



Obama to Order Increased Overtime Pay for Loan Officers, Computer Technicians and Managers

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Millions of Americans stand to receive overtime pay as a result of President Barack Obama's new labor proposal that targets workers deemed "executive or professional" by their companies.

These employees would include loan officers, computer technicians and managers at fast food chains, among others, who currently aren't eligible for overtime compensation.

Obama intends to impose this change through new regulations adopted by the U.S. Department of Labor.

The White House decided to go this route after Republicans refused to support legislation raising the minimum wage, a major policy initiative intended to help many working-class Americans.

Administration officials argue the government needs to act to help workers whose wages have stagnated, while corporate profits have soared since the Great Recession.

Between 2009 and 2012, the top 1% of earners in the U.S. experienced a 31.4% growth of their income, compared to a mere 0.4% income growth seen by the bottom 99%, according to University of California at Berkeley professor Emmanuel Saez.

Cecilia Muñoz, director of the White House Domestic Policy Council, told *The New York Times*: "We need to fix the system so folks working hard are getting compensated fairly. That's why we are jump-starting this effort."

Another official, Betsey Stevenson, a member of the White House Council of Economic Advisors, told reporters: "The president believes that if you're making \$25,000 a year and you're working 60 hours a week, you should be getting paid for the extra hours you work. And that's what this is about."

But conservatives argue that expanded overtime will cost employers too much money, forcing them to recover the cost elsewhere, such as by cutting jobs.

"There's no such thing as a free lunch," Daniel Mitchell, a senior fellow with the Cato Institute, told the *Times*. "If they push through something to make a certain class of workers more expensive, something will happen to adjust."

The president's authority to regulate Americans' overtime pay is derived from the 1938 Fair Labor Standards Act (pdf).

Obama's action comes on the heels of giving a boost to federal contractors by unilaterally increasing their \$7.25 minimum wage to \$10.10.

-Noel Brinkerhoff