

# SouthWestern Flash

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Hyatt Regency, Wichita, Kan.

**Dealers of Tomorrow** - Oct. 7-8 -  
Crowne Plaza Hotel, Austin, Texas

Austin workshop description on page  
three. Mark your calendar and plan to  
attend.

### ***SouthWestern Association***

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## **It's 8 a.m. - Do You Know What The Kids Will Be Doing Today?**

### **Complying With Child Labor Laws**

**By Lesley Sifers, Tax Favored Benefits**

The end of the school year is fast approaching and many of you will be hiring students for summer jobs. I commend you - working is a lot better for kids than "hanging out" all summer. But, you must be mindful of the labor laws that govern the employment of minors. A small misstep in this area can cost you \$11,000 for a single violation; the friendly folk at the DOL want to increase that to \$50,000.

The Labor Department has become more creative and aggressive in enforcement of the Child Labor Laws. Inspectors often contact local schools to identify businesses that hire lots of teens and then keep a close watch on those employers. In addition, the DOL has a new website, [www.youthrules.dol.gov](http://www.youthrules.dol.gov), that teaches teens and their parents how to report violations.

Here is some general, and I hope, practical advice about employment of minors.

The law defines hours of work for specific age groups. The following is a list of permitted work hours:

- Children under age 13: cannot be employed in any capacity in your dealership unless they are the owner's child. Even then, duties are restricted.
- Age 14 and 15; can work outside school hours - 7:00 a.m. to 7:00 p.m. Restricted to three (3) hours on a school day, 18 hours in a school week, eight (8) hours on a non-school day, 40 hours in a non-school week. When school is not in session (summer vacation) can work as late as 9:00 p.m. but not over 40 hours per week.
- Age 16-17: no hours restrictions, but cannot work in "hazardous" jobs.
- Age 18: unlimited hours; no restrictions on type of work. (Practical tip: If an 18-year-old is in high school, pretend they are 15. No sense enabling them to be drop-outs!)

The law prohibits certain types of hazardous work for minors. An exhaustive list is available at:

[www.dol.gov/dol/topic/youthlabor/hazardousjobs.htm](http://www.dol.gov/dol/topic/youthlabor/hazardousjobs.htm). Here's the condensed version:

**Continued on page 3**

## Minimum Wage Debate Returns to Capitol Hill

After more than a year of sitting in the dark, the minimum wage debate has re-emerged on Capitol Hill. Recently U.S. Sen. Edward Kennedy (Mass.) threatened to introduce an amendment to an Internet tax bill that would raise the minimum wage 36 percent over the next two years to \$7 per hour - an increase that small-business proponents in Congress staunchly oppose. While he will not get a chance now to offer this amendment to the Internet bill, he plans to offer it to other upcoming bills.

The U.S. House Small Business Workforce, Empowerment and Government Programs Subcommittee held a hearing April 29 to discuss the effects of a minimum-wage hike on small business.

“All of us here want to help ensure that all Americans are able to advance in a society where opportunity is abundant and prosperity the norm,” said subcommittee Chairman Todd Akin (2nd Dist. - Mo.) “But as we work for those goals, a mandatory wage, imposed on the private sector from Washington, is not the solution we need.”

Akin cited an Employment Policies Institute study, which found that 645,000 entry-level jobs were destroyed as a result of the 50-cent minimum wage hike in 1996.

In addition to expert witnesses from various research and policy groups, the subcommittee also heard from small-business owner Mike Fredrich, who owns Manitowoc Custom Molding LLC in Manitowoc, Wis. Even though the entry-level wage at his business is well above the federal minimum wage, Fredrich said that if labor costs are arbitrarily increased, his business would have no choice but to increase the amount that his employees pay for health insurance from 30 percent to 40 percent.

NFIB opposes any increase in the minimum wage. Mandatory wage increases hurt not only small businesses, but their employees as well. Government manipulation of the starting wage has failed as a tool of social and/or economic justice. It has not been proven to reduce poverty or narrow the income gap, and puts a stranglehold on America's top job creators: small businesses. The overwhelming majority of economists continue to affirm the job-killing nature of mandatory wage increases. Mandatory minimum-wage increases end up reducing employment levels for those people with the lowest skills.

Kennedy and other senators are determined to see a minimum-wage hike to \$7 this year. NFIB will continue in its efforts to block this hike. Contact your senators and tell them that an increase in the minimum wage to \$7 per hour would hurt the employers and employees that it strives to help.

*Source: National Federation of Independent Business*

## State Rep. Swinford to Run For Texas Ag Commissioner

State Representative David A. Swinford (R-Dumas) has announced his intention to seek the post of Texas Commissioner of Agriculture. Swinford seeks the office after 35 plus years of experience in the agribusiness sector and as an agriculture producer. Representative Swinford's decision comes on the heels of current Commissioner Susan Combs' decision to run for the office of Comptroller next election cycle.

