

Press Release



Testimony on: The Department of Labor's Proposed Overtime Pay Rule and Its Economic Consequences

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In testimony before the House of Representatives Committee on Education and the Workforce Subcommittee on Workforce Protections, AAF President Douglas Holtz-Eakin discusses the Department of Labor's proposed overtime pay rule and its economic implications.

His key points:

- Based on traditional criteria, there is no compelling case to be made for the timing or content of the proposed rule;
- The dollars to cover additional overtime expense are simply a tax and inevitably must crowd out other hiring, pay raises, or return to capital, or be passed on to customers at time when inflation is a paramount economic challenge; and
- The primary intent appears to be redistribution, yet research at the American Action Forum finds that only 3.1 million additional workers would actually benefit from the overtime pay expansion and that the rule would minimally affect those at the lower end of the income distribution.

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