

SBH MEMBER  
**CALENDAR**

PHONE 396-1724 • FAX: 396-1726

Thursday, March 27

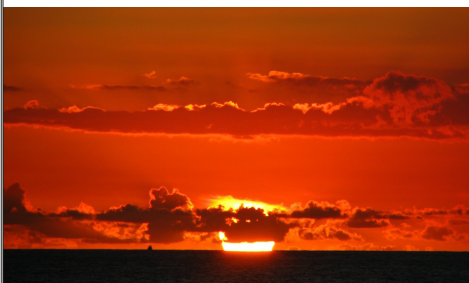
**SBH Sunrise Networking Breakfast  
Networking Tips**

The Pineapple Room at Macys'  
Ala Moana Center • 7 to 8:30 a.m

Tuesday, May 13

**38th Annual SBH Business &  
Investment Conference**

Ala Moana Hotel Hibiscus Room  
8:00 am to 2:00 pm



A Beautiful Hawaiian Sunset

**Smart Business Hawaii**

<http://www.smartbusinesshawaii.com>

**SBH Foundation**

<http://www.sbhfoundation.org>

**Education Transparency Portal**

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<http://www.hawaiireporter.com>



## You Can Reserve Now for 38th Annual SBH Business & Investment Conference



**Patrick Snow**  
Keynote Speaker

Reserve today for Smart Business Hawaii's 38th Annual Business & Investment Conference, Tuesday, May 13, from 8 am to 2 pm, in the Hibiscus Ballroom in the Ala Moana Hotel. Reservation form is on page 4 or call SBH @ 396-1724.

Luncheon keynote speaker is entrepreneur, author, and motivational speaker, **Patrick Snow**, who will speak on, "Proven Principles for Prosperity."

There will be an exciting and informative business program. (See agenda on Page 4) Fabulous speakers, including **Mike McCartney** (Hawaii Tourism Authority), **Tom Yamachika** (Tax Foundation), **Peter Kay** (Cybercom), **Mark Storfer** (Hilo Hattie), **Naomi Hazelton-Giambrone** (Element Media), **John Carpenter** (Island Slipper), **Dale Evans** (Charley's Taxi), **Reg Baker** (HMAA) and others. local issues and tips for success. Don't miss it! Bring an employee and an associate.

There are still sponsorship and business exhibit opportunities for your business. Contact: **Malia** (306-3161) or **Irma** (396-1724) for more details.

## Networking Tips at March Sunrise Breakfast

The monthly SBH Sunrise Networking breakfast forums resume, Thursday, March 27. The SBH forums are held the last Thursday of each month (except November) in the Pineapple Room, Macy's Ala Moana Center (Third Floor), from 7 – 8:30 am.

In addition to networking, introductions and special announcements, the Sunrise features a full buffet breakfast, program and free parking.

March's Sunrise will be devoted to "Tips on Networking." SBH Director **Bob Sigall** of Creative-1 and author of the book series *The Companies We Keep* will be leading informal discussions along with our other directors.

Despite restaurant price rate increases, the charge for SBH members and their guests remains at \$25 if paid in advance (otherwise, \$35 if space is available, at the door).

Please call SBH for reservations and information at 396-1724 or fill in the form on page 7 and send it in with your payment today.



Left: Bob Sigall • Above: SBH Sunrise Crowd. Join us!

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**SBH Conference Rescheduled for May 13 — Reserve Now! • Page 4.**



# Smart Business Views

By Sam Slom, President – Smart Business Hawaii

**JA Awardees.** The 2014 Junior Achievement of Hawaii Business Hall of Fame inductees will be honored March 14. The honorees include: The **Kamitake** (Wayne, Guy & Lynn Ushijima) Family & **Mizoguchi** Family, owners of Ben Franklin Crafts and Ace Hardware Stores; **Jake Shimabukuro**, internationally recognized musician, and **Sherry Menor-McNamara**, President & CEO of the Chamber of Commerce of Hawaii. The awardees will be honored in the State House & Senate during the day and are subjects of the annual JA Hawaii Banquet at 5 pm in the Hawaii Prince Hotel. Congratulations to this year's winners.

**Bankoh Blocks Iranians.** Bank of Hawaii announced the freezing of assets of Iranian citizens. The unusual move will impact not the government of Iran or large corporations. Instead, the major impact will be felt by Iranian students attending UH or HPU.

**Attack at the Shack.** Radio Shack has announced the closing of more than 1,100 of its retail outlets nationwide. No word as yet on any Hawaii store closings.

