Addenda #30 – January 2025 Re: Ch. 7, Environmental, Social and Governance (ESG) Re: Addenda #15 – January 2024: *Digital Identities / Government Abuse of Power* How to bypass the Second Amendment in New York state, 'control' (Ban) gun use and eventually ownership.

### Environmental, Social and Governance and gun ownership/use

While the main focus on Environmental, Social and Governance (ESG) has been applied to pressuring major corporations to adopt ESG "Metrics" on climate and the environment, gender diversity and inclusion and racial "equity", it has also been used to monitor peoples' personal activities and "punish" those who engage in activities that are not deemed "socially acceptable." Of course, the actual definition of socially acceptable depends on who is doing the defining.

In Chapter 7, I listed many of the "Metrics" of ESG, which include purchases of firearms and ammunition. Progressive Democrats have been against individual ownership and use of firearms for decades and have tried numerous times to control or ban the purchase of guns and ammunition. The National Rifle Association (NRA) has led the defense of the Second Amendment and private gun ownership, which has been upheld by the Supreme Court on several occasions.

In 2008, the District of Columbia had one of the strictest gun laws in the country. The law made it illegal to possess an unregistered firearm, prohibited new registrations of handguns and mandated that all guns had to be kept unloaded and disassembled or secured with a trigger-lock. The D.C. law was basically banned the ownership of handguns. Richard Heller, a D.C. special policeman who carried a gun in federal buildings but was refused registration of a handgun to keep in his home believed the law made it impossible for him to defend himself in his home and that the law violated the Second Amendment, so he sued. The suit was dismissed by the D.C. District Court and eventually wound up in the Supreme Court.

In *District of Columbia vs. Heller*, the Supreme Court ruled that the District of Columbia violated the Second Amendment and ruled that the Second Amendment protects the individual right to possess a firearm *unconnected* with service in a militia, and to use that arm for traditionally <u>lawful purposes</u>, such as self-defense within the home. It's ironic that the District of Columbia sought to restrict the rights of lawful individuals to prohibit the possession of handguns and prohibit their registration, when the crime rate in Washington DC is higher than in almost 95% of all U.S. Apparently Progressive Democrats believe it is OK for criminals to possess firearms but not lawful citizens trying to protect themselves, their families and homes.

When it comes to gun ownership, ESG Metrics have led to lawmakers at the federal and state levels to pass legislation aimed at "tracking" those who own guns and making gun

ownership more difficult and costly. The International Organization for Standardization (ISO) is an international non-governmental organization that sets global standards for goods and services. The ISO is highly involved with the World Economic Forum. ISO Secretary-General, Sergio Mujica, is an Agenda Contributor to the WEF and attends WEF conferences regularly. (Note: ISO headquarters is in Geneva, Switzerland, just 265-miles from WEF headquarters in Davos)

Google the ISO website, and the headline on its home page promotes the release of its updated *Environmental, social and governance (ESG) implementation principles* which *guide businesses in adopting sustainable and ethical practices, helping to create a future where your purchases not only perform excellently but also safeguard our planet.* ISO website homepage at <a href="https://www.iso.org/home.html">https://www.iso.org/home.html</a>

One of the ISO "standards" initiated by the ISO in 2022 was the implementation of a new merchant category code (MCC) specifically for gun and firearm sales. By giving transactions involving firearms and ammunition purchases a separate transaction code, anyone with access to purchase data from credit card companies can monitor who is making these purchases, it becomes part of their "digital identity." Credit card companies initially paused initial implementation of the new code, but Progressive Blue states immediately began drafting legislation that would require (Mandate/Force) the use of the merchant code.

California was the first state (no surprise) to require the use of the merchant category code for firearm and ammunition dealer transactions. Governor Newsom approved a Democrat lawmakers' proposal in September 2023 to amend the states Financing Law to include a special Firearms Merchant Category Code, to track the sale of handguns, firearms, ammunition and any attachments and attachment devices. Assembly Bill No. 1587 was passed by lawmakers and signed into law on July 1, 2024.

New York state always follows the lead of California, so in October 2023, Democrat lawmakers drafted a similar bill. S8479, requiring the use of the merchant category code for firearm and ammunition dealer transactions, was passed by a partisan vote in the Senate and Assembly in June 2024 and signed into law by Governor Hochul. But this was not the first attempt by lawmakers to bypass the Constitution and restrict gun rights in New York.

# ➢ SAFE Act

Following the Sandy Hook Elementary School Shooting in Connecticut in December 2012, New York lawmakers passed the *New York Secure Ammunition and Firearms Enforcement Act of 2013* (NY SAFE) into law. Democrat governor Andrew Cuomo promoted the law as "the toughest gun control law in the United States." The SAFE Act widened the definition of assault weapons, allowing more of them to be banned from sale in New York state. The Act also banned the sale of "high capacity" magazines of more than seven rounds, which was found to be unconstitutional, and required firearm dealers to conduct background checks for all purchases of ammunition and keep records of firearm dealer customers. The bill also added a mandatory reporting provision for mental health professionals if the individual was likely to engage in conduct that would result in serious harm to themselves or others. This was the precursor to New Yorks Red Flag law six years later.

# ➢ Red Flag Law

Twenty-one states and the District of Columbia have adopted red flag laws, that permit a state court to order the temporary seizure of firearms (and other items regarded as dangerous weapons, in some states) from a person who they believe may present a danger. This order of seizure was hardly used when first passed in New York in 2019, but the number of orders issued soared in following years following the 2022 mass shooting at a Buffalo area Tops supermarket. Between May 2022 and June 2023, 8,327 "Extreme Risk Protection Orders" were filed by family members, healthcare workers, school officials or law enforcement officials in New York state.

In September 2023, Governor Hochul signed legislation making the application process easier, by waiving the \$210 application fee. Facing state budget deficits totaling \$22.2 billion over the next three fiscal years, Governor Hochul waived the filing fee that brought in \$1.7 million in income, over the past year alone. Fiscal responsibility took a back seat to political ideology when it came to an opportunity to increase restrictions on gun ownership.

While gun violence statistics have decreased dramatically since 2020 (they increased just as dramatically from 2019 to 2020), they are still above pre-COVID levels. And the fact that they are coming down gives no comfort to the family of Brexialee Torres-Ortiz, who was killed in a drive by shooting in Syracuse in January 2023. One of the shooters, 16-year old Deckyse Bridges, was on furlough from a downstate juvenile facility at the time of the shooting. Law enforcement officials petitioned Family Court judge Julie Cecile to suspend his furlough privileges after social media posts showing Bridges brandishing a handgun in the company of known gang members, but Cecile allowed the home visits to continue.

A member of the Judicial District Equal Justice for All Think Tank, Cecile had just been reelected to a second 10-year term to the Onondaga County Family Court on the Democrat and Working Families Party lines. During her reelection campaign, Cecile cited her experience working with traumatized youth and juvenile delinquents. This was a perfect example of how New York state's Red Flag law should have worked. A juvenile with a long criminal history, bragging about his relationship with known gang members and handling an illegally obtained firearm. But a Progressive Democrat judge refused the request of law enforcement to end Bridges <u>unsupervised</u> home visits, and 11-year old Brexialee Torres-Ortiz died because of her political ideology.

With the full approval of Governor Kathy Hochul, New York Democrats ramped up legislation for gun control in 2024, passing several new bills that would indirectly make owning firearms more expensive and lead to reduced ownership.

