ISSN 2326-8069
ISSN 2326-8115

The National Chamber Review

Vol. 6, No. 2 - Summer 2017 | *YOUR LOCAL PAPER, NO MATTER WHERE YOU LIVE* | www.nationalchamberreview.org

STUDENT LOAN DEBT: THIS GENERATION'S ALBATROSS

CARLY MORGAN Managing Editor

***Federal student debt** is not even sort of a recent phenomenon. But you might not realize that given the furvency of the discussion surrounding it today.*

Comprehensive discussion of today's American economy would not be possible without some treatment of college tuition, the federal loans granted to alleviate its soaring cost, and the consequent burden of student debt under which the vast majority of college graduates are now entering the workforce, and adult life.

Federal lending to college students to help cover the costs of college tuition dates back to 1958. Shortly thereafter, the role of federal lending in college financing expanded, when the Higher Education Act of 1965 established the federal government as the primary provider of student financial aid. This is to say that federal student debt is not even sort of a recent phenomenon. But you might not realize that given the fervency of the discussion surrounding it today.

That fervency is rooted, in part, in the growth of student debt that characterized the turn of the 21st century. Between 2000 and 2014, the total volume of federal student debt increased by more than 300 percent to over $1.1 trillion, surpassing credit card debt as the largest source of consumer indebtedness, second only to mortgages. And how many headlines like this have you seen in newspapers and television broadcasts over the last few years: "Graduate Cannot Pay Off $100,000 Student Loan Debt After Earning Degree in Flying Squirrels"? Stories like that seem to pop up all the time and, regardless of their representative authenticity, have certainly had a hand in shaping the national dialogue about cost and relative value of a college education.

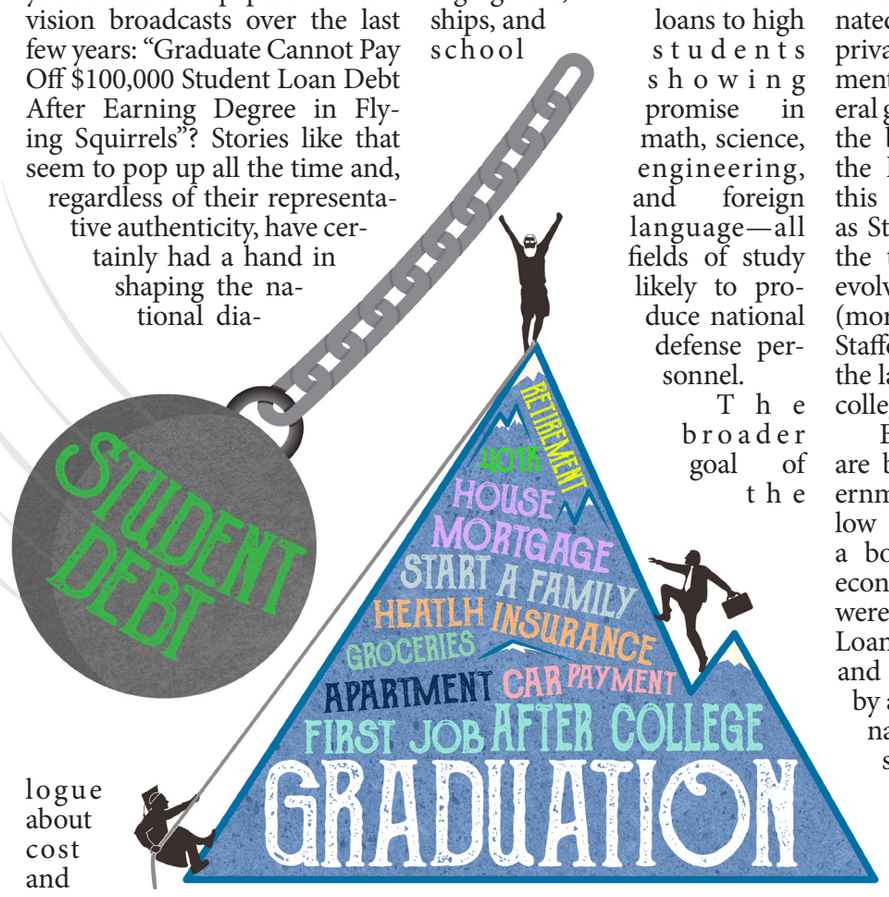

Image created by: ***Cory Marra, Designer***

First, a little background: federal student lending programs were first established in 1958 under the National Defense Education Act. The legislation was passed in response to mounting concern throughout the country that American scientists were not fully equipped to compete with their Soviet counterparts (who had just launched Sputnik, the first-ever satellite, in October of the previous year). To that end, the NDEA incentivized specific courses of study, offering grants, scholarships, and school loans to high school students showing promise in math, science, engineering, and foreign language—all fields of study likely to produce national defense personnel.

The broader goal of the NDEA was to provide low-cost loans to high school graduates who wanted to attend college. This program was expanded, most notably, in 1965, with the aforementioned Higher Education Act, part of President Lyndon Johnson's Great Society domestic agenda. The goal of the HEA was to improve social mobility and equality of opportunity by making college more accessible and affordable.

It was at this time that the Federal Guaranteed Student Loan program was introduced. Under this program, loans to finance higher education originated with, and were funded by, private lenders, but their repayment was guaranteed by the federal government in the event that the borrower defaulted. Today, the loans that originated with this program are better known as Stafford Loans, and although the terms of these loans have evolved since their inception (more on that in a minute), the Stafford Loan Program remains the largest source of low-interest college loans.

Because Stafford Loans are backed by the federal government, they are available at low interest rates regardless of a borrower's credit history or economic security. When they were first implemented, Stafford Loans were strictly need-based, and eligibility was determined by a financial needs test. Originally, all Stafford Loans were subsidized, meaning that while the student was in school, the government paid the interest on their loans.

In 1972, the Basic Educational Opportunity Grant, known today as the Pell Grant,

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National Chamber Review
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"THE LARGEST MIXER"

BREATHES NEW LIFE INTO CLASSIC CHAMBER EVENT

Patrick McCabe
Editor-in-Chief

The chamber has always been a hub; a meeting place for business owners to communicate and network. As a chamber, you want to help your members connect so they can find synergy and grow their business. The mixer event is bread and butter for a chamber of commerce. I can't think of a single chamber I've spoken with that doesn't do some kind of networking event during lunch, after hours, or on the weekend. (If you don't do any networking events, we'd love to know why.)

Networking can hit its limit, however, when only the same members keep going to the same events. In order to grow your business, you need to meet new people and develop new relationships. It's not just about passing out business cards; it's about making real connections with your peers.

One way to refresh your networking agenda is to partner with other chambers to help your members make new connections in nearby communities. An organization in Southern California has taken that a step further to try and connect as many chambers and businesses as possible.

The Largest Mixer started in Los Angeles, CA as a one-off event called "LA's Largest Mixer" to bring all of the local chambers together. Dave Linden, the creator of the Largest Mixer, began his chamber career as a board member of the Palm Springs Chamber of Commerce, but had moved on to a position as the public relations manager for a museum in LA. He wanted to have an event with the eight to ten chambers of which the local museum was a member. But during the event he discovered something curious.

"I was really surprised to see that a lot of the chamber staff who were at that meeting, they didn't even know each other," says Linden. "And we're talking like cities in LA that are literally right next to each other. But at the time, there wasn't necessarily any kind of coordinated effort to bring all the chambers together in Los Angeles for a big networking event."

LA's Largest Mixer was such a success they continued it annually, and eventually, five years later, they created Orange County's Largest Mixer; a year later, Las Vegas' Largest Mixer; and then a couple years after that, Inland Empire's Largest Mixer. With three of the four events happening in SoCal, they see a lot of benefits. "Those three events kind of work well together," says Linden. "There's a lot of overlap as far as people that attend and exhibitors that are part of the event. And then certainly Las Vegas, which is its own market, but we do also see a lot of businesses in Vegas that also have offices in Southern California and likewise."

The events themselves are actually very simple. When they say "the largest mixer," that's exactly what it is. "We don't have any workshops. There's no speakers," says Linden. "It's literally four hours of just wall-to-wall networking. The goal was never to build this into anything more than a high-energy opportunity to bring a lot of business people together."

For those that thrive in this type of environment, the event is a huge success. "People that love to network, you put them all in one room and that's where the energy of the event comes from. Because people that love to network, they're just on fire."

Just how big are these events? "Well, for our Orange County

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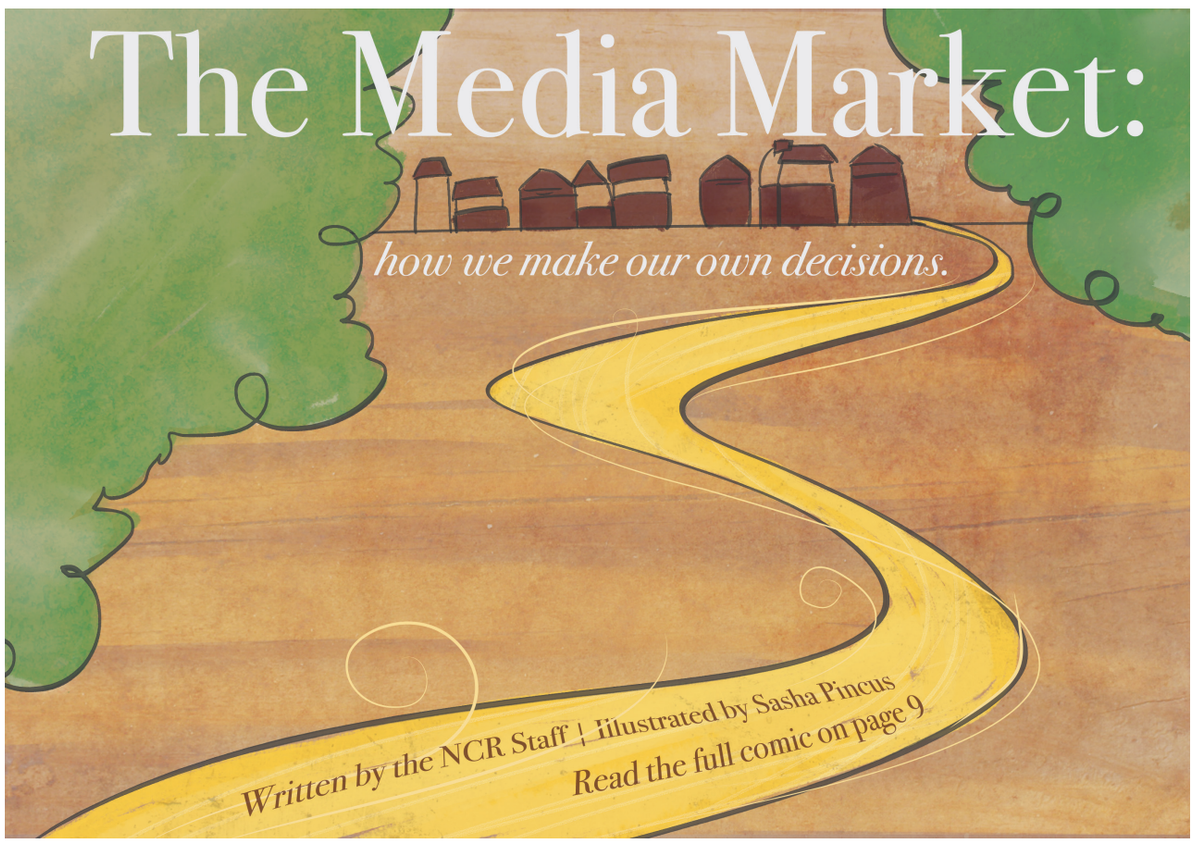

The way people feel about media is very complicated. Even exactly what you mean when you say the word "media" makes a huge difference. When we say "media," what are we really referring to? Is it a group of people? The journalists attending press conferences and reporting on the news of the day? Is it the audio and visual content we're exposed to on the radio and TV? Is it what we choose to look at on Facebook and social media? The content our friends are sharing with us?

I imagine a lot of you are thinking, "All of the above." We wouldn't disagree, and that's kind of the point. The way each of us feels about media as individuals is incredibly different. The places where we view our media are incredibly different. We read from different sources; trust different people; and consume different things. There is so much available to everyone these days that it can be hard to sort through it all and make your own decisions.

That's the intent behind this illustration; not to tell you what to believe and what to disregard, but to give you some of the necessary tools to make those decisions for yourself. It's up to each of us as individuals to be conscientious readers. Who has an agenda? Who is for real? Who should we listen to? Everyone? No one? That's up to you. Do your due diligence, inform yourself as much as possible, and make your decisions based on in-depth research of a topic.

We hope that this guide is a fun and innocent way to learn what to look for as we all try to navigate the terrain of today's media market. Enjoy!

LARGEST MIXER

FROM PAGE 1

and LA events," says Linden, " we see up to about 2,500 attendees in four hours, which is great. For Inland Empire and Las Vegas, it's a little closer to 1,500. And that's just due to the size of the towns that we're in."

These events work because, according to Linden's philosophy, for a business, the more chambers you're a member of, the better. "My mindset has always been, 'Hey, if my membership in one chamber works for me, then I have a feeling, if I'm a member of another chamber, it's going to work just as well.'"

This theory goes both ways.

The idea behind the largest mixer, says Linden, "is to give chambers an opportunity to not only visit with each other and see each other, the once a year for a multi-chamber kind of event, but really to give them an opportunity to meet other business people that might be interested in joining their chamber or going to their events."

Businesses looking to spread their reach can join other chambers, and chambers looking to increase their membership can find them, but there are many other opportunities available at these events, too. In addition to the chamber booths, there are also business exhibitors marketing themselves to try and make connections. "It could be anyone from financial services to restaurants and radio stations to technology," says Linden.