**Rubbish Fee Trashed.** Mayor **Kirk Caldwell's** bad idea of adding a new \$10 trash pickup fee was trashed by the City Council. The Mayor is still looking for more taxes and fees to make up his growing City budget deficit brought on by massive outlays for the rail project.

**Rail Congestion.** If you think the lane closures and added daily congestion are bad now, prepare for more interruptions as the City speeds up its rail construction.

**Winners' Camp Spring Break.** Winners' Camp for Tweens and Teens is March 17-21. It's the best place for teenagers on the whole entire planet! Call **Deloresse Gregoire**, Founding Director, if you want your teen to attend camp and need assistance with finances. There are partial scholarships for military, siblings and friends! 808-306-8008

**Visitor Arrivals Slowing.** The Hawaii visitor industry, which has single-handedly propped up the Hawaiian economy for the past 2 ½ yrs, is beginning to slow according to HTA president, **Mike McCartney**.

**Market Place Gone.** For those of us who remember that the International Market Place was the place to be in Waikiki for decades, its no more. It will be replaced by another upscale shopping area.

**Battle of the Microbes.** A bill to name a state microbe had a heated hearing in the

Senate TEC Committee headed by **Glenn Wakai**. Academics battled it out with the House Flavobacterium Akiainvicens state microbe entry and Vibrio Fischeri the Senate entry. In the end, Wakai deferred the bill. What about the only Hawaiian state land mammal, the Hawaiian Hoary Bat, Opea'pea, stuck in the House?

**Ukulele Moves On.** Meanwhile, the ukulele, bidding to become Hawaii's State Musical Instrument, passed 3-0 in the Senate TEC Committee, even though the "jumping flea" came from Portugal. Odds on favorite is the Hawaiian Steel Guitar. School kids may decide.

**Olive Garden Out...** The much awaited debut of the Olive Garden Italian Restaurant in Hawaii is on hold again. The first outlet to be based in West O'ahu, was put on hold without explanation by the restaurant's national owners. We still get all those national commercials.

**SBH Business Conference Rescheduled.** Please plan to attend the SBH 38th Annual Business & Investment Conference, Tuesday, May 13, 8 am – 2 pm, in the Ala Moana Hotel (Hibiscus Ballroom). A great line up of exciting and informative speakers and issues, networking, business exhibits and more. Luncheon keynoter is renowned author, entrepreneur and motivational speaker, **Patrick Snow**. Sponsorship and booth exhibit opportunities still available. Contact **Malia** (306-3161) or **Irma** (396-1724) for details.

**Sigall, Networking at Sunrise.** The next Sunrise Networking Breakfast at the Pineapple Room, Macy's Ala Moana, is Thursday, March 27, 7 to 8:30 am. **Bob Sigall** of Creative-1 and best selling author of "The Companies We Keep" series, will lead a presentation on "Networking Tips for Hawaii Business Owners." **Join us!** Call SBH at 396-1724 to reserve.

Hawaii Reporter.com, Award winning Hawaii Reporter and **Malia Zimmerman** report daily (M-F) on the **Rick Hamada Show** heard on KHVH radio on 830 AM at 7:05 am.

**Tune in to Panos Prevedouros.** SBH Director and UH Engineering Professor Dr. **Panos Prevedouros** is a weekly guest on Rick Hamada's morning radio show every Tuesday from 7:05 a.m. to 8 am. Tune in!

**SBH wants you as an SBH Member.** Is your business a member of SBH? No? Lots of benefits. Strong networking organization. Call **SBH** today (808-396-1724) or go online: **www.smartbusinesshawaii.com**.

## 'You've Got the Power' To Premiere in April

**Malia Zimmerman** wants to share the new television show she is launching in April. The show - called **You've Got the Power** - features three people in each episode who have overcome great odds to be successful and then help other people. Two people most of us know - 12-year-old **Skylar Soares**, who founded HISky and won the Small Business Hawaii Foundation's young entrepreneur award in 2013, and **Deloresse Gregoire** of Winners Camp. **Michael W. Perry** of KSSK has agreed to promote it and will be the voice during the opening. They are shooting the pilot over the next few weeks and then hope to continue the series after the first show airs in April. Their goal is to take the show national by the end of the year. If you know anyone who will sponsor at any of the levels, please let Malia know. Phone 306-3161.

## Red Cross Auction

The Hawaii Red Cross is holding an online auction from March 1-12. Shop 'til you drop for a great cause! Bid on hotel stays in Bora Bora, Seoul, London, Dublin, Tahiti, Las Vegas, Tahoe, Los Angeles, San Francisco, Oahu and the neighbor islands as well as airfare tickets on Alaska Air, golf and entertainment packages, gas cards and restaurant gift certificates!

