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The Overtime Rule Will Hurt Liberal Arts Grads

By Kerry Jackson & Alfredo Ortiz

Over half a million college students recently graduated with Bachelor of Arts degrees. Many of them are looking for jobs this summer that don't involve serving coffee. But the Department of Labor is working against them, recently finalizing a new overtime rule that doubles the salary threshold under which employers are required to pay overtime -- to \$47,476 from \$23,660 a year.

The consequences of this rule have been well-covered. In order to keep track of expensive overtime costs, employers will turn salaried employees into hourly ones. This will diminish the prestige of jobs - not to mention the bonuses, benefits, and flexibility that went along with them. According to the Mercatus Center, some employers will also reduce workers base salaries to compensate for the increased labor costs businesses will incur.

One consequence of the rule that has been overlooked, however, is the impact that it will have on liberal arts grads looking for their first jobs, which pay about \$40,000 on average. Under the new overtime rule, this means the salaried first jobs they traditionally seek - in fields such as journalism, communications, and sales - either won't exist or turn into hourly roles. (Notably, teachers, another popular career choice for these grads, are exempt from the overtime rule.)

Newspapers, a longtime provider of early career work experience for new grads, will be hit hard by the rule. Members of the Newspaper Association of America have said that this rule will cost the industry \$130 million a year. Newspaper Association of America CEO David Chavern wrote, "[M]ost newspapers said that they would either have to replace full-time employees with those working part time or convert current exempt employees to an hourly wage."

What's the big deal about being reclassified as hourly? ask the rule's proponents, who don't see the value of having a salaried job over an hourly one. Ask the new writer or salesperson, who need longer than their timecard allows to finish a piece or make a sale. Hourly positions eliminate the time and freedom to learn on the job and hone skills.

Time is a great equalizer of output. It allows those graduates who have less natural ability to compete with their Ivy League competitors. Eliminating this leveling mechanism means that the grinders, scrappers, and hustlers will lose out to the intellectually gifted because they won't be given the extra time they need to prove themselves. It will also hurt the craftsmen and perfectionists, who need more time to get a story together and focus on every detail.

"It's hard to imagine, for instance,

a reporter stopping work on a story with an impending deadline because he or she has already worked 40 hours that week - or cutting off a source mid-sentence because the threshold has been reached," writes Kevin Goldberg, chairman of the National Press Foundation. In reality, the only profession that seemingly won't be affected by the rule is government work, where most bureaucrats punch-in and punch-out, without the deadlines, stressors, and multitasking that defines most jobs.

Life is already tough enough for liberal arts grads. The average student debt among them is \$37,200. Many are graduating with few if any hard skills that they can take directly to the workforce. Job prospects are extremely competitive and many are underemployed. Pay is less than that earned by different degree holders. And about half return home to live with their parents.

But their interpersonal skills, passion, and work ethic allow them to quickly catch up (and in many cases) pass their peers in other fields. The overtime rule will eliminate these equalizers, leaving them even worse off.

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