Each event typically has around 25-30 chambers in attendance. They're able to get so many chambers to attend because the event staff takes care of everything. "All we ask the chambers to do is reach out to their membership to invite them to the event," says Linden. "I think one of the reasons why the event works is that it's an outside event planner, which is us, that throws the event for the chambers. So they don't really have to do much other than promote the event, and show up for the four hours to then promote their chamber of commerce."

In addition to chamber attendees, there are other business referral groups and industry-specific associations in attendance that, Linden says, "makes it a nice, well-rounded event as far as the attendee learning about different networking opportunities."

In a time when most of our interactions seems to be digital, there's nothing that quite replaces the power and impact of meeting someone face-to-face, having a real conversation, and making a real connection. That said, the lack of attendance at events like this is a common concern among chamber executives.

Why aren't people attending these events?

While we often blame social media for replacing a lot of our traditional behavior, Linden doesn't think that's the case. "I think I blame [poor chamber event attendance] more on everybody is overworked and underpaid, so when it comes to just time management, sometimes the last thing you want to do is go out to a networking event."

But when it comes to social media, in Linden's experience, it's actually a more useful tool as an icebreaker at networking events than it is an event replacement. "I don't think it's because social media has replaced [traditional networking]. If anything, what I think is fun, is when you are connected with someone, let's say on Facebook, and then you go to a mixer and you're like, 'Hey! We're friends on Facebook! I recognize you!' … And then you can continue the relationship after the event. I think it's a great way to maintain relationships."

In fact, he goes further to say that you can't really replace the impact of in-person networking with anything that's as effective. "In what other world are you just walking up to a complete stranger and saying, 'Hi, how are you? What do you do for a living?' That's just not in the normal world, except for in the chamber mixer world, which I think is kind of unique, where people are actually hoping that you're going to walk up to them and say, 'Hi, what do you do for a living?'"

What Linden has noticed, however, is people attending the event who don't have the best networking strategies or etiquette. He sees that as an opportunity for the chamber to step in and help.

"I think one of the things that chambers should really look at is throwing a networking etiquette workshop … because, unfortunately, there's a lot of, let's call them 'newer' people to the networking world that don't understand that networking is building relationships.

"It's not marketing your business. … People will not come back to a networking event if they show up and all they're doing is being bombarded with postcards and flyers from people at a mixer passing out materials. … Those that just show up to a mixer to market their business, not necessarily build relationships, they turn off those people that are there for the right reasons."

He continues, "I've never really seen a workshop based on how to properly network at events, and kind of the do's and don't's. And I think if a chamber member shows up to a mixer with the idea that you're just planting seeds; you're not necessarily there to see some return on investment and go home and get the big score. You plant the seeds, and throughout that year, there's no reason why you're not going to see some benefit and then maintain your membership, which is obviously what the chamber wants you to do in the first place."

That's what the Largest Mixer is all about: showing people the power of networking and getting them excited to attend other chamber events. "My idea has always been to come to the once-a-year, big, blow-out event, where you get really excited and inspired to network more, and be inspired to then go to chamber events throughout the year," says Linden.

If you're not in Southern California or Las Vegas, what can you do to plan a similar event? Linden lists a few things that chambers can do to really help make their event successful.

1. Hire an outside event planner. For many multi-chamber events, the onus is on a single chamber to handle most of the organization. That is a lot of responsibility to place on just one member of the group, and every chamber will receive the same ROI if they have the same level of responsibility.

"I think when you have an outside person, not even so much be the mediator, but just kind of be the glue to put it all together, and for all the tasks, evenly, I think that that's where these types of events will see the most success," says Linden.

Additionally, it's too much to ask a board member or board committee to handle such a large task. "You can't make an expo committee and then expect them to throw the event," says Linden. "Because they all have 40-plus hour a week jobs in the first place. … I've seen so many board members that got talked into being the chairperson of the event, and then after that event is over, the only thing they want to do is run as far away as possible, because they never want to do that again.

"If you're going to have a committee, make those committee people maybe be in charge of selling x-amount of booths, or distributing x-amount of tickets or something more on the marketing end, and then leave it to an event planner to be the one to handle the logistics with the venue and the health department, fire department—all their permits and the rentals and everything," says Linden.

2. Add a budget line for the event. "I think chambers, at this point, are so understaffed, and have so many programs, that if you wanted to add an extra one, just include in the budget to hire an outside event planner to produce the event," says Linden. This will also help take the pressure off your staff and board members to handle the entire event themselves.

3. Encourage your board to welcome new chamber members. "I don't know how many times I've been to some chamber lunch where there might be fifteen, twenty tables, and all the board members are sitting at the same table," says Linden. "And it's like, 'Why not have a board member go and sit at one of the other tables?' So at least there's someone representing the chamber at each table that can be welcoming to the new people. Because I really think that for the chamber world to maintain itself, it's about bringing in new businesses and getting new people involved and excited. And I think that when there's not a nice greeting staff at one of the events, that people might leave going, 'Oh, well, it was too cliquey.' Which often happens."

4. Make sure you have enough signage. "Oftentimes chambers will throw business expos in unique places, let's say unused retail space in a strip shopping center or something … But then there's not enough signage and you're driving around trying to find it. So definitely find some kind of either local printer to do some kind of membership parade and get some good signage, some good banners, that are just generic, you can use throughout the year, or just invest in it. Because there's nothing more frustrating when there's the one easel with the poster board that says, 'Chamber mixer here tonight,' but it took you so long to find it, that by the time you get there, you're a little frustrated."

The networking mixer is still one of the best services provided by a chamber of commerce. Hopefully this gave you some ideas on how you can maximize that effort.

If you have any experience organizing such an event with multiple chambers, we'd love to hear from you and find out how it went. If you're in the Southern California or Las Vegas areas, or just want to know more about the Largest Mixer, visit their website at www.largestmixer.com. Their next two events are the 13th Annual Las Vegas' Largest Mixer, September 19 at the Texas Station Hotel and Casino in Las Vegas, NV from 5-9pm PDT and the 11th Annual Inland Empire's Largest Mixer, happening on Tuesday, October 24 at the Ontario Convention Center in Ontario, CA from 4-8pm PDT. Tickets for the mixer are $20.

PROTECTIONS FOR FREELANCE WORKERS

NEW YORK CITY'S "FREELANCE ISN'T FREE" ACT

Images created by:
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Imagine: You go out for dinner at a fancy downtown restaurant. At the end of the meal, your waitress delivers the bill to your table. You look it over, call your waitress over, and inform her that you will be paying no more than 70 percent of the total amount, and that the restaurant can expect your payment sometime in the next 90 to 120 days. You exit the establishment and carry on with your evening, while evidence of any immediate consequences for the stunt you just pulled remains effectively nonexistent.

Sounds crazy, right?

Unfortunately, for many freelance and contract workers, that scenario is all too familiar.

A freelance worker is defined as an individual who has engaged in supplemental, temporary, project- or contract-based work within the past twelve months. By this definition, survey data reported by the Freelancer's Union indicates that approximately 53 million people—or 34 percent of the US workforce—qualify as freelance workers.

Traditionally, the freelance market is highly unregulated. What freelance workers gain in schedule flexibility and freedom from traditional nine-to-five corporate culture, they sacrifice in job security, benefits, and general wage protections. But new citywide legislation passed by the New York City Council is aimed toward improving that precarious status quo.

On October 27, 2016, the New York City Council approved a bill titled "Establishing Protections For Freelance Workers," also known as the Freelance Isn't Free Act. On November 16, 2016, New York City Mayor Bill de Blasio signed the bill into law, touting it as the first in the nation designed to protect wage payment rights of freelance workers. The law finally went into effect on May 15, 2017, and one group that felt it had particular cause for celebration of the new law was the Brooklyn Chamber of Commerce.

In New York City, the total number of freelance workers is just shy of four million. According to Andrew Hohn, President and CEO of the Brooklyn Chamber of Commerce, roughly 33,000 of those independent workers live in Brooklyn, and they are a vital part of the local economy.

Which is why the Brooklyn Chamber of Commerce has gone to great lengths to meet the needs of that particular sector of the economy. "We realized that even though the independent worker is, by themselves, just a single person with a business, when you look at them in aggregate, it's a serious economic force," Hohn said. "And it's growing." In response to that growth, the Brooklyn Chamber of Commerce introduced a freelance membership rate in order to provide all of the benefits of a chamber membership, but on a scale (and at a price) designed more specifically for the independent worker.

It's certainly a unique approach—as Hohn noted, "No one that we know of is really focusing on the sole proprietor"—but it's been well-received by the Brooklyn community, and the Brooklyn Chamber of Commerce's freelance membership rate has been growing steadily ever since the membership package was introduced last year.

Which brings us back to the Freelance Isn't Free Act: of the nearly four million freelance workers in New York City, more than seventy percent have reported problems with receiving payment from employers for completed work. Hohn said that for him and his chamber, it was naturally synergistic to join forces with the New York City Council delegation in order to pass some form of wage protection for freelance workers. Why did they make this their goal? According to Hohn, "Because it's the right thing to do."

The Freelance Isn't Free Act imposes three specific requirements on New York City companies that contract with freelance workers. Those requirements are:

A written contract if the freelancer's services are valued at $800 or more. (This $800 can be an aggregate total value of small projects completed within a 120-day period.)

Payment must be made in full, and in a timely manner (i.e., either on or before the date specified in the contract; if no payment date is specified, then compensation is due no later than 30 days after the freelancer's completion of the contracted work).

Prohibition of any type of retaliation or adverse action on the part of the employee against the freelance worker should the worker chose to exercise the rights afforded to them by the Freelance Isn't Free Act.

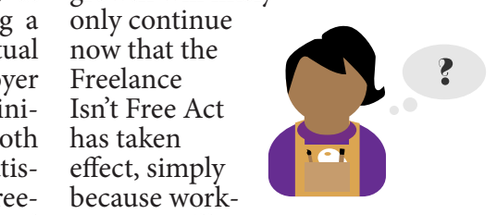
If an employer violates the law, the resulting damages they would have to pay vary based on the nature of the violation; statutory damages start at $250 and increase from there. Evidence of repeated violations of the law may even result in a civil action brought by the New York City Corporation Counsel, on behalf of the City of New York, to recover a penalty of up to $25,000.

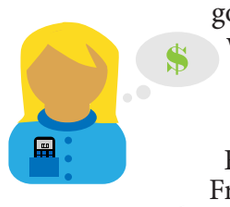
To the average freelance worker, these protections are a huge deal. That's because, without a law like this, a freelance worker who doesn't get paid has essentially no method of recourse or way of efficiently and effectively recovering the money that's owed to them. Think about it: many freelancers count on repeat clients in order to keep their business portfolio as robust as possible. Taking a more aggressive, interpersonal approach—perhaps by threatening to sue, or by threatening to "expose" a client for their shady business dealings—could mean no more work from a much-needed revenue source. Because, let's face it, even for those among the 70 percent of freelancers who have struggled to collect payment for completed work, there remains the hope that if they keep working for the client, *eventually* the client will make good on their payment.

Or, even if the relationship with the troublesome client is not one that the worker counts on in order to make financial ends meet, there still exists the fear that a well-connected client might bad-mouth a freelancer who too aggressively pursues the money that they're owed. That could mean a smaller revenue stream down the line, as potential clients opt for contract workers who don't have a reputation for being quite as "difficult." Oh, and forget taking a delinquent client to small claims court: by the time that process is over with, the worker is likely to have spent more in legal fees than whatever payment amount it is they're hoping to get from their client.

As is so often the case when dealing with small businesses, however, what's good for those businesses often proves to be good for the local economy as well. As Hohn pointed out, having a law like the Freelance Isn't Free Act on the books in New York City (and, by extension, Brooklyn) "will help to foster an ecosystem in Brooklyn that encourages, welcomes, and helps freelancers grow [and] thrive."

In an article published by Mondo, a tech-centric staffing agency, Shannon Vize offers four additional examples of how protections for freelance workers benefit employers and the greater economy. First, at the most basic level, having a law that requires a contractual agreement between employer and freelancer helps to minimize stress: it ensures that both parties are protected and satisfied with the terms of the agreement right from the outset, and the clear outline of a payment plan reduces the likelihood of an awkward or negative wages negotiation. Second, it increases productivity and reliability: if a freelancer enters into an employee/client relationship not knowing exactly when or if they're ever even going to get paid, do you really think you're going to get their absolute best work? You might, but chances are, an worker who's unsure about how they're going to be compensated is not going to produce work as promptly or as high-quality as a worker who has complete confidence in the financial terms of their work agreement.

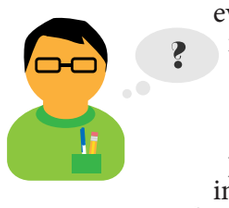




Further, at a company-wide level, having protections for freelance workers can improve company culture. Let's face it: most people are way less enthusiastic about working for an employer who has a reputation for treating freelancers poorly, or for stiffing contract workers. By treating freelance employees well, not only can a business expect to have a more loyal base of freelance workers, but it can also expect a higher retention rate among its full-time employees, as many would much prefer to work for a company with a positive reputation in the business community than one with a reputation for not making good on payments.

Finally, protection of freelance workers is good for the local economy as a whole because it attracts talent to the area. According to Hohn, New York City is outpacing the rest of the state in job growth in the "project-based economy." That growth will likely only continue now that the Freelance Isn't Free Act has taken effect, simply because workers will want to go work in places where their wages are legally protected.

Because the Freelance Isn't Free Act is the first law of its kind to be enacted in the United States, it remains to be seen exactly what effect it will have on the local economy. However, growing talent gaps in a number of sectors—particularly in tech- and design-related fields—means that more and more businesses are turning to the shared economy and the use of contract workers in order to meet their needs. New York City in particular, Hohn explained, is seeing growth in the shared economy, as businesses realize "that you don't need to hire a full-time graphic designer, because, among five businesses, you could share a graphic designer, which is really what the independent worker movement is all about."