All proceeds of the online auction will go to the Hawaii State Chapter of the American Red Cross. Show your support of the Hawaii Red Cross by going to **redcross.org/hawaii** to view items and make a bid!

## SMALL BUSINESS NEWS

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# Legislature To Fund Coordinator To Help Seniors Avoid Falls

By Malia Zimmerman, HawaiiReporter.com

Hawaii lawmakers want to help the state's seniors avoid a situation where they've fallen — and can't get up.

The Legislature plan to allocate \$80,000 for a new "fall prevention coordinator" position in the state **Department of Health's Emergency Management Division**.

As Hawaii's senior citizen population grew 116 percent over the last two decades — more than double the national pace of 47 percent — health department officials say the position will help Hawaii's seniors remain healthy, productive and active.

**Stanley Michaels Jr.**, 73, an employee with the state Department of Health, is the state's current part-time, volunteer falls prevention coordinator. Michaels, who took a bad fall himself leading to a hip replacement, said 8,700 Hawaii senior citizens go to the emergency room each year, costing the state \$10 million annually just for transportation.

An estimated \$90 million is spent on emergency room and hospital visits for seniors who took serious falls in which they broke their hips or hit their heads, with rehabilitation costs at about another \$90 million, Michaels said.

The costs are expected to increase as Hawaii's elderly population age 65 and up reaches 20 percent of the population by 2030.

Michaels currently gives presentations to seniors and caregivers, recommending seniors get their vision checked annually and review all medication side effects with a doctor or pharmacist; "safety proof" their home so there is no clutter, extension cords, throw rugs, or items on the floor; and exercise and carry an electronic monitoring device.

The suggestion to expand his presentations through a state-funded full time falls prevention coordinator and a taxpayer funded educational campaign emerged from task force that met for more than year to study the issue and determine possible solutions, Michaels said.

**Senate Human Services Committee Chair Suzanne Chun Oakland** agrees the government-funded position is essential because no nonprofit or private entity could coordinate fall prevention in the state with the authority of the state government. Oakland said a coordinator could help keep seniors out of the hospital and decrease costs to the state.

However, **Senate Minority Leader Sam Slom**, the only Republican in the 25-member Senate, is opposed to adding the cost to the state budget bill. "There is no question that falls are a major problem for seniors, but this bill, which has been pushed for years, will not prevent falls," Slom said.

"Government wants a coordinator for all of life's risks," Slom said. "Taxpayers should not fall for more bureaucracy."



With the legislature at the halfway mark this month, business owners can only hope for the best while holding on to their wallets.

## Hawaii's Religious Leaders, Legislators Campaign For Minimum Wage Hike

By Malia Zimmerman, HawaiiReporter.com

Several of Hawaii's religious leaders are supporting the effort by Democratic legislative leaders to increase the state's minimum wage.

Faith Action for Community Equity, a faith-based grassroots organization that includes 38 churches, a Buddhist temple, two Jewish congregations, 10 community groups and nonprofit organizations and a labor union, launched an automated telephone advertisement campaign to homes and businesses across the state asking the public to sign a petition on its website to increase Hawaii's minimum wage.

The House and Senate Democratic leaders, which holds all but one seat in the 25-member Senate and seven in the 51-member House, have agreed to increase the minimum wage to at least \$10 per hour from \$7.25 per hour, according to Senate President Donna Mercado Kim. The final number, however, still is being negotiated.

FACE, headed by former Hawaii State Teacher Association labor union president Karen Ginoza, said the increase is needed because Hawaii's utilities are 110 percent higher than the national average, housing is 104 percent higher and groceries are 57 percent higher than other states, yet Hawaii's minimum wage is lower than 21 other states.

However, not everyone supports the wage hike.

State Senate Minority Leader Sam Slom, R-Hawaii Kai-Diamond Head, pointed out that only a small fraction of Hawaii workers earn minimum wage at any one time.

Many small business owners are opposed to increase because the cost of doing business in Hawaii already is the highest in the nation, said Slom, who also is the president of Smart Business Hawaii, a small business advocacy group.

"Minimum wage is just that, a minimum, and an entry or training wage, not a 'living' wage," Slom said. "Government should not dictate a wage without guaranteeing productivity and profit too. Jobs are lost, not

*Continued on page 6.*

## Business News Bits

The much awaited debut of the **Olive Garden** Italian Restaurant in Hawaii is on hold again. The first outlet to be based in West O'ahu, was put on hold without explanation by the restaurant's national owners. We still get all those national commercials.

The state's first **Applebee's** Restaurant, part of the IHop family, will be completed in Pearl City by September. Now you can act on those commercials we've seen for years.

