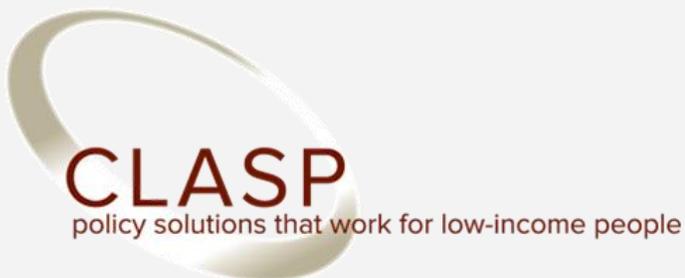




On the Clock in California

Volatile Schedules in California Retail Jobs



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Introduction

The California legislature’s groundbreaking passage of a law establishing a pathway to a \$15 minimum wage is great news for low-wage workers in the state.¹ But as their wages rise, workers in California’s low-wage industries and occupations—particularly those in retail—face other challenges that require policymakers’ attention. Volatile schedules can leave even those earning an increased minimum wage struggling to get by.

The upbeat greetings Californians receive from workers at their favorite shops and restaurants may mask the grim realities of today’s retail work environment.² For too many retail workers, a day’s work involves scrambling to find child care after being called in at the last minute or having their schedules changed without notice; desperately trying to budget for rent and groceries without knowing how many hours they will work from one week to the next; or bearing the high cost of gas or public transportation after commuting to work only to be sent home shortly after arriving because business is slow.

These struggles are a daily reality for millions of workers around the country, particularly in retail. A national study of early career workers found that nearly 90 percent of retail workers experienced schedules that fluctuated from one week to the next.³ In the same study, half of retail workers reported receiving one week or less notice of their schedules.⁴ And in a recent national poll, 19 percent of workers surveyed (from multiple industries) said they learned when they would be working just one day or less in advance.⁵ Another national study found that irregular schedules exist at rates above the national average in “sales and related occupations,” and in the retail industry.⁶

The retail industry plays a major role in California’s economy; sales exceed \$571 billion annually, and the industry employs nearly one-fifth of California workers.⁷ But too many of these jobs offer low wages, volatile schedules, and inadequate hours. The need to address these issues is pressing: occupations such as retail salesperson and cashier are among those growing fastest in the state’s economy. More and more Californians may soon face what are often insurmountable obstacles to making ends meet while working in retail – even with a minimum wage that is set to increase in the coming years. This brief explores these obstacles, providing a snapshot of available data on the prevalence of volatile scheduling in retail and other industries, both in California and nationally, and offering background on the effects of these practices on workers’ lives.

Volatile Scheduling Practices Leave Workers' Lives and Finances in Disarray

In California and around the country, as workers demand access to fair schedules, a host of troubling employer practices have begun to emerge in the public eye. These include providing workers with little advanced notice of work schedules; offering highly variable hours and shifts; sending employees home from work early; calling workers in at the last moment; the use of “on call” and split shifts (nonconsecutive hours); scheduling employees for late night closing shifts followed by early morning opening shifts (“clopening”); and giving workers too few hours to earn enough to meet their basic needs.

These damaging practices cause workers who are already struggling with low wages to live in a constant state of insecurity about when they will work or how much they will be paid in any given week. Budgeting becomes nearly impossible. Moreover, the instability of day-by-day scheduling makes it difficult for working parents to secure and maintain child care⁸ and contributes to parental stress and family instability, sometimes resulting in poor school performance among these workers' children.⁹ Workers struggle to plan transportation, and those seeking to advance in the workforce by attending school or employment-training programs find it nearly impossible to consistently attend classes when they have erratic schedules. Although their volatile schedules may leave workers and their families in need of income supports, they may face obstacles when applying for and receiving public benefits (such as child care assistance, the Supplemental Nutrition Assistance Program, etc.) because of the disconnect between their erratic schedules and program requirements.¹⁰

Volatile Scheduling Practices are Widespread, Particularly in Retail

National Retail Scheduling Data

Until recently, there has been limited data available on job scheduling practices. However, leading researchers in the field have made major strides, ensuring that questions about scheduling are increasingly included in national surveys and several national polls have been fielded. Although more research is needed, these recently released data demonstrate the magnitude of the unfair scheduling problem, particularly within retail, nationwide.

