



Opinion

## The U.S. Is A Fixer Upper That Needs Repair

Diane Hendricks , 10.27.10, 5:00 PM ET

My late husband used to have a favorite saying: *The tragedy of life is what dies inside a man while he lives.*

That's what losing a job is like, and that's why we have to cut government spending to bring back real jobs. What is happening right now, to families and working people, is nothing short of tragedy.

Ken and I built our main business--ABC Supply--during the recession of 1982, beginning with three roofing stores in Illinois and Michigan. We used equity from real estate we had worked hard to purchase to take this leap. Hard work was familiar to us both; I had been working with my hands since I was 21.

Today ABC Supply is the largest roofing material wholesale company in the nation, with 478 locations and 7,000 employees. As a business, we are making tough choices, but no whining allowed because tough choices were always part of building a successful company. Here is what is different, though, and what makes this recession completely different than 1982: uncertainty.

The uncertainty of our fiscal future because of what is happening to our political system. The uncertainty of, let's be blunt, the ways in which Washington imagines it will pay the extraordinary debt it is placing on our children's lives.

When my friends and I are together, we can't help but discuss this real economic problem. What should we do? We are smart, successful, hard-working people--and we have no answer. Shall I put my money under my mattress? Our country--MY country--is going bankrupt. If we don't change this, my children and my grandchildren will not have the opportunities that I had.

I cannot accept this.

This year's annual deficit for our government is somewhere close to \$1.5 trillion--that's tens of thousands per person. Our spending is unsustainable. It is also destroying the American dream for millions.

I hear the anxious talk every day, from our offices overlooking Rock River to the counters of local Beloit eateries, as jobs are lost and hope for a real recovery diminishes. Why even Hillary Clinton said a few weeks ago that our debt is a threat to our national security!

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Taxing job creators is a sure way to stop the engine of economic growth. We need to get out of the way of the small-business owner (and big business owners) and allow them to do what government can only dream of: create jobs and thereby create wealth.

Here in Beloit, Wis., I remember well how one company's bankruptcy affected people's lives. For more than 140 years, Beloit, then the world's largest maker of paper-making machines, had been an anchor to the local economy. The family-owned business was acquired by a larger corporation which filed for bankruptcy in 1999. About 1,500 workers lost their jobs. The domino effect was felt everywhere as

restaurants closed and parts makers went under. Some estimates said 10% of Beloit's population lost jobs. A million square feet of industrial and office space lay vacant for two years.

Ken and I decided to buy the space and try to fill it with other businesses. We gave incentives, from low rents to build-outs, to a variety of businesses from around the country, urging them to come to Beloit. Today, 15 businesses operate in what used to be 800,000 square feet of vacant space and 1,400 new jobs were created.

That's right. Incentives produce jobs. The nation would be aghast if politicians attempted to take away our right to vote, our free press and our right to bear arms. Yet right now politicians are taking away our real economic rights, and with that, our economic freedoms.

Governments have a role in this economy. It's certainly not stimulus. Folks in Washington and state capitals must understand business failure is a necessary part of the market place. But policy makers can have a meaningful partnership with the private sector by figuring out what conditions should be changed to reduce uncertainty. This would be a great place to start.

I am not an economist. But I know a fixer-upper when I see one, and the U.S. is today a fixer upper. We can still save her; heck I remember painting 200 homes myself when Ken and I were first buying small properties! That wasn't easy. But sometimes you have to take the hard, uncomfortable work upon yourself to make progress. I don't think the government has done this to address our nation's problems.

We need incentives instead of penalties. We need tax breaks not new taxes. We need to create value and produce revenue through the private sector.

We need to reduce uncertainty so that the private sector can produce value and provide jobs for Americans. This is the only proven way to increase our nation's purchasing power. In doing this, we allow employees the choice to buy coffee and donuts. They can take their families out to movies, get washers and dryers for the kids' school clothes, take trips, buy gas for the cars and pickups that take them to work and back home. That's the way a revenue stream for the government is created, by creating more taxpayers--people with a J-O-B!

To borrow from one woman's sincere question to our president, this cannot be the new normal.

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There have been moments where citizens have demanded an end to the torrent of fiscal flooding and leaders have responded. This is one of those moments. I would call on our leaders in Washington to remember that their economic policies affect real people, and the people are hurting. "Speak your truth quietly and clearly; and listen to others," reads the poem "Desiderata." It is time for our politicians to heed this wise counsel.

*Diane Hendricks is the chairman and cofounder of ABC Supply, the nation's largest roofing company with 478 locations and 7,000 employees, and has been featured in Forbes as No. 170 of the Forbes 400 and No. 488 of the World's Billionaires.*

<http://www.forbes.com/2010/10/27/government-spending-economy-jobs-forbes-woman-leadership-taxes.html>