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Auto Technician Pay

Auto technicians and mechanics are skilled professionals responsible for diagnosing, repairing, and maintaining vehicles. Wage rates for auto technicians vary widely across all 50 states. This report aims to explore the varying pay structure auto technicians and mechanics face, how their wages differ by state and value, and policies in place that protect or increase wages.

Forms of Auto Technician Pay

Auto technicians are paid through either flat or hourly rates.¹ Hourly rates are paid at a set wage per hour. Hourly rates may offer a more secure income for auto technicians; however, they limit the amount of money an auto technician can make.² Those paid through a flat rate (also known as book time) receive payment based on each individual job they complete.³ Each job is given a predetermined amount of time, set by the employer, that it is assumed it will take to complete, and the auto technician gets paid based on that time.⁴ This means that if a job takes less than the estimated time, a technician will still be compensated for the estimated amount of hours.⁵ However, if it takes more, they will not be paid for those additional hours spent working.⁶

Wage Rates Across States

According to a 2023 report on state occupational employment and wages from the United States Bureau of Labor Statistics, the five states with the highest pay for automotive service technicians and mechanics are listed in Table 1.⁷

¹ Universal Technical Institute, “Mechanic Labor Rates: Pros and Cons of Hourly vs. Flat Payment,” accessed December 3, 2024, <https://www.uti.edu/blog/automotive/hourly-rate-vs-flat-rate-how-auto-mechanics-are-paid>.

² Universal Technical Institute, “Mechanic Labor Rates: Pros and Cons of Hourly vs. Flat Payment”.

³ Universal Technical Institute, “Mechanic Labor Rates: Pros and Cons of Hourly vs. Flat Payment”.

⁴ Universal Technical Institute, “Mechanic Labor Rates: Pros and Cons of Hourly vs. Flat Payment”.

⁵ Universal Technical Institute, “Mechanic Labor Rates: Pros and Cons of Hourly vs. Flat Payment”.

⁶ Universal Technical Institute, “Mechanic Labor Rates: Pros and Cons of Hourly vs. Flat Payment”.

⁷ U.S. Bureau of Labor Statistics, “Occupational Employment and Wage Statistics,” accessed December 3, 2024, <https://www.bls.gov/oes/2022/may/oes493023.htm#nat>.

Table 1: States with the Highest Pay for Automotive Techs		
	Mean Annual Wage	Mean Hourly Wage
District of Columbia	\$63,390	\$31.44
Alaska	\$62,290	\$29.95
California	\$61,290	\$29.53
Washington	\$59,060	\$28.39
New Jersey	\$57,890	\$27.89

Source: U.S. Bureau of Labor Statistics, "Occupational Employment and Wage Statistics," accessed December 3, 2024, <https://www.bls.gov/oes/2022/may/oes493023.htm#nat>.

In Table 2 we list the five states that have the lowest pay for automotive service technicians and mechanics.⁸

Table 2: States with the Lowest Pay for Automotive Techs		
	Mean Annual Wage	Mean Hourly Wage
Mississippi	\$43,410	\$20.87
Arkansas	\$43,280	\$20.81
New Mexico	\$43,110	\$20.73
Kentucky	\$39,920	\$19.19
West Virginia	\$38,020	\$18.28

Source: U.S. Bureau of Labor Statistics, "Occupational Employment and Wage Statistics," accessed December 3, 2024, <https://www.bls.gov/oes/2022/may/oes493023.htm#nat>.

Federal and State Policies Regarding Auto Technician Pay

The Fair Labor Standards Act of 1938 (FLSA) establishes standards for minimum wages, overtime, recordkeeping, and child labor.⁹ The U.S. Department of Labor’s Wage and Hour Division has found violations of minimum wage and overtime standards among auto repair and maintenance employers. According to the FLSA, auto technician employees must be paid at least the federal minimum wage as well as overtime for any hours worked in excess of 40 hours per workweek. For some employees, exemptions from overtime pay may apply.¹⁰ Mechanics employed by automobile dealerships are exempt from overtime pay standards of the FLSA.¹¹ In addition, the FLSA does not protect the rights of auto technicians who earn flat rates to receive overtime compensation.¹² The 6th Circuit Court of Appeals, however, ruled in *Wilks v. The Pep Boys* (2008), that employees receiving flat rate pay were entitled to overtime pay.¹³

⁸ U.S. Bureau of Labor Statistics, "Occupational Employment and Wage Statistics".

