

Committee on Labor and Pensions

Informational Testimony for SB 416 – Public Testimony

Derek Thomas, Senior Policy Analyst

Good morning Chairman Boots, members of the committee: thank you for providing me with the opportunity to testify at today's hearing. My name is Derek Thomas. I am a senior policy analyst for the Indiana Institute for Working Families. We are a program of the Indiana Community Action Association, and combine research and analysis of federal and state legislation, public policies, and programs to help low-income Hoosier families achieve and maintain economic self-sufficiency.

To inform this goal, our biennial [Status of Working Families Report](#) examines data on poverty, the labor market, wages and taxes. In the report, we find that from the time the recession started, the rate of child poverty, all poverty and those on the cusp of poverty – the latter two together representing a full third of Hoosiers – have all increased at rates greater than all neighbor states and the U.S. There are, of course, several factors contributing to this, but the loss of jobs in mid- to high-wage industries played a dominant role. The loss of these jobs also meant a loss in job flexibility.

We also found that:

- There are almost a 1/4-million total jobs in 'food services and drinking places', accounting for 25% of all jobs in low-wage industries, making it the largest industry in terms of employment. Its impressive growth, even during the recession, makes ensuring the quality of these jobs all the more important. This industry is strongly associated with part-time and volatile employment.
- In Indiana, part-time employment – as a percentage of the employed – has declined to prerecession levels, but the share of those that are working part-time involuntarily (individuals who were working part time because of slack work or business conditions, or because they were unable to find a full-time job) has increased 36 percent during that same time period – now at 27.9 percent.
- Of course, part-time work is often short-term with unpredictable schedules and scarce benefits. A growing concern among part-time work in the U.S. is the practice of "just-in-time scheduling" – employers giving little-to-no notice of work schedules, or adjusting to customer demand flows by changing employees' hours on the fly. These practices make it extremely difficult for workers to budget or plan, as their potential income have change dramatically from week to week.
- With inadequate hours and often-limited ability to budget or plan, it is perhaps not surprising that poverty rates are exceptionally high among part-time workers. Nationally, nearly 75% of children with at least one parent who works part-time are in poverty or are considered low-income.
- The proposed bill recognizes that advance notification of a schedule is vital; the University of Chicago found that 41 percent of early-career workers (26 to 32 years old) know their schedules no more than a week in advance--and that rate is even higher for minorities and working parents. Proposed federal legislation utilizes two weeks in order to improve this dismal statistic.
- Our recent initiative, the Indiana Asset and Opportunity Network, surveyed more than 150 case managers around the state, and 37.5% cited job or scheduling flexibility as an issue business practices that should be changed or expanded to help Hoosiers become financially stable.

ABOUT THE INDIANA INSTITUTE FOR WORKING FAMILIES

The Indiana Institute for Working Families – a program of the Indiana Community Action Association (INCAA) – conducts research and promotes public policies to help Hoosier families achieve and maintain economic self-sufficiency. The Institute is the only statewide program in Indiana that combines research and policy analysis on federal and state legislation, public policies, and programs impacting low-income working families. The Institute achieves its work through advocacy and education, and through national, statewide, and community partnerships. The Institute was founded in 2004. To learn more about the Institute, please visit: www.incap.org/iiwf.html

ABOUT THE INDIANA COMMUNITY ACTION ASSOCIATION (IN-CAA)

The Indiana Community Action Association, Inc. (IN-CAA) is a statewide not-for-profit membership corporation, incorporated in the State of Indiana in 1970. IN-CAA's members are comprised of Indiana's 23 Community Action Agencies (CAAs), which serve all of Indiana's 92 counties. IN-CAA envisions a state with limited or no poverty, where its residents have decent, safe, and sanitary living conditions, and where resources are available to help low-income individuals attain self-sufficiency. IN-CAA serves as an advocate and facilitator of policy, planning and programs to create solutions and share responsibility as leaders in the War Against Poverty. IN-CAA's mission is to help the state's CAAs address the conditions of poverty through: training and technical assistance; developing models for service delivery; and providing resources to help increase network capacity. For more information about IN-CAA, please visit: www.incap.org