Despite some community opposition in East O'ahu (traffic, noise) **Aunty Pasta** hopes to operate a new Italian restaurant, Aunty Pasta East, in the Aina Haina Shopping Center.

**Pier 1 Imports** will open its 7th Hawaii store in Kapolei.

# Four Things You Should Know About The Minimum Wage Debate In Hawaii

by **Paul Harleman**, Senate Minority Budget Analyst

Spurred by President Obama's State of the Union address, the Hawaii State Legislature is taking another look at the minimum wage debate. Both the State House and Senate have introduced legislation (**SB2609** and **HB1623**) that would not only increase the current minimum wage of \$7.25 to \$10.10, but would also link the future minimum wage to inflation. As the cost of living and poverty rate increase dramatically, a push for a minimum wage increase is often seen as a viable solution to address the rising level of social and economic inequality in Hawaii. Because of the "populist" nature of the debate, facts and empirical evidence are often overlooked. Consider four key points that are not adequately addressed by the legislature and media.

## 1. Raising the minimum wage will benefit fewer than 4% of low-income working families.

Proponents argue that the minimum wage increase is needed to help the working poor, whose purchasing power has largely diminished over the last decade. Despite the noble intention of the Hawaii legislature, careful examination should be given to the true impact that a proposed raise would have on the working poor.

According to the state's Department of Labor and Industrial Relations, (Testimony: SB2609, January 30th, 2013) a total of 14,303 individuals earned \$7.25 or less in 2012. If this statistic is adjusted for teenage and part-time employment, the total number of individuals who are working full-time and who are most likely supporting a family amounts to 3,700.

According to the United States Census Bureau Supplemental Poverty Measurement statistics, 231 Hawaii families lived in poverty in 2012. So although the intent of the proposed minimum wage raise is to help the working poor, the facts indicate that the proposal would benefit fewer than 4% of low-income working families.

## 2. Raising the minimum wage increases the costs of low-skilled labor by 39%.

Leading economists agree that historically, government mandates to increase the minimum wage have increased the cost of low-skilled labor without any improvements in productivity. Currently, Hawaii employers pay a total of 12 percent in payroll taxes, which include taxes for social security, Medicare, as well as federal and state unemployment contributions. This means that a \$1 increase in the minimum wage actually increases the cost of minimum-wage labor for employers by \$1.12. Under the current proposal, the minimum wage will increase from \$7.25 to \$10.10 over a three-year period. Translation: the annual full-time costs for low-skilled labor (40 hour workweek) will increase by \$6,642, which represents a 39% increase. With such a large increase, it remains to be seen how these employers will respond.

According to economic theory, large increases in the cost of labor without offsetting increases in productivity could lead to either higher prices of goods and services or reduced employment. In Hawaii, since minimum-wage workers represent such a small proportion of the labor force, it is reasonable to assume that the adverse economic effects of the minimum wage raise will be limited to specific businesses and industries.

## 3. Raising the minimum wage will not lift working families out of poverty.

No empirical evidence in contemporary economic literature suggests that a minimum wage increase will reduce poverty. Multiple studies during the last decade have generally concluded that past minimum wage increases had no effect on poverty. As a public policy strategy, a minimum wage increase could prove successful in improving living standards of low-income working families only if a larger proportion of the minimum-wage earners are members of low-income households. However, since less than 25% of minimum-wage earners are estimated to be heads of households, a minimum wage increase will provide no more than symbolic support to low-income working families.

*Continued on page 8.*

**38th Annual Smart Business  
Hawaii Conference**

**Tuesday, May 13, 2014 – Ala Moana Hotel • Hibiscus Ballroom – 8 a.m. – 2 p.m.**

**SMALL BUSINESS 2014:**

**“WORKING FOR A BETTER BUSINESS CLIMATE”**

featuring **Patrick Snow**, Motivational Speaker, Author

**ADVANCE PAID RESERVATIONS REQUIRED (See Below) – Parking Validated – Arrive by 6:45 am**

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Firm Name \_\_\_\_\_ Phone \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ Zip \_\_\_\_\_

My Guest(s) \_\_\_\_\_ Firm \_\_\_\_\_

Luncheon Menu: Beef  or Vegetarian

Enclosed is my check for \$ \_\_\_\_\_, for \_\_\_\_\_ (# of reservations)

@\$75 for members and their guests • @\$90 for Non-Members and at the door if space is available.

Full refunds until May 9, 2014. Make check payable to Small Business Hawaii and mail to:

Small Business Hawaii, Hawaii Kai Corporate Plaza, 6600 Kalaniana'ole Hwy., Suite 212, Honolulu, Hawaii 96825.

