



# WHAT'S KILLING THE AMERICAN DREAM?

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What do you call it when people have a great idea and risk everything they have -- time, money, energy -- to make that idea a reality?

I call it the American Dream.

Ritu Shah-Burnham had an idea. She dreamed of opening a pizza franchise in Seattle, Washington. It wasn't easy -- it never is -- but she made it happen.

Richard Clark had an idea. Office buildings in fast growing Northern Florida needed janitorial services. He was bound and determined to see that they got it. He grew his business to over 200 employees.

Kenneth Jarosch oversees a bakery in Chicago started in 1959 by his father and grandfather. The neighborhood has seen a lot of changes over the decades, but there's always been one thing you could count on: delicious bread and pastries from the Jarosch ovens.

Ritu's, Richard's, and Kenneth's stories are played out every day across America: a million variations on the same theme -- starting a business, running a business, keeping a business going.

In fact, America leads the world in small business creation, with over 28 million small businesses. They generate over 64% of all new private sector jobs.

And, let's not miss the obvious: every big business with thousands of employees started out as a small business. Bernie Marcus opened two hardware stores in Georgia and Phil Knight sold running shoes out of the back of his car in Oregon. Thus were The Home Depot and Nike born.

Given the importance of small businesses to the American economy, you would think the government on all levels -- city, state and federal -- would do everything it could to encourage their formation and growth.

In other words, you'd think the government's attitude would be, "How can we help you?"

But, sadly, this is not the case. In fact, it's the opposite. The government is killing small businesses -- killing them with excessive taxes, over-regulation and complicated compliance.

One such burden is the push to hike federal, state and city minimum wage rates from about

\$7.25 an hour to as much as \$15.

Ritu Shah-Burnham found this out the hard way. So did her employees. When the city of Seattle raised their minimum wage to \$15 an hour, all of the profit went out of Ritu's pizza parlor. She couldn't raise prices high enough to cover her new costs. She lost her business and her employees lost their jobs. Instead of their wages going up to \$15, they went down to zero.

Then there's the Affordable Care Act, which requires businesses with at least 50 full-time employees to provide health insurance for all of them. The law's definition of "full-time"? Just 30 hours a week. To survive all the added costs, many small companies have reduced their workers' hours to below 30 per week. They've also become wary of expanding beyond 50 full time employees.

That's the dilemma Richard Clark faced. His workforce of 200 people, 50% of whom were full-time, is now down to 150 people with only 20% full-time. The rest are part time. Sure, it would be great to provide everyone with health insurance, but Richard wouldn't be able to keep his business if he did, and, obviously, his employees wouldn't have jobs.

Kenneth Jarosch wonders if his bakery can survive the bans on partially hydrogenated oil and trans fats, key ingredients in making his baked goods. He'll have to reformulate his recipes. That will cost him a lot of time and money, and he worries about the taste and texture of his baked goods. If you're a bakery and your customers don't like your bread, well . . . you're toast. And so are your employees.

There are over 175,000 pages of regulations like these from the federal government alone - countless more from cities and states.

Small businesses have to deal with them every day. Some of these regulations are necessary, but many are not. Some sound good on the campaign trail, but create serious practical problems in real life. They sap the resources of going concerns and discourage people from starting new ones. They're freezing economic growth.

They're like a giant iceberg.

And the American dream is headed straight for it.

I'm Elaine Parker of the Job Creators Network, for Prager University.