A 13 year veteran of the House Agriculture and Livestock Committee, serving two terms as Chairman, Swinford has worked with state leaders on every major agriculture policy initiative since the early nineties.

“Even as Texas becomes more and more urban, the Texas food and fiber system remains a significant economic contributor to our economy,” Swinford said. “I believe in being a voice for the Texas agriculture industry and the citizens that depend on a safe, abundant food supply. I have consistently supported the diversified interest of the entire food and fiber system in Texas - from the citrus industry in the Valley, to the timber and poultry industries of East Texas, to rice and nursery production from the Coastal Bend, to the cotton, grain and cattle producing areas of South and West Texas.”

Swinford began his career by completing his degree in Agricultural Education at Texas Tech. A fervent advocate for Texas' public schools, Swinford has served as an agriculture education teacher and as a school board member. He has spent the majority of his career working as a businessman managing various agriculture operations in the Panhandle.

Representative Swinford was first elected to the Texas House of Representatives in 1991. He currently serves as Chairman of the House Government Reform Committee and as a member of the Agriculture and Livestock Committee. He and his wife, Joyce, reside in Dumas, Texas, and have two children and four grandchildren.

### **SouthWestern Association Hotline - 800-762-5616**

The SouthWestern Association Hotline is your source for solutions to many day-to-day problems and issues that confront retailers. Look to your Association for answers to: legal issues, dealer/manufacturer issues, dealership financial-operations issues, accounting/tax questions, marketing, advertising and promotion questions, employee benefit, retirement program, and insurance questions.

- Age 14-15: allowable activities include clerical work, answering phones, stocking shelves, cashiering, light janitorial work (no chemicals involved), light packing (no heavy lifting). Prohibited duties involve exposure to power equipment (including lawn mowers); things that cut, shear, saw or slice; hoists and cranes; environments that are dusty, smoky, confined or where risk is involved (i.e., grain elevators) and exposure to caustic chemicals. (Practical tip: Make the shop an “off-limits” area. All the neat stuff would be quite tempting to a 15-year-old.)
- Age 16-17: same as above except a 16-year-old would be allowed to operate a lawn mower. (Practical tip: Have them use a push mower. Platform and riding mowers could be hazardous and just about any teen I know would have way too much fun mowing with one!)

Most importantly, for anyone under age 18, work involving operating a vehicle - including farm equipment - is prohibited or severely limited. Minors under the age of 17 are prohibited from ANY on-the-job driving. A 17-year-old could possibly do some very limited driving, but there are many restrictions including number of trips, distance and time of day. If you have specific questions on this, contact your vehicle insurance carrier.

There are some limited exceptions to the Child Labor laws:

- If you own the dealership, you can “employ” your child age 13 or under (not an employee’s child, however). You cannot allow your kid to do “hazardous” work.
- A person under age 18 who has a high school diploma or GED or is a head of a household or a parent contributing toward the support of children is treated as if age 18.
- A person participating in a vocational program approved by the State Department of Education may be exempt from some restrictions. Check with the school to determine which, if any, exceptions may apply.

Your state may have more restrictive laws governing the employment of minors or may require work permits and/or certificates of age. Review state laws by going to [www.dol.gov/esa](http://www.dol.gov/esa) and clicking on “State Labor Laws.” For information about work permits and age certification go to [www.dol.gov/esa/programs/whd/state/certification.htm](http://www.dol.gov/esa/programs/whd/state/certification.htm). Your casualty insurance or workers compensation carrier may also be a good source of advice in this area. Don’t hesitate to call your agent if you have specific questions.

*Source: Tax Favored Benefits. Tax Favored Benefits is SouthWestern Association endorsed partner for employee benefit programs. They can be reached at 1-800-683-3440.*

## Dealers of Tomorrow Workshop July 15-16, Wichita, Kan.

### Targeted Solutions – A Planning Workshop

As an equipment retailer, you need to develop a business plan on an annual basis. What’s the process? Get out last year’s plan and revise the figures a bit – then place it back on the shelf until the same time next year? How about energizing the process and producing a plan that you actually use – a plan that your management staff helps to develop? Wouldn’t you like to have buy-in from management staff so that you work the plan for improved performance and results? With the “Targeted Solutions” planning method, all this is possible. Targeted Solutions is the strategic planning system that you can use to:

- Identify obstacles and issues
- Determine priorities
- Develop a game plan that can be put into immediate use
- Discover resources
- Eliminate roadblocks

This program, presented by Liz Kearney and Floyd Jerkins, takes the guesswork out of planning and problem solving by teaching participants how to use the world’s most successful strategy system. In addition, the process itself encourages and helps build effective teamwork. This helps all levels of staff that are given responsibility for making decisions and taking action to correct problems or eliminate obstacles to success.

