



# Michael Hatcher & Associates, Inc.

How Tax Cuts and Jobs Act has influenced the Small Business in our area and specifically affected Michael Hatcher & Associates

## OVERVIEW

The monumental Tax Reform Law has had an immediate impact on our business from multiple aspects:

\*As a Landscape Design/Build/Maintain Company we provide jobs for 116 FTE employees. Our customers are Residential, Commercial, Industrial and Government locations throughout a 120-mile radius of our office located in Olive Branch, Mississippi. The roll back and benefits from the Tax Cuts and Jobs Act (TCJA) created significant financial resources available as expendable income to all our customers which has been realized by 20% growth from same period last year. Our business practices allow us to use available resources from not only our own customer surveys and research but substantiation from our affiliation with our national association NALP (National Association of Landscape Professionals).

\* TCJA has had a direct influence on our Company investments and expenditures as well, we have made substantial investments in both vehicles, equipment and technology. We are not only replacing older assets but are adding new because of the growth of the revenue. We have also been actively engaged in the acquisition of other companies to build our brand and substantiate the diversification of our services to existing and potential new customers.

\*The employees of Michael Hatcher & Associates were direct beneficiaries of TCJA in March of this year when all received a minimum of 7% raise in their base compensation package. This along with other incentives for workplace safety has resulted in several employees purchasing new autos, homes and creating college funds for their children.



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\*We are a drug free workplace, participating in the E-Verify program since enacting of that policy in June 2007, with a workman's compensation Mod. Rating of .78 representing a 22% safer work environment than our Industry Standard. OSHA certified Managers supervise each division of our company.

\*With growth opportunities also comes challenges, the foremost challenge we face is a reliable workforce. We employ individuals with college degrees for professional licensed requirements positions to the entry level individuals for construction and horticultural positions filling roles as crew members to complement our labor force. To fulfill the need for all positions we have been relentless to recruit and hire from Regional Universities and Colleges, Vo-Technical Schools, local High schools and area residents.

The TCJA has been a catalyst for economic growth to many companies in our area and through that success has created a shortage of labor for many different industries and service related employers. Unable to fill all our positions we at Michael Hatcher & Associates have selected to participate in the H2B program for the last 3 years and this program has become a continuous issue due to the political challenges it faces from some elected officials and the public's perception. Most of the opposition is misinformed of the incredible burdening number of rules, regulations and expenses that inhibit the participation and that the Department of Labor requirements to comply for that eligibility. DOL has set wage rates for those positions that are far higher than the market area compensation and the wage rate for our work classification in N. Mississippi at \$12.97/hour. This requirement mandates that all employee's either full time or part time must be paid a minimum of this rate, otherwise we are in violation of the program rules and subject to fines and legal repercussions by the DOL, this is nothing short of a Federal Minimum wage rate increase. During those past 3 years we have incurred expenses more than \$100,000 to comply with the rules and obligations to participate in program and to facilitate the legal fees and travel expenses of our guest workers. Through a very burdening process we incurred some of those expenses with no assurance that we will ever be able to employ those eligible due to the cap of participants allowed into the country. To continue the success and intentions of the TCJA something must be addressed to supplement the labor need for the continued economic success of the small business in North Mississippi.