And, as Hohn also pointed out, the growth in the independent worker movement is not limited to New York City alone; it's happening all over the country. In light of that growth, it seems probable that if the Freelance Isn't Free Act yields positive returns for the New York City economy, other cities will work to pass similar legislation in order to become more competitive in attracting talent.

AFTER THE STORM:
COOPERATION AND PERSEVERANCE IN THE WAKE OF DEVASTATION

Brian Groth | Staff Writer

Hurricanes bring destructive winds and oceans onto land. With them, ***they take homes, businesses, and lives****, and as the waters recede and the winds calm, the communities they ravage are left picking up the pieces, wondering how and if they will be able to return to their way of life.*

But with a perseverant sense of duty and resilience, communities like New Orleans, Louisiana and Seaside Heights, New Jersey have managed to recover from the devastating loss brought by natural disaster.

It's been over ten years since Hurricane Katrina made landfall in New Orleans, and almost five years since Hurricane Sandy tore through Seaside Heights. In this piece, we'll hear stories about the road to recovery for both of these communities—one which has completed the journey, and one that's still on its way. Through hearing stories like these, community leaders and policy-makers just might find themselves that much more capable of reacting and adapting to each new natural disaster.

New Orleans

"Up until Katrina, emergency assistance was calculated in terms of 30, 60, and 90-day responses by [organizations like] Red Cross and FEMA," explained Ben Johnson, President of the New Orleans Chamber of Commerce. "With Katrina, that started to change. There [had] never [been] anything of this scale." At the time of Katrina, Johnson was the CEO of the Greater New Orleans Foundation, a position that would make him both a participant in, and a witness to, the effort required to restore an entire community and economy in the wake of the costliest natural disaster ($108 billion) in American history.

Regarding the change in response, Johnson explained, "One huge piece was the overall transformation of responses to major disasters. The second piece was the economic development side of it. It wasn't part of the emergency assistance response. And I think what they learned from Katrina, is you need to be equally engaged in getting the businesses up and running, getting the economy back, otherwise there is nothing for people to come back to."

And where businesses were able to return to work, there was the issue of workforce housing. "The CEOs came back but there was nowhere for the majority of workers to live," explained Johnson. Due, in part, to an organizational structure ill-equipped for dealing with such large-scale tragedy, FEMA became a source of frustration for many community leaders as they found that it lacked the flexibility necessary for them to effectively address exactly these types of problems. For instance, a relatively inexpensive renovation of a hotel's first floor that could have quickly provided a much-needed supply of workforce housing never actually happened, because it didn't meet the specific criteria set forth by FEMA, even though it constituted an efficient solution to an urgent problem. The ability and willingness to make practical, need-based decisions, the community found, was sorely lacking.

It soon became clear to many in the New Orleans community that the federal government did not have the capacity to respond to Katrina. By Johnson's estimate, it was only about six to nine months before community members realized that recovery efforts were going to have be largely in their own hands. So, in response to that realization, local civic leaders began to delegate tasks to community members, while systematically documenting things for FEMA and other such government organizations—and demanding responses.

> "...instead of focusing on past hardship and loss, the *community celebrates* all the progress they've made since Katrina"

"There was unprecedented collaboration after the storm," Johnson recalled. "Groups that never worked together, they realized that this [recovery effort] is only going to work if we all work together." Johnson also noted that the memory of Hurricane Andrew in Miami helped motivate the New Orleans community to take matters into their own hands: "Twelve years after Andrew, they still had FEMA trailers there," he said. "You [become] old news pretty quickly."

For New Orleans, this spirit of cooperation has paid off. A city that was 80 percent uninhabitable just ten years ago, now boasts accolades enviable of any world-class city: #1 Business Climate (Business Facilities); #1 Most Economical City (KPMG); #1 Brain Magnet in America (Forbes); and #3 City in Winning the IT Jobs Battle (Forbes). Hospitality and tourism numbers have surpassed pre-Katrina conditions; some of the best hospitals in the country are in New Orleans; even NASA is back to being a formidable local presence. "Anything that's gone out of Earth's orbit started here in New Orleans and Louisiana," Johnson said. "We just built the rocket ship that's going to Mars." The knowledge-based economy is bustling in this city, making it one of the top cities for relocation.

The new New Orleans has a new personality to match its refurbished facade. Ever since Katrina, Johnson said, "There's just a different attitude. … It's more of a can-do, 'get on the train, get out of the way' [attitude]." This new attitude has proven especially conducive to local entrepreneurship and small business growth—a development that, Johnson added, "is spectacular."

A more recent change is how the New Orleans community chooses to remember the event that set it on its current course. For instance, Johnson explained, major commemorations pretty much stopped after the tenth anniversary. "It was hard every year coming back to the anniversary date, everybody basically reliving it as they tried to memorialize all the people that died, the hardship, all the people that couldn't come back. It was cathartic and important." But now, he continued, instead of focusing on past hardship and loss, the community celebrates all the progress they've made since Katrina, and looks forward to all that lays ahead.

Seaside Heights

In September 2012, the second-costliest hurricane in American history, Hurricane Sandy, hit the entire eastern seaboard, most severely damaging New Jersey and New York. Seaside Heights, New Jersey is an oceanfront beach community that was particularly devastated by Hurricane Sandy. The borough's population more than doubles during the summer—from 30,000 to 65,000 people—making for a robust tourism industry. But Sandy, along with the ten-alarm fire that followed a year later, essentially wiped out Seaside Heights' entire economy.

"A few days after Sandy, FEMA's initial rush of people told us that [based on] their experience with Katrina, this would be a five- to seven-year post-hurricane rebuild," recalled Borough Administrator Christopher Vaz. "It certainly was not what people wanted to hear, but it's the reality," he added, noting that the five- to seven-year window has turned out to be "110 percent accurate."

A rollercoaster sitting in the Atlantic Ocean became an iconic image of Hurricane Sandy. This rollercoaster, the Jet Star, came from Seaside Heights' Casino Pier, a major driver of economic activity for the borough. The hurricane claimed much of Casino Pier as well as the Funtown Pier to the south, and essentially, all the businesses in between, up and down the boardwalk. Oh, and it also destroyed the boardwalk itself. But the community remained steadfast in their determination to be ready for their next summer season.

"The mission was to be open by Memorial Day Weekend," Vaz recalled. "The businesses in town worked very hard to make that happen. Casino Pier had the Jet Star removed from the ocean. They removed what was left of the upper deck. They put themselves in a position to open back up in the spring. Many of the businesses on the boardwalk, the restaurants and bars, did what they could. On the south end, Funtown wasn't able to open up the rides, but a lot of the businesses in the south end were able to open. The t-shirt stores, the ice cream stores, the carousel—they were able to find a way to open.

"We made it through the summer, but it wasn't a great summer for Seaside Heights because a lot of people just assumed we were closed," Vaz continued. "That was a big battle in 2013 and 2014. The Governor and his wife did a series of commercials to tell people that we were open."

Then, in an unfortunate twist of fate, after moving at breakneck speed to recover from Hurricane Sandy, the Seaside Heights community was dealt another blow. "The fire hit in September 2013. It was like getting hit on the other side of the face at that point," remembered Vaz. "It took out the whole five blocks. What Sandy didn't take, the fire took.

"We had what we called a 'double storm'. We lost a very large part of our economic base from the fire. It took out an entire amusement park [Funtown]; it took out an arcade, it took out about 90 businesses."

The fire destroyed the south end of the boardwalk, literally reducing the area to ashes. The conclusion of the fire investigation attributed the cause of the fire to the hurricane that hit less than a year prior. "Sandy basically moved basements from one side of town to the other," explained Vaz. "Apparently there was a faulty wire."

Again, a sense of urgency to recover resurfaced: "There was a rush between the state, Seaside Heights, and Seaside Park (neighboring town) to get the debris removed and get the boardwalk rebuilt. It's been difficult because there were two or three large owners but over sixty separate tenants, and a lot of them had ninety-nine year leases,"

> "Their recovery thus far, however, is a testament to both the power of local collaboration and the strength of leadership from the State of New Jersey."

Vaz explained. "It was a big mess."

Funtown still hasn't reopened, and it likely won't in the near future, which is problematic for Seaside Heights' economy. "It was like having a Macy's at one end of the mall, and a JC Penney at the other—the two anchors," Vaz said. "They were longtime competitors, but both were around so long, they were happy [that way]; they each had their own niche. Now that we don't have that southern anchor, that side of the mall is dark."

Just as one might imagine in a mall with a missing anchor tenant, the small businesses that depend on the foot traffic between the amusement parks have also suffered. "Our south end of the boardwalk, it's been tough for those business owners," said Vaz. "People tend to walk and they reach a certain point and just turn around and go

> "Then, in an *unfortunate twist of fate*, after moving at breakneck speed to recover from Hurricane Sandy, the Seaside Heights community was dealt another blow."

back. There's some building going on though—restaurants, ice cream. It will help get people to the south end, but the big draw was Funtown."

Independent of the community's efforts to rebuild the boardwalk, Seaside Heights has also become more aggressive in their efforts to let people know they're open for business, and to entice them to come visit. For example, Vaz and his team started a marketing campaign to promote the slew of family activities the area has to offer: bonfires on the beach; Family Fun Night; beach equipment (like inflatable obstacle courses) for sale. The town even had a stage donated by MTV through a telethon put on by the cast of *The Jersey Shore*, which they now use to stage major concerts.

Also, the borough and the owners of Casino Pier worked together on a complicated land swap, that allowed the pier to replace the rides destroyed by Hurricane Sandy. The deal required state approval, which was easily obtained given the local economic importance of the pier. Consequently, the Jet Star, once the iconic image of Sandy, was replaced by a modern coaster, Hydrus, which New Jersey Governor Chris Christie described as an "iconic image of survival and moving on."

Four years removed from the full effects of Hurricane Sandy, Seaside Heights has made tremendous progress, but the community still has a long way to go. According to Vaz, "The boardwalk is still struggling. Some business weren't able to reopen. We've since started a very aggressive redevelopment strategy using state-enabled tax incentives to encourage developers to come into town."

Their recovery thus far, however, is a testament to both the power of local collaboration, and the strength of leadership from the State of New Jersey. "If you look at the successes [in the response to Sandy] that New Jersey and the Jersey Shore has had—and we've had a lot of successes—they were because of the governor. He came through in a big way," said Vaz. Now, when the governor walks down the boardwalk, Vaz continued, "people will stop and clap for him. We see him differently than other people see him. We had some major victories because he intervened. He was able to get things done for us here. When we had the fire, he was here. He came with his cabinet, DEP, DCA, and economic development authority people and other agencies, while the fire was still burning. When the fire was done he wanted the new boardwalk up overnight. He knew how to manage a crisis, that's for sure."

The 2012 season was the final season of *The Jersey Shore*, and by many local measures, Seaside Heights' best year financially. The summer of 2012 ended with Hurricane Sandy. So, naturally, the community tends to compare where it is today, with where it was back in 2012. So far, Vaz said, "our beach numbers have recovered pretty well. Our beach revenues for 2016 were just shy of [revenues for] 2012."

Still on the mend from an economy-erasing series of disasters, Mr. Vaz sees progress but tempers his optimism with patience: "Each year it looks different; it's been incremental."

The experiences of New Orleans and Seaside Heights indicate some progress in terms of our capacity and capability of rebuilding communities devastated by hurricanes. The Post Katrina Emergency Management Reform Act of 2006, signed into law by President George W. Bush, addressed many of the shortcomings revealed by Katrina. Then, the Presidential Policy Directive/PPD-8 by President Obama in 2011 further identified needs after a disaster, essentially requiring broad collaboration among many federal departments and agencies. This collaboration is coordinated by the Recovery Support Functions, which includes Economic Recovery, and Community Planning and Capacity Building—roles that were sorely missed in New Orleans, and made a world of difference in Seaside Heights.

For more information on the New Orleans Chamber of Commerce, please visit neworleanschamber.org. To see how Seaside Heights is coming along, please visit www.seaside-heightsnj.org.

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New Orleans, LA, 9-11-05 | Lieut Commander Mark Moran, NOAA Corps, NMAO-AOC

New Orleans, LA, 11-15-14 | Roger Smith

Seaside Heights Post Sandy - The Jet Star | Hypnotica Studios Infinite

Casino Pier | SurFeRGiRL30 (flickr)

Chamber Corner: Two Different Chambers, Two Tips for Chamber Board Service

Every chamber of commerce has a story to tell. In Chamber Corner, we take an in-depth look at chambers from across the country and tell their story. Want to be considered for Chamber Corner? Tell us why at nationalchamberreview@gmail.com

American World Trade Chamber of Commerce

Carly Morgan
Managing Editor

There's a popular expression among those involved in chamber work that's used to convey the level of organizational, operational, and structural diversity throughout the chamber industry. You've probably heard it before: "If you've seen one chamber of commerce, then you've seen one chamber of commerce."

While that sentiment is absolutely correct, I would still say that at its most basic, fundamental level, pretty much every chamber of commerce is working toward the same goal: providing a wide range of services to their local business community, and helping to stimulate the local economy in the process. And while the work that goes into achieving that common objective manifests differently at every chamber, this overarching principle has emerged as a common thread running through the work of every chamber that the *NCR* has worked with.

That is, of course, until a couple weeks ago.

The American World Trade Chamber of Commerce, with offices in Dallas, Detroit, New York City, and an opertations center in Maryland does exactly the opposite of what I've just described.

The American World Trade Chamber of Commerce (AWTCC) is a national chamber of commerce whose central focus is US exporters and, more specifically, the certificates of origin and customs documents that accompany exporters' products when they're shipped overseas.