# ➢ Senate Bill S8479A

This bill amends existing general business laws to require payment card networks to use certain merchant category codes for dealers of firearms and ammunition. (Previously noted)

"On and after May first, two thousand twenty-five, each merchant acquirer [credit card company] shall assign to each dealer of ammunition and dealer of firearms in this state the merchant category-code for firearms and ammunition businesses established by the international organization for standardization on September ninth, two thousand twenty-two."

"Whenever the court shall determine that a violation of this section has occurred, the court may impose a civil penalty of not more than ten thousand dollars for each violation and reasonable attorney's fees and costs incurred in investigating and bringing an action under this section."

A Merchant Category Code (MCCs) is a four-digit code used by credit card companies to classify merchants and businesses by the type of goods or services they provide. It has been a long process, but Democrats are finally getting credit card companies to create an MCC specifically for gun and ammunition dealers. The promoted purpose seems noble enough: the proper tracking of *suspicious* credit card usage will prevent mass shootings and help identify criminal activity, such as terrorism and money laundering.

Theres only one thing wrong with this assumption. A 2023 report issued by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) showed that legally purchased guns can change hands and end up being used in crimes. Between 2017 and 2021, more than 1 million guns were stolen from owners who purchased them lawfully.

That is just the number known to law enforcement, because there is no federal requirement to report a stolen firearm and many states don't have requirements either. The report noted that over 80% of mass shooters at K-12 schools *stole* guns from family members.

What anti-gun advocates will never admit is that criminals do not follow laws! So any law requiring a MCC specifically aimed at firearm dealers will not have the stated effect on gun violence. This bill will have the intended effect in New York state of being able to track the purchase of firearms and ammunition by lawful gun owners, who may be targeted at a future date for confiscation. It will also have the effect of creating liability for firearms dealers as well as purchasers.

In 2012, twenty-six people were killed at the Sandy Hook Elementary School in Newtown, Connecticut. The shooter, 20-year old Adam Lanza, took a firearm legally purchased by his mother Nancy and shot her four times in the head. Lanza then took two other legally purchased semi-automatic firearms, drove to Sandy Hook Elementary School in his mother's car, shot his way through the school's locked entry door and killed 20 students and 6 adults before killing himself.

Fact: Adam Lanza suffered from several mental health issues.

Fact: Adam stole legally purchased firearms, killed his mother and 26 other people. Nine families of the victims of the shooting filed a class-action lawsuit against Bushmaster (the manufacturer of the semi-automatic rifle), Remington Arms (the manufacturer of the ammunition used), and two gun dealers where the firearms were legally purchased. Remington Arms filed for bankruptcy protection after settling a multi-million dollar lawsuit, closed its Ilion, NY factory and moved its manufacturing business out of New York state. Remington, the nation's oldest gun-maker, made firearms in New York for two centuries and had employed as many as 1,300 workers at its Ilion plant. No more... *Intended consequences.* 

# Senate Bill S4976A

This bill amends the existing Environmental Conservation Law to prohibit the use of lead ammunition in the taking of wildlife on state-owned land and on land contributing surface water to the New York city water supply. Since steel shot can cost as much as 30% more than lead shot, this bill will substantially increase the cost of legal gun ownership and perhaps "encourage" (nudge) people in the direction of not owning a firearm.

"Let's be clear, due to increased costs, lack of available alternatives, and reduced effectiveness, this legislation is about canceling hunters, not protecting the environment. They will stop at nothing to eliminate hunting, and protecting the environment is political eyewash to that end."

Todd Adkins, Sportsmen's Alliance vice president of government affairs *Intended consequences*.

# ➢ Senate Bill S8461B

This bill established the "sporting range good neighbor act" requiring skeet shooting fields at shooting ranges to be certain dimensions; prohibits them from including wetlands or open water sources; directs the department of environmental conservation to promulgate rules and regulations regarding environmental stewardship and lead ammo material reclamation. Many existing sportsman clubs simply do not have the available land to comply with this new law, requiring each shooting range to be 300 yards by 600 yards, the equivalent of five football fields long and wide.

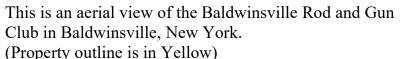
The Sporting Range Good Neighbor Act would also "totally eliminate" the popular sports of trap and skeet shooting in New York, said Jonathan Karp, legal counsel for the New York State Amateur Trapshooting Association. "It's going to kill a lot of small clubs... I don't think compliance with it is going to be possible for a lot of clubs."

It's not just club members who participate at the range, but also school trap teams... As of 2022, almost half of school districts in St. Lawrence County had an active skeet and trap shooting club...

"This legislation would directly affect their futures, especially at our club... It really depends on the definition of wetlands. They also don't specify what constitutes a backdrop. We know it's meant to keep lead out of wetlands but <u>there is no definition</u>," Norfolk Rod and Gun Club president Jason Collar

Officials say shooting ranges already have to meet restrictive guidelines to operate safely, costing them up to \$100,000, and that restrictions will cost thousands of dollars more.

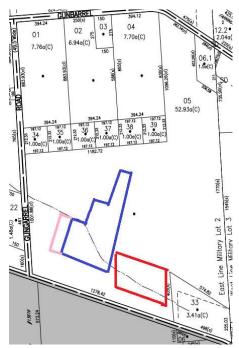




The club is run by members who volunteer their time to manage club activities and provide maintenance to the fields and buildings.

Local law enforcement agencies use the range for target practice as well as member shooting competitions.

The club includes two trap shooting fields and one skeet shooting field, outlined in red below, three rifle ranges, outlined in blue below, and an archery range, outlined in pink, below on the Onondaga County tax map.



Each shooting field is 16-yards wide by 34-yards deep. The large rifle range is 25-yards wide by 220-yards deep. The medium range is 25-yards wide by 50-yards deep. The small rifle range is 25-yards wide by 15 yards deep. The archery range is about 11-yards wide, 75-yards deep.

Under the "sporting range good neighbor act", none of the existing fields will meet the new dimension criteria.

The new mandate states all shooting/rifle ranges must be 300-yards wide x 600-yards deep.

There is not enough physical space on the property to place one shooting range, let alone replace the six existing ones.

The existing property consists of 5 acres being used for club activities and just under 49 acres of woodland and wasteland buffer zones.

A new facility to allow for replacement of existing club shooting ranges, clubhouse and parking would require 1,339 acres of land, almost <u>**25 times**</u> the size of the current property.

The Baldwinsville Rod and Gun Club will be forced to close its existing facility under Senate bill 8461B. There is no way they will be able to purchase a property large enough to contain six shooting ranges, plus an archery range, plus a clubhouse following the new mandate.

# Intended consequences.

Note: This bill is still "in Committee" in the NY Senate. It has not been voted into law.

# Senate Bill S6649

This bill requires firearms dealers to post and provide written warnings to purchasers of dangers posed by access to weapons in the home. Similar to the tobacco warning labels mandated by the federal government, these labels are meant to scare people from becoming gun owners. They're also meant to encourage anti-gun activists to potentially sue lawful gun owners.

Oh, Paul, that's just too much! How can you even believe that something like this could possibly happen?

Really?

In 1965, the Federal government mandated that cigarette packs have a warning on them from the surgeon general, to alert the public about the harmful effects of smoking. In 1970, the initial law was amended to label cigarettes with a new warning. "Warning, The Surgeon General has determined that cigarette smoking is dangerous to your health and may cause lung cancer or other diseases."

The 1970 law also banned cigarette advertising on radio and television.

Federal and state governments increased excise taxes on tobacco products in an effort to make smoking an expensive habit, and "encourage" consumers to quit smoking. I can remember back in the 1980's, I could buy a pack of cigarettes for under \$2.00. Today, the average cost per pack averages \$12.00. New York state charges a \$4.35 cigarette tax on every pack of cigarettes sold.

