

## Unstable Work Schedules and Earnings Volatility

By Savannah Hunter, UC Davis

Unstable work schedules include work hours that are **variable**, meaning the number of hours worked week to week fluctuates, and **unpredictable**, meaning workers receive little notice of when they will work. Such schedules are common in the United States and lead to earnings volatility, unpredictable incomes, and challenges in work-family management. For low-income workers, these problems may be magnified as almost 43 percent of workers making under \$15,000 experience high work-hour instability and 57 percent report high schedule unpredictability.

### **While measures differ, many workers in the U.S. face variable work hours.**

When asked to provide their usual hours worked per week, around 7 percent of working adults say their work hours vary. However, when explicitly asked if hours vary, 55 percent of workers say yes.<sup>1</sup> When asked to report their most and least hours worked in a month, 81 percent of workers (in 2016) reported work-hour fluctuations, with typical variations of about 15 hours per week.<sup>2</sup> Among hourly workers aged 26 to 32, 74 percent report work-hour fluctuations.<sup>3</sup>

### **Work-hour variability differs over time and by industry, sector, employment status, and education.**

The probability of reporting work-hour variability from 2004 to 2007 was 36 percent. During and after the Great Recession (2008-2012), the probability of reporting work-hour variability was 46 percent.<sup>4</sup> In 2014, the majority of workers in agriculture, food service, retail, and construction reported hours that varied across weeks.<sup>1</sup> Part-time workers report their work hours vary at a rate 2.5 times higher than that reported by full-time workers.<sup>1</sup> Varying hours are more common for workers in the private sector, workers with short job tenure, and workers without a high school degree.<sup>4</sup>

### **Unpredictable work schedules are also common, especially for hourly workers, part-time workers, and workers in the retail and service sectors.**

In 2016, 37 percent of U.S. workers reported receiving one week or less notice of their work schedule, with higher rates among part-time and hourly workers.<sup>2</sup> Such unpredictable work schedules are especially common in the retail and service industries, with 48 percent of service workers receiving one week or less notice of their schedules.<sup>3</sup> Indeed, among workers at the 15 largest retailers in the U.S., 19 percent receive less than one week's notice, while 42 percent receive between one and two weeks' notice.<sup>5</sup>

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**Both variable and unpredictable work schedules lead to earnings volatility and unpredictability in take-home pay.<sup>4,6</sup>**

In 2013, 31 percent of American workers experienced income irregularity, with 42 percent of them attributing the irregularity to unstable work schedules.<sup>7</sup> Relatedly, high earnings volatility is more prevalent among those who commonly experience varying work hours.<sup>4</sup> Earnings in the service sector are especially volatile due to high prevalence of unstable work schedules. For example, a typical service worker at one of the largest retail and fast-food companies in 2016 had average weekly earnings fluctuations of \$137, or close to 50 percent of their weekly earnings.<sup>6</sup>

**Workers on the edge of poverty are often subject to variable and unpredictable work hours and are the least equipped to absorb the financial impact of irregular earnings.<sup>8</sup>**

Workers with varying hours earn less than those with stable schedules and have higher rates of poverty.<sup>9</sup> Almost 43 percent of workers who make under \$15,000 per year experience high work-hour instability (see Figure 1).<sup>2</sup> Meanwhile, workers making under \$15,000 also experience more schedule unpredictability than workers in higher income brackets, with 57 percent receiving one week or less of schedule notice.<sup>2</sup> Such variable hours increase the difficulty of paying bills<sup>5</sup>, budgeting, saving, and supplementing income by working a second job, further trapping low-wage workers in a cycle of poverty.<sup>8</sup>



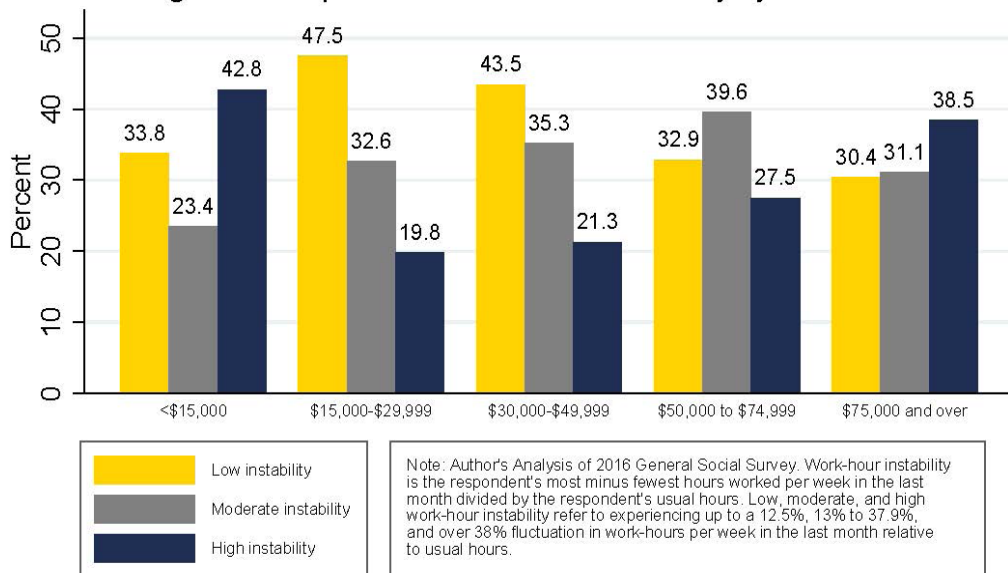
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- Children and the Intergenerational Transmission of Poverty
- The Non-traditional Safety Net, focusing on health and education
- The Relationship Between Poverty and Immigration

**Figure 1. Respondent's Work-Hour Instability by Income Level**



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