

March 7, 2012

Submitted via www.regulations.gov

Mary Ziegler, Director
Division of Regulations, Legislation, and Interpretation
Wage and Hour Division
U.S. Department of Labor, Room S-3502
200 Constitution Avenue NW.
Washington, DC 20210

RE: Proposed Rulemaking, Application of the Fair Labor Standards Act to Domestic Service Rule (RIN 1232-AA05)

Dear Ms. Ziegler,

Dēmos submits the following comments strongly supporting the proposed Department of Labor (Department) rule to amend Fair Labor Standards Act (FLSA) regulations by extending minimum wage and overtime premium pay to nearly 1.8 million low-wage home care workers. Dēmos is a non-partisan, non-profit policy research organization focused on rebuilding pathways to a more diverse middle class, and increasing democratic participation. This proposed rule will help lift hard-working Americans closer to the middle class, ensuring fair pay for women, especially women of color.

With this rule, the Department of Labor will affirm the principle that all working people deserve basic work protections. At the same time, by effectively raising pay for some of the nation's lowest wage workers, primarily women who will quickly spend any additional income to support their families, the proposed rule will provide a boost to the economy, promoting economic recovery for the nation as a whole.

More than nine out of ten workers in the rapidly growing home care industry are women, disproportionately women of color. Many of these women are primary income earners for their families who struggle to survive on median annual wages of less than \$21,000 for full-time work, less than the Federal Poverty Guideline for a family of four. Home care workers provide a lifeline for the elderly and people with disabilities – yet for decades, their stressful and physically demanding jobs have come without the basic protections of the federal minimum wage and overtime laws. Extending the protections of the FLSA to a field heavily dominated by women will help these women lift their families out of poverty and reduce ongoing pay disparities between women and men.

While cost considerations would not justify the continued denial of legal rights to home care workers, we note that the cost of extending FLSA protections to home care workers is manageable. Sixteen states already require both minimum wage and overtime pay for most home health workers who would otherwise be excluded under current regulations. The national cost of the proposed change is estimated to amount to less than one-tenth of one percent of the home care industry's \$84 billion in annual revenue. With thousands of third party agencies now

employing roughly 70 percent of workers in the industry, the proposed rule's extension of FLSA protections to home care workers employed by third parties is vitally important.

Moreover, providing wage and hour protections to home care workers will have benefits for the industry and consumers as well as for the workers themselves. There is a high rate of turnover in the home care field, mainly caused by low wages, insufficient hours, and lack of reimbursement for travel costs. High turnover disrupts continuity and quality of care for customers and places great financial burdens on agencies and state and federal governments. By increasing wages, encouraging more even distribution of work hours, and requiring reimbursement for travel costs, the proposed rule will reduce turnover and promote better outcomes for both home care workers and the individuals and families they serve.

We applaud the Department for proposing regulations that will finally extend basic legal protections to home care workers who for too long have been underpaid and undervalued. Dēmos greatly appreciates this opportunity to comment.

Sincerely,

Amy Traub
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