

EDITORIAL: Working overtime to stifle job growth

Now Obama wants to raise pay by fiat, which never works

By The Washington Times
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Who needs [Congress](#)? President Obama, who has rewritten Obamacare several times to tweak it to the political needs of the moment, signed a memorandum Thursday ordering [Department of Labor Secretary Thomas E. Perez](#) to “streamline” the Fair Labor Standards Act so that more white-collar employees would be eligible for overtime pay.

It’s not clear just how he could best do that in the structured world of the late, great Constitution, which sets out that [Congress](#) makes the laws and the president enforces them. Nothing in there about how to “streamline” a law if it doesn’t suit the president. Economics, like the law, suffers at the hands of Mr. Obama, too.

In a world that exists only in the imagination of the president and his economic team, wealth is created by government directive. Issue an order that says pay must be higher, and money, made of gossamer, honeysuckle blossoms and fairy dust, will magically appear to improve the lives of all.

Economists with a firmer grasp on reality understand that this is not quite how the world works.

Thwarted by [Congress](#) in his destructive bid to raise the minimum wage, Mr. Obama has turned to a scheme of expanding eligibility of overtime pay as a way to “help” ordinary people.

Under current federal law, as written by [Congress](#), overtime need not be paid to employees who earn at least \$455 a week and have a “primary duty” that is supervisory or managerial, or that involves the exercise of independent judgment or advanced knowledge.

Such a decree doesn’t necessarily mean that take-home pay will actually grow. Businesses on the edge of profitability obviously can’t pay workers more to perform the same work they’re currently performing.

The administration’s scheme will guarantee that these workers will see their hours, flexibility and responsibility sharply curtailed.

Worried about the prospect of federal litigation, employers will inevitably tighten the monitoring of employee hours and duties. There will be no more working late to learn the skills of a manager, to move higher in management. Working from home must be curtailed because it can be difficult to monitor such hours.

The reduction in flexibility and hours will sock workers in their wallets, and thus alter the quality of their lives. This kind of regulation can slow the upward mobility of the hardest working, who are willing to learn on the job and go the extra mile.

Trial lawyers, as always, will be the only group who benefit significantly once new regulations are implemented. There’s already abundant case law on the topic.

Introducing new and murkier definitions of overtime eligibility will ignite an explosion of litigation. The cost of defending lawsuits will further sap the treasuries of private businesses, with slower growth and fewer jobs.

The good news is that it could be a year or more before new regulations can be put in place. The public will have a chance to weigh in. The last revision attracted 80,000 public comments.

With the economy still struggling, America can't afford yet another job-killing initiative from this administration. [Congress](#) must insist that Mr. Obama stop the "toddler's destructive tantrum," in the words of Walter Olson of the Cato Institute, of bypassing the legislative process to get what he wants.