A certificate of origin is a document attesting to where exported goods were produced, manufactured, or processed; perhaps counter-intuitively, it has nothing to do with where the product is being shipped from. The country in which goods are manufactured, in turn, informs the application of tariffs, duties, and other trade policies that might affect the shipment, as well as whether or not the imports should benefit from preferential treatment.

Wendy Fichter, President and CEO of the American World Trade Chamber of Commerce, used the following scenario to exemplify the role of certificates of origin in international trade: "If you wanted to send cereal to China, their general tax, or duty, on cereal is 80 percent of the value, which is pretty high," she explained. "However, the United States has what we call 'most favored nation' status with China … [which] allows cereal manufactured in the US to only pay a 25 percent tariff." The way you take advantage of that "most favored nation" status is by including a certificate of origin that proves the product in question was made in the United States.

In order to be valid, a certificate of origin must be signed and stamped by a chamber of commerce. Businesses are not allowed to approve their own (or anyone else's) certificates of origin. Chambers of commerce were granted this unique authority as part of the 1923 Geneva Convention, when governments all over the world officially recognized chambers as credible, competent third-parties in the issuance of certificates of origin.

The rules for issuing certificates of origin are set forth by the International Chamber of Commerce, whose World Chambers Federation established a universal set of "best practices" aimed toward reinforcing the trust and integrity of what's called the "Certificates of Origin Accreditation Chain."

To join the Accreditation Chain, a chamber goes through a process similar to that which a local chamber applying for accreditation with the US Chamber of Commerce would have to complete. The only difference is that it has a more specific focus, and the standards that chambers have to meet have to do with security and credibility in issuing certificates of origin. The American World Trade Chamber is the only chamber of commerce in the US that belongs to the Accreditation Chain, and that membership and accreditation brings with international recognition at customs agencies all over the world.

Membership to the Accreditation Chain represents a chamber of commerce's commitment to following the International Chamber of Commerce World Trade Federation International Certificate of Origin Guidelines. These guidelines, otherwise, are only adhered to on a voluntary basis—which is exactly what created a need for a place like the AWTCC.

The American World Trade Chamber first opened its doors back in 2011. Fichter explained that the move was prompted by a small group of people who worked with exporters discovering, through their work, that an alarming number of US chambers were not following the international guidelines for issuing certificates of origin. This can cause a multitude of problems for the exporter—paying too much in import taxes; products becoming compromised as they sit in storage at customs awaiting entry; even issues of inadequate cybersecurity, which can leave exporters and their goods vulnerable to hackers and pirates. (Yes, pirates.) Wanting to be able to work with a chamber of commerce that *did* adhere to international guidelines, they decided to start their own chamber, and the American World Trade Chamber came to fruition.

While the AWTCC undoubtedly addresses an important need in the chamber industry, the underlying issue has yet to disappear entirely. In fact, according to Fichter, one of the biggest problems in her line of work is the number of chambers that issue certificates of origin with no idea of what the rules even say. When chambers authorize documents that are not in compliance with international guidelines, Fichter explained, it lowers the quality of work that customs agencies all around the world are looking for when examining certificates of origin. That, in turn, increases the risk of documentary fraud, which can be hugely detrimental to international trade and the world trade environment as a whole.

But the ramifications of inaccurate documentation are felt at the level of the individual business as well. As mentioned previously, if an exporter's paperwork isn't accurate, it can delay the importation of their product, which will typically be put into storage until the exporter is able to get their paperwork in order. This can be problematic for multiple reasons: for one thing, the exporter is fined for each day that their product spends in storage. On top of that, as the container sits in storage, the quality of its contents may begin to diminish. (Food, for example, will start to rot.)

While that is undoubtedly an inconvenience, Fichter does point out that this doesn't happen to everyone whose documents are inaccurate; sometimes, people get lucky, and things get to where they're going, regardless of the quality of their paperwork. But say you're an American exporter shipping to China and there's an issue with your certificate of origin; even though your product might get through customs anyway, it means that you will almost certainly be paying the highest possible tax on that product. If you recall the "cereal to China" scenario, that's the difference between a 25 percent tax with a valid certificate of origin, and an 80 percent tax without.

"Who can afford to pay that kind of difference on an export?" Fichter said. "You're not doing business in an efficient way if you're not claiming that difference on the taxes that you have to pay. … It's not of value if you're doing it wrong."

By Fichter's estimates, the AWTCC issues about 25,000 certificates of origin and thousands of other customs documents every year. In her two years at the chamber, Fichter is not aware of any shipments held up because of paperwork that the AWTCC had issued.

"They say that a bank teller knows counterfeit money instantly [when they see it] because they're so familiar with the real thing," Fichter explained. "That's the same thing with us. We know where the problems are [with certificates of origin] because we've seen so many that are done correctly. We're able to flag them right away."

On top of the immense volume of certificates of origin they've dealt with, Fichter and her staff also went through an extensive training, which consisted of six months of online study, and cost roughly $1,000 per person. Consequently, Fichter became the first chamber executive in the US to be certified by the International Chamber of Commerce to authorize certificates of origin; with the rest of her staff following suit, the AWTCC became the first chamber to be wholly certified by the International Chamber. And it's this type of expertise that makes the AWTCC such a valuable partner not only to businesses, but to chambers of commerce all over the country.

The AWTCC does have some of its own direct members, but their preference is for establishing partnerships with local chambers of commerce through what they call an "affiliate export program," wherein the AWTCC manages a certificate of origin program on behalf of the local chamber. Fichter says this kind of service works for any size chamber but is perfect for smaller chambers, or for chambers who may only have one or two members who need certificates of origin. Because, she explained, if you only have one or two members that require the service, do you really want to spend all that time and money receiving proper training, when you might have hundreds of other members with their *own* set of needs that need addressing? Probably not; to do so would be impractical.

When the AWTCC partners with a local chamber, members of the local chamber can apply online for certificates of origin by going to their chamber's website and logging in through a portal (all of which is branded to the local chamber) in order to have the American World Trade seal on their certificate of origin. And that seal, alone, is of immense value: "Since we're the only chamber accredited by the International Chamber," Fichter explained, "our seal is recognized worldwide. We're registered around the world with customs." That makes for an all-around smoother bureaucratic experience for customers trying to sell their products overseas.

Additionally, a partnership with the American World Trade Chamber can benefit local chambers directly, and not just their members: aside from affording chambers the ability to offer this service in an effective and efficient manner without having to undergo extensive training, a partnership with the AWTCC is also a great source of non-dues revenue. Establishing the partnership is free to the local chamber; they don't have to do anything other than continue to sign up their own members. Members pay for the service themselves on an as-needed basis, each time they request a certificate of origin. Then, the AWTCC gives a portion of the revenue generated by those fees back to the chamber that the customer came through.

Another important, though perhaps easily-overlooked, reason that the pay-as-you-go, "software as service" model makes sense is because it keeps everything equitable among members of a local chamber. As Fichter pointed out, if only a small fraction of a chamber's membership requires certificates of origin, "Why would you offer that service for free? Why give them something for free, when everyone else is paying for it by their dues?" she asked, adding, "That doesn't seem right."

Ultimately, what really motivates Fichter and her staff is a passion for helping small businesses and, by extension, chambers of commerce. "The big businesses, they have legal teams and people who tell them what they need to do and instruct them to do it the right way," Fichter explained. "I feel like it's those small businesses that need help; that 'mom and pop' shop who's making something really unique and sending it overseas, and paying more for it than what they sold it for. We're really providing a big value to them, as well as to the chambers that have these small business [members] who need help, [but] aren't in a position to help them."

The goal of the American World Trade Chamber's partnership program is to support American businesses by bolstering the value of a membership to a local chamber of commerce. This priority is reflected in the fact that the chamber's business model is not built on member dues, but on the revenue generated by certificate of origin fees. Because of all this, the AWTCC really isn't in the market for its own members (though direct enrollment does happen from time to time).

"The local chamber has so much value to offer, besides just certificates of origin," Fichter said. "We're not really looking to increase our membership at all. What we really want to do is increase our partnership with chambers so that we can help them help their members."

For more information on the American World Trade Chamber of Commerce (or to fill out an application to partner with the AWT Chamber), visit www.awtcc.org.

The ROI on Chamber Board Service

Bob Harris, CAE
Contributing Writer

"Leaders are made, they are not born," said football coach Vince Lombardi. So where does one find a good source for leadership development? Chamber boardrooms are ideal schools for leadership.

Most volunteers join a board out of a sense of responsibility and passion. Few people consider that board service results in enhanced skills to support personal and career growth.

If the nominating committee comes up short on candidates, be certain they are conveying the indirect value of board service.

The Chair's Perspective

This was described by an outgoing chair. "Board service has high rewards in a low cost environment with minimal risk," he told the annual meeting. The experience is an opportunity for learning an array of leadership and business skills that will have long-term benefits.

He described the lessons he learned while serving, stating there are not many forums in which one can learn so many lifelong skills.

Account Retention: Focusing on recruitment and satisfaction of members.

Budgeting: Understanding budgeting and reporting; monitoring costs.

Collaboration and Negotiation: Identifying partnerships outside of the chamber to build strength through collaboration.

Community Service: Learning to position the chamber as a good corporate citizen.

Customer Focus: Serving members and attracting prospective members through customer service excellence.

Evaluation: Using tools to assess financial performance, committees, and the performance of the board of directors.

Forecasting: Monitoring internal and external forces which have an impact on programming.

Governing Documents: Recognizing how articles of incorporation, bylaws, and policies guide an organization.

Leadership: Recognizing the desirable behaviors in genuine leaders and developing one's own style of leadership.

Lobbying: Understanding civics, how laws are made, coalition building, and seeking opportunities to influence regulations.

Marketing: Using traditional and digital marketing initiatives, including improved use of social media.

Meeting Planning: Learning about negotiating with facilities and speakers, setting guarantees, and estimating attendance while working to protect revenues.

Meeting Rules: Understanding rules of order, agendas, and consensus building.

Networking: Improving networking skills in a variety of settings.

Printing: Realizing the processes and deadlines necessary to keep projects within budget and on schedule.

Public Speaking: Enhancing speaking confidence through opportunities to represent the chamber.

Revenue Generation: Identifying new sources of revenue to sustain an organization.

Roles Respect: Respecting the distinctions of board governance and staff management; working as partners.

Selflessness: Deflecting credit to ensure that the entire leadership receives due recognition.

Strategic Planning: Planning strategically for the long-term, and making best use of resources.

Time Management: Learning to better manage time and set priorities between volunteer responsibilities, business, and family.

Training and Programming: Identifying educational needs and finding ways to offer cost effective programming.

Values and Principles: Respecting the culture and principles within the organization.

Website Enhancement: Maintaining a vibrant website for members and consumers; monitoring analytics and increasing search engine optimization.

Writing: Improving written communication so messages are consistent, brief and effective.

The past chairman closed by telling members that a commitment to lead has greater return on investment than it costs. "All the functions that the board completes within the year are similar to the business functions needed in your own work environment."

Bob Harris, CAE, offers free governance tips and templates at www.nonprofitcenter.com.

Ligonier Valley Chamber of Commerce | **Ligonier, Pennsylvania**

The Diamond - Ligonier, PA | Jim Forest

Patrick McCabe
Editor-in-Chief

The cozy, tree-lined streets of small town America are at the heart of what a chamber of commerce hopes to accomplish. When you're trying to draw residents to your events, shoppers to your stores, and tourists to your attractions, all while competing in a modern online marketplace, the importance of chambers in these communities cannot be overstated.

Walk toward the center of Ligonier, Pennsylvania, and you'll be transported back in time. This town lives and breathes American history. From the French and Indian War-era Fort Ligonier to the historic bandstand that sits in the town square known as The Diamond, Ligonier is a tourism community that relies on everyone working together to help maintain robust activity in a town with an aging populace.

Susan Grunstra, Executive Director of the Ligonier Valley Chamber of Commerce, moved to the area with her husband about ten years ago. The moment they arrived in town it felt like home. "We were looking for a place to move … and we fell in love with the area. We drove in from the north, so we came into Ligonier and stopped at the stop sign and looked at The Diamond and looked at each other and said, 'Yeah, we want to live here,'" says Grunstra.

She was originally hired as an executive assistant for the chamber in 2011. A year and a half later, she and her husband relocated, but then another 18 months later they returned to Ligonier where Grunstra was invited back to resume her role. "At the end of 2015, I was asked to be the interim director when our executive director left, and then I was officially made executive director in February of 2016," says Grunstra.

The chamber currently sits at around 360 members, but they are working on a campaign to increase that number by offering what they call "community memberships," or memberships for non-business people who want to support the town. "We have a lot of folks who are professional people that don't work in Ligonier, they're employed elsewhere, and this is a way that they can still support Ligonier," says Grunstra. "We also have a lot of folks who have a second home or a summer home in Ligonier. It's a way for them to be connected with what's happening in Ligonier. It's also a great way for our retired businesspeople to still be involved in the business community."

Because the town relies so much on tourism, the chamber functions more like a visitor's bureau than as a typical business-centric chamber of commerce. "We try and keep our members involved in the community," says Grunstra. "We try and promote our members outside of the area to give visitors and interested people who may be coming to the area reasons to shop in Ligonier, stay in Ligonier, visit Ligonier."

The town has a lot to offer, says Grunstra. "We've got museums. We've got Fort Ligonier. We've got [historic] attractions. We've got art. We've got shopping and dining. It's just a different sort of place than a typical business-centric sort of chamber. And that's what we promote."

And promote they do.