The Clean Indoor Air Act banned the smoking of tobacco products indoors in 1989 and many municipalities enacted legislation to prohibit smoking in outdoor public areas in the years that followed.

The minimum age to purchase tobacco products was raised from 18 to 21. Financial penalties, legislation and "nudging" people to make behavioral changes.

In the 1970's scientists discovered a link between secondhand smoke and cancer. The phrase "secondhand smoke" is defined as the smoke that is inhaled by persons other than the individual actually smoking. If the person sitting next to you is smoking and you are forced to inhale both the smoke coming from their cigarette and exhaled out of their mouth, then these would be examples of secondhand smoke. Once secondhand smoke had become identified as a health hazard, lawyers lined up to file lawsuits on behalf of the offended nonsmokers. Nonsmokers have brought personal injury lawsuits or filed secondhand smoke nuisance lawsuits against employers, landlords and neighbors. In Reinhard vs. Connaught Tower Corp., the purchaser of a cooperative apartment in New York City in 2006. The plaintiff proved that cigarette smoke from an adjacent apartment infiltrated her apartment, preventing her from living there. She was awarded an abatement judgement in excess of \$120,000 plus reimbursement of her legal fees.

Imagine how eager antigun activists will be to capitalize on this highly publicized "threat" to their safety by neighbors who own firearms. Imagine how eager antigun politicians will be to capitalize on this "threat" from legal, law abiding gun owners.

According to the new bill, gun retailers must post the following notice at the entrance to the store, and at counters where weapons or firearms are sold saying:

"WARNING ACCESS TO A WEAPON OR FIREARM IN THE HOME SIGNIFICANTLY INCREASES THE RISK OF SUICIDE, DEATH DURING DOMESTIC DISPUTES, AND/OR UNINTENTIONAL DEATHS TO CHILDREN, HOUSEHOLD MEMBERS AND OTHERS. IF YOU OR A LOVED ONE IS EXPERIENCING DISTRESS AND/OR DEPRESSION, CALL THE NATIONAL SUICIDE PREVENTION LIFE-LINE AT 988."

The law also mandates that each customer be given the same notice when they make a firearm or ammunition purchase. Failure to comply with any provision of the bill is a violation punishable by imprisonment of up to fifteen days and/or a fine of up to one thousand dollars with each day that a violation continues to be deemed a separate offense.

The question you should ask, is: *Do red flag laws, mandatory background checks and other* "gun control" legislation actually save lives?

# "Mass Shootings" – with lone shooter and 20 or more casualties

\* Sparetime bowling Alley and bar, Lewiston MN, 2023 – 18 killed 13 wounded or injured. Robert Card (40) was found to have traumatic brain injury from his Army career, and his behavior provided sufficient evidence for the local sheriff's office to have obtained a "yellow flag" order to seize Card's guns (legally obtained) in September 2023, yet they failed to do so.

\* Star Ballroom Dance Studio, Monterey Park CA, 2023 – 10 killed, 9 wounded or injured. Huu Can Tran (70) had a history of domestic disturbance incidents and harassment incidents, opened fire with a legally purchased and registered semi-automatic handgun.

\* Club Q, Colorado Springs CO, 2022 – 5 killed, 26 wounded or injured.

Anderson Lee Aldrich (22) opened fire at employees and patrons in a gay bar with an AR-15 style rifle. Aldrich held his grandparent's hostage and threatened to murder them when they revealed plans to relocate to Florida two years earlier. Aldrich also threatened to blow up the house and surrounding neighbors houses. The day before the hostage standoff, Aldrich's grand-aunt contacted the FBI to report Aldrich was planning to kill Christians and government employees. Although Colorado had a red flag law, authorities never petitioned for an Extreme Risk Protection order to remove his weapons.

\* 4<sup>th</sup> of July Parade, Highland Park IL, 2022 – 7 killed, 48 wounded or injured. Robert Eugene Crimo III (21) opened fire on parade watchers from the roof of a building with a legally obtained semi-automatic rifle. In 2019 Crimo threatened to kill his family members and police seized 16 knives, a dagger and a sword. Illinois' red flag law was never invoked on Crimo. Four months later police approved a firearms permit and Crimo passed background checks in 2021 and 2022 for firearms purchases. \* Robb Elementary School, Uvalde TX, 2022 – 21 killed 18 wounded or injured. Salvador Ramos (18) shot and wounded his grandmother at their home, then drove to the school where he entered a classroom and shot former classmates and teachers with a legally purchased AR-15. Ramos messaged a Facebook friend in Germany three times, telling the 15-year old girl he was going to shoot his grandmother, that he shot his grandmother, then he was going to open fire at an elementary school. The girl replied, "cool".

### \* Tops Market, Buffalo NY, 2022 – 10 killed, 3 wounded or injured.

Payton Gendron (18) entered a Tops Friendly Market in Buffalo and opened fire with a legally purchased AR-15 semi-automatic rifle, which *he* illegally modified to accept high-capacity magazines. Most of the victims were black, and law enforcement found a hate filled manifesto at his home. One year earlier, Gendron was investigated by police after telling a teacher at his graduation ceremony, "I want to murder and commit suicide." He was referred to a hospital for mental health evaluation and counseling but was released after being held for a day and a half. Gendron described the comment as a "well-orchestrated bluff."

\* NY City Subway, New York NY, 2022 – no deaths, 10 wounded, 19 injuries. Frank James (62) donned a gas mask, threw two smoke grenades and fired a legally obtained Glock 9mm handgun 33 times while riding the subway in Brooklyn. James had an extensive police record, including charges of making a "terroristic threat." He was never convicted on any felony charges, enabling him to legally purchase weapons.

\* Ned Peppers Bar, Dayton OH, 2019 – 9 killed, 17 wounded.

Connor Betts (24) opened fire with a legally obtained AR semi-automatic pistol, illegally modified to take high capacity magazines. Betts, who considered himself a "leftist" and supported Antifa, was suspended from Bellbrook High School in 2010 after he made lists of other students he wanted to kill and rape. The "hit list" resulted in a police investigation but no further action followed.

\* Walmart store, El Paso TX, 2019 – 23 killed, 22 wounded or injured. Patrick Wood Crusius (21) opened fire with a legally purchased semi-automatic rifle, primarily targeting Mexicans.

\* Borderline Bar and Grill, Thousand Oaks CA, 2018 – 12 killed, 16 wounded or injured. Ian David Long (28) entered a country-western bar he frequented and opened fire with a legally obtained semi-automatic pistol, firing 61 rounds before killing himself. Long, a US Marine Corps veteran possibly suffering from PTSD, had been visited by police and a mental health crisis team a year earlier for his behavior but they decided not to detain him at a psychiatric facility. A former high school teacher alleged that Long had issues long before his military service, including physically assaulting her as a student.

\* Parkland High School, Parkland FL, 2018 – 17 killed, 17 wounded or injured. Nikolas Cruz (19) shot his way into the school with a legally obtained AR-15 semiautomatic rifle and opened fire on students and teachers. Law enforcement had received more than 20 calls about Cruze over the previous ten years including an anonymous tip in 2016 that Cruz had threatened to shoot up the school, and a tip on November 30, 2017, that he might be a "school shooter in the making" and that he collected knives and guns. On September 23, 2016, a peer counselor notified the school resource officer of his suicide attempt and intent to buy a gun, and the school indicated it would do a "threat assessment." On January 5, 2018, less than two months before the shooting, the FBI received a tip on its Public Access Line from a person who was close to Cruz, who provided information about Cruz's gun ownership, desire to kill people, erratic behavior, and disturbing social media posts, as well as the potential of him conducting a school shooting.