### Workshop Schedule

#### Thursday, July 15

- 1 p.m. Registration
- 1:30 p.m. Targeted Solutions - A planning workshop led by Liz Kearney and Floyd Jerkins
- 4:30 p.m. Buses depart for auto dealership tour
- 6:30 p.m. Return to hotel for dinner and networking

#### Friday, July 16

- 8:00 a.m. Continental Breakfast
- 8:30 a.m. Targeted Solutions (cont.)
- Noon End of Program

The workshop and dinner will be held at the Hyatt Regency, Wichita, Kan. A special room rate of \$99 single occupancy and \$124 double occupancy has been arranged for this meeting. Complete information has been mailed to all members. If you need another copy, just call Olivia at SouthWestern Association - 816-561-5323 or 800-762-5616.

*October 7-8 – Austin, Texas*

## Dealing With the Future - What Every Dealer of Tomorrow Needs to Know

The dealers - and managers - of tomorrow must understand the financial and operational needs of their business to be successful. That understanding begins today.

This workshop is for owners, mid-level managers and department managers, as well as those new to the equipment industry, and will teach participants how a dealership's operating and financial parameters can affect the dealership on a day-to-day basis.

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Presenter Bill Bohmer will provide a financial review that will cover the most common operating indicators that nearly all dealerships should review on a monthly basis to develop sound financial returns. We will discuss departmental expense categories to illustrate the interdependency between all departments and how these affect the dealership as a whole. Examples will be provided to show the participants what characteristics are essential for developing a financially and operationally sound dealership. Some of the topics we will cover include:

- Understanding the basic operating parameters of an equipment dealership
  - ROI and ROA
  - Working Capital Turns
  - Equipment and Parts Turns
  - Sales Mix
  - Gross Margins
  - Expenses
  - Absorption Rate

Many other topics important to successful equipment dealerships will be covered during this workshop. Complete information has been mailed to all members. If you need another copy, just call Olivia at SouthWestern Association - 816-561-5323 or 800-762-5616.

## Member News

**Jeff Hoss** has been named the manager of **Waters True Value Hardware** store in the Westloop Shopping Center, Manhattan, Kan. Hoss has been a sales floor supervisor at Waters in Manhattan for 14 years.

## Do it Best Corp. Plans New Retail Service Center

Do it Best Corp. announced recently that it has selected Mesquite, Nevada as its location for its eighth retail service center (RSC). Do it Best Corp. plans to invest \$20 million to develop 50 acres of commercial property and construct a 525,000 square foot facility to service its member-retailers in the southwest quadrant of the United States. Construction will begin in June, and the facility will take approximately 18 months to complete and stock. Members will receive their first deliveries from the new facility in January 2006.

"Our long-range plans called for expansion in the Southwest," said Bob Taylor, Do it Best Corp. President and CEO. "We've experienced considerable growth in this portion of the country over the past several years, growth which now requires the addition of this center. We are expecting that this distribution facility will also result in even greater interest in Do it Best Corp. by independent retailers in this region."

The co-op is currently serving customers throughout this region from its RSCs in Waco, Texas and Portland, Oregon. Do it Best Corp. considered sites in California, Nevada, and Arizona. The site, which is 90 miles northeast of Las Vegas on the Arizona/Nevada border, was ultimately selected because of its access to interstates allowing good transportation lanes into major markets of the southwest, availability of an excellent workforce, and the level of interest expressed by the Mesquite community, Mayor, and City Council in attracting Do it Best Corp.

## Fast Facts: Identity Theft

You may go to great lengths to protect your home and property from a thief, but are you doing enough to safeguard your good name? In the last five years, identity theft has affected one in four U.S. households and has cost individuals a total of \$5 billion to clear their names.<sup>1</sup> In today's numbers-driven society, personal data has become increasingly available to would-be thieves through medical, financial, employer, and sales records. Here are a few steps you can take to avoid being victimized.

1. Do not disclose your Social Security number unless it is absolutely necessary. Whenever possible, ask that another form of identification, such as a driver's license number, be used instead.
2. Keep an eye on billing cycles. If a bill turns up missing, it may mean a thief has taken over your account and changed the mailing address to cover his or her tracks.
3. Check your credit regularly. If you suspect wrongdoing, contact the three major credit bureaus (Equifax, Experian, and TransUnion) and ask that a fraud alert be placed in your file.

Identity theft can go undetected for months, or even years. Being vigilant about your personal information can help you protect your credit and preserve your good name.

1) *USA Today*, September 3, 2002

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