

SCBA letter for August, 2017

Next time you see a grandfather's clock, notice this. For every TICK there is a TOCK. In business, for every ACTION by government (the TICK), there is a REACTION from business (the TOCK).

The other night I saw a gathering of activists on TV and heard one gentlemen say, "Every worker deserves a living wage. We should raise the minimum wage to \$ 15.00 an hour". I can assure you that this person never owned a business.

The first minimum wage was in the late 1950's and was \$ 1.00 per hour. My father owned a neighborhood grocery store. I remember working in the store and also remember some of the prices. A loaf of bread was 10 cents. A quart of milk was 21 cents. A can of Campbell's tomato soup was 15 cents.

I bought my first new car in 1964. It was a beautiful Oldsmobile Cutlass convertible for which I paid a total of \$ 3,250.00. A new convertible today would cost \$ 40,000.

When I got married, in 1969, my wife and I could go to MARS supermarket in Dundalk and buy a full bag of groceries for \$ 15.00. We rented a two bedroom apartment for \$ 105.00 a month.

My first house in Carroll County in 1969. A 3 bedroom rancher with a full basement on Klee Mill Road, for which we paid \$ 19,500.00. A couple of years ago it sold for almost \$ 300,000.

My 35,000 sq. ft. building on Venture Way, when I built it in 1983, costs \$ 875,000, complete with finished offices. The county says it's now worth three times that. I could go on; but you get the point.

One of my favorite sayings is:

"All plans are based on logic

All logic is based on assumption.

If the assumption is wrong the plan will fail"

The inescapable fact is that, when the federal minimum wage goes up, the cost of you doing business goes up accordingly, and you have to raise your prices. In the end, the worker does not benefit and the government has to raise the minimum wage again.

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