Lack of advanced notice

- In a national survey of hourly workers age 26 to 32 years (“early-career workers”), 50 percent of **retail workers** (compared to 40 percent of all early-career hourly workers) received one week or less advanced notice of their job schedules for the upcoming week.¹¹

No input into schedules

- A significant percentage (44 percent) of early-career hourly **retail workers** said they had no input into their schedules.¹²

Fluctuating hours

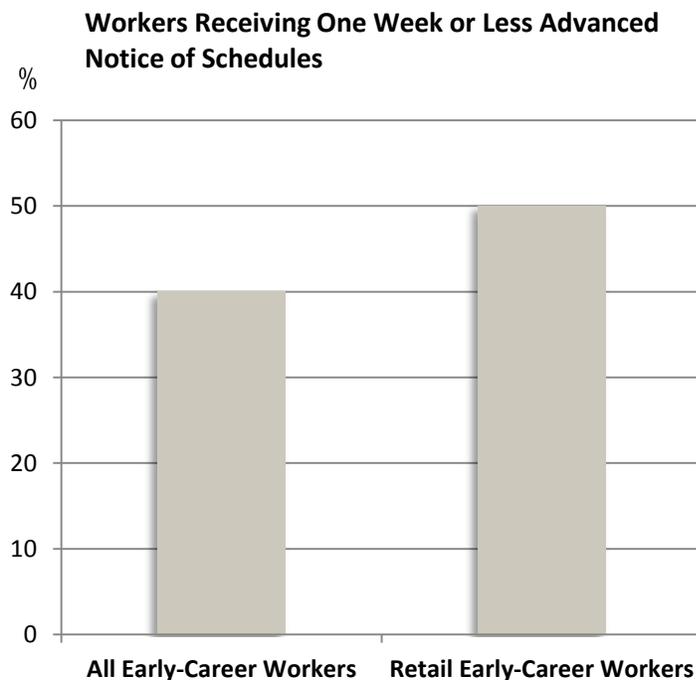
- Among early-career **retail workers**, 87 percent experience fluctuations in their hours. On average, those who experience fluctuating hours report their hours varied by 50 percent of their usual hours in the past month.¹³
- A poll of adult workers found that nearly 3 in 10 **retail or wholesale trade workers** had “irregular” schedules – more than workers in almost all other industries.¹⁴

On-call work

- Among workers in **sales and related occupations**, 15 percent have irregular or on-call schedules.¹⁵

Additional volatile scheduling data (across industries)

- A national poll found that 19 percent of workers received *one day or less* notice of their schedules.¹⁶
- Black and Latino early-career workers were more likely to receive one week or less notice of schedules than white workers.¹⁷
- Part-time early-career workers in low-wage jobs across industries and occupations are at a high risk of fluctuating work hours; 85 percent experience fluctuations, with hours varying by an average of 78 percent of their usual hours in the past month.¹⁸



Source: Lambert, Fugiel, and Henly, Precarious Work Schedules among Early Career Employees in the US: 2014.

New Poll Reveals Significant Scheduling Challenges for California Workers¹⁹

A newly released poll from the Employment Instability, Family Well-being, and Social Policy Network (*EINet*), conducted by Public Policy Polling, asked 473 California workers (across industries) about their employment experiences. The findings demonstrate that many workers in the state struggle with variable and insufficient hours, inadequate advanced notice of work schedules, and on-call shifts.

Many California workers, particularly those working part-time and on-call, receive fewer hours than they prefer.

- Nearly 30 percent of all workers and 43 percent of part-time workers said they worked fewer hours per week than preferred during at least one of the past four weeks. Among part-timers, 17 percent received too few hours during each week in the past four weeks.
- For frequent on-call workers, 68 percent would have preferred more hours per week at some point in the past month.

California workers often can't count on a set number of hours per week.

- More than half of all workers said their hours per week vary. Among part-time workers, 63 percent experienced variable hours per week.
- Virtually all (95 percent) of those who work on-call shifts during most weeks experience variable hours.

