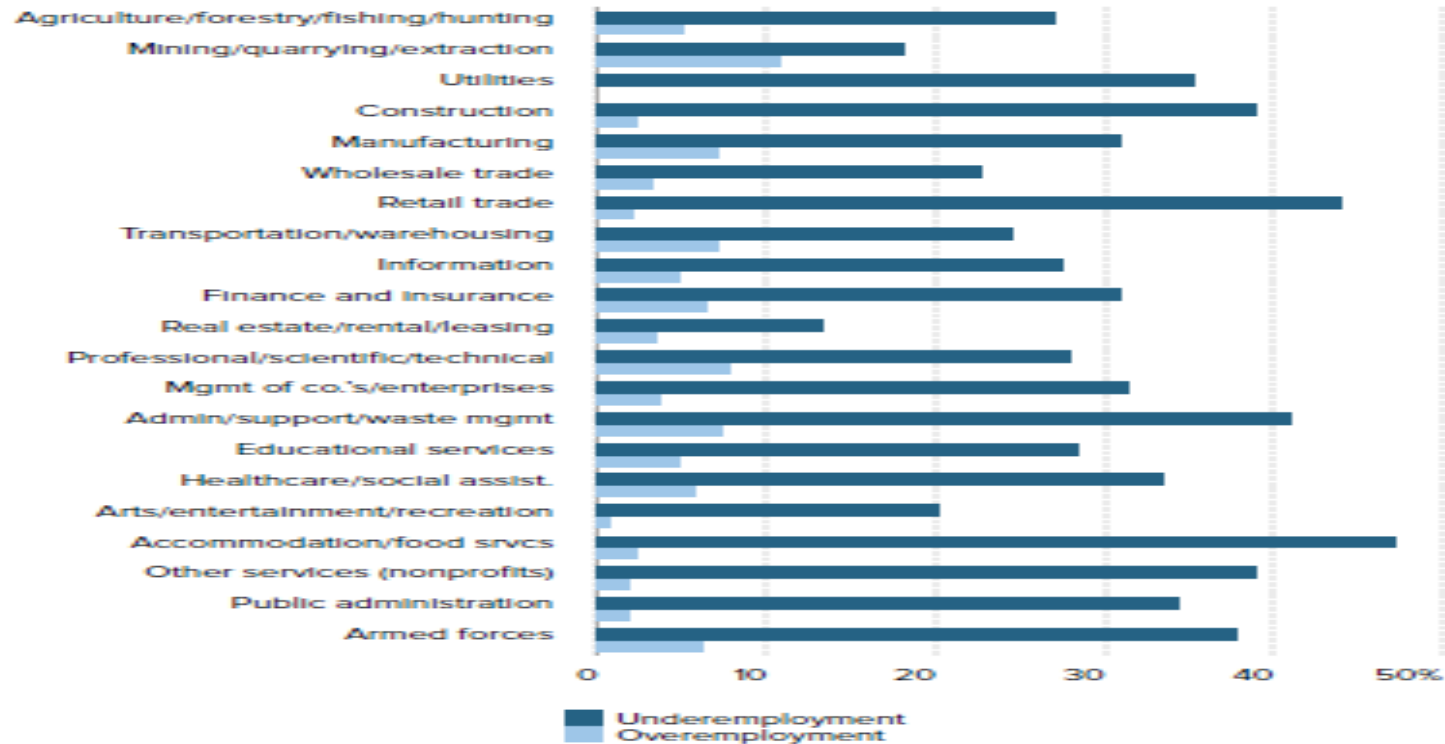


Subjective Underemployment pervasive yet **disproportionate by industry – highest in Retail Trade; Accommodations/Food Services** [Survey of Household Economics and Decision Making (SHED), Federal Reserve Board, 2014]

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Figure E

**Underemployment is highest in the accommodation and food services industry and second highest in retail trade**  
Underemployment and overemployment rate by industry, May 2014



Note: SHED survey, May 2014 (n = 2,846), percentage of workers who indicate they are underemployed (prefer to "work more hours for more money") and overemployed (prefer to "work fewer hours for less money") when asked, "If you were paid the same hourly rate regardless of the number of hours you work, would you prefer...?"

Source: SHED survey, May 2014

Economic Policy Institute

Note: by **occupation**, food prep and service, retail sales and building maintenance are the 3 highest rates

V. The 4 Separate “Problems” attempting to address with policies, are:

- 1) **inadequacy** of hours (too few);
- 2) **instability** of hours (too volatile);
- 3) **unpredictability** of hours (too uncertain/late notice);
- 4) **inflexibility** of hours (too little employee input/choice/control).