\* First Baptist Church, Sutherland Springs TX, 2017 – 26 killed, 22 wounded or injured. Devin Kelley (26) entered the Church and opened fire with a legally obtained semiautomatic rifle and semi-automatic pistols. Kelley had a lengthy disciplinary record while in high school, including seven suspensions for falsifying records, insubordination, profanity and a drug-related offense. During his post-graduation service in the Air Force, Kelley was brought up on court martial charges for assault on his wife, aggravated assault on his stepson, two charges of pointing a loaded gun at his wife, and two counts of threatening his wife with an unloaded gun. Kelley eventually received a "bad conduct" discharge from the Air Force, three years before the shooting. The Air Force never reported the conviction to authorities, enabling Kelly to legally purchase the weapons and ammunition.

\* Harvest music festival, Las Vegas NV, 2017 – 60 killed, 411 wounded or injured. Stephen Paddock (64) opened fire from a 32<sup>nd</sup> floor hotel room window, using fifteen legally purchased semi-automatic rifles and firing more than 1,000 rounds during the tenminute attack. Paddock spent considerable time researching the music festival and points of fire before the shooting and stayed in the Mandalay Bay Hotel and Casino for five days finalizing his plans. Paddock had run a successful real-estate business with his brother and was an avid gambler but had recently been drinking and taking Valium for bouts of depression. Paddock legally purchased over 55 firearms, the majority of them rifles, in the 12 months before the shootings.

\* Sandy Hook Elementary School, Sandy Hook CT, 2012 – 27 killed, 2 wounded or injured. (See Red Flag laws, previously detailed)

I could go on, and on. In these fourteen cases which I took the time to look up and do additional reading on, 245 people were shot and killed and an additional 636 were wounded or injured.

The first common thread is that in each of these mass shootings, the weapon was obtained legally, and the shooter passed the required background checks.

The next common thread is that prior to the shootings, there were warnings about the mental state of the shooter, some included multiple reports taken by law enforcement and/or mental health professionals. Even so, **nothing was done** to take weapons away from them or prevent them from obtaining weapons.

What was the purpose of even having Red Flag laws and Extreme Risk Protection Orders? But with each new shooting event, Progressive Democrats call for more gun control laws even though it is proven that they have not prevented the same mass shooting incidents they were supposed to prevent. "Today, we are taking swift and bold action to protect New Yorkers. After a close review of the NYSRPA vs. Bruen decision and extensive discussions with constitutional and policy experts, advocates, and legislative partners, I am proud to sign this landmark legislative package that will <u>strengthen our gun laws</u> and bolster restrictions on concealed carry weapons."

NY Governor Kathy Hochul, June 6, 2022

Reference: S51001 restrictions for carrying of concealed weapons in "sensitive spaces", prohibits concealed carry of weapons on private property without permission, restricts concealed carry permit applications, requires background checks on all ammunition purchases

Reference" S9458 ban on semi-automatic rifles by anyone under the age of 18.

Reference: S9407 prohibiting the purchase of body armor by ordinary citizens.

Reference: S9113 expanding list of who can file Extreme Risk Protection Orders.

Closes "Other Gun" Loophole; Requires Microstamping of New Semiautomatic Pistols; Eliminates Grandfathering of High-Capacity Feeding Devices

"Gun violence is an epidemic that is tearing our country apart. Thoughts and prayers won't fix this, but taking strong action will. In New York, we're taking bold steps to protect the people of our state. I am proud to sign a comprehensive bill package that prohibits the sale of semiautomatic weapons to people under 21, bans body armor sales outside of people in select professions, closes critical gun law loopholes and <u>strengthens our Red Flag Law</u> to keep guns away from dangerous people—new measures that I believe will save lives.

NY Governor Kathy Hochul, October 12, 2024

Reference: S6649 gun dealer "Warning Signs"

Reference: S7365B pistol converter devices

Reference: S3340 notification for extreme risk protection orders

Reference: S9760 requirements for child access prevention and safe storage of firearms.

\* Even though none of the shooters in the fourteen cases above were under the age of 18, Governor Hochul imposed that mandate in her legislation.

Governor Hochul, virtually every shooting carried out by <u>dangerous people</u>, under the <u>age</u> <u>of 18</u>, with <u>semi-automatic weapons</u> is carried out by criminal gang members, who won't follow your laws anyway. Let's target **them**, not law abiding, legal gun owners.

\* Even though New York has had a Red Flag law in effect since 2019, and two of the fourteen cases above happened after it was in effect, Governor Hochul felt it necessary to "strengthen" that mandate in her legislation.

\* Even though New York already has Extreme Risk Protection Order legislation in place, Governor Hochul felt it necessary to "strengthen" that mandate in her legislation.

\* Even though New York state already has had a law prohibiting the sale of semi-automatic weapons and high-capacity magazines in effect since 2013, Governor Hochul felt it necessary to "strengthen" that mandate in her legislation.

Gun control laws do not work, because people do not report offenders. People do not report offenders for fear of being sued for defamation, fear of being labeled a snitch, lacking confidence in a weaponized justice system or mistrust of law enforcement. Instead, gun laws, pushed by only the Democrat Party, are implemented to restrict individual rights. Although universal background checks may sound appealing, the private sale of guns between strangers is a small percentage of overall gun sales. Worse, the background check bills are written so broadly that they would turn most gun owners into criminals for innocent acts — such as letting one's sister borrow a gun for an afternoon of target shooting.

Gun-control advocates have been pushing for a ban on assault weapons for more than 25 years. This proposal is essentially a political gimmick that confuses people. That is because the term is an arbitrarily defined epithet. A federal ban was in place between 1994 and 2004, but Congress declined to renew it after studies showed it had no crime-reducing impact.

Finally, before adding new gun regulations to the legal code, policymakers should remember that several mass murders in the U.S. were prevented because citizens used firearms against the culprit before the police arrived on the scene. The Costs and Consequences of Gun Control – the Cato Institute, December 1, 2015

Since the 1970's, Chicago and its surrounding municipalities have enacted some of the strictest gun control laws in the nation, yet the homicide rate per 1,000 residents is significantly higher than it was a decade ago. Gun control advocates point to increasing availability to deadlier firearms as an excuse for laws banning the purchase of semi-automatic weapons, high capacity magazines and devices that can enable weapons to fire like machine guns. But Democrats are not talking about getting criminals, gang members and drug dealers off the streets and putting them in jail where they can't shoot themselves or innocent bystanders, like Brexialee Torres-Ortiz.

Instead, Democrats talk about systemic racism in the judicial system, criminal justice reform, cashless bail, reclassifying and reducing criminal offenses, "second-look" sentencing, and "defunding" the police. This policy push intensified after the deaths of George Floyd and Breonna Taylor in 2020, and many cities implemented policies like these. The results were predictable. Between 2019 and 2021;

The homicide rate in Chicago increased 62%. In New York City, the number of homicides increased by 52%, Philadelphia, 58%, Los Angeles, 56%, Washington D.C., 36%, New Orleans, 67%.

All of these cities have been run by Progressive Democrats for decades. All have strict gun control laws. And all have high rates of poverty, crime and gang activity. Some might consider me to be a "black and white" type of person when it comes to statistics, but these statistics scream to me that the problem is not created by lawful gun owners.

It's with criminals. Criminals don't follow laws. They don't care if there is a ban on semiautomatic weapons or high-capacity magazines, they'll get their hands on these weapons regardless.