# I Need A Gun, Mommy, But I Won't Use It Now

By Tom Yamachika

Interim President, Tax Foundation of Hawaii

Recently the mayors of our four large counties all got together in what has been described as their annual pilgrimage to the legislature. One of their priorities for the year is to obtain the ability to impose a tax surcharge on the general excise tax, up to one percent. And the Honolulu mayor talked about having the ability to make permanent the 2 percent surcharge that he now has. In other words, rail gets done but the Honolulu surcharge remains. Not to worry, said the four mayors, because none of us has any intention to impose any additional tax. Not yet. They just wanted to have it in their toolbox so they can bring it out if the going gets tough.

It sounds like the kids asking Mom and Dad to buy them guns. They have no intention to shoot anyone now, but if the going gets tough later on they might whip them out. To paraphrase one legislator, if someone does get shot, won't the public also blame whoever gave them the gun? We also need to remember that a few years down the line we will, inevitably, have different mayors who will not be bound by the promises of his or her predecessors.

Sometimes the past can give us an idea of what might be in store if this happens. Other than the rail surcharge, there is an incident in recent history where the counties were given taxing authority.

Public utilities pay a special tax that is a blend of general excise and real property taxes. It is imposed at a rate ranging from 5.885% to 8.2% of gross revenue, depending on the utility's profitability. The counties argued that they deserved a share of it because the real property tax became theirs after the 1978 Constitutional Convention amendments.

In Act 64 of 2001, which implemented a deal that the state and

counties then made, the state took 4% B the same as the general excise tax B and left the rest to the counties.

Well, it is now 2014. It has been over a decade and only one of the four counties even has a form to report this tax. If you are a utility asking any of the other three counties about this tax, the answer you will get it is, "Please calculate it yourself, and send us the calculation and, of course, a check." Excuse me? If this tax was worth the trouble to put on the boxing gloves and climb in the ring with the legislature about, why isn't it worth giving the customer service needed to enable taxpayers to comply with it? Doesn't it make you think that more and larger problems will be coming down the tracks if the counties are given more taxing authority?

Maybe the counties' answer to this argument is that it won't be a problem. Like the Honolulu surcharge, all they need to do is enact the tax and collect the money because they can rely on the department of taxation to do everything in between, such as customer service, collection, revenue accounting, and detection and prosecution of scofflaws. If so, the state can't be expected to do all of this for free. Right now they are keeping 10% of the surcharge amount to do all of this, and that may be justifiable considering all of the work involved.

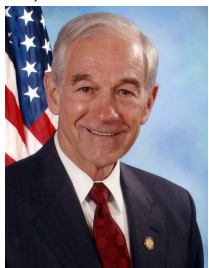
One more thought. If Mom and Dad give taxing authority to these four kids, it won't be long before others come out of the woodwork wanting some too. The state department of education comes to mind, as several times over the years they also have been asking for taxing authority. What's next? Airport assessment districts? Historical redevelopment districts? Coqui frog abatement districts?

Our recommendation – don't go down this path! Keep a lid on it. We have enough problems with the system we now have, and we don't need to complicate everyone's lives further.

## Hagel's 'Defense Cuts' Are Smoke & Mirrors

By Former Congressman Ron Paul

Last month Defense Secretary Chuck Hagel proposed an additional 40,000 reduction in active duty US Army personnel, down to 450,000



soldiers. As US troops are being withdrawn from the recent wars in Afghanistan and Iraq, it might make sense to reduce not only the active duty military but the entire military budget. However, from the interventionists' reaction to Hagel's announcement you might think President Obama announced he was shutting down the Pentagon!

Rep. **Michael McCaul**, Chairman of the House Homeland Security Committee, claimed

that this slight reduction in personnel would hurt our military readiness. He blamed the exploding spending on welfare entitlements for the proposed military cuts, stating, "It's all being sacrificed ... on the altar of entitlements. This president cannot take on mandatory spending, so all we've done in the Congress -- and this president -- is basically cut discretionary spending."

McCaul is partly right. Welfare spending is bankrupting the country. But military spending is also welfare: it is welfare for the well-connected military-industrial complex, which enriches itself manufacturing useless boondoggles like the F-35 fighter. We should never confuse legitimate defense spending – which I support – with military spending, which promotes interventionism overseas and actually undermines our

national security.

Neoconservative Senators Lindsey Graham and John McCain were also quick to criticize Hagel's announcement. They said the cuts were dead on arrival in the US Senate. "We are going to kill it, not let it happen," said Graham. McCain added, "We live in an ever-increasingly dangerous world and this budget is out of touch with reality."

