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Government is still hamstringing small businesses

Doug Ducey: Obamacare mandates, overtime rules and a minimum-wage hike are threatening jobs and hurting workers.

We've had a string of good economic news in Arizona lately.

August marked our 23rd consecutive month of 2 percent or greater year-over-year job growth. The poverty rate has fallen, and more than 400,000 people moved here between April 2010 and July 2015.

While good policies like tax reform, reduced regulatory red tape and a new crowdfunding law that increases startup capital have fostered success, the credit goes to the state's small business men and women. They are responsible for creating these new opportunities.

But unlike large corporations, small businesses – whether a startup trying to get off the ground or the mom-and-pop shop that's been in your neighborhood for decades – don't have scores of lobbyists and attorneys to navigate the bureaucracy of government. It's just them, and it's up to elected leaders to create an environment for these hard-working small business men and women to succeed.

This means addressing the threats of over-regulation, over-taxation and lack of access to capital – the main hurdles facing small businesses, according to a nationwide poll commissioned earlier this year by the Job Creators Network.

Consider the impact of two major new federal regulations that bookend this calendar year: January's implementation of Obamacare's employer mandate for businesses with 50 or more full-time equivalent employees, and December's



implementation of the Department of Labor's new overtime regulation. These mandates and others like them threaten the ability of real people to create jobs.

Start with Obamacare. According to the Kaiser Family Foundation, the average employer contribution to employee health-care premiums in Arizona in 2015 was \$4,500, a figure that is rising rapidly. For small businesses, this cost may be too much to bear, resulting in lost jobs or businesses closing up shop altogether.

Other feel-good policies sweeping the nation hurt American workers more than help them. New federal overtime mandates may increase marginal labor costs for small businesses up to 150 percent. To avoid the increased costs associated with the rule, employers will likely shift salaried employees back to punching a clock, eliminating career advancement opportunities.

At the state level, an Election Day proposal to raise Arizona's minimum wage by 49 percent will also hamper job growth. Economists

from Miami University and Trinity University replicated the methodology of the nonpartisan Congressional Budget Office and found a \$12 minimum wage could cost the state 15,000 jobs.

Our focus should be on creating opportunities for people to transition out of minimum wage jobs and into better paying jobs. This proposal won't do that. It will do the opposite.

To address these threats and come up with solutions to overcome them, I participated in a Bring Small Businesses Back event hosted by the Job Creators Network recently in Chandler. I heard stories from some of the more than 130 business owners who attended. I'm proud to serve as the honorary chair for this effort to fight back against bad government policies that threaten our economic growth.

As Arizona learned the hard way during the Great Recession, economic growth and job creation are not a given. They rely on good public policy.

Government doesn't create jobs, but it does create the environment in which jobs are created. That starts with small businesses. Let's let them do what they do best: create value, jobs and economic prosperity for all Arizonans.

Doug Ducey is the governor of Arizona, former CEO of Cold Stone Creamy and the honorary chair of the Job Creators Network's Bring Small Businesses Back campaign.