Not necessarily distinct, indeed, **interactions**, e.g.,  
--volatile/unstable hours and short notice schedule changes (call-offs)  
lead to hours inadequacy, periodic or even chronic;  
--On-call (call-ins) reflect inflexibility, lead to unpredictability



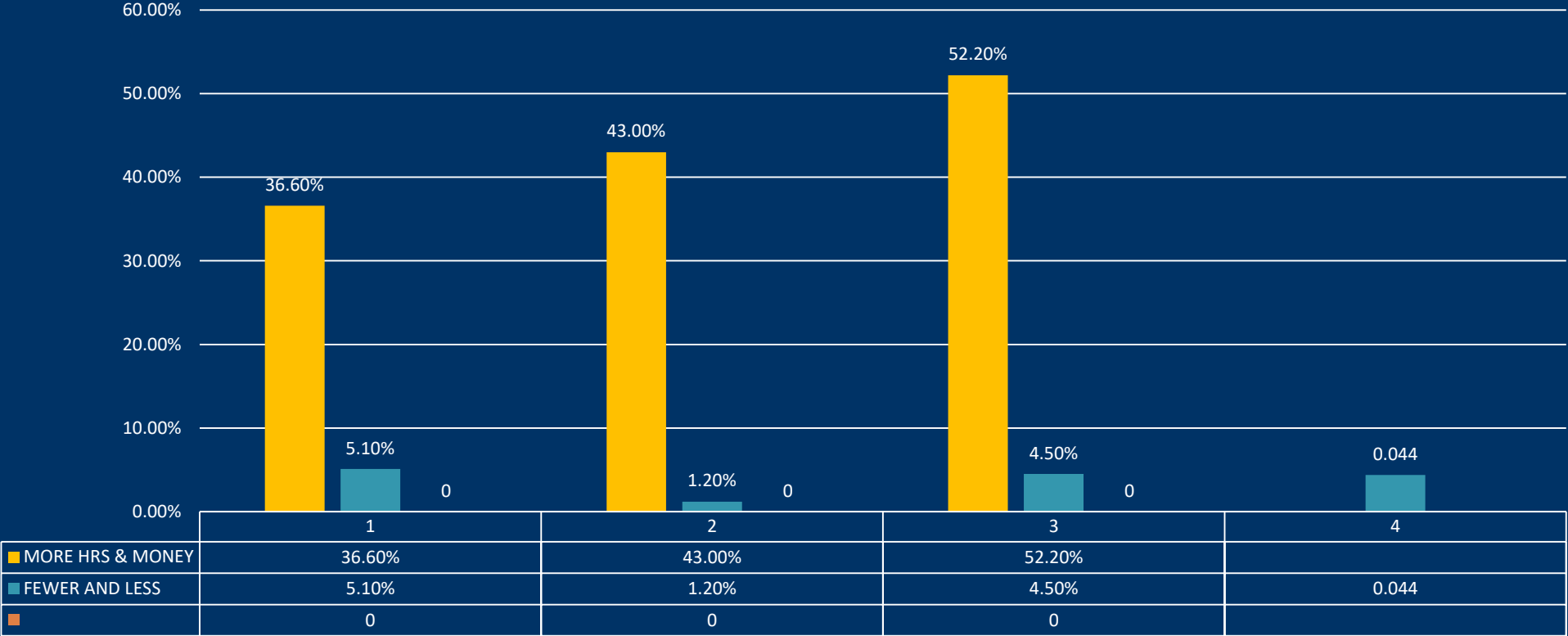


# Clear Link and gradation: The More Irregular is the scheduling, the Higher is the rate of (subjective) underemployment

I have a **regular** schedule or shift (daytime, evening, or night)

I have a schedule or shift which **regularly changes** (for example, from days to evenings or to nights)

