

Masks Down in U.S., Jobs Up in Texas and Tax Savings Golden for Some California Businesses



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Gene Marks:

Hey, everybody, this is Gene Marks, and welcome to this week's segment of "On the Mark." Thank you so much for joining me. We have some news to cover this week. Two big items of news that I thought would be of interest to you if you're running a small business. The first has to do with mask mandates.

Over the past couple of weeks, five states have already announced that they're going to end or significantly pull back their mask mandates: that's California, New Jersey, Delaware, Oregon and New York. Some of them have even included schools in that, as well.

There are other states that may be following suit, as well. Certain cities, pockets in the country, like my city of Philadelphia, New York City, Boston, Chicago are still holding pretty firm right now on mask mandates until they are convinced that cases and hospitalizations of COVID go down. But for sure, it's a good sign.

The good sign is for small businesses around the country that not only can get back to hopefully doing business as normal — pre-COVID — but also we'll see, hopefully following that, some of the areas in the country that are requiring like vaccinations even to eat in restaurants, again, like here in Philadelphia, maybe we can see some of those rules pulled back, as well.

Listen, a lot of this has to do with jobs. And just this past month, the Paychex employment report — its job index — revealed some interesting stuff about jobs in the country. I mean, job growth has been pretty strong. As you can imagine, it's been stronger in the states that have been pulling back those mandates quicker and less strong in those states that have not been pulling back those mandates as quickly.

Good news is that the leisure and hospitality sectors are growing, according to the Paychex report. New York state actually has seen an improvement of ranking on its job index for five straight months. That's good news for workers in that state, as well as in New York City. Even with the mandates that they have there, the leisure and hospitality industries in the city are showing some an increase in employment. Obviously, ending the mandates there should certainly help, the employees that are around there and of course, small businesses.

Listen, the big interesting state to me, at least in this Paychex report, this month is Texas. You know, we're going to be focusing on Texas in our podcast, our Thrive podcast, in the months to come. But in the meantime, you know, it pretty much ruled the jobs index. It has the world's ninth largest GDP, first of all, Texas does. I mean, it's a good place to do business and a good place for small businesses.

It had a jobs index that was greater than 102 on the Paychex report, which is, you know, one of the highest rankings. Dallas led among all metropolitan jobs in their job index. The state showed positive weekly hours growth, year over year. The top-five sectors in Texas that showed growth: leisure and hospitality, which is great news, but also construction, energy, trade and transportation, professional and small businesses.

So, these are all really good numbers when we look at it because, you know, Texas is growing in jobs, for example, you know. It is bucking the national trend, for example, in construction jobs, whereas construction came in seventh on the Paychex index in job growth. Texas is actually, you know, it's one of the top areas of its job growth.

The other thing that should just be known happens to do with hourly wages. According to the Paychex report, Texas lags behind 12 other states in terms of hourly earnings growth. Right now, the average hourly earnings in Texas is about \$28.36, which has grown about 4% over the year. Houston, actually, ranks last in that category among metro areas, but first in weekly hours. So, you know, business is growing in Texas, but wages have not actually caught up in Texas.

So, what's the takeaway here? The takeaway is this: as mask mandates, hopefully vaccination mandates start to continue to be pulled back over the coming weeks or months in many areas of the country, that's going to be good news for small businesses. Our biggest issue is finding people, getting people to feel safe, that they can come back into the workspace. As these mandates have also decreased in schools, it's given some more certainty that schools are going to continue on with their, you know on-premise learning so employees can feel comfortable taking and committing to a job while their kids are going to be in school all day.

All that is good news for businesses around the country. And again, as I mentioned earlier, if you're a Texas small-business owner, you're in a great place. If you're a Texas employee, though, your wages are still lagging nationally. And I expect that even in Texas, where jobs are still scarce and where, you know, competition is still tough, we are going to be seeing some increase in wages, I think, in Texas over the next months and even years. So, that's the first bit of news masked mandates are starting to be receding.

Number two has to do with California. Gov. Newsom in California this past week signed new legislation in which extended sick pay leave, expanded relief for small businesses and another, you know, what's called a historic package to promote innovation and entrepreneurship in California.

So, you know, California is a very progressive state and it is the largest state in the country for gross domestic product. So Gov. Newsom, who, by the way, is running for reelection in November, he has extended that supplemental paid sick leave through Sept. 30 of 20, 22, which basically means that your people can get supplemental wages if they have to take paid sick leave. So, that's good news.

What's also really interesting to me is that he's given some help to small businesses in his state that need help. For example, money that's received from the Restaurant Revitalization Fund and the Shuttered Venue Operators Grant programs; Those are two programs from the SBA, the Small Business Administration, but they've since expired. But many people received money under those programs. The state of California is

not going to tax that money. That could have been a big hit to a lot of small-business owners. So, that's certainly a big relief.

His state is also providing about \$150 million in small businesses for relief grants program to basically help these small businesses who applied for relief elsewhere but are still waitlisted and haven't gotten funding. It's a program that will grant up to \$25,000 for small business that's impacted by the pandemic.

So, if you're a California business owner, I strongly recommend that you visit your state's website. You look at this new supplemental package that was just passed. Apply for the \$150 million program. You can get up to \$25,000. Take advantage of the paid sick leave extension.

Also, make sure that your accountant knows when your taxes are done for 2021 that California will not tax you for any money that you might have received under the Restaurant Revitalization Fund and the Shuttered Venue Operators Grant programs. So, if you're a restaurant or theater owner in the arts business, you can be exempted from getting taxed on that money.

Okay. So, in a recap mask mandate is starting to go away. Great news Hopefully we'll see some other mandates disappear that should increase the economy and a lot of those states that have been lagging hopefully increase employment as well. Good news for small business and their employees. Also this week, California passing a big benefit bill for small businesses that will give them expanded relief and help cut their state taxes, as well. So, check that out on the California state's website.

All right. That's the news that we have for this week. Those are my takes on the news as well. You've been listening to "On the Mark." My name is Gene Marks. You can follow me on Twitter @genemarks, and if you've got any advice, tips, suggestions for us, including guest suggestions, please visit us. You can go to payx.me/thrivetopics. That's P-A-Y-X dot M-E forward slash thrive topics and we will take anything that you contribute into consideration.

Again, thanks so much for joining me. We'll see you again next week for news that impacts your small business. Take care.

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