

■ by Jeff Ward

Minimum Wage

On March 15, 2019, the last day of the New Mexico legislative session, lawmakers agreed to an increase in the statewide minimum wage. Going into this year, the Department of Labor (DOL) reported that 29 states had minimum wages higher than the federal rate. If you count other jurisdictions (counties and cities), there are at least 41 places that have rates higher than the state minimum (according to a special report on www.247wallst.com). It seems this is a phenomenon that is only going to spread.

An increase in minimum wage can serve as a useful prod to examine whether you are overstaffed in any areas or if you are failing to effectively utilize the staff you do have.

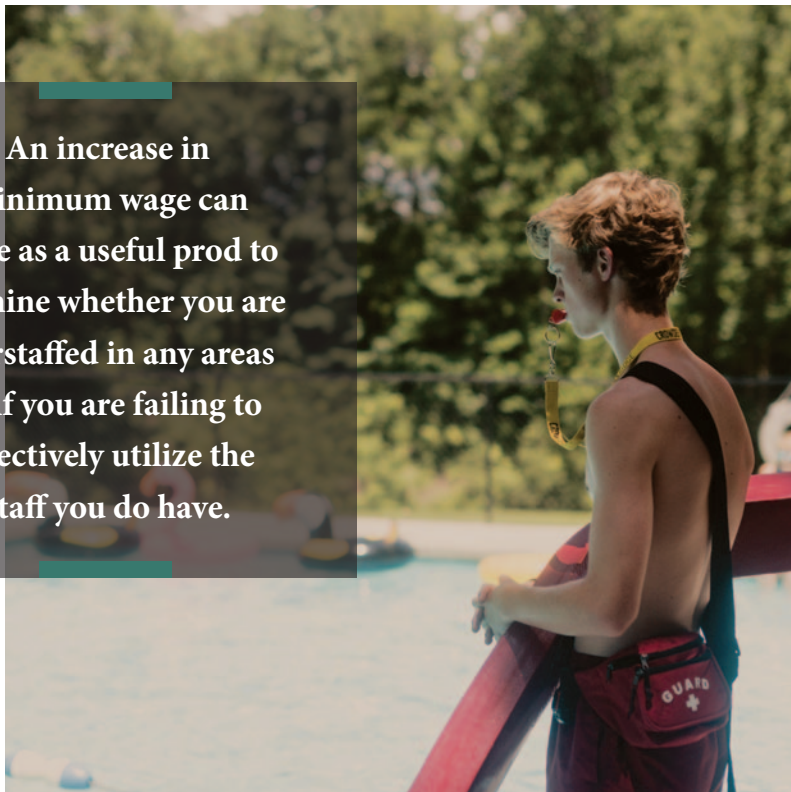


Photo courtesy of Crowders Ridge

Faced with the possibility of raising wages at Glorieta Camps, I dug into what other camps have done to address these issues and what legal recourse we had. Thanks to Bryan Hayes at Mount Hermon (Mount Hermon, California) and Rowland Wilkinson at Hume Lake (Hume, California) for their input.

Here are five ways to manage the challenge of rising wages:

1. Take advantage of exemptions

Under federal law, there is an exemption from minimum wage and overtime laws for amusement parks and recreational establishments. (See www.ccca.org/go/exemptions for more information on those exemptions.) Many states have similar exemptions. You should search for exceptions to your jurisdiction's minimum wage and overtime laws to see whether your camp qualifies.

2. Categorize staff properly

Under federal law and many state laws, there are different requirements for pay based on whether employees are categorized as exempt or non-exempt. For example, in California, an exempt employee must be paid two times the state minimum wage for full-time employment. In this case, it may be better to classify someone as non-exempt. However, non-exempt employees are entitled to overtime pay. Employees that meet the definition of exempt and routinely work more than 40 hours likely should be classified as exempt so that overtime pay isn't required.



Jeff Ward is the director of finance and administration for Eagle Adventure Camps, a group of camps that includes Glorieta Camps, Camp Eagle and Black Diamond Camps. Previously, he served as a missionary in India for eight years, where he trained ministries in financial sustainability and pastors in making disciples. Before that he managed a couple small businesses.

5 tips for managing the challenge of rising wages

3. Cut other costs

A required increase in total compensation is a good impetus to examine all other costs to determine where savings can be achieved. For most camps, the other largest expense category besides labor is food. It's a wise practice to meet with your foodservice staff and vendors to identify ways to save more. Other significant areas where savings can likely be achieved are on items subject to group purchasing organization contracts and energy costs.

4. Reduce staff

An increase in minimum wage can serve as a useful prod to examine whether you are overstaffed in any areas or if you are failing to effectively utilize the staff you do have. Supposing you, like most camps, are already running very lean on staff, you may have to allow the gap between your minimum-wage employees and your higher-wage employees to narrow.

5. Increase revenue

Since the contribution margin of every additional camper is greater than the first, any incremental campers you add have a more significant impact to the bottom line. Looking for ways to increase utilization can be useful. For us, this meant reducing nights from six to five for some programs and squeezing more programs into a summer. Apart from increasing campers, revenue can be increased by raising prices. If there's ever a good rationale for raising rates that your guests will understand, it's a government-mandated increase in wages.

■ ■ ■

I recommend that you seek legal advice from a labor-law attorney as you prepare your camp for changes to labor laws in your jurisdiction. ■

Time to address all your bedding needs.



www.bourdon.com

1-800-231-5468 sales@bourdon.com

NEXTGEN

We have much to learn from each other.
Join the effort and become a **mentor** or **mentee**.

www.ccca.org/go/nextgen



CHRISTIAN CAMP
& CONFERENCE
ASSOCIATION

advertisers index

Advertiser	Web Address	Page
Bourdon's Institutional Sales, Inc.	www.bourdon.com	65
CampWise	www.campwise.com	67
Church Mutual Insurance Company	www.churchmutual.com	2
ESS Universal	www.heavydutybunkbeds.com	11
Ink Custom Tees	www.inkcustomtees.com	51
Kaleidoscope	www.kaleidoscopeinc.com	11