

Good afternoon Advisory Board Chairs,

My recommendation for a minimum labor rate would be \$80/hr. For the last two years our posted rate has been \$75/hr but that will be increased to \$80/hr the first of the year. Non-insurance work completed at \$75/hr has accounted for 22% of our total sales dollars over the last 6 months. This is not a small portion of sales and signifies a fair market rate.

With the high CPI in MA I believe we should be charging more than the national average of \$81/hr. However, the artificially low insurance rates averaging in the fricken 40's disallows us to do so. Raising our rates too much over what they currently are could possibly price us out of our market.

As a 38 year old that has 20 years at Kelsey's Auto Body, and at least 20 more to go, the biggest problem for me is supporting a family. I have a 1.5 year old and a 4 year old, a wife, a house, two dogs, and a mother in law that moved into our garage apartment. The American dream right!? According to Smart Asset (see link below) MA has the highest annual cost of raising a child in the US @ \$44,22!!! Daycare alone for our two children for **two days a week** so my wife can work part time will be over \$20k. Her part time job barely covers those expenses and as the manager of my business I take out only what is absolutely necessary to support family and myself.

Everything else has to go back to my employees to retain them and pay our bills. If a manager of a long standing, successful business (relative to our own field) can barely afford the American dream, how the hell can we pay the techs and office staff enough for that ideology? We can't and that's why this industry is dying and there is no workforce coming in.

Once a fair labor rate is in place my suggestion for continual labor rate adjustments would be to annually adjust the minimum rate according to CPI. The price of everything rises each year. All of our insurance costs for health, business, home, auto go up to support those industries, why not our labor rate?

Thank you for your efforts and attention to this matter.

<https://smartasset.com/data-studies/cost-raise-child-state-2025>

Jimmy Kelsey
Kelsey's Auto Body, Inc.
75 Commerce Park
South Chatham, MA 02659