"We try really hard to help our businesses get their brand or their signature take out into the world," says Grunstra. "So we have a lot of very interesting boutique-type stores. We have small businesses that are very craft-centric. We have a lot of service businesses. We keep their names out there. We have a tremendous number of very active nonprofit organizations in this area. We keep their name out there. We try to make sure that we are as much of an information clearinghouse for all of our businesses as we can be. It's really important for us to let people know that we're not just a sleepy little town on Route 30, somewhere between Pittsburgh and the rest of Pennsylvania. There's a lot here to offer, and here's what it is, and here's what's going on, and these are great reasons to make that turn off of Route 30 and explore our area."

Without a notable industry in the area, the businesses face some challenges. "You have to be more aware of what challenges small business owners face," says Grunstra. "It's a slightly different focus than corporate or industrial businesses because—I mean, the economy affects everybody. But the economy affects small businesses, and many of my small businesses are seasonal or affected by seasonality because we function as a tourist area, so you have to keep those things in mind and try and do what works best for your group of businesses in the community."

This focus on promoting their seasonal businesses folds right into the chamber's event schedule.

"Every year, the chamber hosts fourteen or fifteen … summer band concerts," says Grunstra. "We [also] do eleven events that bring people into town throughout the year. We're also involved with Fort Ligonier Days, which is our big, signature community event in October. So we try to bring people in during all four seasons for different reasons, to different places throughout the community and just kind of act as that central hub of information."

With Fort Ligonier Days comes a lot of challenges, but they're the good kind of challenges. "Typically, we have somewhere in the neighborhood of over 100,000 people come through Ligonier in three days," says Grunstra. "So it is definitely a big business weekend for everybody in the community."

Originally a chamber event, it eventually got so big the chamber needed help from the town. "The chamber started the festival in 1960, and it grew and, over time, got bigger and bigger," says Grunstra. "It was decided in the late 1990s to incorporate the event in order to better be able to reach out for other sources of funding that the chamber is not able to, because of its particular corporate status, there's funding that we're just not able to reach out for. So the event was incorporated as a separate entity in the late 1990s, so the chamber still works with the corporation that runs the festival, providing a lot of administrative support."

This is an interesting example of how a chamber and town can work together to be successful. Everyone takes ownership, everyone helps, everyone succeeds. "We're sort of like the central clearinghouse for everything," says Grunstra. "We're the people who answer the phones and, hopefully, have the answers to the questions."

That's not their only big event, however. "In January, we have an ice fest. We have a weekend in January where we do over 50 ice sculptures around Ligonier," says Grunstra. "This past year, it was 70 degrees both days, so the first round of ice sculptures, the ones that went out on Saturday, were almost gone by Sunday. And normally, when the guys are carving, one of the things we do on Sunday is a speed carving contest between four of the ice carvers of the company we use, and then the folks in the audience vote for their favorite ice sculpture. Normally, when the guys are carving ice for the speed carving contest, they're bundled up. They're in coveralls, the whole deal. This year, they were in short-sleeved shirts and jeans carving ice. It was just crazy."

Amidst all of this, they face some real challenges: an aging population, and trying to find the next generation of business owners. "Our signature store on The Diamond has been family-owned for 117 years, but there's no next generation," says Grunstra. "So who's going to come in and take over that business? Or *is* someone going to come in and take over that business? So, succession, I think, is a big issue for this community. The other thing affecting a lot of businesses, of course, is the whole internet shopping, digital connection. So, is the next generation actually coming here to shop? Some of them are, some of them aren't. And that's a concern. On the other hand, we're still driven by tourism, so it's kind of two sides of the same coin."

The question isn't just, *Who are the next business owners going to be?*, but also, *Who is going to work for them?* "Good employees is a big issue in our region," says Grunstra. "We're simultaneously working on a comprehensive plan, not only between our borough and the surrounding township, we're also working on one for the county. So, there are a lot of things that are being brought up and addressed, not only at the local, town level, but also at the county level. And big [issues] are being attractive to younger people, having jobs that are attractive to younger people, transportation is an issue because we are so spread out, and the fact that our population is aging and declining. So, there are a lot of things swirling around there being discussed [to determine what] we need to look at and change in order to be an attractive place to live, to open a business, to work. All of those things. So, it's kind of an interesting time to be here, working on all of those projects."

Being just 50 miles from Pittsburgh is another benefit to living in Ligonier. For a small business owner, it would certainly be more affordable to open a business in Ligonier than Pittsburgh, and with their robust tourism, there is opportunity. One thing they're doing to promote local business is a spin on the typical shop local campaign: shop local bingo.

"People can pick up a bingo card at locations around town, and then, in order to get a bingo, they need to go into shops and find an object—it's the same object in any store but it's somewhere different—and once they locate the object, then they get a stamp on their card at that location. And because all the cards are random, you and your best friend, even if you're doing the game together, your bingos are going to be entirely different. And then there will be prize drawings throughout the summer and a grand prize drawing Labor Day weekend. We're hoping it's just a fun summer event that, if you've never been to Ligonier before, if you come to Ligonier all the time, maybe you go into stores you don't normally shop in or you didn't know were here, and it's just a great way to get people circulating around town a little more."

Apart from events, the Ligonier community has a lot to be proud of. One of Grunstra's favorite initiatives is a program they call RAMS, Recognizing Amazing Merchants and Students. As she explains it, "This is a maker program, so throughout the year, the students from elementary level on up, design and make items and then have a show where participating merchants come in and purchase merchandise that the students have made and then sell it in their businesses. We have a kick-off night that we call RAMS Night. It's a stop-and-shop night, so we mark the locations with balloons, we have music on The Diamond provided by students, and then we showcase the student-made merchandise. And the senior high students run the company that takes care of the manufacturing, the marketing, the accounting, the distribution, the whole deal. So it's a very hands-on, very in-depth project that helps kids understand the business of creating, making, selling, and distributing products."

With twelve to fifteen business involved, the program has been well received. It's a great way to make connections throughout the community—connecting businesses to the schools, businesses to the community, and schools to the community.

Every small town in America has its own story, its own history, its own meaning. Ligonier, PA holds a special place in many hearts. From their rich history to events on The Diamond, it's easy to see why.

To learn more about the Ligonier Valley Chamber of Commerce, visit www.ligonier.com.

Fort Ligonier - Ligonier, PA | Danny Thompson

Revise the Board Agenda

Bob Harris, CAE
Contributing Writer

The board meetings were boring.

The agendas included a dozen reports and updates that ate up valuable time. Discussions were not innovative, inspiring, nor visionary. Directors whispered, "This is a waste of our time."

It is a misconception that meetings are for listening to reports. Especially when the reports could have been distributed and read in advance.

Asked why the agenda includes so many reports, the elected chair said, "We've always done it that way."

Purpose

An agenda ensures that meetings are purposeful—a framework communicating desired outcomes. The agenda sets a starting and ending point, so directors can pace their discussions.

It allocates sufficient time so each topic or program can be vetted. Carefully crafted, it paints a picture and projects desired outcomes, allowing the board to function as a team.

Bad Habits

Do you have an elected chair who believes it is "only fair" that all reports should be presented or heard?

In this case directors may have to listen to reports even when they start with, "We haven't done anything but I'll give you an update."

Another bad habit: Starting late and running over the time scheduled for adjournment. The chair and attendees must be respectful of the times set by the agenda.

Discipline is required if the board uses a consent agenda. A consent agenda is the process of distributing the officer, committee, and staff reports in advance when the meeting notice is sent.

By moving general reports to consent there is more time to focus on visionary efforts.

Of course this requires reports to be prepared in advance by the officers, staff, and committees. Subsequently, the directors must be disciplined to read the reports.

You can identify the director who did not read the reports by the frequent query, "I just have a question."

Craft a New Agenda

I know of no rule, law, or policy that says an agenda cannot be redesigned. Take the opportunity to craft an agenda that works for the board.

The aim of every meeting is to find significant outcomes that advance the mission. Volunteers want to make best use of their time. *Try these agenda adaptations:*

Crafting the agenda is a shared responsibility of the chief elected officer and the chief staff officer.

In developing the agenda, consider how it specifically reflects or advances the strategic plan.

Use a consent agenda to distribute reports in advance, and urge directors to read them before arriving at the meeting—a fiduciary duty.

At the start of the meeting, the chief elected officer should describe what needs to be accomplished and the desired outcomes.

Include the mission statement at the top or bottom of the agenda. Frequently ask, "How does this discussion advance our mission?"

Divide the agenda in thirds. One-third updates; one-third essential operations and approvals; one-third visioning.

Include time markers so attendees know whether a topic is expected to take five or 45 minutes, for example.

Where topics and reports have "champions," list their names so they know they are expected to lead the discussion.

In lieu of reports, use a dashboard to visually depict progress by agreeing on the performance measures the board wants to monitor.

Agree how far in advance the agenda and supporting documents will be distributed or made accessible; you want directors to anticipate and allocate time for preparation.

Use technology and encourage directors to bring their tablets and laptops and/or project the topics on a screen. Avoid directors ruffling through piles of papers.

Consider adding a "mega issue." A topic that is of particular importance that encourages innovation and problem solving.

"What's next?" Before the meeting adjourns, ask what's next to ensure understanding of assignments and deadlines.

After the board meeting analyze the minutes. If they don't reflect significant results, consider additional revisions to the agenda until it is honed for a high performing board.

I've found that every board member, and every meeting, has an intent to achieve significant results. The agenda should be the platform for success.

Bob Harris, CAE, offers free governance tips and templates at www.nonprofitcenter.com.

STUDENT DEBT

FROM PAGE 1

was created in order to help low-income students attend college. Unlike student loans, Pell Grants do not require repayment. In that way, they are considered a sort of "fiscal stabilizer," to mitigate the effects of tuition increases on lower-income families. The original intent of the Pell program was to protect low-income students from having to take out loans in order to attend college. Remember this, because it's going to be an important detail later on in the student debt conversation to protect low-income students from having to take out loans in order to attend college. Remember this, because it's going to be an important detail later on in the student debt conversation.

Unsubsidized Stafford Loans were introduced as part of the Higher Education Amendments of 1992. This development greatly expanding the number of eligible borrowers by eliminating the requirement of demonstrable financial need. The Higher Education Amendments of 1992 also created the Federal Direct Loan program, which provided low-interest student loans that originated with the US Department of Education, instead of with a private lender. The Federal Direct Loan program has accounted for all government-backed loans since 2010, when the federal government took over loan origination from banks by eliminating the "guaranteed' loan. Today, all federal student loans originate with the government. According to the Federal Reserve, as of February 2015, the United States government owned roughly 86 percent of the $1.5 trillion of aggregate student loan debt.

Also in 2010, student debt surpassed credit card debt and became the largest nonmortgage source of consumer indebtedness. Nearly 70 percent of students graduating with a Bachelor's degree are also graduating with some amount of debt. According to the US Department of Education, that translates to more than 43.3 million people with student loan debt, as of the 2015-16 academic year.

The macroeconomic and sociological implications of these figures are enormous. In recent years, student debt has blocked the smooth transition of many college graduates into a middle class adulthood. While addressing a crowd at LaGuardia Community College earlier this year, New York Governor Andrew Cuomo said of the growing burden of student debt, "It's like starting a race with an anchor tied to your leg."

Student loan borrowers are less likely to buy cars, purchase homes, get married, or start families. Home ownership among Americans under age 35 has been steadily declining since 2007, and a July 2017 report from the Federal Reserve Bank of New York shows that nearly half of all 23-25 year-olds are still living with their parents. A study from the Pew Research Center found that the share of 18 to 29 year-olds who are married dropped from 59 percent in 1960 to 20 percent in 2010. And data from the Center for Disease Control indicates that, after years of consistent decline, the US birth rate reached an all-time low in 2012, and has yet to show any sign of a trend reversal. (It is worth noting here that lower birth rates are often associated with economic recession; what makes this decrease unique, however, is that while the economy has since recovered, the birth rate has not.)

A 2012 study published in the *Harvard Law Review* attributes the problems of higher education economics to four specific causes: increasing tuition; rising indebtedness; mounting defaults; and declining returns.

So, is it worth taking on that much debt—or any debt at all—in order to attend college? Will the eventual payoff ever really outweigh not just the cost of attendance, but the opportunity cost of forgoing all those years in the workforce and instead spending them in a classroom? Further, will the growing glut of college graduates actually enhance the career prospects of those who attend (and graduate), or have we saturated the market to the point of devaluing the Bachelor's degree? And finally, is a college degree still the great equalizer it was once thought to be, fulfilling the promise of meritocracy?

In the years during and immediately after the Great Recession, it became almost fashionable to suggest that the American economy was in the midst of a "college bubble"; that the state of student debt constituted a "crisis" akin to that of the credit crisis and housing bubble that colored the first decade of the century. Central to these claims is the assumed validity of certain implicit assumptions: that the longterm benefits of a college education do not outweigh the short-term costs of attendance; that recent and prospective high school graduates have misjudged the value of a college degree; and that nothing can be done to correct the current trajectory of higher education economics. But do any of these claims hold water?

Let's start by looking at the overall increase in student debt. When you read or hear reports of the rapid growth in aggregate student loan debt throughout the beginning of the 2000s, it makes it sound like tuition prices are rising at a rate so astronomical as to be out of reach for all but the economic elite. But the reality of the growth in student borrowing has to do with the number of students taking out loans; not the amount of money each one requires. In fact, since 2000, average per-student borrowing has remained relatively stable. What hasn't changed, however, is the overall number of borrowers. And that's thanks, in part, to the Great Recession.

Higher education is a countercyclical industry, which means that demand for it rises even amidst adverse economic conditions. In fact, during every period of recession in America since the 1960s, college enrollment has increased. Economic recession is usually accompanied by a higher-than-usual unemployment rate; as a result, the opportunity cost to attend college is dramatically lessened for a larger segment of the population. Plus, the lowered and stagnant wages of a weak economy increase financial pressure, thus motivating more people to seek methods of supplementing their income. A longterm investment to that end is a new credential.