And as shown by those mass murder cases, the problem is with people who are mentally disturbed and not given the proper treatment or supervision.

It's not with law abiding citizens who purchase firearms legally. But Progressives don't care about the facts or the truth. They only care about CONTROL.

Addenda #12 – January 2024, UPDATE Re: Ch. 9 Modern Monetary Theory – Fueling Unlimited Debt and Dependency, and Control

### > Income Inequality and Raising the Minimum Wage

One year ago, in Addendum #12 I noted the trend to combat income inequality by raising the minimum wage.

In January 2021, twenty states raised minimum wage levels as much as \$1.50 per hour. In January 2022, twenty-one states raised minimum wage levels as much as \$1.25/hour. In January 2023, twenty-two states raised minimum wage levels by as much as \$2.00/hour

To add to those numbers, in January 2023, twenty-seven states and forty-one cities and counties raised minimum wage levels by as much as 8.2% from the previous year. Then in 2024, twenty-five states raised minimum wage levels as much as 16.6% in Hawaii.

Washington D.C. has the highest minimum wage in the nation, at \$17.00, Washington state is second at \$16.28, with California and New York close behind at \$16.00. Interestingly, New York (No. 2), the District of Columbia (No. 3) and California (No. 7) rank the highest in inequality of incomes. These states also rank in the highest 50 percentile in poverty rates in the nation as well, so apparently it is not the minimum wage that is the problem. But facts and the truth don't prevent Progressive Democrats from doubling down on increasing the minimum wage as the answer to income inequality.

Washington state has an economy that has grown more than twice the national rate... until recently. The largest concentration of 'STEM' (science, technology, engineering, math) workers reside in Washington state. Major manufacturers that have boosted the state's economy include Boeing, Microsoft, Nintendo, Amazon, Expedia, Costco and Nordstrom. Washington's population increased 15.5% between 2010 and 2022. More than 23% of residents have a bachelor's degree while almost 15% of residents have a Graduate Degree. Bureau of Labor Statistics data shows that the average salary of state residents is \$72,350, the third highest in the nation. Washington state residents are well educated, well paid and rank low in poverty and income inequality. But this comes at a cost.

Budgets in Washington state tighten as population growth slows KNOW radio / npr, October 1, 2024

It's budget season in Washington state, and lawmakers are looking at cuts. There are lots of reasons for these tight margins — including ones you've probably heard a lot about, like inflation — but there's one driver you likely haven't heard much about: slowing population growth.

People aren't moving to Washington as much as they have been in the last half-century...

Yet in 2024, faced with declining tax revenue collections (projected state revenue through 2029 to decrease by \$400 million), looming budget deficits (projected operating budget shortfall between \$10 billion and \$12 billion over the next four years), lawmakers raised the minimum wage in Washington yet again for 2025.

In 2024, lawmakers raised the minimum wage by 3.43% to \$16.28 per hour. For 2025, the minimum wage will be going up again, by another 2.33% to \$16.66 per hour. Over the past five years, Washington state has increased the minimum wage by 23.41%. But some municipalities like Seattle have raised the minimum wage even higher, for those who work within the city limits.

In 2024, the minimum wage for workers in Seattle was \$19.97 per hour. Small employers (500 or fewer employees) were given a break by being able to include employer contributions for medical benefits and employee tips towards the \$19.97 wage. A small business owner, say a bar/restaurant, might pay a worker \$17.25 per hour and the balance of the wage, \$2.72 per hour, would be made up with tips the worker received or employer payments to their health insurance plan. This is known as the Tipped Employees adjustment to hourly wages, which varies from state to state.

Example:

Freddie's Tavern 123 Main Street Seattle, WA 98109						Earnings	s Statement
Employee					Pay Period		Pay Date
John Smith					Dec 26, 2024 to Jan Jan 1, 2025		Jan 4, 2025
1250 5th Ave N, Apt 201							
Seattle, Washington 98109							
Earnings	Rate	Hours	Total	YTD	Taxes / Deductions	Current	YTD
Regular Earnings	\$17.25	30.00	\$517.50	\$25,875.00	Federal Withholding	\$51.75	\$2,587.50
Tips Earned	\$2.72	30.00	\$81.60	\$4,080.00	FICA - Social Security	\$32.09	\$1,604.25
					FICA - Medicare	\$7.50	\$375.19
					State Withholding	\$0.00	\$0.00
					Paid Family/Medical Leave	\$4.14	\$207.00
					Workers Comp	\$10.00	\$500.00
					Total Deductions	\$105.48	\$5,273.94
Gross Pay			\$599.10	\$29,955.00	Net Pay	\$493.62	\$24,681.06

John Smith, a server at Freddie's Tavern in Seattle Washington, works five, 6-hour shifts per week and makes the 2024 minimum wage (\$17.25 per hour) for working in Seattle. In addition, he makes an additional \$2.72 per hour in tips, for a total hourly rate of \$19.97. His Gross weekly wage is \$598.10. After payroll tax deductions, John's Net (take home) pay comes to \$493.62.

Over the course of a full year (assuming 30-hours a week for 50-weeks), John's total Gross Wages for 2024 come to \$29,955, with total Net Earnings after taxes of \$24,681.

The owner of Freddie's Tavern pays 10 workers the same wage for the same number of hours each week and fills out a Payroll Statement showing the total payroll expenses.

Freddie's Tavern	Pay Period	Pay Date		
123 Main Street	Dec 26, 2024 to Jan Jan 1, 2025	Jan 4, 2025		
Seattle, WA 98109				

Employee	Salary	Tips	0.T.	Subtotal	Employer Burden	Rate	Amount
John Smith	\$517.50	\$81.60	\$0.00	\$599.10	FICA - Social Security	6.20%	\$371.44
Kathy Franklin	\$517.50	\$81.60	\$0.00	\$599.10	FICA - Medicare	1.45%	\$86.87
Betty White	\$517.50	\$81.60	\$0.00	\$599.10	FUTA	6.00%	\$359.46
Bill Freed	\$517.50	\$81.60	\$0.00	\$599.10	CA Unemployment	0.80%	\$47.93
Susan Baker	\$517.50	\$81.60	\$0.00	\$599.10	Workers Compensation	\$33.00	\$330.00
Amanda Taylor	\$517.50	\$81.60	\$0.00	\$599.10	Paid Family/Medical Leave	0.00%	\$0.00
Heather Locklear	\$517.50	\$81.60	\$0.00	\$599.10			
Joan Wright	\$517.50	\$81.60	\$0.00	\$599.10			
Shirley Henderson	\$517.50	\$81.60	\$0.00	\$599.10			
Fred Derf	\$517.50	\$81.60	\$0.00	\$599.10			
Employee Expenses	\$5,175.00	\$816.00	\$0.00	\$5,991.00	Taxes Owed		\$1,195.70
					Total Wage Expenses		\$7,186.70
Year To Date Payroll Wages Total					Year To Date Payroll Tax Total		
	\$258,750.00	40,800.00	\$0.00	\$299,550.00			\$59,784.98
					Year To Date Payroll Expenses, Total		\$359,334.98

#### Employee Payroll

The employers' total wages paid to the employees comes to \$5,991.00 each week. In addition, the business owner pays a FICA tax, federal unemployment tax (FUTA), state unemployment tax and set workers compensation fee for each employee. The employer has to pay these taxes to the state department of taxation to help pay for benefits the employee may receive in the future. They are not withholdings from gross wages paid, like with the employee, they are an *additional cost* the employer must pay! The owner's total payroll cost per week comes to \$7,186.70. For 2024, the owner's payroll expenses total \$359,334.98.