California workers often receive very little notice of their schedules.

- One quarter of workers received three days or less notice of their schedules, while nearly one third received seven days or less notice.
- Among those working less than 10 hours a week, 46 percent received 3 days' or less notice of their schedules. For those working 10-19 hours per week, more than half receive 7 days' or less notice.

On-call work is common among California workers.

- Nearly one in five respondents worked on-call shifts either sometimes or most weeks.
- The majority of those who worked less than 10 hours per week work on-call shifts most weeks. Nearly one-third of those who worked 10-19 hours per week worked on-call shifts sometimes or most weeks.
- Among those who worked on-call shifts most weeks, 53 percent were primary caregivers for children or family members.

California Retail Scheduling Data

Although no comprehensive, statewide survey data examining California workers' scheduling experiences has been published, recent surveys of workers in particular regions, belonging to certain demographics, or employed in specific sectors shed light on the experience of workers in the state. In many cases, the data from these surveys show similarities to the national data highlighted above.

Emeryville

The Center for Popular Democracy and the East Bay Alliance for a Sustainable Economy conducted a survey of 100 retail and food service frontline workers in Emeryville, California. The survey found²⁰

- **Lack of advanced notice:** 65 percent received their schedules one week or less in advance.
- **Fluctuating hours:** 80 percent had hours that fluctuated from week to week.
- **Insufficient access to hours:** 67 percent wanted to work more hours than they were receiving.
- **“Clopensing”:** 53 percent worked “clopensing” shifts (back-to-back closing and opening shifts with fewer than 11 hours between for rest and commuting).

Los Angeles County (Young Workers)

The UCLA Labor Center surveyed 559 young workers, between the ages of 18-29, in the retail and food service industries of Los Angeles County. Nearly half of the workers in the sample were employed in retail. The survey found²¹

- **Lack of advanced notice:** 43 percent received less than one week notice of their schedule, while 45 percent received one to two weeks of notice. Only 12 percent received two weeks or more notice.
- **Fluctuating schedules:** 82 percent had schedules that fluctuated from week to week; 90 percent of young workers did not have a set schedule.
- **Insufficient access to hours:** 72 percent wanted more hours than they received so they could earn more money.
- **Lack of schedule control:** 25 percent were never able to give input into their schedules; 39 percent had their hours reduced or changed without input; 21 percent had shifts canceled the same day they were scheduled to work.
- **“On call” work:** 51 percent had performed on-call work in the past year.

California (Food Retail Workers)

The Food Labor Research Center conducted a survey of 925 food retail workers in four regions of California (Southern California outside of the Los Angeles area, Central/San Joaquin Valley, San Francisco Bay area, and the Los Angeles area). The survey report states, “the sample was stratified to ensure that the workers surveyed were as representative as possible.” The survey found²²

- **Lack of advanced notice:** 50 percent received their schedules less than one week in advance, while 31 percent received their schedules less than four days in advance.
- **Fluctuating schedules:** 47 percent had schedules that fluctuated from week to week.
- **Insufficient access to hours:** 34 percent were scheduled for fewer hours than they wanted; 33 percent were not guaranteed a set of minimum hours.

- **Lack of schedule control:** 27 percent had no input into their schedules.
- **“On call” work:** 25 percent were required to be available for “on call” shifts.

California Retail Workers Earn Low Wages

The challenges of volatile scheduling in the retail industry are part and parcel of a broader environment of economic insecurity among retail workers. Two-thirds of California’s retail sales workers earn low wages, defined as wages that are less than two-thirds the median hourly wage for workers (amounting to \$13.63 per hour in 2014).²³ Though their wages will rise over the coming years given the state’s progress on minimum wage, many will still face economic challenges. The volatile scheduling practices described above are exacerbated by—and exacerbate—the low wages plaguing many workers in the industry.