Further, the enrollment increase precipitated by the recession was concentrated among nontraditional students. In the years during and immediately following the Great Recession, nontraditional students represented almost half of all new borrowers. When considering the growth of aggregate student debt in recent years, this has some important implications.

Nontraditional students have come to represent a significant portion of the college population. In fact, by some estimates, nearly as few as one in five modern day college students actually qualify as what we would consider "traditional": an 18-22 year-old full-time student who enrolled in college right out of high school and is financially dependent on their parents. Nontraditional students, on the other hand, are defined by the National Center of Education as meeting any one of the following criteria: older than 18 at time of initial enrollment; takes classes part-time; works full-time; not dependent on parents for financial aid purposes; has one or more dependents other than a spouse; is a single parent; or does not have a high school diploma.

Since nontraditional students are more likely than their "traditional" counterparts to be independent from their parents for financial aid purposes, they're subject to higher borrowing limits; and often, their financial independence is part and parcel with less parental support than traditional students experience, so taking advantage of those higher loan limits is not uncommon. But what also is unique about the "nontraditional" higher education experience is where it is most likely to take place: at for-profit and/or open-access institutions, and community colleges.

According to the American Association of Community Colleges, the average age of a community college student is 29. At for-profit institutions, just over three out of every four students are over the age of 24. As the numbers suggest, these institutions are perhaps better-suited to the nontraditional student population than to the pool of recent high school graduates. And that has to do with elasticity of supply.

In the November 2013 edition of *The ANNALS*, an academic journal published by the American Academy of Political and Social Science, Andrew Barr and Sarah E. Turner note that short-term labor fluctuations, such as those experienced during and after the Great Recession, have little to no impact on enrollment figures at research universities and liberal arts colleges; such institutions simply lack the capacity to respond to changes in enrollment demand. Conversely, at community colleges and open-access for-profit institutions, "recessionary conditions have a substantial impact on the returns to relatively short-duration enrollment and training opportunities." The short-term career and technical training programs offered by these institutions are especially popular among nontraditional students.

> "Higher education is a countercyclical industry, which means that demand for it rises even amidst adverse economic conditions."

Unfortunately, these programs also have relatively low labor market returns. For one thing, for-profit universities have traditionally low completion rates. A study released by the Education Trust, a nonprofit advocacy organization, indicated that only 22 percent of full-time, degree-seeking students at for-profit institutions graduate, compared to 55 percent at public institutions and 65 percent at private nonprofit institutions. But even for those who do manage to complete their program of study, the return on investment is still likely to be underwhelming. As Sara Goldrick-Rab points out in her book *Paying the Price: College Costs, Financial Aid, and the Betrayal of the American Dream*, for-profit institutions produce "degrees that employers value far less than community college degrees, often equating them to high school diplomas." A 2014 report from the US Department of Education adds hard data to that rather harrowing comparison, as it showed that three out of four for-profit higher education programs produce graduates who go on to earn less money than, on average, than high school dropouts.

Further, tuition at a for-profit university is, on average, six times higher than community college tuition, and twice as high as the average tuition rate for a four-year public university. Given the higher cost of attendance, coupled with the fact that nontraditional students typically come from lower-income families, it's no surprise that more than nine out of ten students at for-profit institutions have to take out loans to finance their education. But those loans are made all but impossible to repay when students leave college with a pile of debt, and no degree to show for it.

What makes this situation even more remarkable, however, is the amount of money flowing from the government to these institutions. Data from the US Department of Education indicates that every for-profit university in the country receives at least 70 percent of its funding from federal sources, much of it in the form of student loan packages. And even though those federal dollars are issued under the assumption that they will be paid back by the borrower, this is complicated in the for-profit sector by the fact that nontraditional borrowers—who, in case you've forgotten, are disproportionately concentrated in the for-profit and 2-year sectors—experience the highest rates of default on their student loans. In fact, research published by the Brookings Institution in September, 2015 showed that among students who left college in 2011 and subsequently defaulted on their loans (meaning, they didn't make any payment for at least 270 days during their first two years of repayment), 70 percent were nontraditional borrowers.

Student loans happen to be a substantial source of revenue for the federal government: between 2013 and 2022, the federal student loan program is projected to earn an average of $18 billion *per year.* When it comes to defaulted loans in particular, the government collects approximately 120 percent of each one. If a borrower defaults on a federally guaranteed loan, it's the taxpayer that gets stuck picking up the tab. And considering that nontraditional students tend to borrow tuition money and default on their student loans at higher rates than their traditional counterparts, when those students are preyed upon by for-profit and open-access institutions promising job returns that they have been proven statistically incapable of delivering, it affects all of us.

If there exists a "crisis" in student debt, then it exists almost entirely in the for-profit and open-access sectors of higher education. There, students—many of whom come from low-income backgrounds looking for marketable, job-specific training—are often misled by advertising that promises an affordable training program that will lead to better job prospects, and a better economic future. What those students end up with more often than not, however, is debt, full stop. Goldrick-Rab writes, "Without a college degree, and having forgone years of work experience and seniority to attend college, former undergraduates without degrees can find only low-paying jobs. Even paying off a modest amount of loans puts them in a compromising condition. This is the real student debt crisis."

Whether or not a college education is a worthwhile investment greatly depends on the quality of that education. Poor labor market outcomes—and, consequently, loan outcomes—are strongly associated with attendance at institutions with low rates of completion and job placement.

The value of a college education, however, is still essentially irrefutable. On one side of the "Is college actually worth it?" debate are those who will argue that rising tuition prices coupled with declining wages in entry-level positions means that going to college is no longer an economically sound investment. However, in a 2012 article appearing in the *Journal of Economic Perspectives*, authors Christopher Avery and Sarah Turner cite decades' worth of data to support their claim that "the earnings premium for a college degree relative to a high school degree nearly doubled in the last three decades."

And although the Great Recession took a heavy toll on many sectors of the economy, this "earnings premium" did not decline as a result; in fact, Avery and Turner write, "the alternative to a weak labor market for college graduates [following the Great Recession] is a much weaker labor market for those without a college degree." In short: Does economic downturn make it harder for a college graduate to get a job? No doubt. Does it make it even harder for someone without a college degree to find work? You bet.

So, while there is a measurable return on investment for those who pursue a college degree, the magnitude of those returns are highly conditional on the type of institution the student attends. A for-profit institution, for example, despite the higher sticker price, does not typically lead to a credential any more valuable than a high school diploma, while a degree from a nonprofit or public institution can still make for positive labor market returns, even if that education must necessarily be funded by student loans.

With the aggregate student debt ballooning at a seemingly alarming rate, the possibility of a "higher education bubble" is a prominent feature of most discussions of student debt in the United States. However, such rhetoric fails to acknowledge some crucial factors contributing to the growing amount of student debt. As already discussed, the spike in borrowing is attributable in large part to institutions that tend to enroll a disproportionate share of nontraditional borrowers, many of which were prompted to enroll by the economic conditions of the Great Recession.

In a 2015 study published by the Brookings Institute, Adam Looney and Constantine Yannelis write, "In 2000, borrowers from for-profit and 2-year institutions accounted for less than 35 percent of all borrowers; by 2014, the number of borrowers had more than doubled at for-profit schools and 2-year institutions, rising by 114 and 167 percent, respectively." This increase contributed to higher aggregate debt not only because more college students means a larger metaphorical borrowers' pool, but also because, as mentioned earlier, the students enrolling at these institutions are more likely to have to borrow money to cover tuition costs than students at private nonprofits and public institutions.

But these enrollment patterns alone are not enough to explain the rate at which student debt has increased since the turn of the century. Another contributing factor is the state of private lending markets during the Great Recession.

It's no secret that the 2008 financial crisis, considered by many economists to be the worst of its kind since the Great Depression, severely weakened the banking industry, and ultimately gave way to the Great Recession. The 2008 financial crisis actually began in 2007 with the deterioration of the subprime mortgage market, and developed to a fever pitch on September 15, 2008, with the collapse of the investment bank Lehman Brothers. The subprime mortgage crisis forced banks all over the United States to write off billions of dollars in sub-prime loan losses; this, in turn, left banks without either the willingness or the solvency (or both) to continue lending money at the rate that they had been previously. Consequently, most banks tightened their lending terms and raised their lending restrictions to unprecedented levels, resulting in a rapid reduction in loan availability to both businesses and households.

This, of course, proved to be disastrous in its own right, as GDP declined in countries all over the world, and median household wealth in the United States fell by a staggering 39 percent between 2007 and 2010. But another, less talked-about effect of the financial crisis was the effect it had on how families funded higher education. The disappearance of private lending alternatives likely generated a whole new wave of demand for student loans, as high school graduates who would have once relied on their parents to secure funds for college found that they now had to do it themselves. Barr and Turner summarize this phenomenon succinctly, writing, "The growth in federal student loans may overstate the true increase in borrowing for students to attend college, if the increase in Stafford loans supplanted other types of loans, which may have been a relatively cheap source of credit for parents before the financial crisis."

This means that the panicked tone of much of the mainstream coverage of student debt growth is likely misplaced, as the increase in student debt may reflect a shift in how families fund higher education more than it indicates a sharp increase in borrowing for college. A recent study published by the *Harvard Law Review* Association reports that between 1990 and 2010, federal borrowing increased by 319 percent, as students in 2010 borrowed an average of three times more per year from the federal government than students in 1990 did. However, the sole cause of this increase is not simply tuition price increases, as some are quick to suggest; it has a lot to do with the greatly diminished number of borrowing sources available to parents in the wake of the financial crisis.

Although this does suggest that the impact of tuition increases on student debt is often overstated, it certainly isn't to say that the two are unrelated. While student steadily increased to become the largest source of nonmortgage household debt, state appropriations to higher education began a precipitous decline, falling 17 percent between 2007 and 2012. As public subsidies declined, reliance on tuition dollars increased, shifting the cost-burden of higher education from state governments, to individual students.

The decrease in state appropriations to public universities was yet another indirect result of the Great Recession. As Barr and Turner point out, the tightening labor markets, collapsed housing market, and overall wealth reductions that characterized the late 2000s and early 2010s "resulted in shrinking state revenues as the bases for income, corporate, and sales tax fell. An increased reliance on income taxes, changes in the set of items subject to sales tax, and reduced diversity of the tax base resulted in higher volatility in tax revenue during the last decade."

Unfortunately, as state appropriations to higher education decreased, tuition prices continued to increase. And although the federal government is more generous now than ever in its provision of financial aid to students from lower socioeconomic backgrounds, the rise in unsubsidized borrowing (i.e., the iteration of student borrowing that is not need-based) indicates that many middle-class families are having trouble meeting the demands of the rising costs. This middle-class "squeeze" is mostly a product of the fact that, while the Pell Grant program has an annual expenditure of $35 billion (the highest it has ever been), the growth in Pell-related spending hasn't kept up with the increased demand for financial aid, meaning that the purchasing power of the grant has declined drastically over the last couple of decades. Sara Goldrick-Rab writes, "In 1990, only the poorest quarter of American families had to pay much more than 20 percent of their annual income for higher education. Today, 75 percent of families pay at least that—after all grants are distributed."

The many, measurable improvements that a college degree has the potential to make on a person's economic (and, indeed, overall) well-being is evidence that higher education is still a worthwhile investment, despite rising tuition costs and the adverse macroeconomic effects of widespread student debt. However, it seems unconscionable that so many American families—three out of every four, to be exact—should have to devote the types of financial resources necessary to secure a better future for their high school graduates. Today, college is all but essential for lower-income young adults who wish to move up the socioeconomic ladder. By improving the way higher education is financed, the United States would be poised to become the type of meritocracy in which hard work and perseverance really *do* make for a better life, and economic well-being and upward social mobility are not contingent on the depths of one's pockets.

Am I *Middle Class?* Financial Literacy in the U.S.

Brian VanDenBurgh
Staff Writer

Throughout news reports, advertisements, and political campaigns, we've all been told over and over again that the middle class is shrinking.

But when you hear the term "middle class," do you generally know if you belong to it? Do you wonder if you're just on the cusp, or maybe how high up in the middle you are?

Knowing exactly where you fall on the socioeconomic scale can be a helpful tool in financial decision-making. The majority of Americans, however, inaccurately assess their positions on the wealth spectrum. This makes it harder to foster effective public debate on issues like tax reform and entitlement programs, as the popular tendency to conflate "economic aspirations" with "actual financial situations" means that many Americans have inaccurate understandings of things like wealth inequality and social mobility. (There's significantly less of the latter, and more of the former, than most Americans realize.)

By some estimates, as many as 90 percent of Americans self-identify as "middle class," and among that 90 percent, annual household incomes range anywhere from less than $7,000, to upwards of $120,000. Part of the reason for this over-classification is that a universal definition of "middle class" does not actually exist.

Semantic satiation is the psychological phenomenon that occurs when a word is repeated so many times that it begins to lose meaning. Say the word "groceries" enough times in a row, for example, and it'll start to sound almost eerily hollow. This is essentially what's happened to the term "middle class" in contemporary discourse: we've overused it to the point of rendering it meaningless.

The lack of a single, comprehensive definition, however, doesn't mean that there exists no useful standards by which to determine class status; it's just that not everyone can agree on which measures to emphasize. As noted in a report from CNN Money, "Some experts define the middle class by income, [while] others define it by lifestyle."

Starting with income, the Pew Research Center defines a middle class household income as anything ranging from two-thirds to double the national median ($55,775 as of 2015, according to the US Census Bureau). That means that nationally, a middle class income can range anywhere from (roughly) $37,000 to $111,550.

