The U.S. Department of Labor Research and Evaluation 2017-2019 Grant Program: A Summary of Grantee Research and Findings

SUMMARY

The U.S. Department of Labor (DOL) is committed to supporting research and evaluation studies on important and emerging issues critical to the protection of the American worker. To encourage and increase rigorous university-based research, DOL's Department of Labor Research and Evaluation (LRE) established a grant program for research that offers direct implications for the American labor force and related DOL programs and services. Nine grants totaling nearly $2 million in funding were awarded for research projects conducted between January 2017 and November 2019.

LABOR RESEARCH AND EVALUATION GRANTEES AND FINDINGS:

Initial Impact of Section 503 Rules: Understanding Good Employer Practices and the Trends in Disability Violations Among Federal Contractors
Researchers from Cornell University examined the impact on the hiring of people with disabilities by federal contractors and subcontractors of updated regulations effective in 2014 that were added to the Rehabilitation Act of 1973. Using Office of Federal Contract Compliance Programs (OFCCP) data, researchers examined 49,621 closed reviews of 42,904 contractors between 2004 and 2018. They also conducted a 2017 online survey of employers, which provided 235 responses.

> **Findings**: The March 2014 regulations have had an important impact, with many survey responders reporting they are measuring progress in recruitment, hiring, retention and advancement of people with disabilities and have initiated or expanded disability inclusive practices. There has been substantial decrease in the probability of a contractor review ending in a disability violation, with the risk of a violation having fallen nearly 21 percentage points. Regional variation persists with employers from the Southwest and Pacific at higher risk of disability violations.

Decisional Shortcuts and Selection Effects: An Empirical Study of Ten Years of U.S. District Courts' Employee Misclassification Decisions
Researchers from Georgia State University conducted an empirical study of summary judgment decisions by U.S. district courts between 2008 and 2017, where judges were asked to determine whether a worker was an employee or an independent contractor and therefore entitled to fewer benefits. Researchers used custom-built algorithms to extract key information from the opinion texts and built models to explore and predict outcomes.

> **Findings**: Of the 747 summary judgment decisions studied, judges ruled that the plaintiff was an independent contractor in 38 percent of the cases. The remaining 62 percent represented worker-friendly decisions, evenly divided between judges' affirmative findings that the plaintiff was an employee, and denials of

summary judgment due to unresolved issues. Cases filed under the Fair Labor Standards Act (FLSA) claiming unpaid minimum wages or overtime dominated the data set, representing over two-thirds of all cases, as did the legal test used in FLSA cases, known as the economic reality test.

Learning to Navigate a New Financial Technology: Evidence from Payroll Accounts

Harvard University researchers examined how inexperienced consumers learn to use a new financial technology. The field experiment introduced payroll accounts in a population of largely unbanked factory workers in Bangladesh. In the experiment, workers in a treatment group receive monthly wage payments into a bank or mobile money account while workers in a control group continue to receive wages in cash, with a subset also receiving an account without automatic wage payments.

> **Findings**: Researchers found exposure to payroll accounts led to increased account use and consumer learning. Those receiving accounts with automatic wage payments learn to use the account without assistance, begin to use a wider set of account features, and learn to avoid illicit fees, which are common in emerging markets for consumer finance. The treatments led to increased savings and improvements in the ability to cope with unanticipated economic shocks.

Evaluating the Impacts of the Seattle Secure Scheduling Ordinance

Grantees Daniel Schneider (Harvard University) and Kristen Harknett (University of California, San Francisco), together with Veronique Irwin (University of California, Berkeley), analyzed Seattle's Secure Scheduling Ordinance (SSO) which aims to increase worker schedule predictability by requiring two weeks of advance notice of changes, extra pay for schedule changes and closely spaced shifts, and the requirement that existing workers be offered more hours before new hires are made. Researchers compiled a list of employers covered by the SSO and then used Facebook and Instagram to deliver targeted advertisements inviting workers to respond to a survey, obtaining responses from 755 Seattle workers before the SSO took effect in 2017, and 624 workers after it was in place for a short period in 2018. The responses were compared to 5,402 workers in comparison cities in the baseline period and 7,328 workers in comparison cities in the follow-up period.

> **Findings**: The SSO significantly increased schedule predictability, with the share of workers receiving at least two weeks' advance notice increasing by 9.3 percentage points (a 20 percent increase compared with baseline). The SSO also increased predictability pay for schedule changes by about 7 percentage points (more than doubling the percentage of Seattle workers receiving pay for schedule changes compared with baseline). The study did not detect changes on other dimensions of work schedules and, although worker awareness of the SSO increased, many reported they were not aware of the Ordinance.

The Impact of Safe Patient Handling Legislation on Musculoskeletal Disorders among California Health Care Workers

Researchers from the University of California, San Francisco, School of Nursing assessed the impact of California's safe patient handling law and regulation and explored workers' perceptions regarding policy, programs, and practices. Researchers analyzed data from quantitative analysis of California's workers' compensation (WC) data from 2007 to 2016 and qualitative focus groups in 2017 consisting of 21 participants from 12 hospitals.

