

Brick-and-Mortar Openings Get a Boost and Some States Want Younger Workers to Fill the Labor Shortage



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Gene Marks:

Hey, everybody, this is Gene Marks, and welcome to this week's episode of The Week in Review, a Paychecks Thrive podcast. Thanks for joining me. I've got four items of news this week that probably impacts your small business, so let's get right to it.

The first has to do with more brick-and-mortar stores. Brick-and-mortar store openings exceeded store closings for the first time since 2016, according to the National Retail Federation. Physical stores are forced to rethink their strategy to stay competitive, focus on unique in-store experiences and personalize customer service to lure customers away from online shopping, and some retailers are also turning to technology, such as augmented reality, to enhance the shopping experience and make it more interactive.

While the pace of new store openings is still down from a year ago, closures were down 55%, pointing to continuing retailer sales momentum.

My take on that is this: If you're operating a retail store, you have to be very creative about bringing customers in and keeping them entertained while they're in your store. But don't forget that my best clients have multiple channels that they sell through. So, you shouldn't be ignoring the Internet or distribution or any other type of sales. Your retail stores should be one of the many ways that you're getting products out to your customers.

Another news item has to do with letting kids work more. More states are responding to workforce shortages by relaxing child labor laws, and an Iowa proposal, for example, would permit 14-year-olds to work certain meatpacking plant jobs and 15-year-olds would be able to work as lifeguards and swimming instructors, perform light assembly line work and load and unload up to 50 pounds of products. The bill would also expand hours. Teenagers can work during the school year and insulate businesses from civil liability if a youth worker is sickened, injured, or killed on the job.

In Minnesota, they're contemplating allowing 16- and 17-year-olds to take construction jobs. The move comes as the federal Department of Labor is prioritizing child labor law enforcement.

I just saw this, actually this past summer, in New Jersey, where I go down to enjoy the Jersey Shore. New Jersey also relaxed some of its child labor laws during the summer to give businesses the opportunity to hire younger kids.

Hey, I'm all for it. I mean, I think the parents should give approval to let their kids work at their jobs. I think it needs to work out with their school schedules. And of course, schools should take a priority. But for sure, I think giving kids the ability to work even at the age of 14 or 15 years old, I don't think that's such a big deal. I think it's up to the maturity of the kid and hopefully employers themselves can run a good business and make it a good experience for both.

The next item has to do with permanent tax cuts or making those tax cuts permanent. Over 70 Republican House members are co-sponsoring legislation to make 2017's Tax Cuts and Jobs Act permanent. The TCJA Permanency Act would permanently lower tax rates for individuals, preserve the 20% deduction for small businesses, maintain the higher standard deduction, lock in the doubled child tax credit, simplify the tax filing process, and expand eligible uses of the 529 savings plans.

Advocates contend it would eventually result in a 2.2% higher GDP. Business groups such as the NFIB, National Association of Manufacturers, and American Farm Bureau Federation voiced support, but the White House and Democratic legislatures would likely be unenthusiastic.

Listen, as a small-business owner, I think you can agree anything that keeps your taxes down is I'm all in favor of. Those permanent tax cuts are going to be an election issue in 2024, many of these tax cuts are going to be expiring in 2025, so it's going to come to the fore fold of discussion in Washington.

I'm hoping at the very least that 20% deduction for small businesses stays permanent, but more to be coming on that. This is going to be an issue to please pay close attention to over the next few years as these tax cuts have a big impact on our profits.

Finally, pay transparency. New York state is implementing pay transparency. The New York state legislature continues to consider further worker advocacy measures in the new session. One proposal would amend the state's pay transparency law taking effect later this year by broadening it to include remote positions physically performed outside of New York that report to a New York supervisor office or worksite, making it more expansive than the parallel New York City pay transparency rule.

The legislature is also considering a bill that would extend the covered reasons for leave under the New York Paid Family Leave Act to include fetal and infant bereavement.

But listen, pay transparency is affecting many states around the country, and in fact, the Department of Labor is looking at issuing rules about pay transparency. It only makes sense, guys. If you are hiring somebody, particularly a female worker, because we know studies have shown that the pay for females have always lagged behind male workers, although gains have been made, it's still impacts. You can't just ask somebody, what were you making at your last job? It could be biased.

So, the best thing to do is to be transparent about what a position pays. And can we all agree a lot of this information is already available on websites anywhere like, you know, CareerBuilder and Glassdoor? So, you know, why do secrets? Make your jobs pay transparency, at least give a range of your salaries even if your state doesn't require it? I still think it's good employment practice.

All right. That's the news for this week and how it impacts your business. Some of my thoughts on that as well. You've been listening to the Paychex Week in Review, a Thrive podcast. My name is Gene Marks.

If you have any advice or tips or want to suggest a guest for the podcast, please visit us at payx.me/thrivetopics. That's P-A-Y-X dot M-E/thrivetopics. Again, my name is Gene Marks. Thanks so much for listening. We'll see you again next week. Take care.

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