

THE WHITE HOUSE  
Office of the Press Secretary

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REMARKS BY THE PRESIDENT  
ON OVERTIME PAY

East Room

2:27 P.M. EDT

THE PRESIDENT: Thank you, everybody, thank you. (Applause.) Thank you so much. Please. Thank you, guys. Please have a seat.

Well, welcome to the White House. Before I get started, I just want to acknowledge somebody who is working so hard on behalf of America's workers each and every day, our outstanding Secretary of Labor, Tom Perez. So give him a big round of applause. (Applause.) There you go. Tom must have brought some of his family with him. (Laughter.)

We've got a lot of honored guests here. We've got middle-class workers who rely on overtime pay. We've got business owners who believe in treating their employees right both because it's the right thing to do but also because it's good for business. And thanks to the hard work and resilience of Americans like the ones who are here today, our economy has been growing for a number of years now.

Our businesses have created more than 8.5 million new jobs over the last four years. The unemployment rate is at the lowest it's been in over five years. But in many ways, the trends that have really battered middle-class families for decades have gotten worse, not better. Those at the top are doing better than ever, but for the average family, wages have barely budged. And too many Americans are working harder and harder just to get by.

So we've got to reverse those trends. We've got to build an economy that works for everybody, not just for a few. And we've got to restore the basic notion of opportunity that is at the heart of the American experience: Opportunity for everyone; the belief that here in America, it doesn't matter where you started, if you are willing to work hard and act responsibly, you've got a chance to get ahead.

So at my State of the Union at the beginning of the year I laid out an opportunity agenda to give more Americans a chance to succeed. It's got four parts. Number one, making sure we're creating more good jobs that pay good wages. Number two, making sure that we're training more Americans with the skills that are needed to fill those jobs. Number three, making sure every child in America gets a world-class education. And number four, which is what I'm going to be focusing on today, making sure that our economy rewards the hard work of every American.

Now, making work pay means making sure women earn equal pay for equal work. (Applause.) It means giving women the chance to have a baby without sacrificing jobs, or a day off to care for a sick child or parent without worrying about making ends meet. It means making sure every American has access to quality, affordable health care that's there when you need it. So if there's somebody out there that you know that doesn't have health insurance, make sure they go on [healthcare.gov](https://www.healthcare.gov) -- (laughter) -- before March 31st. That's a priority. (Applause.) And it means wages and paychecks that help to support a family.

Profitable corporations like Costco see paying higher wages as way to reduce turnover and boost productivity. And I've asked business owners to do what they can to give their employee a raise. As some of you saw, I was at The Gap yesterday -- or the day before yesterday in Manhattan -- and fortunately Malia and Sasha liked the sweaters I bought them. (Laughter.) But part of what I wanted to highlight was the fact that, on its own, The Gap decided to give a raise to 64,000 employees across the country.

I've now called on Congress to give America a raise by raising the minimum wage to \$10.10 an hour. (Applause.) And in this year of action, while Congress decides what it's going to do -- whether it's going to do anything about this issue -- and I hope that it does, and I know Democrats are pushing hard to get minimum wage legislation passed -- I'm going to do what I can on my own to raise wages for more hardworking Americans. So a few weeks ago I signed an executive order requiring federal contractors to pay their employees a fair wage of at least \$10.10 an hour. Today, I'm going to use my pen to give more Americans the chance to earn the overtime pay that they deserve.

Overtime is a pretty simple idea: If you have to work more, you should get paid more. And if you want to know why it's so important, just ask some of the folks here who are behind me. Nancy Minor works at an oil refinery in Pennsylvania -- Nancy, raise your hand. There you go. Yes, give Nancy a big round of applause. (Applause.) So for the last 16 years, Nancy has been a single mom raising and educating four kids on her own, and that is not easy, as you might imagine. She's been able to do it, though, thanks in part to her overtime pay.

For more than 75 years, the 40-hour workweek and the overtime that comes with it have helped countless workers like Nancy get ahead. And it means that when she's asked to make significant sacrifices on behalf of her company -- which she's happy to do -- they're also looking out for her, recognizing that that puts a strain on her family and -- having to get a babysitter and all kinds of things, adjustments that she has to make. It's just fair. It's just the right thing to do.

Unfortunately, today, millions of Americans aren't getting the extra pay they deserve. That's because an exception that was originally meant for high-paid, white-collar employees now covers workers earning as little as \$23,660 a year. So if you're making \$23,000, typically, you're not high in management. If your salary is even a dollar above the current threshold, you may not be guaranteed overtime. It doesn't matter if what you do is mostly physical work like stocking shelves, it doesn't matter if you're working 50 or 60 or 70 hours a week -- your employer doesn't have to pay you a single extra dime.

And I think that's wrong. It doesn't make sense that in some cases this rule actually makes it possible for salaried workers to be paid less than the minimum wage. It's not right when business owners who treat their employees fairly can be undercut by competitors who aren't treating their employees right. If you're working hard, you're barely making ends meet, you should be paid overtime. Period. Because working Americans have struggled through stagnant wages for too long.

Every day, I get letters from folks who just feel like they're treading water. No matter how hard they're working -- they're putting in long hours, they're working harder and harder just to get by, but it's always, at the end of the month, real tight. Workers like the ones with me here today, they want to work hard. They don't expect a free lunch and they don't expect to be fabulously wealthy, they just want a chance to get ahead.

So today, I'm taking action to help give more workers that chance. I'm directing Tom Perez, my Secretary of Labor, to restore the common-sense principle behind overtime: If you go above and beyond to help your employer and your economy succeed, then you should share a little bit in that success. And this is going to make a real difference in the lives of millions of Americans, from managers in fast food and retail to office workers, cargo inspectors.

And we're going to do this the right way -- we're going to consult with both workers and businesses as we update our overtime rules. We're going to work to simplify the system to it's easier for employers and employees alike. With any kind of change like this, not everybody is going to be happy, but Americans have spent too long working more and getting less in return.

So wherever and whenever I can make sure that our economy rewards hard work and responsibility, that it makes sure that it's treating fairly the workers who are out there building this economy every day, that's what I'm going to do. What every American wants is a paycheck that lets them support their families, experience a little bit of economic security, pass down some hope and optimism to their kids. That's what we're going to be fighting for. That's what I'm going to be fighting for as long as I'm President of the United States.

And with that, I'm going to sign this memo. And I want to thank everybody for being here, especially the folks standing behind me. (Applause.)

END                      2:27 P.M. EDT

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