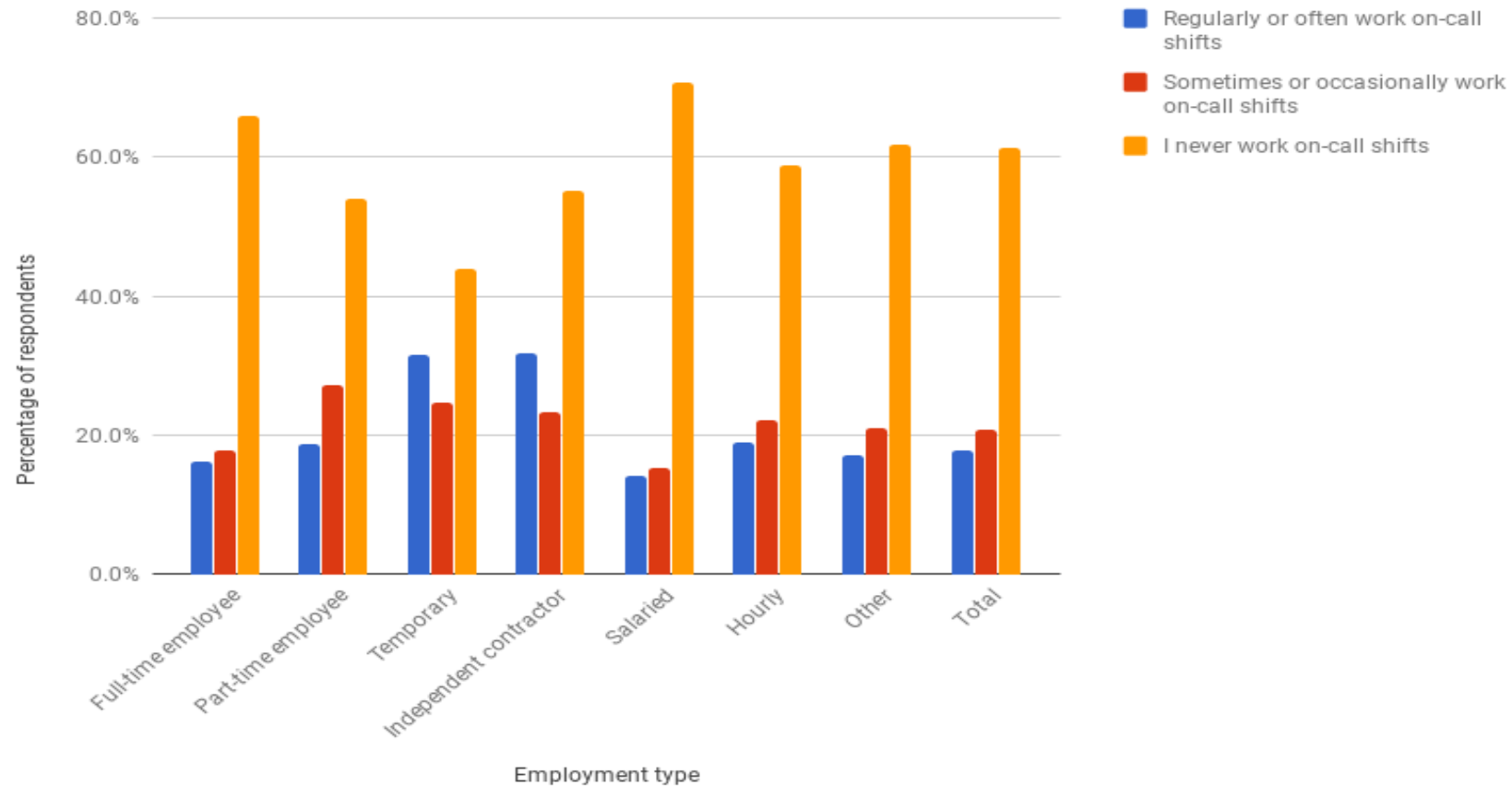
I have a schedule where daily working times are **decided at short notice by employer**



