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Study finds that laws regulating flexibility in scheduling promote part-time work, not full-time work

- **Since 2015, several large jurisdictions have implemented laws aimed at reducing unstable or erratic scheduling practices at large firms, largely in the retail and food service industries**
- **These laws are aimed at helping workers to plan for personal obligations such as those towards childcare and family around a work schedule set a week or more in advance**
- **Instead of promoting full-time work, study finds that these laws increase part-time work by roughly 9 percentage points, largely due to economic reasons and not due to non-economic reasons, contrary to the laws' intentions**

A recent development in labor regulation has been the creation of predictive scheduling laws. These laws require large employers to create schedules a week or more in advance for workers in certain industries such as retail and food service, with penalties paid by the employer for later modifications or additional unplanned hours worked that could include paying up to 50% higher wages. ISFE Affiliate Aaron Yelowitz, who is Professor of Economics at the University of Kentucky, Senior Fellow at the Cato Institute, as well as Research Fellow at the Institute for Labor Research (IZA) has recently released a working paper that analyzes the effects of the implementation of these laws. He finds that they have largely failed to provide the benefits intended and have instead limited opportunities for at least some subset of workers.

Since 2015, five jurisdictions (San Francisco, CA, New York, NY, Oregon, Seattle, WA, and Emeryville, CA) have implemented predictive scheduling laws. Using a difference-in-

differences framework and data from the 2014-2020 March Current Population Survey, Yelowitz finds that part-time work in these areas increased by approximately 9.2 percentage points among affected workers. He further finds that roughly two-thirds of this increase is due to involuntary part-time work derived from workers' personal economic situations and not due to the non-economic reasons such as childcare, family obligations, or workforce training that the laws were designed to target. Moreover, it appears that at least some of these workers are now working part-time due to a decrease in demand for full-time work, a possible unintended consequence of the predictive scheduling laws.

In the paper, Yelowitz notes, "Predictive scheduling laws operate differently from other compensation mandates like minimum wage laws, paid sick leave mandates, and health insurance mandates. They penalize flexibility, which matters when demand may be unpredictable. Although there are many possible behavioral responses, a likely one is a reluctance by employers to schedule and commit workers to shifts where demand may be low. Put differently, firms may "play it safe", and if demand is actually high, simply provide lower quality service or have the workers on shift exert more effort. One way this may show up is less full-time work, more part-time work, and greater latent desire on the part of workers to work more hours. Such responses are consistent with the CPS analysis in this study."