In 2025, the minimum wage rate for workers in Seattle increases to \$20.76 per hour for *all* employers, regardless of size.

Small employers will no longer be able to count tips and/or payments toward an employee's medical benefit plan toward an employee's minimum wage total. They must pay each employee the full \$20.76 per hour under Seattle's new Minimum Wage Ordinance.

Employee					Pay Period		Pay Date
John Smith					Jan 2, 2025 to Jan Jan 9, 2025		Jan 11, 2025
1250 5th Ave N, Apt 201							
Seattle, Washington 9810	9						
Earnings	Rate	Hours	Total	YTD	Taxes / Deductions	Current	YTD
Regular Earnings	\$20.76	30.00	\$622.80	\$31,140.00	Federal Withholding	\$62.28	\$3,114.00
Tips Earned	\$2.72	30.00	\$81.60	\$4,080.00	FICA - Social Security	\$38.61	\$1,930.68
					FICA - Medicare	\$9.03	\$451.53
					State Withholding	\$0.00	\$0.00
					Paid Family/Medical Leave	\$4.98	\$249.12
					Workers Comp	\$10.00	\$500.00
					<b>Total Deductions</b>	\$124.91	\$6,245.33
Gross Pay			\$704.40	\$35,220.00	Net Pay	\$579.49	\$28,974.67

John Smith now makes Gross Earnings of \$704.40 each week, an increase of \$105.30 or 17.58%. After taxes are deducted, John brings home an additional \$85.87 each week, an additional \$4,293.61 for the full year.

The owner of Freddie's Tavern pays 10 workers the same wage for the same number of hours each week and fills out a Payroll Statement showing the total payroll expenses.

Freddie's Tavern	Pay Period	Pay Date
123 Main Street	Jan 2, 2025 to Jan Jan 9, 2025	Jan 11, 2025
Seattle, WA 98109		

#### **Employee Payroll**

Employee	Salary	Tips	0.T.	Subtotal	Employer Burden	Rate	Amount
John Smith	\$622.80	\$81.60	\$0.00	\$704.40	FICA - Social Security	6.20%	\$436.73
Kathy Franklin	\$622.80	\$81.60	\$0.00	\$704.40	FICA - Medicare	1.45%	\$102.14
Betty White	\$622.80	\$81.60	\$0.00	\$704.40	FUTA	6.00%	\$422.64
Bill Freed	\$622.80	\$81.60	\$0.00	\$704.40	CA Unemployment	0.80%	\$56.35
Susan Baker	\$622.80	\$81.60	\$0.00	\$704.40	Workers Compensation	\$34.32	\$343.20
Amanda Taylor	\$622.80	\$81.60	\$0.00	\$704.40	Paid Family/Medical Leave	0.00%	\$0.00
Heather Locklear	\$622.80	\$81.60	\$0.00	\$704.40			
Joan Wright	\$622.80	\$81.60	\$0.00	\$704.40			
Shirley Henderson	\$622.80	\$81.60	\$0.00	\$704.40			
Fred Derf	\$622.80	\$81.60	\$0.00	\$704.40			
Employee Expenses	\$6,228.00	\$816.00	\$0.00	\$7,044.00	Taxes Owed		\$1,361.06
					Total Wage Expenses		\$8,405.06
Year To Date Payroll Wa	ges Total				Year To Date Payroll Tax Total		
	\$311,400.00 \$	40,800.00	\$0.00	\$352,200.00			\$68,052.90
					Year To Date Payroll Expenses, Total	\$	420,252.90

In the space of one week, the employer's payroll cost for the ten employees increased almost 17%, an additional \$1,218 per week! Thats an increase in expenses for the business owner of \$60,918 for 2025.

The business owner now has three choices for the additional \$1,218/wk, \$60,918/year increase in business expenses:

1. Raise prices on the goods/services they provide to stay profitable, by the same 17%.

2. Avoid raising prices. Instead, they 'absorb' the 17% decrease in net profit.

3. Cut the number of hours each employee works or the number of workers the business employs, in order to reduce costs, stay profitable and remain in business.

If the employer chooses solution #1, the workers have increased their pay by 17.5%, but the goods and services they purchase from any other business that also has to raise wages increase by 17%. The worker is not much better off now, than they were before the increase.

If the employer chooses solution #2, his own household income is reduced by 17%, and they are also paying higher prices at the businesses they purchase from. Every business in Seattle must raise the wages they pay, and the prices they charge to compensate for that. The owner's household is worse off now than they were before, they can't afford the lost profit from the wage increase.

If the employer chooses solution #3, the workers are *worse* off. Not only is their income reduced, but they are paying higher prices on all goods and services they purchase.

Or the business owner could choose solution #4. They close due to higher costs of doing business in the city.

Two West Seattle eateries shut doors, citing strain from new \$20 minimum wage

Small business owners are making difficult choices.

KING5 – TV, Seattle WA,

After the city's minimum wage requirement increased to more than \$20 an hour on New Year's Day, two eateries in West Seattle have permanently closed: Bel Gatto, a bakery in Fauntleroy, and Bebop Waffle Shop, a longtime small business on California Avenue.

Unlike previous years, Seattle's minimum wage increase is applicable to all employers, regardless of size or benefits offered. In some cases, workers are getting a \$3 per hour raise starting this month.

After 11 years, Corina Luckenbach of Bebop Waffle Shop has decided to shutter, citing the strains she says were made worse with the latest minimum wage boost. She said it was daunting to come up with an extra \$32,000 a year to give her employees a raise.

"I'm a teeny, tiny business. Where do I make up that money?" said Luckenbach. "There's gonna be a lot of closures this year... I'm already seeing places close."

And she's not alone; other owners are making difficult choices, like Peter Levy, owner of Bel Gatto.

They posted a sign on their door this week that reads, in part, "Our revenues, unfortunately, are not able to cover the close to 20% increase in mandated wages, salaries, and payroll taxes put into effect by the Seattle City Council."

On the other hand, many workers feel the boost is warranted and <u>fought in favor of the wage hike</u>, <u>citing a higher cost of living</u>.

"Those who earn the minimum wage have struggled in meeting their basic needs, buying food, groceries, utilities, rent," said Charlie Lapham in a public testimony at a Seattle City Council meeting over the summer.

"Democrats should expand the Amazon tax to help struggling small businesses cover this increase in January instead of attacking workers," said Shirley Henderson, a public commenter at a council meeting in July.

Another testifier named Joan Wright said, "Why not pass commercial rent control to keep rent costs down for smaller businesses?"

Corina Luckenbach told Seattle TV station KCPQ "This is financially just not going to make sense anymore. Because, just for me, the increase would cost me \$32,000 more a year."

The Washington Hospitality Association predicts restaurant closures in Seattle will rise by 5 to 8 percent this year because of higher labor costs. "It's just not sustainable," Anthony Anton, president and CEO of the Washington Hospitality Association

This is just another example of the ignorance of politicians and the general public, when it comes to the simple economics of running a business. Business owners do not stay in business with the intention of losing money year-to-year. The whole purpose of opening your own business is to make a profit and provide a living for your family and your workers. This balance between the price you charge for goods and services is even more critical for small business owners.

The Seattle City Council, who approved the minimum wage increases and change in tipped workers wage, has consisted of nine Democrats for decades.

It is their Progressive policies that have made the cost of living in their city unaffordable for people like Charlie Lapham.

It is their Progressive policies that have made the cost of doing business in their city unaffordable to people like Corina Luckenbach and Peter Levy.

It is the ignorance of Seattle voters that return Progressive Democrat politicians to office every four years, cheer the double-digit wage increases they get, then cry about how unaffordable Seattle is to live in...

