CT law could leave more workers with fewer hours

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Politicians are full of well-intentioned policies that blow up in the face of workers. Connecticut's new "fair work week" scheduling proposal is the latest example.

The state Senate recently passed Senate Bill 668, a bill which would penalize employers for making schedule changes for hourly-paid employees. The law primarily targets industries with unpredictable demand, such as restaurants and retail shops that often experience rushes at peak hours along with some down time. If passed by the House, evidence shows it could have detrimental effects for Connecticut's hourly workers.

Dubbed the "fair work week" bill by its sponsors, it requires employers to post a weekly schedule no less than 14 days in advance of the first day of the scheduled week. If any changes are made to the schedule, employers are on the hook for half the hourly pay rate for any canceled or reduced hours. If hours are not cut but the shift begins at a different time than scheduled, workers are owed an hour of additional pay for the inconvenience.

Advocates say this empowers hourly employees, but it could actually lead to fewer hours and earnings for many workers. While theoretically the bill would compensate workers for unanticipated schedule changes, they won't get paid at all if businesses decide they can't risk predicting demand and instead reduce hours — and ultimately jobs — across the board.

The bill's sponsors also say the law only targets large employers. That's a misnomer, too. Any franchisee of a company with 500 or more employees across their "global network" is also bound by this law. Many independently owned chain restaurants — where single-location franchisees are responsible for their own margins — will be held to the standards of the larger corporation.

New evidence suggests these policies actually harm the workers they are intended to help.

Through forthcoming research at the University of Kentucky, I find similar predictive scheduling laws in San Francisco, Seattle, New York City and Oregon drove the share of workers that are considered part-time higher by 8.3 percentage points. Nearly half of this shift came from an involuntary move to part-time work, meaning that workers who wanted more hours had the rug ripped out from under them. The study suggests that with uncertain demand, employees were given fewer hours overall to avoid penalties.

Affected employees don't want their flexible schedules fixed, either. One Seattle-based server ripped a similar proposal in the Seattle Times, writing, "The hospitality industry doesn't need to be saved from 'bad scheduling practices.' If anything, it needs to be saved from politicians who want to make it harder for employees to go to work and live their lives."

The alleged benefits of this law won't materialize if employers are forced to cut hours, reduce employment or close up shop due to the new costs. In an interview with the Hartford Courant, Scott Dolch, executive director of the Connecticut Restaurant Association, projected that the bill may push businesses to jump to neighboring states where there are no such restrictions: "I already have franchisees say to me, 'We're going to question whether we keep our franchises in Connecticut because of this bill.'"

Connecticut's businesses already deal with enough damaging policies. According to a survey of impacted businesses, the state's 2012 paid sick leave mandate caused 47 percent of contacted employers to shrink employee benefits, reduce hours or wages, or lay off employees in anticipation of its effects. My own published work shows modest but negative effects on the labor market from the 2012 law. Connecticut business owners also have to plan for annual minimum wage increases.

This bill is a perfect example of how politicians who are eager to help can actually end up creating more of a mess. The government gets a lot of things wrong. The last thing the state should be doing is micromanaging the schedules of workers who want flexibility, in an industry that requires flexibility.

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