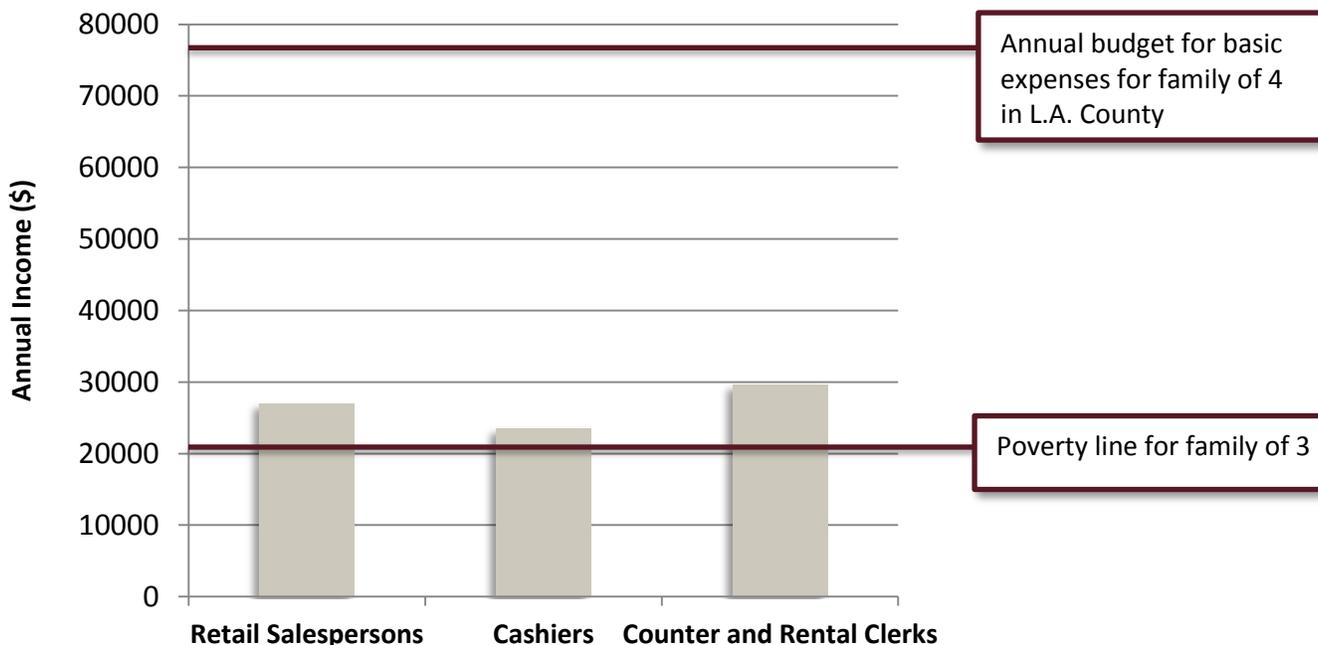
The retail industry encompasses numerous subsectors and occupations. Two of the top ten California occupations with the largest projected employment growth between 2012 and 2022 are retail salespersons and cashiers.²⁴ Average annual earnings for workers in these occupations place them just slightly above the federal poverty line for a family of three (\$20,160).²⁵ However, salespersons and cashiers are still earning far less than a family needs to get by in most parts of California, which has a cost of living exceeding the national average. For example, in L.A. County, the metropolitan area with the third highest number of retail salespeople in the United States, the annual mean wage of \$27,010 is only slightly more than one-third of the annual earnings the California Budget Center estimates a single parent with two children would need to cover basic expenses (\$77,546).²⁶ This figure includes, among other things, monthly expenses for housing and utilities (\$1421), child care (\$1145), health care (\$1371), and food (\$627).

WAGES IN MAJOR CALIFORNIA RETAIL OCCUPATIONS

Occupation	Number of CA employees	Mean hourly wage	Median hourly wage	Annual mean wage
Retail Salespersons	460,360	\$12.98	\$10.80	\$27,010
Cashiers	372,730	\$11.28	\$9.80	\$23,470
First-Line Supervisors of Retail Sales Workers	120,360	\$21.16	\$18.82	\$44,000
Counter and Rental Clerks	81,520	\$14.26	\$12.10	\$29,660

Source: Bureau of Labor Statistics. “Occupational Employment Statistics - May 2015 State Occupational Employment and Wage Estimates California.”