> **Findings**: There were reductions in patient-handling-injury claims among hospital workers after the passage of California's safe patient handling legislation. Due to the limitation of the descriptive observation study design, the positive changes may not be attributable to the law. Hospital workers perceived positive changes related to safe patient handling legislation but also noted challenges and barriers to improvement in their work environments.

Section 14(b) and the Protective Role of Unions

University of Michigan researchers analyzed the effects of right-to-work (RTW) law on labor unions with a focus on ten states in the Midwest and Appalachia. States can enact RTW laws that ban union security clauses from labor-management agreements. The study examined whether RTW law affected the frequency and type of National Labor Relations Board (NLRB) representation petitions filed and petition outcomes and examined union financial data to estimate the extent that RTW law caused a financial loss to unions and shifts in organization strategy.

> **Findings**: Overall, RTW law is not as damaging to collective action as unions anticipated and anti-union interest groups expected. The law will not end the union movement because forces stronger than rational individualism drive collective behavior by workers. The results suggest that RTW law imposes a disparate burden on larger, non-trade bargaining units and this may affect the character of the union movement, specifically when comparing the non-building and building trades. In general, the imposition of RTW law nudges the U.S. labor relations system away from an industrial union model, in favor of trade or occupation based units.

The Effect of Performance Pay on U.S. Worker's Physical and Emotional Health: Evidence and Implications for Gig Work

Tufts University researchers conducted the first longitudinal cross-sector analysis relating health outcomes to pay type in U.S. workers to investigate whether performance-based pay schemes in the "gig" economy may result in poor health outcomes. Researchers analyzed a subset of data from the Bureau of Labor Statistics' National Longitudinal Survey of Youth 1979, which followed approximately 10,000 U.S. workers from 1979 to 2014 and included self-reported health information. Researchers identified one of the pay-types as analogous to compensation in the gig economy.

Findings: Performance and piece-rate pay may increase the odds of health limitations compared to salaried work. The deleterious effects of incentive pay appear to disproportionately impact low-wage, female, and non-white workers. The negative health effects disappear for the alternative groups of higher wage, white, and male workers. The results suggest that performance-based pay may have important negative implications for worker health, especially for the most vulnerable members of the U.S. workforce.

The Impact of a Ban on Sexual Orientation and Gender Identity Discrimination on Federal Contractors

Researchers from the University of Massachusetts at Amherst conducted a quantitative study to examine the impact of President Obama's 2014 executive order forbidding federal contractors from discriminating on the basis of sexual orientation and gender identity (SOGI). Using data from the Equal Employment Opportunity Commission, which included data from states (plus the District of Columbia) regardless of state law, the researchers focused on 8,425 charges filed during the calendar years 2013-2016 to investigate whether charges changed or were deemed to have less merit after the order.

Findings: According to the data, the probability of a charge rose by a statistically significant increase of 0.4 percentage points for non-contractors and 0.6 percentage points for federal contractors after the executive order was signed in states with and without SOGI nondiscrimination laws. Overall, 18 percent of the charges filed after the executive order resulted in a merit outcome. Federal contractors in non-SOGI law states saw a statistically significant drop in the probability of a merit outcome after the order, which may have been due to a lower probability of discrimination rather than weaker charges.

Experiences with Sexual Orientation and Gender Identity Employment Discrimination: Analyzing EEOC Discrimination Charge Narratives

Researchers from the University of Massachusetts at Amherst completed the first qualitative analysis of charge data filed with the Equal Employment Opportunity Commission alleging employment discrimination based on sexual orientation and gender identity (SOGI) discrimination. Researchers analyzed 964 narratives included with charges of SOGI discrimination filed with the EEOC between 2012 and 2016. The researchers developed a qualitative codebook to develop a taxonomy of types of SOGI discrimination reported by workers. This study was part of a larger quantitative study entitled "The Impact of a Ban on Sexual Orientation and Gender Identity Discrimination on Federal Contractors."

Findings: For both contractors and non-contractors, approximately 84 percent of the charges related to sexual orientation and 20 percent to gender identity. The race and gender breakdown between charging parties for contractors and non-contractors were nearly identical. For both federal and non-contractors, the most common

industries with charges were the health care and social assistance sector and the most common issues alleged include discharge and harassment. For federal contractors, approximately 16 percent of charges resulted in a merit outcome, compared to 19 percent of charges against non-contractors.

Criminal Record Inaccuracies and the Impact of a Record Education Intervention on Employment-Related Outcomes
Researchers from Cornell University investigated the accuracy of criminal records and the impact of a record education intervention on job-seeking behaviors, employment opportunities, and economic outcomes for people with criminal records. The study focuses on a group of individuals who applied for a job with the 2010 Census but were denied employment because of a criminal background check. As part of the class action lawsuit settlement, members were offered the choice of one of two remedies: a criminal records intervention that educates them about their criminal record and their related employment rights, or early notice of hiring for the 2020 Census.

    Findings: More than a quarter of participants (28.0 percent) had at least one entry on their record that should not have appeared there because the charge was dropped, dismissed, or absorbed within a plea bargain on another charge. Using survey data, researchers found participation in the Cornell Project for Record Assistance (CPRA) training increased employment or promotion-seeking, for some participants.

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