

True Job Creation

Please forgive me. It is 11 pm and I was at the office this morning at 6 to get the day started. I am not looking for sympathy. I am a business owner and that is my choice. I need to respond to some points that have been made over the last couple of weeks in this newspaper.

Business owners create jobs. Here is how. We go out and start a business and build it from the ground floor. The business owner has taken the risk, spent his own money or convinced others to invest in the business. The business owner has spent many sleepless nights, long days and sacrificed time with his family. This was done to pursue a dream to build something for himself and his family.

Over time the business owner has analyzed the marketplace and consumer demands. He has changed his business plan to accommodate the marketplace and consumer demand. Eventually the business owner arrives at a point when he can no longer service his clients or customers by himself. So he goes out and creates a job and hires an employee. He treats his employee very well and gives the employee the opportunity and responsibility to advance. Then as the business grows the business owner creates more and more jobs, hiring more and more employees.

Now let's talk about the government. Yes, there are government employees. They are hired by the various levels of government, local, county, state and federal. But the difference is that the government obtains its income from mandated taxes, penalties and fees. Now there is a definite difference of opinion about the services the government should provide to the citizens. But it is true that the government does not build anything or manufacture anything. The government does repair and maintain roads, bridges or buildings but when they are to be built there is a contract with a private business. Since the economic downturn even the government has figured out that it is possible to provide the same amount of service with fewer employees. The government is not in place to keep the unemployment rate low.

Now let's talk about the government mandated payroll taxes on the business community. Every time a business owner thinks about hiring an employee he has to think about the mandated employment taxes that will have to be paid. First there are the payroll taxes that are withheld from the employee and then turned over to the government - social security (4.2% of the first \$110,100.00), and Medicare (1.45% of all wages). These are not a cost or expense to the business owner. But the business owner is mandated to pay to the federal government payroll taxes and insurance. These are social security (6.2% of the first \$110,100.00), Medicare tax (1.45% on all wages), SUTA or state unemployment (which is a percentage of the first \$7000.00 of wages for each employee) and FUTA or federal unemployment (a percentage of the first \$7000.00 of wages for each employee). These percentages are determined by the claims history of the employers business. Workers compensation is paid by the employer to cover work related injuries and is based on industry and history of the business. To top it off, since the federal government extended the unemployment benefits to 99 weeks the state has implemented an excise tax on the employer to make up the difference. I am still waiting for someone to show me their paystub that shows unemployment tax was withheld from their wages.

Any reputable business owner appreciates his employees. The business is more successful because of the employee and allows the business to expand and reach more and more clients or customers. But, the business owner is the sole risk taker and takes the responsibility of all debt and contracts. The business owner is on call all the time.

It is late and time to go to bed so I can start the process again in the morning. Once again, no sympathy is requested. This is what I do and I truly enjoy the freedom of owning my own business. I thank God for providing me the opportunity, desire and wisdom to pursue my dreams.

Jeff Struble