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Puzder the right man for Labor Dept.

By: Alfredo Ortiz

While President Donald Trump has been inaugurated, his cabinet nominees are undergoing another week of grueling confirmation hearings. Proponents hope that they can quickly be confirmed and get started bringing reforms to increase American prosperity — and more specifically, bolster small businesses in Maine.

At the top of the list of nominees who can help reinvigorate Maine's small business community, which employs 57 percent of the state's workforce, is labor secretary nominee Andy Puzder.

Puzder knows how to create jobs and finally raise wages for working Americans. This is evidenced not only by his copious writing on the subject, but also by his success as CEO of CKE Restaurants. Under his tenure, CKE, which owns the restaurants Carl's Jr. and Hardee's, has grown from a multi-million dollar company into a billion dollar brand.

Maine needs this type of leadership now. Despite a string of positive economic indicators in recent months, labor-force participation — including participation of “prime-age” people — remains low in Maine. The 2016 labor force participation rate in the state hovered near 62 percent — down from the historic rate of 67 percent in the early 2000s.

Puzder has seen firsthand — with 3,000 domestic franchises employing 75,000 Americans — how Labor Department over-regulation contributes to this stagnant labor market. His employees and

franchisees have had to contend with the Labor Department's proposals to double the overtime exemption salary threshold, dramatically raise the minimum wage, and push for a “joint employer” mandate that would upend the franchise system, among others.

Though such regulations may sound good on paper, Puzder has seen how they make it more difficult to create jobs and raise wages in practice.

Such regulations have a disproportionate impact on small businesses, which often don't have the compliance resources or the economies of scale necessary to implement them. As a result, small businesses, which create a majority of Maine's jobs, still haven't recovered from the Great Recession. Government data shows that job gains from new firms are at the lowest share of employment since 1992, and startup formation continues its steady decline.

Puzder's approach would reduce the regulatory roadblock preventing business creation and expansion.

Who ultimately gains from the resulting robust small-business environment? Employees and jobseekers who receive more opportunities to achieve the American Dream.

Some progressives are criticizing Puzder's nomination and regulatory approach. But you can't argue with results. The past eight years have proven that the regulatory model doesn't work. American history, on the other hand, shows that the

best way to produce median wage gains and a strong middle class is through economic growth and economic freedom.

Puzder's record also shows that CKE has effectively balanced labor compliance with business growth. According to a Bloomberg BNA analysis, Carl's Jr. and Hardee's have the third lowest wage-and-hour violation rate among 20 major fast food restaurants. And some of these violations were for minor protocol errors, like failing to display a Labor Department poster.

It's no surprise, then, that the overwhelming majority of CKE employees are happy at work. In fact, in a national survey of CKE employees conducted by the independent survey company CorCom Inc., 93 percent of female CKE employees agreed that they felt “safe and respected” in the workplace. Overall, 92 percent of employees agree that CKE is a great place to work.

Puzder will make an excellent labor secretary because he will roll back the current Labor Department's burdens on small businesses and their employees in Maine and the rest of the country. That will help create jobs and raise wages the proven way — with economic growth and an increased competition for labor.

That is the pro-worker agenda this country needs.

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