

@omSTOCK'S

CELEBRATING 20 YEARS

MAR
2009

URBAN
CRUSH

BOND,
MUNI BOND

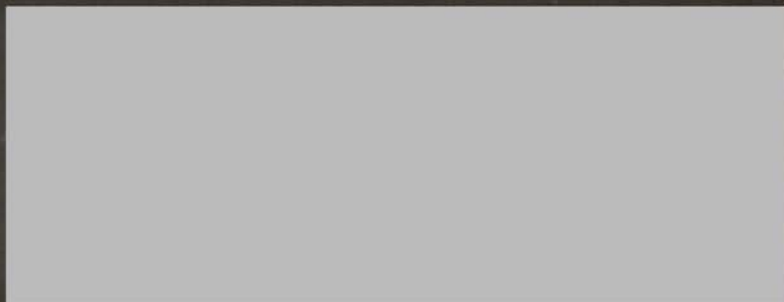
FAT
MEN

business insight
for the
capital region



CAPITAL ACCESS

LOCAL CREDIT IS SLOW AND CONDITIONAL



The city by the pay

Woe to the business owners who have employees in California's fourth-largest city, where minimum wage rose to \$9.79 an hour this year. And no one should assume the policies implemented by San Francisco's leaders won't impact employers outside the Bay Area. At minimum, San Francisco's requirements may apply to anyone who even sends employees into the city for a multiday conference.

Already, the city has implemented a health care ordinance requiring San Francisco employers with more than 20 employees to pay into a specified health care fund. That ordinance was challenged in the 9th Circuit Court of Appeals, which upheld the policy. It's uncertain whether the ordinance will be challenged further, but for the time being it's in effect, and anyone who eats in a restaurant, stays in a hotel or does other business in San Francisco is likely to see a health care surcharge added to the bill as the cost of the ordinance is passed to consumers.

The latest policy is the Transportation Assistance Ordinance, which requires any employer with more than 20 employees to provide commuter benefits to hourly employees if they perform more than 10 hours of work in San Francisco in a week. Those benefits could be a program where employees purchase transportation with pretax dollars, a program to provide transit passes or provide free transportation via vanpool, busses, etc.

"It becomes a real administrative and record-keeping nightmare because the policy applies to you even if you're based outside California but send an employee to San Francisco for a conference, meeting, sales calls, whatever," says Alden Parker, an employment law specialist and partner with Basham Parker LLP in Sacramento. "This ordinance is subject to challenge; I don't think San Francisco has the authority to enforce it on businesses outside California, but for now, employers must comply."

— Bill Romanelli



Reduce Stress Costs

In a fast-paced business world, stress is a given. Most employees agree that a reasonable amount of stress is good. In fact, eustress is positive stress — the opposite of distress. It's the energy that motivates and excites us to achieve. Unfortunately, too many employees are feeling distress, and this can cost companies more than they recognize.

Executives are good at weighing expenses and hard costs, but sometimes they're not so adept at evaluating soft costs' affect on the bottom line. That's changing because in today's challenging economy, businesses are scrambling for ways to create additional revenue and squeeze costs. If you want to be a business following best practices regarding management, sales, marketing, training and other key areas of operations, it makes sense to incorporate best practices in reducing workplace stress costs too. To calculate and cut these hidden costs, stay A-D-E-P-T.

Absenteeism. Approximately 1 million employees in America are absent daily due to stress or stress-related conditions, and on average, absenteeism costs employers about 20 percent of their total output for employee salaries and benefits.

Disability. Stress contributes heavily to workplace accidents, insurance claims and pharmaceutical demand. Roughly 60 percent of the costs associated with workplace accidents are stress-related. On top of that, about one-third of an employer's insurance costs are for claims and associated charges. Costs could also add up for associated litigation. Lastly, psychotherapeutic drugs eat up 10 percent of a company's drug plan costs.

Employee assistance. Such programs are important for helping employees handle personal problems that could affect their performance, and proper programs can benefit a company's bottom line. Employee needs associated with stress overload consume about half a business' budget for employee assistance programs.

Productivity. Engaged employees drive organizations forward, but according to a Gallup study, just 29 percent of employees are actively engaged. Fifty-six percent are not, and 15 percent are actively disengaged. Gallup estimates that actively disengaged employees cost the American economy about \$328 billion a year. If just one-third of your employees are engaged, what is disengagement costing your company?

Turnover. A stressful culture is the cause for nearly 40 percent of turnover. Are you losing some of your best performers because of stress overload?

Ron Ball is a Sacramento State alumnus, and president of Inroads LLC, a speaking, training and consulting firm that offers stress relief education programs for the workplace. He can be reached at info@eustress.net or 800.930.7434.