But not all middle class incomes are created equal: where you live can also have a considerable impact on how far your money goes, and how "middle class" your lifestyle actually is. For example, a household income of $35,000 would qualify someone as "middle class" in Ohio, but not in Connecticut, where the median income is significantly higher (approximately $66,000, compared to Ohio's median income of about $51,000).

Other useful indicators in determining class status include things like the amount of debt a household has relative to the size of its savings account, or how much disposable income it has to spend on things like entertainment, clothing, food, and transportation.

And if you ask anyone on the street to tell you what makes someone "middle class," while they may not be able to draw on averages, percentages, and income figures, they could probably give you a set of qualitative measures of a middle class lifestyle: a college education, home ownership, one or two vehicles, regular family vacations, a retirement fund or savings account, money to spend on nonessential items. Our understanding of the middle class has become, and perhaps always will be, one and the same with the typical American Dream of a house and white picket fence.

So how do we achieve that goal? What can we do to make sure we have enough money in the bank to allow us to rest a little bit easier every night; to ensure that our middle class aspirations eventually become our real-life financial condition?

It starts with being financially literate.

Do I know how to protect my money?

Financial literacy is essentially the ability to manage and understated your money and financial resources in order to maximize their benefit to you and your family throughout your life. Financial literacy encompasses a large body of knowledge, and a broad range of skills, that includes everything from establishing a budget and savings schedule, to investing and retirement planning, and more.

In addition to economic factors such as student debt, wage stagnation, and extreme purchasing habits, another massive contributing factor to the decline of the American middle class is that, by and large, they're not saving enough money. According to a 2016 study conducted by Bankrate, approximately 60 percent of Americans have less than $1,000 in their savings account, while 34 percent of survey respondents reported savings account balances of $0. Why is this happening? One popular answer is: because we don't know how to take care of our money.

Sure, our parents would tell us to save up all those ten- and twenty-dollar bills from birthday cards and holidays so that we could buy the next big thing, and as we got older they would hound us about making sure we always have some money in the bank "just in case"—but did we ever learn anything more than that? Did we really learn all about interest rates, inflation, loans, compound interest, mortgages, stocks, 401ks, and retirement?

The answer, for most people, is no.

Shining a light on Millennials, a study produced by Bank of America in conjunction with *USA Today* revealed that Millennials feel confident in their ability to manage money but, "feel less experienced in their actual knowledge of finances (17%) as opposed to their expertise in things like social media (34%) and food (33%)."

Entering young adulthood around the time of the 2008 financial crisis, Millennials saw the struggles their parents went through, and as they enter prime spending years, it's clear to see that their spending and saving habits differ vastly than that of Generation X or the Baby Boom.

Millennials tend to prioritize saving their money for much more immediate ends like trips and vacations, as well as saving to pay off debt from credit cards and student loans.

Being financially illiterate can have devastating effects, no matter what financial class you're in or how big your paycheck is every week. As the *Chicago Tribune* aptly put it recently, "Saving is a requirement; just like paying rent or utilities. When you save only what's left over" meaning after bills and food are taken care of, "those leftovers never appear, even if your income is high."

Saving money is difficult, but it is imperative. It's a common suggestion among financial planners and advisers that millennials should be saving about ten percent of their income a year for retirement, because if they don't start early, they could end up like the Baby Boomers: the Center for Retirement Research reports that about 43 percent of Baby Boomers will not have enough money to retire. That lack of knowledge on how to save and the urgency to start saving immediately is a future too many of us could be facing.

A Federal Reserve Economic Survey asked people if they had enough money in the bank to pay for a $400 emergency like a health problem or a car repair. The survey revealed that 47 percent of respondents said that they could *not* afford the $400 without having to sell something or borrow the money. Unfortunately, living paycheck to paycheck is becoming the norm. Many Americans don't understand the intricacies and complexities of investing and saving money, so when unexpected costs hit it can truly put them into a deep hole.

CNBC, citing financial advisors, suggests having "three to six months of living expenses in an emergency fund to pay for unexpected costs."

From there, it's recommended that households have other savings accounts for things like a wedding, vacation, new home, or just your typical rainy day fund, so that they're never blindsided by large costs.

But are those suggestions truly attainable in our economic climate? Well, it depends. Maybe you can't have an account with three months' living expenses, but knowing to start an account to use solely for emergencies or unexpected expenses is a step in the right direction, because with roughly half of the nation being financially unstable, it's a problem that needs a solution sooner rather than later.

The middle class is a cornerstone of the American economy. Household consumption itself comprises more than two-thirds of GDP, and with less people in the middle class, comes less spending power which in turn could seriously damage the economic growth of the United States. It's a problem that impacts not just the country, but the world.

What has to change?

The middle class is emblematic of the everyday American and we can't afford to just let it continue shrinking.

For households, the biggest thing they can do when it comes to becoming financially stable, is seek information. Learning good habits and receiving solid advice will go a long way to helping people save money and protect their future. Some employers even have a financial adviser on-site or bring one in to have seminars on financial literacy. Of course, seeking the counsel of a financial adviser or planner is always a good first step. From there, you can speak to someone one-on-one about your personal needs and create a plan going forward.

For future generations, we need to start pushing knowledge of finances much earlier. A recent *Wall Street Journal* article notes, "The most scalable solution to this problem would be to teach financial literacy in school." Now that may be unlikely, but the truth in the statement stands: everyone needs to understand money, and how they should be using it.

In local communities, if chambers of commerce are looking to become advocates for not just business owners, but people in their communities as well, offering financial literacy crash courses or providing helpful tips from financial advisors within the chamber would be a good start. The more people are able to have a handle on their wealth, the better off they'll be both in the future and in the present, and the greater benefit that will be to the local economic climate.

Because when you're talking about an issue that impacts everyone, not just the middle class, the more knowledge you have, the better.

The Consumer Financial Protection Bureau (CFPB)

Patrick Harney
Staff Writer

From the beginning of his campaign, President Trump had his sights set on modifying existing U.S. law for major banks and the financial sector at large. According to the then President-elect's transition website, the goal of changing the current regulations falls under the "Financial Services Policy Implementation Team," where its plans would be to "dismantle the Dodd-Frank Act and replace it with policies to encourage economic growth and job creation."

In this goal, Trump will have supporters in Congress, which will be led by Republican majorities in both the Senate and the House. Among some of the most outspoken critics of the Dodd-Frank Act include House Rep. Jeb Hensarling (R-Tex.), who chairs the House Financial Services Committee, and Sen. Tom Cotton (R-Ark.).

Cotton, who hosted a two-day speaking event for supporters with fellow lawmaker Rep. Trey Gowdy (R-S.C.) in early December 2016, touched on a desire to change the structure of the Consumer Financial Protection Bureau. According to a story on the event as covered by the *Washington Post,* Cotton found the structure of the Bureau to be at odds with oversight, noting how "it is exempt from congressional budgeting and it simply declares to the Federal Reserve how much money it wants."

Cotton's remarks on the funding structure of the CFPB dovetail with an earlier ruling by the U.S. Court of Appeals for the District of Columbia, which issued a ruling on the structure of the bureau being unconstitutional. According to the D.C. court's website, the decision was reached on October 11, 2016, between the PHH Corporation and the CFPB. In a summary of the case, PHH, a New Jersey-based mortgage company argued against the constitutionality of the CFPB, after being fined for $109 million. The levy came as a result of the CFPB charging PHH with allegedly participating in an illegal kickback scheme, according to a New York Times story covering the court's ruling.

As a result of the court's decision, the CFPB is now a prime target for the Republican-led Congress and the Trump administration. This makes for a unique contrast to the bureau's founding, back in the Summer of 2010, when the Dodd-Frank Wall Street Reform and Consumer Protection Act was signed by President Barack Obama.

This particular piece of legislation, passed along party lines in a Democratic-majority Congress, included a number of safeguards built in to avoid the possibility of another economic recession following the 2008 crisis. Aside from the Consumer Financial Protection Bureau, several other measures were passed, including the Volcker Rule, designed to prevent trading and investments in from banks that did not directly serve their customers. Additional measures included governmental oversight on general financial stability, expansion on laws relating to liquidation of large companies dealing in insurance or banking, transferences of power to institutions such as the Federal Reserve and additional consumer protection oversight, according to the Library of Congress' webpage covering the legislation.

The Consumer Financial Protection Bureau exists under the Consumer Financial Protection Act of 2010, located under Title X of the Dodd-Frank Act. However, before it was a fully funded federal outfit, it began as an idea from Senator Elizabeth Warren (D – Ma.), who was a professor at Harvard specializing in bankruptcy prior to her winning a Senate seat in 2012. In Warren's view, having some regulation in the financial and mortgage sectors would go a long way towards preventing at-risk borrowers from getting swamped by debt. This came about due to confusing language and complexities in credit card agreements and other financial lending practices, according to the article "Unsafe at any Rate." The article, published in the Democracy Journal in the summer of 2007, was written by Warren, which marks it as one of the first examples of her advocacy for oversight into financial lending practices.

In Warren's opinion, buying a mortgage should be like buying a toaster, noting how, while "it is impossible to buy a toaster that has a one-in-five chance of bursting into flames and burning down your house," the same cannot be said for mortgages. Warren notes how a family can refinance a home with a mortgage that would "have the same one-in-five chance of putting the family out on the street-and the mortgage won't even carry a disclosure of that fact to the homeowner."

Even though her initial title for the group was the "Financial Product Safety Commission," it nevertheless began to take shape. Obama added the central idea to his plans for overhauling financial regulations in June of 2009, before getting included with additional rules in Dodd-Frank.

Once the Act was passed, the CFPB was up and running, with Warren as the leader of the group.

However, due to intransigence from Republican and several Democratic lawmakers, it was clear that Warren's nomination would not pass the Senate with the votes required. Therefore, Richard Cordray, who was initially selected to lead enforcement efforts on behalf of the bureau, was soon elevated in her place as the nominee to lead the CFPB.

Opposition to the CFPB began almost immediately, due in part to the method in which Cordray was appointed.

According to a January 2014 article by the *Washington Post* covering the formation of the bureau, the opposition came from Republican Senators, who refused to hold a vote on Cordray for six months, citing the belief that "the bureau should be headed by a commission instead of a director."

Following the opposition to voting on Cordray's appointment, and President Obama's decision to install him after six months as a recess appointment, there was a series of public statements against the CFPB by lawmakers, in addition to financial entities refusing to comply with decisions issued by the bureau, citing its lack of authority as a method to avoid paying fines or to comply with rulings.

Eventually, Cordray was approved by the Senate in July regarding his appointment in a 66-34 vote in favor, allowing the CFPB to continue its work without a cloud of illegitimacy undermining it. The vote came about from former Senate Majority Leader Harry Reid, who threatened to eliminate the supermajority needed for a Senate filibuster.

However, even after Cordray was approved, there were challenges being issued by those getting targeted by the bureau, with PHH Corp. being the most successful, having managed to get the D.C. Court of Appeals to declare the structure of the organization as being unconstitutional.

While it did lead to the bureau's dissolution, as many opponents had hoped, it did remove the autonomy of the group as a whole, making the director answerable to the President.

The director of the bureau was initially only capable of being removed from the office "for cause," otherwise known as a breach of the statute, according to the original language in the legislation. However, due to the decision from the Court of Appeals, President Trump will have more leeway to replace the director as he sees fit.

Another concern among proponents of the bureau involves funding.

The budget for the Bureau originates from within the Board of Governors of the Federal Reserve. As a result, it boasts an autonomy which few other agencies possess, immune from Congressional funding and Presidential whims. This mirrors the Reserve itself, which is answerable to Congress, although their Board of Governors are appointed to 14-year terms, thus removing political pressures.

However, efforts to put the bureau under Congressional committee funding may come to fruition, as proposed by the House Financial Services Committee. This would include doing away with the director's power, instead leaving its administration to a bipartisan five-member committee, similar to other regulatory bodies, such as the Securities and Exchange Commission. As for funding, there is the possibility that the bureau, if it were to receive funding from Congress, could lose the ability to attract top-tier talent.

In an article written on the bureau by *Bloomberg*, Adam Levitin, a professor at Georgetown University's Law Center, was quoted as saying how Congressional funding could strip the budget, and bureau salaries, making it harder for recruitment purposes. If funding were solely reliant upon Congress, Levitin stated how the ability to attract top-tier talent "could change on a dime."

Given the challenges ahead, it is clear the CFPB may not have as much influence as it once did in the previous eight years. The possibility of its current powers getting rolled back is likely, although its initial founder, Elizabeth Warren, remains committed to fighting against any encroaching changes in the Senate.

Furthermore, while the decisions the Trump administration will be making with Congress on Dodd-Frank may have far-reaching consequences for future regulation and enforcement actions, there is little chance of rescinding prior decisions by the bureau, due to many of the current decisions being settled.

Net Neutrality: **What It Is and Why It Matters**

Charlie Wildey
Staff Writer

This article was reprinted from our July 2015 issue, Vol. 4, No. 3. Net neutrality remains a hot button issue and we implore you to read beyond this article and further educate yourselves on this important topic.

As markets continue to adjust to an ever-shifting media landscape and Internet-driven economic climate, the issue of net neutrality is proving to be one of the most important and impactful discussions of our day. At the core of the conflict is the question of how, or if, Internet bandwidth should be regulated or protected.

Net neutrality is the concept that all Internet traffic is to be treated equally, meaning Internet Service Providers cannot block or throttle bandwidth for certain content, while allowing other users faster access for a higher fee. If Internet service providers were to charge higher fees for extra bandwidth to enhance streaming services, larger companies like Netflix would have little trouble footing the bill, so their ability to provide high-speed streaming would not be hindered. But newer, smaller companies that also rely on access to bandwidth for streaming information wouldn't be able to pay the higher fees and, consequently, would be less able to compete.

