

From: [SWF Exhibits](#)
To: ["Chris Benson"](#)
Subject: RE: SB828 comments
Date: Monday, March 06, 2017 11:16:00 AM

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[Senate Committee on Workforce](#)

From: Chris Benson [mailto:benny@alwaysonit.com]
Sent: Friday, March 03, 2017 4:17 PM
To: SWF Exhibits <SWF.Exhibits@oregonlegislature.gov>
Subject: SB828 comments

Hello,

SB 828 is an idea born from good intentions, but will certainly have all sorts of unintended consequences. As an Oregon employer since 2003, I am strongly opposed to this legislation.

The problems with this bill are too numerous to name – but here are just a few:

- The government is the last entity that should be telling a business how to operate, or how to schedule their staff. The real-time needs of a business are impossible for the government to predict. In a restaurant environment, profit margins are tiny, and productivity has to be managed in real-time. I don't care what ivory-tower economists say about the macro-economy and how this will have little effect in the long term. It will have immediate negative consequences for many small businesses affected by it.
- What happens when it snows, or any other unforeseen act occurs that causes a drop in foot-traffic to a restaurant? My wife owns 5 franchise restaurants in Washington state – she had to close her businesses for a total of 10 days during the recent weather. If her business were in Oregon and subject to this law, it would almost certainly put her out of business. In 2016 her business had a net profit margin of around 2% - most of the employees earned more money than she did, but took on none of the risk, sleepless nights, or stress-induced ulcers that she does. A new business owner will now face even higher hurdles than before just trying to operate profitably. Every bad guess or learning experience he goes through will wind up costing him money. To add insult to injury, this new business owner will be forced to pay others for work they DIDN'T do. From experience, I can tell you many new restaurant owners or franchisees (or small business owners in general) make very little money the first several years in business, while they pay off mortgage-sized loans for the first 7-10 years of operation. Assuming they can stay alive that long -
<http://journals.sagepub.com/doi/abs/10.1177/0010880405275598>

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- The business owner takes on nearly 100% of the risk of operating the business. Most do not do it for charity or to act as a social experiment. They are trying to earn a profit, increasingly against the odds, to support their own families.
- If the employee doesn't like the hours they are getting at a job, they are free to go take another job. Perhaps they could retrain in a different career, or get a second job to supplement their income, or elevate themselves at their current job to secure more stable hours (e.g. become a manager). The point is that it is not the business owner's responsibility to make sure everyone has a cookie and is in a happy place. Entry-level jobs generally are not glamorous or easy, because they generally require minimal skills. This is especially true in food service – low margins, low skill sets, and high regulation and taxation.
- Every time the government imposes higher costs on a small business, they reduce its value. The cash flow dries up, profitability shrinks, and the value to a potential investor or buyer goes down. Personally, we have seen our nest egg (the 5 restaurants) become almost worthless due to the minimum wage increases. Other franchise stores that were purchased for 200-300K are being given away for 50K – no one in their right mind wants to buy a business with a shrinking, government-imposed profit penalty. 15 years of investing and growing the business (and foregoing plenty of creature comforts we would have liked to enjoy along the way, including delaying starting a family until we were nearly 40 years old) wiped out because politicians pander to low information voters by promising them a pot of gold from those 'evil millionaire and billionaire' business owners.
- I cannot begin to tell you how frustrating it is to have these social-justice type laws proposed, all the while acting like anyone who owns a business is a money-grubbing scumbag bent on making their employees indentured servants. The government is either completely ignorant of how these types of laws devastate small businesses, or just plain indifferent. In my opinion, these laws are proposed to 'get even' with those nasty 'big corporations' like Walmart or Target while cementing the idea that only the government can 'fix' the great injustice of being paid what your labor is actually worth. There are a whole lot of small businesses between here and Walmart who get steamrolled in the process. Most business owners I know (and I know plenty) are good caring people who treat their employees well and genuinely care for them. Crippling these businesses does nothing to help anyone.
- Signed,
- Chris Benson | CEO