⁹ U.S. Department of Justice, "2456.19 U.S.C. 201 to 2019—Fair Labor Standards Act" accessed December 2, 2024, <https://www.justice.gov/archives/jm/criminal-resource-manual-2456-29-usc-201-219-fair-labor-standards-act#:~:text=The%20Fair%20Labor%20Standards%20Act,be%20pursued%20under%2018%20U.S.C.>

¹⁰ Wage and Hour Division, "Don't Overlook Overtime," *U.S. Department of Labor*, accessed December 2, 2024, <https://www.dol.gov/sites/dolgov/files/WHD/compliance-assistance/Automotive-Service-2021.pdf>.

¹¹ U.S. Department of Labor, "Fair Labor Standards Act Advisor," accessed December 2, 2024, <https://webapps.dol.gov/elaws/whd/flsa/screen75.asp>.

¹² U.S. Department of Labor, "Fair Labor Standards Act Advisor".

¹³ *Wilks v. The Pep Boys*, 241 F.860 (6th Cir. 2008).

Although overtime compensation is not protected by the FLSA, the plaintiff won the case.¹⁴ This case set the precedent for similar cases.

California Assembly Bill 1315 ensures that workers in California who receive flat rate pay are compensated for meal breaks taken at work.¹⁵ The bill establishes that workers who earn flat rate pay are entitled to receive hourly payment for their mandatory meal and rest breaks as protected by California law.¹⁶ The hourly rate for their "rest and recovery periods" must be at least the minimum wage of the area.¹⁷

New York Bill S5085C ensures auto technicians employed at dealerships earn equal pay for equal work.¹⁸ The Bill requires that motor vehicle dealer franchisors fully compensate motor vehicle dealers for warranty service agreements.¹⁹ The United Auto Workers Union lobbied for the passage of this legislation. The passage of this bill effectively increases earnings for both union and non-union technicians in New York.²⁰

Amendments to the Illinois Motor Vehicle Franchise Act (2022), similar to New York Bill S5085C, ensure that auto franchisors fully compensate labor for repair services at local dealers.²¹ A study by the Illinois Economic Policy Institute found that the Motor Vehicle Franchise Act resulted in an addition \$143 million annually for skilled auto mechanics. The study uses data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, and National Automobile Dealers Association.²²

Massachusetts Bill H.4412 aims to establish a minimum reimbursement rate for labor costs.²³ This bill is a revised draft of a Massachusetts Bill H.1111 that would require insurers to pay claimants for labor costs in motor vehicle insurance claims, ensuring that auto technicians receive fair compensation for their work.²⁴

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¹⁴ *Wilks v. The Pep Boys*, 241 F.860 (6th Cir. 2008).

¹⁵ The State of California, "Employment: workers' compensation and piece-rate compensation," AB-1513 (2015), https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201520160AB1513.

¹⁶ The State of California, "Employment: workers' compensation and piece-rate compensation".

¹⁷ The State of California, "Employment: workers' compensation and piece-rate compensation".

¹⁸ New York State S.B. 5085C (2023-2024) <https://www.nysenate.gov/legislation/bills/2023/S5085/amendment/C>.

¹⁹ New York State S.B. 5085C (2023-2024).

²⁰ United Auto Workers, "Economic Justice Victory for Automobile Technicians in New York State," accessed December 4, 2024, <https://uaw.org/economic-justice-victory-for-automobile-technicians-in-new-york-state/>.

²¹ State of Illinois, "Motor Vehicle Franchise Act," HB 3940 (2022), <https://www.ilga.gov/legislation/publicacts/fulltext.asp?Name=102-0232>

²² Frank Manzo IV and Robert Bruno, "Improving the Motor Vehicle Franchise Act in Illinois," *Illinois Economic Policy Institute*, (2024), <https://illinoisupdate.com/wp-content/uploads/2024/01/ilepi-pmcr-improving-the-motor-vehicle-franchise-act-final.pdf>

²³ Commonwealth of Massachusetts H.4412 (2023-2024), <https://malegislature.gov/Bills/193/H4412/BillHistory>.

²⁴ Commonwealth of Massachusetts H.111 (2021-2022), <https://malegislature.gov/Bills/192/H111>.

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