Useful Idiots

Addenda #12 – January 2024, UPDATE Re: Ch. 9 Modern Monetary Theory – Fueling Unlimited Debt and Dependency, and Control

### Income Inequality and Raising the Minimum Wage

In Addenda #12 I noted the minimum wage increases in Progressive states like California and New York. In California, the minimum wage for most workers increased from \$15.50 to \$16.00 per hour in January 2024, healthcare workers at larger facilities will see their minimum wage go up to \$23 an hour on June 1 and increase by \$1 annually for the next two years until it reaches \$25. Wages for food service workers at larger "chain restaurants" will increase to \$20 per hour.

When the wage increases for 2024 were announced in August 2023, there were numerous media articles about employer layoffs and outsourcing jobs to other private companies out of those industries. The articles noted that thousands of employees might lose their jobs as a result of the large wage increases. Here we are, a year later and I wanted to see if those announcements were factual or just negative press by the healthcare and fast food industry.

Kaiser Permanente, founded in Oakland California in 1945, is a for-profit healthcare company that manages hospitals and medical offices and provides medical care and health insurance to more than 12.5 million members in eight regions in the United States. In their 2023 Annual Report, Kaiser Permanente listed 235,785 employees, including technical, administrative, and clerical employees, nurses and nonphysician caregivers. If you go to the company's website today, they still mention serving 12.5 million members. But the number of employees is now listed as 223,883, a decrease of 11,902 workers as of September 30, 2024.

# Kaiser announces second round of layoffs with 115 additional job cuts

Kaiser Permanente plans to reduce its workforce by 115 positions across the country in its second wave of layoffs this fall, primarily affecting IT workers in Northern California. San Francisco Chronicle, December 12, 2023

### Kaiser lays off IT workers for a second time in 4 months

Kaiser Permanente confirmed Tuesday via email it had cut 72 information technology positions as part of an ongoing effort to reduce costs across the organization. HealthcareDive, March 5, 2024

Kaiser laying off 76 in California Becker's Hospital Review, May 7, 2024

### Kaiser Permanente to Close Last Nursing Home, Cut 249 Jobs

Kaiser Permanente announced the permanent closure of its last nursing home in California, resulting in 249 job losses across various roles. Skilled Nursing News, September 11, 2024 Kaiser to lay off 43 employees across multiple California locations

The layoffs are the result of continued operations and services evaluations and will primarily affect information technology and finance positions within the health system. No direct patient medical care positions were affected, a spokesperson for Kaiser said in a Sept. 27 statement shared with Becker's.

Becker's Hospital Review, September 27, 2024

### Kaiser to lay off more California workers

Oakland, Calif.-based Kaiser Permanente has shared plans to lay off 20 employees across multiple California locations, effective Dec. 6. The layoffs are primarily in the technology and business function departments.

Becker's Hospital Review, October 14, 2024

Large companies that employed 25 or more workers in the healthcare industry had to increase the hourly minimum wage they paid their workers by \$0.50 on January 1<sup>st</sup>, and another \$7.00 on June 1<sup>st</sup>. That's an increase of \$7.50 or 48.38% year-over-year. Kaiser had three options for dealing with the \$7.50 wage increase they would have to pay beginning June 1<sup>st</sup>.

- 1. Raise prices on the services they provide, to stay profitable, by that same 48%. As if healthcare was not expensive enough already!
- 2. Raise prices by a smaller amount, or not at all. Kaiser would absorb some or all of the wage increase plus additional payroll tax burden.

Note: At \$7.50 per hour, for every 1,000 employees Kaiser employed in California, their payroll would increase by \$15 million and the labor burden; payroll taxes and insurances another \$1.329 million. That's an additional cost year-over-year of \$16.329 million.

3. Cut the number of hours employees work or the number of workers employed, and/or find other cost reduction measures.



Ξ

# Kaiser rate increase for 2024

#### California - Southern

I got my 2024 rate for Kaiser recently, which has gone up over 25% over the 2022 rate for the gold plan. I'm on Covered California. I'm curious if anyone else has received a rate increase that well exceeds the average for their county, provider, and state.

cattledogcatnip • 1y ago

Yes, I have the platinum plan through my job and the rates went up 66%

### Particular\_Pizza\_606 • 1y ago

How else are they going to pay for all the new benefits your law makers require health insurers to cover at "no cost"? That's why premiums have been steadily going up each year.

https://www.reddit.com/r/KaiserPermanente/comments/171jrh6/kaiser\_rate\_increase\_for\_2024/?rdt=34841

Unintended consequences...

The other industry in California that received a significant increase in minimum wage for 2024 was the fast-food industry. Again, there were numerous media articles claiming that thousands of these employees might lose their jobs as a result of the large wage increases. Politicians and the California Hospital Association 'pushed back' on the claims, promoting the benefits for workers and saying claims to the contrary were false.

Was this just propaganda by businesses not wanting to increase workers' wages, or was there truth to the claims?

California minimum wage shocks fast food workers as restaurant closes: 'Only the beginning,' ex-manager warns

Another California small business and its workers have seemingly suffered at the hands of the state's newly enacted \$20 minimum wage.

When making their way to work Monday morning, Navarro and her team learned upon arrival that the restaurant owner had made the decision to close its doors for good. The owner, Loren Wright, told local Fox affiliate KMPH that this was the "last thing" they wanted to do, but knew by Friday night the business likely wouldn't be able to absorb the wage hike and didn't "want to ruin their Easter Sunday."

Fox Business; April 4, 2024

Restaurant chain shuts down nearly 50 locations in California following minimum wage hike

Rubio's Coastal Grill, a California Mexican restaurant chain, announced the closure of 48 restaurants in the Golden State amid rising business costs. It's following a trend of companies taking similar actions after feeling the stress of <u>having to balance higher labor costs</u>.

The company confirmed the closures in a statement to several news outlets, attributing the decision to "the rising cost of doing business in California." California recently raised its minimum wage for fast-food employees from \$16 to \$20 in a move that has been celebrated by workers and decried by restaurant operators.

Fox Business; June 4, 2024

The Unintended Consequences Of California's \$20 Minimum Wage For Fast-Food Workers

California's minimum-wage law, which went into effect in April 2024, currently requires that fastfood restaurants with 60 or more locations nationwide increase their workers' pay to \$20 an hour, which is \$4 higher than the state's minimum wage.

Although the bump in pay is intended to help improve the standard of living for more than half a million fast-food workers, there may be <u>unintended consequences</u> that could do more harm to these <u>employees</u>, including restaurant closures, job cuts, reduced hours and increased deployment of automation to bring down expenses.

A major Burger King franchisee in California confirmed plans to install kiosks at all locations in response to the \$20 wage, Business Insider reported. "We are installing kiosks in every single restaurant," Harsh Ghai, who owns 180 fast-food restaurants in California, including about 140 Burger King locations and numerous Taco Bell and Popeyes restaurants, told BI in an interview in early April.

Restaurants like McDonald's, Shake Shack, Panera Bread are deploying self-service kiosks that allow customers to place orders themselves, <u>reducing the need for human cashiers</u>.

Some restaurants are cutting employee hours, having fewer workers per shift to control labor costs, while others are letting go of staff.

Michaela Mendelsohn, the CEO of Pollo West Corporation, one of the largest franchisees of California restaurant chain El Pollo Loco, who was also appointed to Newsom's Fast Food Council, confirmed to Good Morning America in April that El Pollo Loco had to <u>cut employee</u> hours by 10% to reduce costs.