Getting By On Retail Wages in California

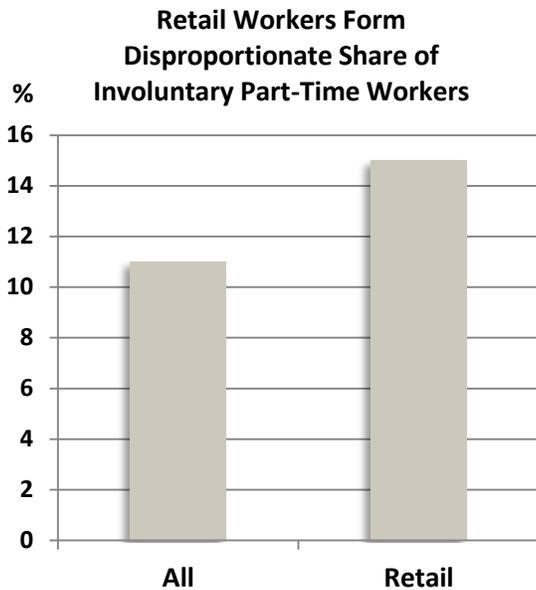


Source: Bureau of Labor Statistics; California Budget and Policy Center; and U.S. Federal Register.

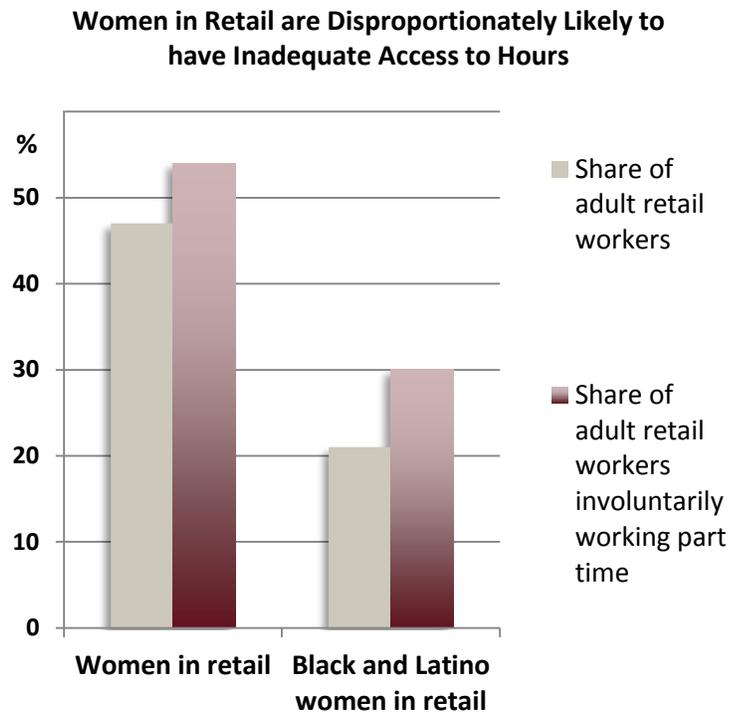
California's Retail Workers Don't Have Access to Sufficient Hours

In addition to low wages, many retail workers in California are assigned too few hours at work, leaving them struggling to make ends meet.²⁷

- **Involuntary part-time work rates are higher among California retail workers than they are among all workers.** Among workers employed in retail, 10 percent are employed part-time involuntarily—meaning that they would prefer, but cannot find, full-time employment, compared to 7 percent of California workers overall.
- **Retail workers form a disproportionate share of involuntary part-time workers in California.** While retail workers comprise 11 percent of all workers, they comprise 15 percent of involuntarily part-time workers.
- **Women in retail in California are especially likely to lack access to hours.** While women comprise 47 percent of people working in retail, they are 54 percent of those working part-time involuntarily in retail. This gender disparity is greater within retail than it is among workers in all sectors.²⁸
- **Black and Latino women working in retail in California make up a disproportionate share of involuntary part-time retail workers.** While Black and Latino women make up 21 percent of retail workers, they comprise 30 percent of people working involuntarily in the retail sector.



Source (above and right): NELP analysis of Current Population Survey Outgoing Rotation Group Uniform Extracts from the Center for Economic and Policy Research.



