

Study finds few hourly workers compensated for shift cuts as required by law

February 2 2022, by Karen Michele Nikos-Rose



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In California and seven other states, and Washington, D.C., some hourly workers, by law, have to be compensated if they report to work only to have their shift cut short. But some hourly workers may not be receiving



this pay, and if they are not, it's often on the employees to call attention to the law, according to a University of California, Davis, study.

"Shift cuts undermine the well-being of workers and their families," said Savannah Hunter, doctoral student in sociology and co-author of a new article published in the journal *Social Forces*. "The law may not be enforced consistently. We really need better support of labor in this country, generally."

Ryan Finnigan, associate professor of sociology, and the lead author, said, "Places like San Francisco, Chicago, Philadelphia and Oregon recently implemented similar policies to improve the predictability and regularity of workers' schedules. But we found that the enforcement process for these kinds of policies really needs to improve for them to be effective." Finnigan is also a faculty affiliate with the UC Davis Center for Poverty and Inequality Research.

In a nationwide survey of over 1,000 hourly workers, only 4% knew they were covered by such a law, and only 17% of supervisors responding said they were aware of laws in their jurisdictions, Hunter said. In an informational session in California that Finnigan attended, he found that there was minimal information on the state's reporting pay policy. The six-hour session, which is voluntary for employers, focused heavily on rest and meal breaks, and payment following employee terminations, researchers said.

The survey researchers used, distributed in all 50 states and Washington, D.C., asked questions about job characteristics, work schedules, experiences with cut shifts and wage theft, and awareness of local pay and minimum wage policies.

The survey was conducted in 2019.



Reporting pay policies

"Reporting pay" policies require employers to pay workers for some portion, or even all, of their shift if they report to work but the employer ends their shift much earlier than scheduled. Besides California, other states that have the laws are Connecticut, Massachusetts, New Hampshire, New Jersey, New York, Oregon and Rhode Island. Laws vary among jurisdictions, but most policies require that the employee be paid their normal wage or minimum wage for some or all of the shifts cut short by employers, said Hunter.

The survey showed that 37% of employees had experienced shift cuts in recent months, and that only a quarter of them reported usually or always receiving compensation for a cut shift.

Few people are aware of the law, researchers found, even though they are generally aware of minimum wage and other labor regulations. Hunter said that in California, for example, the <u>policy</u> may be mentioned in a posted document in a break room, but it's in small print and several pages in.

Cut shifts can substantially reduce hourly workers' total earnings and increase earnings instability. For example, retail workers experiencing one six-hour shift cut relative to their average 30-hour work week lose 20% of their weekly earnings, the article states. Last-minute shift changes are most common among retail and food service workers.

Given that reporting-pay-covered workers are disproportionately workers of color, immigrants, and in service occupations, more effective reporting pay policies could partly address related economic disparities associated with lack of compliance, the article concluded.

More information: Ryan Finnigan et al, Policy Regulation of



Precarious Work Schedules and Bottom-Up Enforcement: An Evaluation of State Reporting Pay Policies, *Social Forces* (2021). <u>DOI:</u> 10.1093/sf/soab164

Provided by UC Davis

Citation: Study finds few hourly workers compensated for shift cuts as required by law (2022, February 2) retrieved 8 May 2024 from https://phys.org/news/2022-02-hourly-workers-compensated-shift-required.html

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