What McCain and Graham won't admit is that much of the reason we are in an increasingly-dangerous world is that the neocons keep inviting blowback with the interventions they are constantly pushing. If we minded our own business we would live in a far less dangerous world.

Nevertheless, although the neocons make a big deal about this small cut in military personnel, in reality these are not military cuts at all. These are token proposed cuts in troop levels which Congress won't allow the administration to do anyway. What Hagel proposes is not cuts, but instead a shift in spending away from personnel and toward new high-tech weapons which are favored by and profitable to the military-industrial complex.

The F-35, for example, will continue in production according to Hagel's plan, despite the numerous cost over-runs and design flaws. This is likely because the F-35 is built in 46 US states and nine foreign countries! That makes it particularly popular in Congress, regardless

*Continued on page 6.*



# Hawaii's Schools Aren't The Best In The Nation, So What's With Pay Raises, Shorter Class Schedules?

By **Malia Zimmerman**  
HawaiiReporter.com

Hawaii's public schools aren't rated the nation's best, according to a variety of national rankings.

Apparently, many state lawmakers aren't interested in the numbers. They say teachers and students should not spend more time in the classroom, and the superintendent should make more money.

House and Senate members Tuesday passed HB 1675 and SB 2139 SD. Those bills kill a 2010 law that lengthened the school year from 990 instructional hours over 180 school days to 1,080 hours, beginning in 2016.

The 51-member House debated the measure; 14 representatives voted against the plan, and 11 supported it "with reservations."

The measure met less resistance in the 25-member Senate; Sens. Laura Thielen, D-Kailua-Hawaii Kai; and Senate Minority Leader Sam Slom, R-Hawaii Kai-Diamond Head, voted against it.

Thielen, a former elected member of the Board of Education, said the bill originally passed to ensure all public schools had the same number of instructional hours. She said she understands if the Legislature has to push back the start date — to accommodate collective-bargaining agreements or the concerns of principals and teachers — but she doesn't get why the law was dismissed.

The DOE supports eliminating the law to save money, and some lawmakers have argued time in the classroom doesn't necessarily translate to better grades.

The House on Tuesday also passed a measure removing the \$150,000 salary cap for the state Department of Education's superintendent, leading to a possible \$100,000 raise.

The Board of Education would have to approve the measure, designed to offer a "competitive salary" in relation to other states. Advocates say Hawaii is unique because it has one centralized school district that includes 185,000 public school students.

Senate Minority Leader Sam Slom is the only lawmaker to so far speak out against the proposed pay boost.

"Many people in this Capitol think it's OK to keep raising government salaries, which are paid for by the taxpayers, not legislators. Many also believe you only get good people by paying more money. Not true, especially in

public education in Hawaii," Slom said. "There is no nexus between a \$100,000 salary bump and better pupil performance."

The numbers are telling.

Education Week, for example, gave Hawaii a C-plus for its overall public school education. The state got a C-minus for K-12 achievement.

Then there's the Students First Report Card, which gave Hawaii an overall C ranking and a D-plus for "spending wisely and being governed well."

The 2013 National Assessment of Educational Progress reports just 46 percent of Hawaii's fourth-graders are "proficient and advanced" in math, and 30 percent are reading at grade level. Just 32 percent of eighth-graders score "proficient and advanced" in math; 28 percent in reading.

Slom, the only Republican in the 25-member Senate, said he doesn't think the Legislature holds educational leaders accountable. "The educational leaders add more non-classroom bureaucrats, divert into programs like the controversial sex education program Pono Choices, and the legislative auditor has been very critical of a number of DOE policies and programs, yet our response is to give more money and benefits," Slom said. "Our responsibility is for oversight but we're shirking our duty. This has to end if we want to truly improve education."

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## Defense Cuts

Continued from page 5.

of its flaws and expense.

We do need real cuts in military spending, not just moving spending around from troops to new weapons systems. But what we really need is for the president to downsize US foreign policy. Maintaining a military presence in 140 countries while continuing to stir up trouble can lead to problems when the military is downsized. So, it's our intervention that needs downsizing.

A proper foreign policy would mean a strong national defense, but a huge reduction in interventions and commitments overseas. Why are we stirring up trouble in Ukraine? In Syria? In Africa? Why are we defending South Korea and Japan when they are wealthy enough to defend themselves? A proper sized foreign policy would defend the United States instead of provoking the rest of the world.

## Minimum Wage Hike

Continued from page 3.

created, or full-time employees are changed to part time when the wage is forced up."

