

## DOL Likely to Stay Course, Funding Pours into States, and Cash is Checking Out



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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 Paychex Thrive Podcast. Thanks so much for joining me. Got some news that impacts your business this week.

Let's start in Washington with the secretary of labor. President Biden plans on nominating Deputy Labor Secretary Julie Su as the next labor secretary, replacing outgoing secretary Marty Walsh. Su was previously California's Secretary of Labor and worked as an attorney for low wage and immigrant workers.

The nomination may be difficult, though, because of the Senate as no Republicans supported her nomination for deputy secretary and many do have concerns with her history as secretary of labor in California. That's because during her tenure, Su reclassified gig workers as 1099 workers in the state as employees rather than independent contractors, and had difficulty administering the state's unemployment system during the pandemic. But despite this, several labor groups have already endorsed her nomination. If confirmed, Su would be the Cabinet's first AAPI Secretary under Biden.

My thoughts on this. Secretary Walsh was also very, very pro-labor. He was, you know, used to be head of a very large union in the Boston area. He was mayor of Boston, as well. He's going out to do work with the NHL now — good for him. Secretary Lu, uh Su, excuse me, would be likely, you know, the same — picking up the same policy. She was a big supporter of AB5 — that was the independent contractor legislation in California from a few years ago — and will continue to move a lot of the initiatives the DOL has started forward, I am sure, which includes potentially reclassifying independent contractors, changing overtime rules, as well as other moves for pay transparency.

You know, whether or not she'll get confirmed remains to be seen. Somebody's got to be confirmed Secretary of Labor. I think in the end, she'll probably squeak through. We will see, but I don't expect any large changes in a lot of the DOL's initiatives over the next couple of years, even with her at the helm. So that's what you can expect.

Next, the Treasury is accelerating state funding under the American Rescue Plan's State Small Business Credit Initiative. I hope you guys know about the SSBCI — the State Small Business Credit Initiative. This

week, New Jersey, Texas, Washington, Delaware, Kentucky, Tennessee, and Wyoming were the latest to receive their portion to support local small businesses and entrepreneurship investment programs.

Among the programs being prioritized by these states are idea stage startups by underserved owners and managers, outreaching capital access, and low to moderate income communities, men, women, veterans, minority-owned businesses, businesses owned by disabled individuals or those with limited English proficiency, emerging and diverse venture capital fund management, gross stage technology companies and entrepreneurs, and clean energy climate technology initiatives.

Here's the thing though, any small business is eligible for this money. It's like \$10 billion of funds that is being distributed out to the states over the next couple of years. Your state is getting a ton of money and the state is then turning around and giving it to local nonprofits and, you know, banks and community banks and investment managers, as well, to distribute that money out to small businesses like yours.

So, here's my advice to you. Go and Google your state and this State Small Business Credit Initiative. It will take you somewhere on your state's website that will tell you what organizations the state is giving that money to. Then, turn around and go to those organizations and apply for that money. It could be a very low interest loan. It could be a grant. It could even be an equity investment in your business. It's \$10 billion that's going out around the country.

I am telling my clients and readers and community around the states, go and talk to your state and find out where that money is going and pursue it because you got to get in line, you got to apply for it. But, it's certainly money to be had and something you should definitely be looking into this year and next.

Finally, cash and checks continue to fall in use by consumers, and this year it is projected at 14 percent of total payments, compared with 42% 13 years ago. So, let's get this right, okay? Thirteen years ago, in 2010, 42% of payments are being made by checks. Now, it's down to 14%. The pandemic accelerated this move from cash to electronic wallets, along with shopping online, and people don't seem to be going back.

There are currently 450,000 ATMs in the U.S.. That is down 4.2% from four years ago when they were at their peak. Banks are reducing the number of ATMs due to lower usage and some due to crime. Person-to-person transactions are also growing, utilizing Zelle, Apple, Venmo, Google Pay, all those types of, you know, mobile payment applications. They've grown 12.4% year over year, according to a Federal Reserve study, especially among first-time users.

Bottom line is this: Cash is going away and your business — if you are still cutting checks to your suppliers and vendors — you got to make moves to cut that down. Go to your bank, sign up, implement some type of online banking system, and integrate it with your accounting system. Yeah, it's a pain in the neck to get it all set up, but once you do, you will really manage your cash a lot better and have way more control of the payments going out.

On the other side, you need to be accepting all forms of mobile payments in your business — be it PayPal, Google Pay, Apple Pay, Venmo, whatever the case may be — you need to be making sure that you accept it all because you do not want to turn customers away because you don't comply or accept some of these mobile payment applications that people are using.

People are moving away from cash. That is just the facts. So, you have to make sure that you are keeping up with the times.

That is the news this week in this week's Week in Review, a Paychex Thrive podcast. If you've got any guests you'd like to suggest for our Paychex Thrive podcast, our main podcast, please by all means suggest it to us at [payx.me/thrivetopics](https://payx.me/thrivetopics).

My name is Gene Marks. Thank you so much for listening. I hope you learned a few things in keeping up on what the news is and how it impacts your business. I'll be back again next week with more news that impacts your business with some thoughts about what you can do about it. Thanks, and we'll see you then. Take care.

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