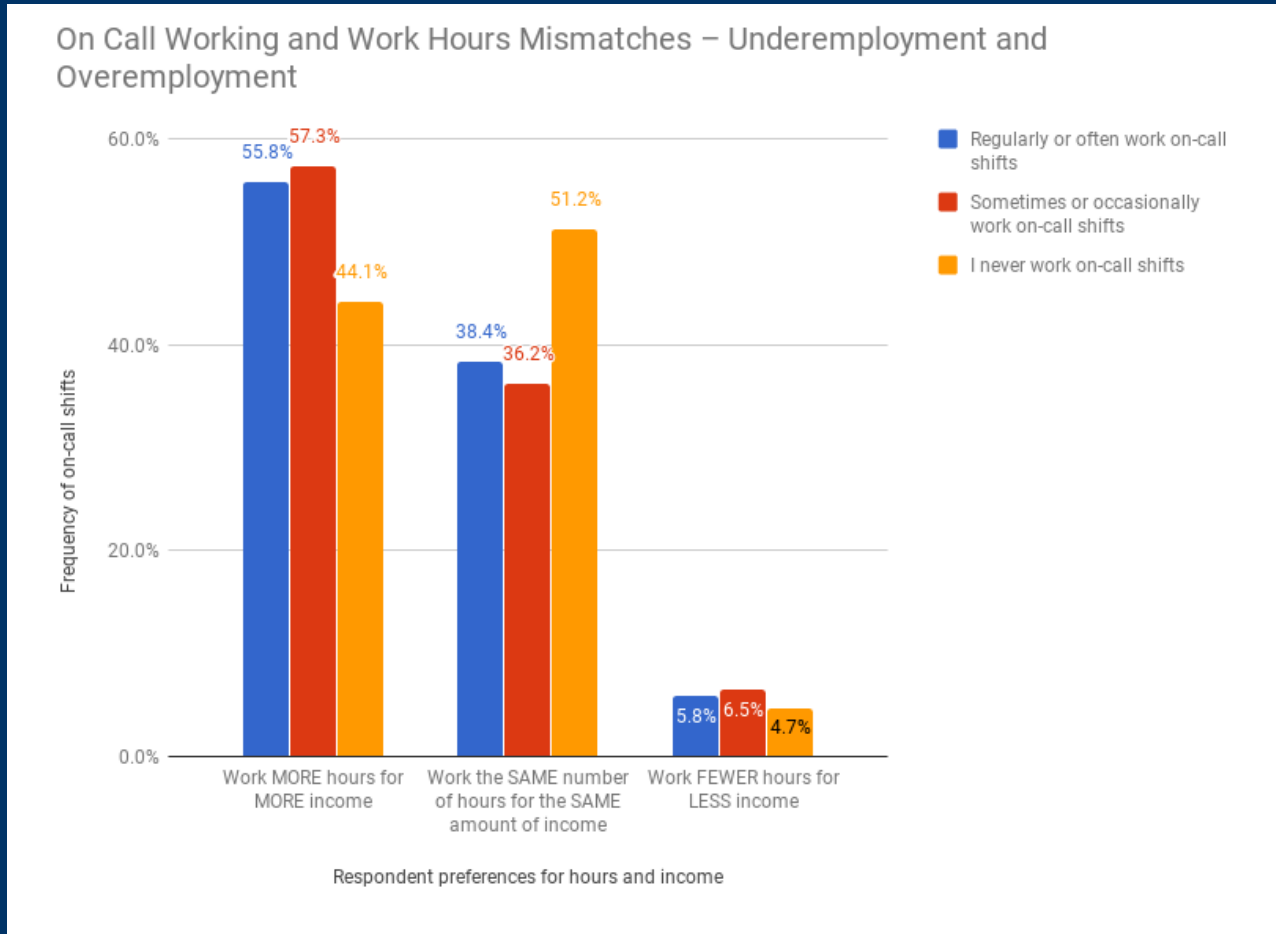
# ILLINOIS (PMCR, 2017) — ABOUT 45% OF PART TIME EMPLOYEES “REGULARLY/OFTEN” OR SOMETIMES/OCCASIONALLY WORK ON-CALL

On-call Frequency by Employment Type

n=1711



AMONG THOSE WHO WORK ON-CALL SHIFTS “REGULARLY OR SOMETIMES,” THE UNDEREMPLOYMENT RATE IS 56 PERCENT, VERSUS 44 PERCENT AMONG THOSE WHO *NEVER* WORK ON CALL.



**Transition to Policy Formulation**—facilitating upward hours adjustments, and preventing unwelcome downward adjustments, for employees:

**1) ACCESS to HOURS** – first San Jose, NYC, OR...proposed in Chicago, Philadelphia...NJ

**2) Right to Request a Flexible Working Arrangement, a modified Work Schedule, including ...additional shifts or hours;** changes in days of work or shift start and/or end times; permission to **exchange shifts** with other Employees; **limitations on availability;** part-time employment

**3) Establishing “minimum hours” requirements, Washington, D.C., first “guaranteed minimum hours” law** establishing a **30-hour minimum** workweek for janitors in large commercial buildings; Proposed in Jersey City, NJ.

Abroad:

UK, IRELAND: Banning Zero-Hours contracts;

France provides a minimum target of 24 hours per week for part-time workers.

Denmark, collective agreements prescribe a minimum of 15 hours per week for part-time work.

Algeria, part-timers must receive not less than half of the statutory working time.

**ILO Standard: Prorating Benefits for PT and Pay Parity for PT** -- given the substantial Part-Time Penalty (EPI, 2018, forthcoming...)