Any pay increases would boost the cost of workers compensation insurance, unemployment insurance, temporary disability insurance and other mandates, Slom said, as well as force up other wages within the company.

Hawaii already is ranked among the worst places in the country to do business, Slom said, because of state mandates on businesses, high taxes and regulations. Hawaii is the only state that forces employers to offer health care to employees working 20 hours or more a week.

"We need jobs, employment incentives and a better Hawaii business climate instead of more government mandates," Slom said.

Win Schoneman, who has owned popular ice cream store in Hawaii Kai for 16 years, hired nine high school and college students at 50-cents above the \$7.25 per hour minimum wage, increasing their pay as their responsibilities and skill levels improved.

"Statistically, nationwide and in our state, relatively few people are dependent on minimum wage ... however, the minimum wage has raised our cost of doing business and living here significantly," Schoneman said.

While proponents of an increase maintain Hawaii needs a "living wage," Schoneman said the minimum wage is not a way out of poverty.

"Better education, skills and trades lift people out of poverty, not transferring wealth to another person," Schoneman said.

If the minimum wage increases, Schoneman said small businesses like his will have to choose between raising prices, cutting employee hours, laying off employees or shuttering the business.

The House and Senate have a scheduled crossover, where bills are exchanged from one chamber to the other, next Tuesday. Legislators say it is likely the minimum wage bill will pass the Senate next week and cross over to the House for its consideration.

House proposals to raise the minimum wage in incremental amounts over the next four years until it reaches \$10 an hour and then tie the increase to the Consumer Price Index, automatically increasing the wage each year, are also moving forward.

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Hawaii State Legislature Website  
<http://www.capitol.hawaii.gov>

Legislature Public Access Room & Site  
<http://lrbhawaii.org/par/>

# National Parks Generate \$314 Million

A new National Park Service (NPS) report shows that 5.1 million visitors to national parks in Hawaii spent more than \$314 million and supported 3,723 jobs in the state in 2012.

"The national parks of Hawaii attract visitors from across the country and around the world," said Regional Director Chris Lehnertz. "Whether they are out for an afternoon, a school field trip, or a month-long family vacation, visitors come to have a great experience, and end up spending a little money along the way. This new report shows that national park tourism is a significant driver in the national economy - returning \$10 for every \$1 invested in the National Park Service - and a big factor in Hawaii's economy as well, a result we can all support."

The national parks in Hawaii include Haleakala National Park, Hawaii Volcanoes National Park, Kalaupapa National Historical Park, Kaloko-Honokohau National Historical Park, Pu`uhonua o Honaunau National Historical Park, Pu`ukohola Heiau National Historic Site, and World War II Valor in the Pacific National Monument.

— [HawaiiReporter.com](http://HawaiiReporter.com)



## SBH SUNRISE

Thursday, March 27, 2014 • 7:00 – 8:30 a.m.  
Pineapple Room, Ala Moana • Breakfast / Free Parking

**SBH Board of Directors with Bob Sigall of Creative-1**  
Discussion Topic: "Networking Tips for Business Owners"

Reservations made in order received at SBH. No tickets mailed – pick up at registration desk March 27. Your guests welcomed at member price. Refunds until March 25.  
**Advanced Paid Reservations Required by March 26, 2014.**

Complete Breakfast Buffet and Free Parking (Ala Moana 4th floor) included

Name \_\_\_\_\_

Firm Name \_\_\_\_\_ Phone \_\_\_\_\_

Address \_\_\_\_\_ City/Zip \_\_\_\_\_

My Guest(s) \_\_\_\_\_

(Firm) \_\_\_\_\_

Enclosed is my check for\* \$ \_\_\_\_\_, for \_\_\_\_\_ (number) people  
@ \$25 per member and their guest(s) who pay in advance.\*

Print, clip and mail with a check to "SBH Sunrise" to:

**Small Business Hawaii,**  
**6600 Kalaniana'ole Hwy. #212**  
**Honolulu, HI 96825**

\*The charge is \$35 for non-members, and at the door, provided space is available.

Print, clip and mail with check to: **SMALL BUSINESS HAWAII • Hawaii Kai Corporate Plaza**  
**6600 Kalaniana'ole Hwy., #212 • Honolulu, HI 96825 • Phone (808) 396-1724 • FAX (808) 396-1726**

Attached is my check for \$ \_\_\_\_\_ (regular annual membership dues are \$200; \$350 for 2 years • \$75 annually for Young Professional & Retired member). Annual membership dues may be tax deductible to your organization under IRS Code Section 501(c) (6). Please check with your tax advisor. Billing is annual on the anniversary of my last payment. I am applying for membership and understand SBH does not sign up anyone for medical or benefits only; I agree to actively support the goals of SBH and actively participate in SBH activities. I certify that all information on this form is current and accurate.

