

My name is Matt Livingston, a small businessman from the small town of West Point, Georgia. I would like to start off by thanking all of you for the opportunity to express my concerns and my issues with you. I'm not sure anything I could say will change the minds of those that believe this economy is striving or it is the best that it has ever been. Anyone that has those beliefs obviously has not been to my small town.

I am currently the owner of two businesses, one of which is Coach's Bar and Grill, a family restaurant that has been in business since 2016 and the other is MatthewScott Homes a construction company that builds custom homes that has been in business since 2020.

From 2012 until 2022 I was blessed enough to own and operate 4 restaurants. As mentioned I now only have one. We have been forced to close 3 of them due to a few reasons.

The first being labor in the restaurant, or should I say lack thereof. We have been forced on several occasions to "shut the doors" for a day or two due to staff shortages. We had to permanently shut the doors on three and combine staff just to operate one. We are facing times now where people just don't show up. Gone are the days as an employee when you were expected to show up on your scheduled day and to be on time, or the days when you could fire an employee for these actions. Since the workforce is so limited, we find ourselves letting this be ok. Turning a blind eye to the situation and allowing it to happen, which in return inhibits and promotes these actions to continue. Not only does a lack of labor cost your business daily revenue when you are not open, it costs a tremendous amount of money in payroll to train new employees, just to have them quit a few weeks later. Our turnover rate in the past few years has been at an all-time high. We try to employ 30 people at Coach's, a few months ago I mailed out 92 w-2 forms. Employees expect higher pay for less work. At the time you pay a normal rate for normal performance they quit and say, "I can make more staying at home". This is the mentality that needs to be changed. There is no concept of an honest day's work for an honest day's pay. We as small business owners must increase our compensation to entice people to work, all while paying more for goods to be sold only to leave our menu prices the same. Which brings me to my next reason, inflation.

Inflation on the cost of goods sold, for the past few years, has had a significant impact on several items. We are paying outrageous prices for eggs, which in return increases the cost of every by product of that, mayonnaise, dressings, shortening, etc. Other huge cost increases include beef, pork, chicken, seafood, produce, french fries, sugar, plastic resin products and an abundance of other items. We are constantly having to change our menu prices to just keep our head above water. Our food cost has drastically gone from 28 percent to almost 40% just to keep from pricing ourselves out of business and having to close the doors to another restaurant. In return we are lowering our profits to the point we are operating just to give the few that want to work a job. Our customers are suffering in return paying more for menu items than they are accustomed to living in a small town.

Not only are labor and inflation a major concern, but the supply chain issues have also caused a major problem. The price of fuel has caused grocery suppliers to cut back on the days that they will deliver, which makes it tough to keep all the menu items in stock. As well as other menu items being difficult to get. We are a sports bar and sell an average of 17-20 cases of wings a week. We have been cut short to 10 cases a week because of the companies allocating wings due to shortages. Chicken breast are being allocated as well, along with several fresh produce items. These supply chain items are a major issue when the items are the majority of what is sold by us.

Now changing lanes, not only has the restaurant business been a struggle, but our custom home construction business also has its concerns. We don't have as many issues as the restaurant when it comes to employees because most of our contractors are 10-99 workers. However, our contractors face staff shortages which in return hurts us from being able to get jobs completed on time.

Our main issues are inflation on materials and driving the rise of interest rates and causing fewer approved or interested buyers. The higher rates are pricing people out of the current markets and causing higher mortgages. For every half percent rise in interest rates home buyers' buying power drops 5%. So, a homeowner that was approved for an average \$350,000.00 home and the interest rate goes up by a ½ percent, their buying power dropped \$17,500.00, So now their pre-approval is \$332,500.00. Which hurts us in our cost-plus contracts. Just this scenario alone, would shorten our profits by \$3500.00. We average 2 contracts a month, so annually we are talking \$84,000.00 on a ½ percent. Not only is there a loss in revenue due to the rise in interest rates, but we also have lost several thousands of dollars on our fixed cost contracts due to the overwhelming rise in materials. The price of materials in May was at an all-time high causing us to spend three times the amount budgeted for contracts that had already been signed.

The supply chain issues in the construction world have caused a significant amount of loss as well. Suppliers are having the same problem getting employees to load materials, drivers to deliver materials, the cost of fuel limiting them to only one day a week delivery, all of which slow down the building process. Our contracts have expected completion dates, with a penalty if not met. We are having issues getting windows, doors, concrete, drywall tape, electrical boxes, wire, and especially meter cans. Meter cans have 6 months to a year lead time on them, making it difficult to get permanent power turned on at these homes.

In conclusion, we all face many challenges in a day's time no matter what business we are in. We, as Americans, face a situation that has caused our cost of living to go up, and our chance of living to go down. I can only pray that this will be short lived, and we can give our children an opportunity to be proud to be an American as we once all were. Thank you for allowing me this opportunity. God Bless America!

Thank you, Matt Livingston