

cc: S. Trahern ✓

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November 19, 1991

Mr. Brian Lamb
C-SPAN
400 N. Capitol St. N.W.
Washington DC 20001

Please forward one copy
to Ron Brown!

Dear Sir:

Last week you had a call-in show with Ron Brown, of the DNC. He is a highly effective leader of the DNC. He spoke very knowledgeably on Unemployment Insurance, Workmen's Compensation, etc., though he showed he regrettably knows little about them.

May I correct his misunderstandings, and include specific costs from the family-owned manufacturing company of which I am Chairman.

Workmen's Compensation Insurance pays for workplace accidents. Premiums are paid solely by the employer, based on different rates for different occupations. We pay \$7000 monthly.

State Unemployment Insurance pays for people who lose their jobs. Premiums are paid solely by the employer, on first \$11,500 of annual earnings. Rate varies by layoff experience and State, up to 3.25% in North Carolina. Our rate is 1.08% since we have had few layoffs in several years. Our cost about \$1000 monthly.

Federal Unemployment Insurance, supports States whose funds deplete. Our rate is .8% on first \$7000 of annual earnings. Our cost \$650 monthly.

FICA (which Mr. Brown mistakenly said paid for either Workman's Compensation, or Unemployment Insurance) is payments into Social Security. Both employee and employer pay, current rate is 7.65% on first \$53,500 of annual earnings. Our cost \$8600 per month.

Hospital Insurance is the real backbreaking cost. Our employees pay a modest portion, we pay most. 80 covered employees, cost \$27,000/mo.

To put this in focus, our fiscal year ended September 30. Sales of \$7,750,000 were up 7.6% over last year, average monthly wages \$114,000. We paid \$44,250 per month in these employee insurance costs, 38.8% on top of wages, and we earned .1% profit (just over \$8000) for the year. To answer expected questions, my three sons and I draw modest salaries, drew no dividends, and work much more than 40 hours per week. We all have great families with children, live in nice areas, and are working diligently to increase sales, control costs, and do better next year.

Keep up your Great Work!

Best regards,
[REDACTED]

[REDACTED]
SANFORD, NORTH CAROLINA 27331-1350



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