

October 28, 2011

Hilda Solis  
Secretary, Department of Labor  
200 Constitution Avenue, NW  
Washington, D.C. 20210

Jacob Lew, Director  
Office of Management and Budget  
Executive Office of the President  
Washington, DC 20503

Dear Secretary Solis and Director Lew,

As economists, social scientists and policy researchers, we urge you to use your regulatory authority to extend minimum wage and overtime protections to home care workers by restoring the Fair Labor Standards Act companionship exemption to its appropriate limited scope.

Most home care workers provide services that far exceed the definition of “companionship” and are vital to the well-being of millions of individuals struggling to live at home despite age-related impairments, intellectual and developmental and other disabilities.

Coverage of these workers under the Fair Labor Standards Act would contribute to modest improvements in the earnings and working conditions of home care workers. While the available evidence from national surveys indicates that incidence of overtime for the home care workforce as a whole is very modest, home care agencies with overtime will have incentives to hire new workers and adopt progressive staffing and scheduling practices that spread hours more evenly across workers while maximizing continuity of care.

In addition, the narrowing of the companionship exemption will support important benefits for both clients/consumers and employers, including:

- \* Long-run improvements in the quantity, quality, and reliability of labor supply.
- \* Reduced turnover among workers, with concomitant reduction of transactions costs to employers and improved continuity of care to clients and consumers.

Public policies that improve the quantity and quality of home care services can help minimize unnecessary forms of institutionalization, as well as hospitalization and other forms of acute care that—whether publicly financed or privately purchased—are typically far more costly than home care.

In sum, we believe that providing basic federal wage and overtime protections to America's home care workers will offer significant social and economic benefits.

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