

New Federal Overtime Rule a Boon to Wisconsin Local Economies

Written by Citizen Action of Wisconsin, Robert Kraig
Wednesday, 18 May 2016 12:23

<http://newiproggressive.com/images/stories/S5/obama-detroit-factory-s5.jpg>



Citizen Action releases data documenting economic benefit of new overtime rule for major Wisconsin Metro Areas.

STATEWIDE, WI - Today the U.S. Department of Labor announced new overtime rules that will raise wages for millions of workers. As a result, workers in every region of Wisconsin will be rewarded for their hard work. When workers have more money in their pockets to spend in local communities, employment increases and prosperity expands (see chart below).

The [Department of Labor announced](#) that salaried workers earning up to \$47,476 per year will be eligible for overtime pay starting on December 1, 2016. Previous rules relied on an outdated formula which excluded employees making more than \$23,660 a year.

An [estimated 198,000 salaried employees in Wisconsin](#), one out of four, will be eligible for substantial pay raises if they work more than 40 hours per week.

[Gallup reports](#)

that half of all salaried employees work over 40 hours, and the average salaried employee works 47 hours in per week.

“For years the economic deck has been stacked against working families, who have been working harder and harder with little more to show for it” said Robert Kraig, executive Director of Citizen Action of Wisconsin. “The new federal overtime rule will mean that more will be rewarded for working longer hours, boosting consumer spending in our local economies as families can afford to go out to dinner, buy necessities, and send their kids to college.”

A salaried employee in Waukesha earning the median annual salary of \$37,190 working 47 hours a week will earn an extra \$188 per week, or \$9,776 per year. Under current rules that stack the deck against working families, that same employee today would be uncompensated for the extra hours they work.

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This change will be especially beneficial in Wisconsin, which has seen the [largest decline in middle class wages in the United States](#) since 2000.

Table: Overtime bonus per average worker from new federal rule by metropolitan area

Metropolitan Area

Median Annual Wage, 2015¹

Average Weekly Overtime bonus, 47 hours²

Average Annual Overtime Bonus, 47 hours/week²

Milwaukee/Waukesha

\$37,190

+\$188 per week

+\$9,776 per year

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Appleton

\$34,965

+\$177

+\$9,204

Green Bay

\$35,090

+\$177

+\$9,204

Madison

\$39,166

+\$198

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+\$10,296

Eau Claire

\$33,613

+\$170

+\$8,840

Racine

\$33,550

+\$169

+\$8,788

Wausau

\$33,883

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+\$171

+\$8,892

Fond Du Lac

\$34,778

+\$176

+\$9,152

Superior/Duluth

\$34,008

+\$172

+\$8,944

La Crosse

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\$33,384

+\$169

+\$8,788

Sheboygan

\$35,506

+\$179

+\$9,308

Janesville

\$32,302

\$163

+\$9,308

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Oshkosh

\$35,797

\$181

+\$9,412

1 - Source: May 2015 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates, Median Annual Salary for All Occupations, [Bureau of Labor Statistics](#)

2 - Source: Economic Policy Institute [Overtime Calculator](#)