Policies to Address Volatile Scheduling Practices

A growing movement of workers and advocates nationwide is mobilizing to pass public policies that guarantee workers more stability, predictability, and control over their schedules. Federal, state, and municipal legislators are considering policy solutions that require some or all of the following:

- **Advanced notification of schedules.** Requires between two and three weeks of notice typically.
- **Reporting time pay.** Requires minimum pay for reporting to work—a guarantee of a minimum amount of pay, even if workers are sent home early from work. California has a reporting time pay requirement, but the extent to which workers are aware of it and the rule is enforced is unknown.²⁹
- **On-call pay.** Requires employers to provide some compensation for workers who are placed “on call” for work, which prevents them from undertaking other activities such as school or another job, but then are not called in for a shift.
- **Predictability pay.** Requires employers to compensate workers when their schedules are changed within a specified time frame.
- **Split-shift pay.** Provides compensation for working nonconsecutive hours as a part of one shift. In California, workers earning the minimum wage receive an additional one hour of pay when required to work a split shift.³⁰
- **Right to refuse hours.** Gives employees the right to turn down shifts or hours added with little notice and/or after the schedule has been posted, without fear of retaliation.

- **Right to request.** Enables employees to request scheduling accommodations or changes to schedules without fear of retaliation.
- **Access to hours.** Requires employers to offer additional hours to existing qualified part-time employees prior to hiring additional staff.
- **Right to rest.** Requires minimum hours of rest between shifts, including limitations on “clopenings.”

Fair Scheduling Policies Make Sense for Employers

Policies like those proposed above would help workers to have increased stability at work, home, and beyond. But these policies don’t just benefit workers – employers can also come out ahead when they provide fair schedules. Research suggests that fair scheduling policies can reduce turnover, increase retention, and improve workers’ morale.³¹

Scheduling software is sometimes blamed for retail workers’ erratic schedules; however, this software can also make implementing fair scheduling policies both feasible and profitable. David Farquhar, CEO of Workplace Systems, a company that produces scheduling software used by major retailers, recently submitted testimony in support of proposed fair scheduling legislation in the District of Columbia. Reflecting on the D.C. bill requirements, which include 21 days advanced notice, access to hours provisions, and predictability pay, among other provisions, Farquhar noted that early results of a study the company is working on suggest, “There is compelling and empirical evidence that implementing these scheduling practices increases employee engagement, which results in significant commercial benefit to the employer in almost every case.”³² Further, Harvard Business Professor Ethan Bernstein recently argued in an op-ed supporting the federal Schedules that Work Act (which requires two weeks advanced notice), “All of the bill’s requirements are more practical (not less) because of the technology we have available– and they can make sense for employers and employees alike.”³³

California Retail Workers Need Fair Scheduling Solutions

Workers in California’s rapidly growing retail industry face a number of obstacles to earning a living wage that would enable them to support their families and contribute to their local economies. National and state-level data presented in this report suggest that lack of advanced notice, fluctuating schedules, lack of input into schedules, on-call work, inadequate hours, and other scheduling challenges are serious problems for retail workers.

Just as California has led the way on other important job quality policies, including paid family leave, paid sick days, and now a \$15 minimum wage, so too should the state lead the nation by establishing labor standards that guarantee workers access to fair schedules. Already, San Francisco has passed a “Retail Workers Bill of Rights,” which is helping to improve scheduling practices for workers employed by large retailers in the city.³⁴ Other cities in California are also considering taking action on scheduling, either legislatively or at the ballot box.³⁵ Finally, California’s attorney general has initiated an inquiry into some retailers’ use of on-call shifts.³⁶ Compelling evidence suggests that further action on fair scheduling policies is urgently needed in California. Further, employers are likely to find such policies feasible to implement and beneficial to their businesses.

Endnotes

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²⁸ Note that women make up 45 percent of employed workers overall, but 50 percent of workers employed part-time involuntarily. Ibid.

²⁹ Cal. Code Regs. Tit. 8, § 11010(5) – 11150(5) (2013) establishes such requirements: "Reporting Time Pay," State of California Department of Industrial Regulations, http://www.dir.ca.gov/dlse/faq_reportingtimepay.htm.

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