Some franchisees have reconsidered plans to open new locations in California due to the wage hike. <u>Existing restaurants may close or pause hiring</u> if they cannot sustain profitability with the increased labor costs.

Forbes; July 26, 2024

California Fast Food Restaurants Shed Thousands of Jobs after \$20 Minimum Wage Hike Approved

National Review – Economy & Business, December 5, 2024

California's fast food industry shed more than 6,000 jobs after Democratic lawmakers passed a bill mandating a \$20 minimum wage for most fast food and counter service restaurants in the state, according to a new analysis of labor data.

U.S. Bureau of Labor Statistics data show that between September 2023, when California governor Gavin Newsom signed Assembly Bill 1228, and June 2024, Golden State fast food employment dropped from 570,909 jobs to 564,743. <u>That's a loss of 6,166 jobs, or 1.1 percent</u>, according to an analysis by the nonprofit Employment Policies Institute.

During that same period a year earlier, California fast food restaurants added 17,528 jobs, a 3.1 percent increase over those ten months in 2022 and 2023, the data show.

A spokesman for California governor Gavin Newsom's office, accused EPI and others of cherry picking data "to push a narrative."

Gov. Newsom's Office Continues to Fib About Fast Food Job Losses – Claims Job Gains

'Newsom is stretching the truth to obscure that his fast food minimum wage hike has been a disaster'

California Globe, August 20, 2024

Interestingly, their PR tactic is to continue the lie, and skew and manipulate data, even in the face of more and more fast food restaurants closing in California, cutting staff, adding more automation and cutting overtime.

Rather than taking my word for it, or believing your own lying eyes, the Globe spoke with Economist Rebekah Paxton for her analysis of Gov. Newsom's claims. Paxton, who holds advanced degrees from Boston University in Economics and Political Science, is the research director at the Employment Policies Institute told us in June: "Newsom is stretching the truth to obscure the obvious: His fast food minimum wage hike has been a disaster. Thousands of workers have lost their jobs, hours are being slashed, and restaurants are closing at an alarming pace. The public isn't fooled by Newsom's statistical spin."

This remains true today.

"He is using the non-adjusted data set," Paxton said in an interview with the Globe Tuesday. "He went after other groups for using these last time around. But as of July, California is still down 3,000 fast food jobs since January 2024."

<u>There have been historical fast food job losses because of the increase to the \$20 per hour minimum</u> wage. And the governor and his PR staff don't appear to care that people are losing their jobs – they'd rather gaslight minimum wage workers and claim fast food jobs are up.

Rebekah Paxton was correct. Gavin Newsom and Progressive politicians in California, and other states, do not care that people are losing their jobs when radical increases to the minimum wage are passed. They only care that their core supporters are satisfied and will continue to vote them back into office. California's attempt to "lift up" minimum wage fast food workers with large minimum wage increases did exactly what I knew it would do. But it wasn't just fast-food workers who were affected by minimum wage increases.

The minimum wage for workers in other industries increased from \$13.00 per hour in 2020, to \$14.00 in 2021, to \$15.00 in 2022, \$15.50 in 2023, \$16.00 in 2024. That's a 23% wage increase over four years, an average of 5.8% per year. <sup>(1)</sup> Inflation increased right along with wages, as the California Consumer Price (inflation) Index increased 19.5% over the same time period, an average increase in prices in the Golden State of 4.9%. <sup>(2)</sup> 1. State of California Department of Industrial Relations / Labor Commissioner's Office / Minimum Wage 2. State of California Department of Industrial Relations / California Consumer Price Index (1955-2024)

Increased labor costs for businesses didn't just cause prices to increase, it also caused higher unemployment. The unemployment rate in California climbed to 5.4% in November 2024, from 5.1% in November 2023, with 61,545 more workers unemployed. A two-year comparison is even worse, with the unemployment rate climbing from 4.3% in November 2022 to 5.4% in November 2024, with 223,813 more unemployed workers. <sup>(3)</sup> 3. U.S. Bureau of Labor Statistics / California Labor Force Data

Not being known for backing off a position when confronted with adverse facts, California officials are reportedly considering a further increase to the minimum wage for fast-food workers. The California Fast Food Council, created by Governor Newsom in September 2023 to regulate working conditions and wages for fast-food industry workers, proposed an additional 3.5% raise for industry workers at its very first meeting in August 2024, just four months after the 25% jump in wages began in 2024.

The raise request was prompted by a letter from the California Fast Food Workers Union, which in part noted restaurants have cut their hours in response to the wage increase, all but offsetting the bump in wages. Even after [the increase in] April, fast-food workers still face "impossible" choices between paying rent or phone bills, the union said.

https://www.cbsnews.com/sanfrancisco/news/fast-food-workers-urge-more-minimum-wage-increases/

Calif. Fast-Food Workers Want Another Raise as Owners Say They Can't Afford the Last One

California Insider, August 9, 2024

The California Fast Food Workers Union—representing thousands of cashiers and cooks— sent a letter to the council before the most recent meeting calling for another bump in pay.

*"We know that truly transforming fast food into a fairer, more sustainable industry takes more than a onetime raise," the letter read.* 

On the other side of the issue, the owner of a Sacramento-based Arby's franchise said the recent minimum wage hike—to \$20 per hour from \$16—is "significantly impacting" his business. Since then, he told the council, he raised prices and cut hours while trying to maintain profitability.

"That impacts our customers," Tegvir Toor said during the hearing. "Families are already struggling to make ends meet, and so raising prices is an extremely difficult decision to make, but for the survival of our business, we had to consider it." Toor said sales have decreased by as much as 23 percent over the past three months.

The minimum wage increase apparently has not worked, either for the workers, the employers or the customers! Workers have had their hours reduced or have been laid off. Employers are struggling with increased labor costs on top of higher costs for business related expenses. Customers are cutting down on fast food purchases, as prices climbed. The website *Eat This, Not That!* Posted a list of prices for 9 major U.S. cities having the highest McDonald's prices. San Diego, \$7.09, and Los Angeles, \$7.49, came in at numbers 4 and 3 respectively for a Big Mac. A Big Mac bought from my neighborhood Fairmount NY location, on the other hand, cost \$5.59.

https://www.eatthis.com/highest-mcdonalds-prices-2024/

Newsweek ran two news articles about population change in California last December. In the first article dated December 20, the author noted from 2023 to 2024, the number of residents increased by 233,000 people.

https://www.newsweek.com/california-sees-surge-people-moving-state-its-not-all-great-news-2004296 In the second article, also dated December 20, the author noted that more Americans left California between 2023 and 2024 than any other state across the country, a total loss of 239,575 residents to other states, the largest net domestic migration loss in the country over the past year.

https://www.newsweek.com/california-suffers-exodus-over-200000-americans-leave-state-one-year-2004043 Taken together, the data from these two articles shows a total net outward migration of 6,575. Although the demographic information for those leaving the state is not available, the second Newsweek article says, "California Cities See Exodus Of College-Educated Americans", and notes the "population drain" is due to "people's desire to live in more affordable places."

Elections have consequences. Gavin Newsome was elected governor of California in 2018, receiving 61.95% of the vote. Following his widely publicized misbehavior during the COVID-19 pandemic, voters forced a "recall election", which Newsom survived by more than 3 million votes. Then in 2022, Newsome was reelected by smaller 59.18% of the vote. Newsom will not run again in 2026 due to the limit of two terms. But he has left a long-lasting legacy of debt, higher prices, higher unemployment and population loss. Newsom does have his sights set on a Presidential run in 2028, however. I'm sure he wants to bring his "California model" to the rest of the country if elected.