**PLEASE TYPE OR PRINT** • Hawaii GET# (required except for "friend of SBH") \_\_\_\_\_

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Firm: \_\_\_\_\_ Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ FAX: \_\_\_\_\_

Optional: Home Page URL http:// \_\_\_\_\_ E-Mail: \_\_\_\_\_

Membership Category:  Regular Member  **Young Professional**  Retired member  Friend of SBH

I Do  DO NOT  wish to be listed in the SBH Referral Directory. Category: \_\_\_\_\_

Medical Desired:  Kaiser  HMAA Referred By: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

**IF YOU MEAN BUSINESS...  
PLEASE JOIN SMART BUSINESS HAWAII**

# What's a Psychopath to do?

By A Free Thinker

When I was in school, no one had ADD, ADHD, autism and the like. There was only one slower child with a sweet temperament and another who was very energetic and clever. They were just different from the majority so they were sat isolated from the rest of the class. They stood out, but they did not have labels with abnormal or negative connotations. The slower one may have been less academically inclined, but the energetic one was alert and had quite a sense of humour. He was probably just bored with the mundane routine of school we all plodded through. He would probably be labelled with ADHD nowadays since authority would not want other students becoming conscious of the truth that school is at least partially a sort of joke.

Since adulthood is an advanced version of kindergarten, labelling also occurs in professional spheres. It seems as though in modern times, anyone with any sort of outstanding quality, really anyone having any personality at all, is given some negative label. What seems to now be trendy is to pigeonhole people who have certain traits required to be successful in business into a spectrum of psychopathy (corporate psychopathy as opposed to criminal psychopathy).

If you research lists compiled by experts on psychopathic tendencies, many are precisely qualities needed to be successful as a lawyer, CEO or surgeon. So, why make them out to be sinister or undesirable traits? Why is it 'callousness' or 'lack of empathy' as opposed to say, detachment, a more positive label? Attributes revolving around ruthlessness, cunning and confidence are skills for things many people find difficult to do like firing employees, making hard business decisions or performing brain surgery for hours. Whatever society wants to label them as, different people have their uses.

# Minimum Wage Continued from Page 4.

Over the last decade, the number of people in poverty in Hawaii has increased from 162,142 in 2000 to 231,000 in 2012, according to the Census Bureau's Supplemental Poverty Measure. The biggest contributor to this increase is the relatively high cost of living in Hawaii. On average, Hawaii residents pay a greater proportion of their household income on food and rent in comparison to mainland residents. During the same decade, rising costs for food and rent have effectively reduced the purchasing power of all households in Hawaii. Clearly, minimum-wage workers are more affected by their reduced purchasing power. Hawaii has a broader policy problem that is beyond the narrow scope of the current minimum wage debate. If the legislature is serious about fighting poverty in Hawaii, a broader and more comprehensive discussion is essential. Such a discussion should include a thorough review of the state's failed housing and development policies, the economic effects of the Jones Act, as well as an analysis of Hawaii's regressive tax structure.

#### 4. Raising the minimum wage is expected to reduce teenage employment.

Another overlooked, but important factor is the lack of discussion of the adverse employment effects that a minimum wage raise could have on teenage employment. There is a broad consensus among economic empirical studies that minimum wage raises lead to reduced teenage employment. The estimates indicate that for each 10 percent increase in the minimum wage, teen employment is expected to be reduced by 1 to 3 percent. The current proposal increases the minimum wage by 39 percent over a three-year period. This means that employ-

ment among teenage workers is expected to be reduced by 8 percent. This will have an adverse effect on the estimated 1,900 teenagers with minimum-wage jobs. To account for the adverse employment effects for teenagers, the legislature should consider a reduced minimum-wage requirement for teenagers. For example, in the European Union, multiple countries have minimum-wage laws that differ by age. As part of these laws, the minimum wage for workers who are below 18 years old are limited to rates varying from 60 to 80 percent of the prevailing minimum-wage requirement.

#### Minimum Wage Conclusion

Although the proposed minimum wage increase is seen as viable solution to poverty and inequality, the evidence indicates otherwise. An increase in the minimum wage would benefit a handful of low-income working families at the expense of teenage workers and small business owners. In reality, the one thing that the minimum wage proposal does accomplish is to effectively divert the political narrative away from the real causes of poverty and inequality in Hawaii.

This article originally appeared on the **Hawaii Senate Minority Weblog.**  
<http://senateminority.wordpress.com/>



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