

## TIME IS STILL MONEY

### Americans Prefer Overtime Pay to Comp Time

*by Edith Rasell*

With the passage of the Fair Labor Standards Act (FLSA) in 1938, American workers won the struggle for the 40-hour work week. The FLSA sought to guarantee an adequate standard of living for working Americans by establishing a minimum wage and requiring overtime pay. Under the Act, employers are required to pay nonsupervisory employees “time and a half” for hours worked in excess of 40 in a given week.

The FLSA has recently come under fire from employer organizations who charge that the Act is inflexible and prevents companies from implementing new forms of work organization. They have proposed a variety of changes. Key among them is a proposal to let employers, at their discretion, schedule workers for compensatory time off (i.e., fewer hours the following week) instead of overtime pay for working more than 40 hours in a week. For example, employers could schedule workers for 60 hours one week and 20 the next, or any other combination, without paying overtime provided the total number of hours is the same as if the employee worked two 40-hour weeks.

Easing the overtime pay requirement does not give employers a new freedom to vary workers’ schedules—they can do this under current law by paying overtime for the longer work week. But if the overtime pay requirement is relaxed, variability in scheduling is likely to become more common, and workers are likely to lose the extra income they now receive for overtime work.

Employers may support this change, but, according to a poll conducted by Lake Research,<sup>1</sup> the American public does not want to give up the 40-hour work week.

### **Two-thirds of American workers support overtime pay**

The public overwhelmingly opposes a policy that would allow employers, at their discretion, to schedule compensatory time off instead of overtime pay for those working more than 40 hours in a

week (See Table 1). Nearly two-thirds (64%) of respondents oppose the change (and more than half-54%-are strongly opposed). Among hourly workers, whose schedules are currently the least flexible and who would be most affected by the change, 70% are opposed, including 79% of male hourly workers and 60% of females. Among salaried workers, most of whom do not currently benefit from the overtime provisions of the FLSA, 61% are opposed. Employees with and without children are nearly equally opposed, while older employees are more likely to be opposed to the change than are younger workers.

## **Support for overtime pay is strong across the political spectrum**

Respondents of all political ideologies oppose the change in policy, with the strongest opposition coming from moderates (69%). More than 60% of those who call themselves very conservative, somewhat conservative, or somewhat liberal oppose substituting compensatory time off for overtime pay; opposition is weakest among those who call themselves very liberal (57%). About two-thirds of people who say they voted for Clinton or Perot in the 1994 election are opposed to the proposal, as are a large majority of Bush voters (59%).

## **Vast majority say additional hours would be a burden**

A change in policy that allows employers to substitute compensatory time off for overtime pay is likely to lead to more variable work schedules. The poll asked respondents if working an additional five to 25 hours per week with little or no notice would be a “burden.” The results are shown in Table 2. Among all workers, 75% said the additional hours would be a large burden or somewhat of a burden; the figure rose to 84% among employed women.

The additional hours could be particularly burdensome for families with children. Eighty-eight percent of employed women with children and 71% of men with children reported that the additional hours would be either a large burden or somewhat of a burden. Younger workers age 18-24 were the most likely to call the additional hours a burden (92%). Conservatives and liberals were fairly close in their responses: 73% and 77%, respectively, said such an arrangement would be a burden.

## **Workers say fewer hours next week is not adequate compensation for working overtime this week**

One of the proposals for altering the FLSA would allow employers to schedule employees for more than 40 hours in a week without paying them overtime as long as the workers were scheduled for fewer than 40 hours the following week. Fifty-eight percent of all workers and 62% of hourly workers oppose this proposal, regardless of whether they have children (see Table 3). Prime working-age respondents (age 25-44) are the most likely to call this a bad idea, although majorities in all age

groups oppose it. Opposition also cuts across political lines, with majorities of both conservatives and liberals opposing the idea.

## **Conclusion**

While workers may desire greater flexibility, they do not want to sacrifice overtime pay and established work schedules to obtain it. Opposition is extremely broad based: both men and women, with and without children, of all political viewpoints oppose a policy to replace overtime pay with compensatory time off.<sup>2</sup>

*June 1995*

---

## **ENDNOTES**

1. The poll of 1000 registered voters was commissioned by the Service Employees International Union and the International Ladies Garment Workers Union and was conducted March 25-27, 1995. The poll has a margin of error of 3%.
2. Responses to other questions included in the poll but not reported here were similar to those described in this study.

**TABLE I**

**QUESTION:** This policy would allow employers to give time off instead of overtime pay for those who work more than 40 hours a week. It would also change the 40-hour work week as the basis for overtime pay and adopt either a two-week, 80-hour schedule, or a four-week, 160-hour work schedule to give employers more flexibility in scheduling. (Employers could schedule you to work 60 hours one week and 20 hours the next, but you would not earn overtime pay.) Do you support or oppose this policy?

	Percent of Respondents Who*	
	Oppose	Support
All Respondents	64%	18%
Hourly Workers	70	15
Salaried Workers	61	25
Employed Males:	68	21
Hourly	79	12
Salaried	61	29
w/ Children	67	22
Employed Females:	60	20
Hourly	60	20
Salaried	61	20
w/ Children	61	20
Age:		
<b>18-24</b>	56	22
25-44	62	21
45-64	69	17
Political Ideology:		
Very Conservative	63	21
Somewhat Conservative	62	18
Moderate	69	16
Somewhat Liberal	65	15
Very Liberal	57	35
Presidential Vote in 1994:		
Clinton	67	15
Bush	59	23
Perot	66	18

\* Remaining respondents answered "unsure."

TABLE 2

QUESTION: How much of a burden would it be if your employer scheduled you to work from five to 25 extra hours more per week with little or no notice? Would that be a large burden, somewhat of a burden, a little burden, or not much of a burden at all?

	Percent of Respondents Who Would Find This Change*	
	A Large Burden or Somewhat of a Burden	A Little Burden or Not Much of a Burden
All Workers	75%	20%
Employed Women	84	<b>12</b>
w/ Children	88	9
Employed Men	68	26
w/ Children	<b>71</b>	26
Workers Age:		
<b>18-24</b>	92	8
25-44	79	<b>17</b>
45-64	70	25
Conservatives	73	<b>19</b>
Liberals	77	<b>16</b>

. Remaining respondents answered "unsure."

TABLE 3

QUESTION: Do you think it is a good idea or a bad idea for employers to have the ability to not pay overtime and instead schedule their workers for **fewer** hours the following week, or are you unsure?

	Percent of Respondents Who Think This Is a*	
	Bad Idea	Good Idea
All Workers	58%	18%
Hourly Workers	62	10
Salaried Workers	54	24
Employed Women	55	<b>15</b>
w/ Children	56	<b>12</b>
Employed Men	58	20
w/ Children	58	22
Age:		
<b>18-24</b>	54	9
25-44	63	12
45-64	56	19
Conservative	55	19
Liberal	60	11

\* Remaining respondents answered "unsure."