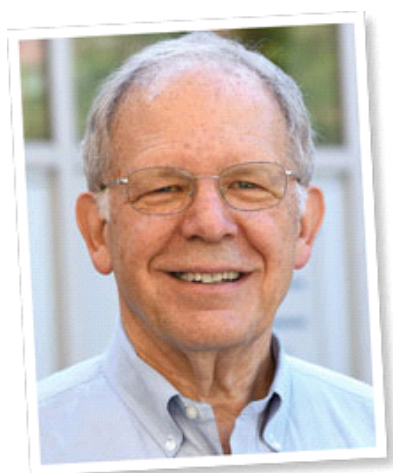


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2020 ... What Can We Learn?

Bill McCurry



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In 2020, the only consistent thing has been inconsistency.

Most garden centers had a harder, more intensive work year than ever before with new daily challenges resulting in better financial results for many in our industry. One retailer was upbeat when referring to the COVID-19 work environment. Kim Gliha Mullen, a 2020 *Green Profit*/RBI Young Retailer of the Year finalist, said, "As stressful and hard as it was ... this year has taught me more about myself, my family and our team in such a positive, positive way that I'd do it again if I had to and if I knew I would come out with the same mentality as I have right now."

Others weren't as fortunate. Perhaps they'd invested heavily in Easter lilies, or inventory and equipment to handle large weddings. Then the quarantines and mandatory shut-downs resulted in economic setbacks they may not

have had time to overcome.

Dr. Charlie Hall, professor of horticultural science at Texas A&M University, said 2020 would be a great year for garden centers because many of our traditional customers wouldn't have their incomes negatively impacted. Instead of eating at fancy restaurants or taking expensive trips, these customers diverted their disposable incomes into improving their garden experiences.

But that wasn't true for everyone. In many garden centers, employees were immediately furloughed when states closed most retail locations. Until the end of July, the \$600 weekly Federal Pandemic Unemployment Compensation (FPUC), on top of existing unemployment benefits, often doubled an individual's salary. Why return to lower-paid work?

Let's take a closer look at what happened. National Public Radio's Pallavi Gogoi asked if \$600 a week was a "Poverty Remedy or Job-Slayer?" She reported University of Chicago researchers found unemployment benefits exceeded earnings for two-thirds of people who lost jobs. Researchers drilled down to see how those who kept working earned less than those furloughed. For instance, typical retail workers could get 142% of what they regularly earned by being on unemployment while also receiving the FPUC benefit.

Employers asked me how to get people to return to work when they were making more staying home. Others asked how to allow the employees to keep the \$600 unemployment (illegally?) while working. Still others complained about spending their Paycheck Protection Plan money on payroll. Employees wouldn't work for their old wages while the

\$600 weekly FPUC was available. I heard complaints about employees having neither loyalty to their employer nor passion for their career.

Those employers who were frustrated with employees preferring the \$600 weekly bonus forgot it was really an extra \$15-per-hour pay. That's well above what many retail workers were paid last year. Who can fault employees who want a pay increase?

For some employers, this situation was a wake-up call about how incredibly difficult it is to live on even \$15 hour. Our industry is blessed to have many people who love plants and are enthusiastic employees wanting to share their joy of gardening. However, many are living paycheck to paycheck. Some feel they must use "payday lenders," which serve a purpose while simultaneously destroying the borrower's financial health by charging 100% to 299% APR.

Are all your employees financially literate? Basic financial activities like budgeting, wisely using a bank account, understanding taxes, the danger of credit card debt, the pitfalls of payday lending, etc., aren't taught in school. People at all income levels can fall into financial traps by not understanding what they should be doing. By providing access to these lessons, you'll help everyone make ends meet. **GP**

Bill McCurry would love to hear from you with questions, comments or ideas for future columns. Please contact him at wmccurry@mccurryassoc.com or (609) 688-1169.