



How Overtime Rules Would Benefit the Latino Community

By Anna Chu and Kristen Ellingboe

August 19, 2015

Americans are working harder than ever, but many still find it difficult to get by. The cost of living for families—including child care, college tuition, and retirement security—is rising even as working parents' paychecks remain stagnant.¹ For years, basic standards and rights for workers have been whittled away—pushing a middle-class life even further out of reach.

Stronger overtime pay rules would improve workers' wages by providing qualified workers with time-and-a-half pay for hours worked in addition to the 40-hour workweek. Currently, salaried workers are not guaranteed overtime pay unless they make less than \$455 per week or \$23,660 per year.² The overtime salary threshold, however, has not kept up with inflation since 1975: Adjusted for inflation, it would be more than \$52,000 today.³

On June 30, 2015, the U.S. Department of Labor proposed a new rule to raise the salary threshold to \$50,440.⁴ The Latino community in particular would benefit from strengthening overtime rules: 2.1 million Latino workers would directly benefit from the rule change.⁵

Overtime reform is an important step toward ensuring that workers earn pay for all the hours that they work. The public has until September 4, 2015, to submit comment letters to the Department of Labor. Help make sure that the U.S. economy works for everyone by supporting overtime reform. Submit your comment at FixOvertime.org or MisHorasExtras.org.

Latino economic statistics

- **Employed:** 24.4 million⁶
- **Unemployed:** 1.8 million⁷
- **Unemployment rate:** 6.8 percent⁸
- **Labor force participation rate:** 66 percent⁹
- **Poverty rate:** 24 percent¹⁰

Basic facts on overtime reform

Stronger overtime protections are one of several policies that could put more money in the pockets of hardworking families and help create an economy that works for everyone—not just the wealthy few.

- The current rules only guarantee overtime for salaried workers who earn less than \$23,660 per year. In 1975, more than 60 percent of salaried workers could receive overtime pay; today, only about 8 percent can.¹¹
- The proposed reform would allow workers with modest salaries to be paid for all the hours that they work. The proposed rule would raise the overtime salary threshold to \$50,440 per year, or \$970 per week.¹²

Overtime reform and Latino workers

Reforming overtime rules would help ensure that Latino workers are being compensated for all the hours that they work.

- The proposed rule to reform overtime would directly benefit 2.1 million Latino workers, or 34.4 percent of all salaried Latino workers.¹³
- According to the Economic Policy Institute, Latinos make up 11.6 percent of all salaried workers and 15.5 percent of workers who would benefit directly from the new rule.¹⁴
- Nearly half—or 48 percent—of all Latino women workers who are currently exempt from overtime pay would gain coverage under the new threshold.¹⁵

Anna Chu is the Vice President of Policy and Research at the Center for American Progress Action Fund. Kristen Ellingboe is a Researcher at CAP Action.

** Correction, August 19, 2015: This issue brief has been updated to reflect that the Department of Labor proposed its new rule on June 30, 2015.*

Endnotes

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