In March 2015, the Federal Communications Commission (FCC) ruled that the Internet is a public utility, and service providers should be regulated accordingly (i.e., under Title II of the Communications Act). Then Commission Chairman Thomas Wheeler said in a statement that the ruling intends to preserve the Internet as the "core of free expression and democratic principles" by ensuring that access to it remains competitive.

It is expected that the FCC's new ruling will be met with much debate and extensive legal battles. Opponents of this new ruling, which include a number of the nation's largest Internet providers, are taking issue with the federal government's involvement in Internet regulation. Senate Majority Leader Mitch McConnell (R-KY), for example, expressed concern that the ruling would discourage innovation by "suffocating [innovation] under the weight of an outdated bureaucracy and poorly named regulations."

Another point of contention regarding the ruling involves one particular provision that calls for "just and reasonable" conduct on the part of businesses, to be determined by the FCC on a case-by-case basis. Analysts point out that this terminology is too ambiguous, and an interpretation to an extent that may prove problematic. Opponents suggest that this "catch-all provision" may result in the FCC wielding too much power over businesses.

The United States Chamber of Commerce has spoken against the FCC's decision. The chamber's Senior Vice President for the Environment, Technology, and Regulatory Affairs, Bill Kovacs, said in a statement that this decision "will plunge the industry into years of litigation and cause extreme regulatory and market uncertainty. … We should not shackle this dynamic and competitive market with rules from a bygone era."

This rhetoric is common among those who oppose the FCC's current stance on Internet regulation. Former Florida Governor Jeb Bush, speaking to an audience in Iowa, also labeled the new measure as outdated. "Just think of the logic of using a 1934 law that was designed when we did have a monopoly for wireline service as the basis to regulate the most dynamic part of life in America," Bush said.

Other prominent Republicans Ted Cruz and Rand Paul have also spoken out unambiguously against net neutrality, despite the fact that 85% of Republican voters are in favor of the government taking action to ensure service providers maintain a free Internet, according to a University of Delaware survey. The same survey determined that 81% of Democrat voters also support Internet neutrality.

Speaking in favor of net neutrality, President Barack Obama said, "The FCC was chartered to promote competition, innovation, and investment in our networks. In service of that mission, there is no higher calling than protecting an open, accessible, and free Internet."

The battle over the Internet is a complicated one, as both sides are essentially fighting for a free Internet, at least rhetorically. Those in favor of net neutrality want to establish and protect a level playing field for all businesses and consumers online. Those who oppose net neutrality want to protect the Internet from overbearing, bureaucratic government regulation.

If businesses are left to their own devices, there is some reason to believe that they might do whatever it takes to make the most money, regardless of whether or not those actions are in keeping with what's best for consumers and Internet users across the country. Conversely, if we give the government regulatory power, there is no guarantee that that power will be wielded responsibly.

Ultimately, the question should perhaps not be framed as, "Should we have an open Internet?" but instead as, "Do we *currently have* an open Internet?" Is our current Internet landscape open and fair? Many believe that without government involvement, the market for Internet access could become too close to a monopoly.

On February 13, 2014, Comcast publicly announced plans for a $45 billion acquisition of Time Warner Cable. The two companies were not in direct competition for customers and, if they were to merge, the resulting conglomerate would control roughly two-thirds of the country's cable television market, and an estimated 40-57 percent of public access to broadband Internet. After the vocal and fervent public debate over net neutrality in the year following the announcement, however, Comcast abandoned its plan to merge with Time Warner.

However, not long after Comcast walked away from the deal, Time Warner was purchased for $55 billion by Charter Media. This merger, which was announced at the end of May, will mean Charter and Time Warner now control about 30% of broadband Internet service nationwide, and comes at a time when Time Warner is struggling to stay relevant as a cable television provider. This is because the market for paid television is in the midst of an immense transformation due to new competition from online streaming services.

There is still no conclusive answer as to why Comcast's deal fell apart while Charter Media's acquisition was successful.

On the local level, a monopoly is pretty much already in place. Most areas can't financially support the infrastructure necessary for there to be multiple, competitive Internet service providers. According to Tim Worstall in *Forbes* magazine, "The costs of doubling [existing] infrastructure will be vastly higher than whatever gains we might make from the competition," Worstall writes.

The Internet is widely viewed as the most important development of our era, both socially and economically. The Internet places the power of information and expression in the hands of the individual in a way that has never before been possible. It is imperative that this new right is protected so that the sharing of information remains free. Freedom on the Internet has advocates on both the left and the right side of the aisle, but the question will ultimately come down to one of how best to

Net Neutrality Threatened | Mike Licht

Doing the Minimum: **The Fight for Fifteen**

Brianna Clegg
Staff Writer

This article was reprinted from our July 2015 issue, Vol. 4, No. 3. The minimum wage remains a hot button issue and we implore you to read beyond this article and further educate yourselves on this important topic.

Growing up, I was always told that doing the minimum wasn't enough. Work hard, put in the hours, and you will be recognized for your effort and rewarded accordingly.

But what if, in working hard, doing your best, and putting in the hours, you are only given the minimum in return? When your effort, no matter how much you put forth, is considered barely enough, how do you survive?

For many Americans, especially those earning minimum wage, the answer to survival comes in the form of SNAP, WIC, Medicare, and the like. These solutions, funded by public tax dollars, compensate for the low wages on which so many must live. In other words, the American public has been tasked with subsidizing low wages.

In 2012, fast food workers in New York City rallied together to strike. Their goals were simple: a $15 an hour, industry-wide, minimum wage; and the right to unionize without the threat of employer retaliation. Since then, the movement has continued to grow and now includes workers from other low wage industries, from gas station attendants, to airport workers, to homecare providers. April 15th, 2015 saw what the *Guardian* called "the largest protest by low-wage workers in U.S. history." Demonstrations occurred across the country, and the movement incurred a level of visibility that made it difficult to ignore.

With the Fight for $15 Movement, the question we as the American public are faced with is: should we raise the minimum wage? Finding information on the personal and national economic effects of raising the minimum wage in order to answer that question is not easy.

If you do a Google search, your results will likely show a 50/50 split between attitudes of, "Raising the minimum wage will cause all American pies to burn in their ovens and the world to implode"; and, "Not raising the minimum wage will cause the world to descend into chaos as children and kittens die in the streets."

A good place to start when deciphering such messages is with a little inquiry into when and why a minimum wage was first enacted. I turned to the United States Department of Labor (DOL) for some background.

An increased demand for jobs after the Great Depression made it difficult for workers to negotiate a fair price for their labor. To help pull the American people out of poverty and repair the economy, President Franklin D. Roosevelt and many others spent years fighting for the rights of workers.

Historically, fiscal conservatives and the Supreme Court have been opposed to the idea of a federal minimum wage. However, a federal minimum wage of 25 cents an hour was signed into law in 1938 as a part of the Fair Labor Standards Act. The night before signing the bill, President Roosevelt had this to say to his opponents: "Do not let any calamity-howling executive with an income of $1,000 a day … tell you … that a wage of $11 a week is going to have a disastrous effect on all American industry."

Federal minimum wage was first implemented to help improve the lives of those supporting themselves and their families in a time where, for a lack of a better phrase, the economy was in the toilet. In order to assess the need for a minimum wage increase today, it is important to understand the current generation of minimum wage earners, to determine whether the financial demands they face are analogous to those of earlier generations.

> "Not raising the minimum wage will cause the world to descend into chaos as children and kittens die in the streets."

There seems to be a general stereotype of the typical minimum wage worker as a teenager looking for pocket change. As it turns out, the DOL reports that 88% of minimum wage workers are at least 20 years old. About 53% of minimum wage workers are also working full-time, and 28% have children to provide for.

These are people who are on their own. Or, if they're not, they want to be. This likely applies even more so to older workers, of which there are plenty, as the average age of the minimum wage worker is 35.

These are the people slapping together your Big Mac when you don't feel like cooking; providing support to your grandmother who lives in an assisted living facility; ensuring your kids don't drown at the community pool; and generally making sure that society is able to keep moving on a day-to-day basis.

Even if we were to decide that minimum wage earners should receive a raise, before implementing any wage increase, we must consider how it might impact job security. Many fiscal conservatives look at labor as any other commodity: through the lens of tried and true economic principles. Namely, they site the law of demand: increasing the cost of a commodity, and demand for that commodity will decrease, and the extent of that decrease depends on the commodity's price elasticity of demand.

Opponents of raising the minimum wage believe labor has an elasticity of an absolute value greater than one. This means that increasing the price of the commodity that is a worker's labor will significantly decrease the employer's demand for it; meaning, employers will want fewer workers. Consequently, employers will hire less, and may even fire existing employees. Under these circumstances, increasing the minimum wage would increase the rate of unemployment, ultimately hurting the group of people the raise was intended to help in the first place.

While oft cited as an argument against raising the minimum wage, this exact scenario seems to be rooted more in economic theory than marketplace reality: according to the DOL, very little effect on employment was found in a review of 64 studies on minimum wage increases. While some studies do show a slight increase in unemployment for low-wage earners, the vast majority of workers benefited. This is because the excess production costs associated with higher wages aren't being absorbed by job cuts. Instead, production costs can be, and often are, mitigated through product price increases or through a marginal reduction in corporate profit margins. This reminds us that individuals are not the only concern when it comes to wage raises.

Businesses are a major concern, and rightly so. Businesses provide the jobs, and it is vital to the economy that the economic environment remains friendly towards businesses, and continues to foster growth and prosperity.

But even here, we encounter less resistance than one might think. While increasing wages can affect businesses in negative ways through increased prices and (potentially) decreased profits, it can also have positive effects on the business as a whole.

According to the DOL, academic research has shown that higher wages increase employee loyalty and morale. These effects help balance potential losses incurred by higher wages. Increased worker loyalty means lower turnover rates which, in turn, mean less money spent on new-hire training. Improved morale among workers leads to increased productivity, which only serves to benefit a company's "bottom line." Businesses actually seem to do well when they pay a higher wage, even ones with notoriously small profit margins, like restaurants.

Unlike many other states, California does not have a lower minimum wage for tipped workers. That means restaurant servers in California are paid $9 an hour, the state minimum, before tips. That is substantially more than what servers in most other states make: in New Jersey, for example, servers can expect to be paid as little as $2.13 an hour, which is the federal minimum for tipped workers. Patrons are then left to make up the difference through tips (another example of public dollars subsidizing the low wages of private firms). The California Restaurant Association estimates that California's restaurant industry, already 1.4 million workers strong, will add another 145,900 jobs over the next ten years.

Regardless of whether we make the move to a $15 hourly minimum, it is pretty clear that with wages anywhere from $2.13 to $7.25 an hour, we can afford a raise.

Minimum wage is not keeping pace with inflation, and the longer we go without addressing this disparity, the further behind minimum wage workers will fall as their purchasing power lessens. According to the Pew Research Center, minimum wage has lost 8.1% of its purchasing power since its last increase in 2009.

There are many factors to consider when it comes to whether or not to raise the minimum wage, as well as many valid concerns about the effects it might have on the economy. But the fact of the matter is that low-wage jobs constitute the fastest growing employment sector in the nation, and the people working those jobs are not making enough money to make ends meet without the help of public assistance. Ignoring the problem of low wage poverty and hoping that a little more elbow grease will make it go away will only lead to more problems for the country as a whole.

Masthead

THE NATIONAL CHAMBER REVIEW
Founded in 2012

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Printed & Distributed by:
Messenger Post Media, Canandaigua, NY

The National Chamber Review is published quarterly by CGI Communications, Inc. 130 East Main Street, Rochester, NY 14604.

As a consumer at the Media Market, there's a lot to be aware of. Can you spot…

1 A character in disguise?

There are websites that mimic authentic news pages by making slight changes to the URL and/or logo. This can lead readers to believe they're looking at a familiar, trusted source when, in fact, they're not. Which of our characters is guilty of this behavior?

2 Someone selling something sensationally? (say *that* ten times fast!)

If a headline seems too outrageous to believe, it probably is. If a headline's asking a totally absurd question, the answer is usually "no." (Ex. "Is the sky going to fall right on *your* house???" … No. It's not.)

3 Someone demanding unnecessary participation?

Some websites are more focused on generating data and revenue, than providing quality information. Be wary of sites that make you click through multiple pages to access the content you're looking for.

4 A character who's doing their own research?

If an author provides evidence, data, hard numbers, or direct quotes, follow up on them. Where are they getting their information; is it a source you can trust? Then, to answer that question, consider looking at other report to compare and contrast.

5 Characters who are speaking from personal experience?

Do a little digging on the authors of what you're reading. An authentic piece of news should be written by someone whose credentials speak to their expertise on a subject (two of our vendors fit this criteria).

6 Someone with ulterior motives?

If an article is published by an organization with any sort of financial or political affiliation, it might influence what information is included, omitted, or presented. Ask yourself *"is the author trying to sell me something?"*

7 Someone who thinks you're in on the joke?

If what you're reading seems overtly ridiculous, consider the possibility that it's satirical. Research the author, look up past works, and read the comments. Sources like *The Onion*, *The Borrowitz Report*, and *Clickhole* aren't meant to be taken seriously.

8 A manipulated, or partially-presented image?

Inauthentic sources may contain images that have been doctored, or taken out of context. To check, do a reverse Google image search by right-clicking on the image, and selecting "Search Google for image." Does it disproportionately highlight certain details? Do alterations encourage assumptions?

9 Someone being intentionally untruthful?

Some stories are just plain false. Think critically about what you read, and only share it if you're sure it's true. Even the best-intentioned Facebook friend may accidentally share something that isn't credible. It happens to all of us!

Key 1:F, 2:D, 3:G, 4:K, 5:BAE, 6:CAH, 7:A, 8:I, 9:J