



September 2, 2025

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

RE: RIN 1235-AA51: Application of the Fair Labor Standards Act to Domestic Service

Dear Director Navarette,

The NC Budget & Tax Center is a nonprofit, nonpartisan organization that documents and analyzes fiscal conditions in North Carolina and works with community leaders to advance policy change that supports people's wellbeing across the state. We are writing to strongly oppose the proposed rule that would take away federal minimum wage and overtime protections for nearly 2.9 million home care workers across the country who finally secured this right just over a decade ago. We urge the Department of Labor's Wage and Hour Division to withdraw the proposed rule.

North Carolina is home to nearly 60,000 home care workers as of 2023.¹ The sector is projected to grow significantly in the coming years, with over 14,000 jobs added by 2032.² Demand for home care workers will grow in our state as the baby boomer generation continues to age. Over 2 million adults over the age of 65 live in North Carolina, and this population is projected to grow to nearly 3 million by 2050. By 2050, over 500,000 older North Carolinians will be aged 85 or older³ — a population that is especially likely to experience functional limitations and/or disabilities that require the support of home care workers.

Home care workers perform skilled and essential labor that allows older individuals and people with disabilities to remain in their homes and communities. Their work is both physically and emotionally challenging, yet they are some of the lowest-paid workers in the country. Revoking basic labor protections will not address the low wages that drive instability in the home care industry.

¹ PHI. "Workforce Data Center." 2024. <https://phinational.org/policy-research/workforce-data-center/>.

² Ibid.

³ NC Office of State Budget and Management State Demographer. "Older Americans in North Carolina." <https://demography.osbm.nc.gov/p/population-by-age/>.

Sixteen percent of home care workers in North Carolina live in poverty, and 46 percent have low incomes (under 200 percent of the poverty level.)⁴ The median hourly wage for these workers is just \$13.81 per hour.⁵ Our research shows that to afford basic needs like housing, food, transportation, and health care in North Carolina, a single adult needs to earn over \$20 per hour.⁶ More than 1 in 4 home care workers in the state have minor children,⁷ and average wages are even more inadequate when factoring in the cost of raising children. Eliminating minimum wage and overtime protections will do nothing to increase these workers' pay.

Repealing the 2013 rule would also reinforce gender- and race-based inequities in wages and reinstate the historic devaluation of domestic labor, disproportionately harming women workers of color. The vast majority — over 90 percent — of home care workers in North Carolina are women, and about 58 percent are people of color.⁸

The only real solution for the shortage of home-based care workers and high rates of turnover in the field is to raise pay and improve working conditions. Inadequate compensation — including low wages and meager benefits — is consistently cited as the top reason that home care workers leave the field.⁹ Ensuring home care workers are paid a living wage will require increasing Medicaid provider payments, which are the largest source of funding for long-term services and supports provided by these workers.¹⁰ Underfunding of Medicaid in North Carolina has already led the state's Department of Health and Human Services to *reduce* provider reimbursement rates beginning October 1st, and the Medicaid cuts passed in the federal reconciliation bill will only make the situation worse. This rule change undermines the goal of raising worker pay at a time when these cuts are already threatening to drive wages even lower. The result will be more workers leaving the field, and less access to high-quality home-based care in communities across our state.

For these reasons, we strongly oppose the proposed rule change. Thank you for the opportunity to comment.

Sincerely,

Logan Rockefeller Harris
Director of Research
NC Budget & Tax Center

⁴ PHI. "Workforce Data Center."

⁵ Ibid.

⁶ NC Budget & Tax Center. "2025 Living Income Standard." 2025. <https://ncbudget.org/2025-living-income-standard/>.

⁷ PHI. "Workforce Data Center."

⁸ Ibid.

⁹ Bipartisan Policy Center. "Addressing the Direct Care Workforce Shortage." 2023. <https://bipartisanpolicy.org/report/addressing-the-direct-care-workforce-shortage/>.

¹⁰ Ibid.