

Duvall & Associates, Inc.

January 7, 2009

Business Advisor Newsletter

"YOU CAN GET IT WRONG AND STILL YOU
THINK THAT IT'S ALL RIGHT
WE CAN WORK IT OUT"

Beatles

Understatement of the new year - 2009 will certainly be interesting.

We've experienced worse times - the early 80's in particular presented us with double digit inflation, interest rates and unemployment. Those times were brutal, but at least you had a grip on reality.

By contrast, 2009 presents a time of ultimate confusion - Where we are - How we got here - Where we are headed. Ironic, particularly since we are purportedly residing in the era of immediately accessible information.

The nation is in recession. Drilling down, reportedly Ohio has just requested \$5 billion in federal aid and Dayton has been rated one of the nation's 5 fastest declining cities.

To be balanced, there are encouraging signs out there headlined by the massive decline in oil prices. But we keep witnessing disturbing signs which are inconsistent with reasonable efforts to resuscitate the economic corpse.

Effective January 1, Ohio's minimum wage will increase from \$7/hour to \$7.30/hour; for restaurant servers making tips the minimum wage rises from \$3.50/hour to \$3.65/hour.

The federal minimum wage will increase from \$6.55/hour to \$7.25/hour effective June 30.

In these arguably deflationary times - do we really need to inflict mandatory higher wages on already besieged businesses - particularly oppressed restaurants?

And numerous reports are circulating about a large, local bank aggressively informing mid-market customers their loan business is no longer desired - despite the fact said bank has just been tossed a \$3 billion lifeline from the Feds.

And I thought the Fed handout was intended to encourage financial institutions to extend credit to the market. Feel free to contact me for the name of the offending bank - you deserve to be forewarned.

Alan Duvall is a certified public accountant in Dayton. Contact him at Alan@Duvallcpa.com.

301 W. First St. · Suite 200 · Dayton, OH 45402 · Telephone: (937) 228-4272 · Fax: (937) 228-7626