

Low Margin Businesses and Human Lives

Like low margin businesses, the coronavirus has exposed countless low margin U.S. residents who live pay check to pay check. Such people are also increasingly looking for second jobs and gigs that are disappearing. Financial advisors recommend four to six months of salary against “rainy day” contingencies, but the coronavirus pandemic has made us realize that too many families cannot even meet their basic needs throughout the world, including the United States.

“Low margin” is a term used by economists and businesspeople to talk about profits in various businesses. For example, people who own restaurants say that serving food has a low margin of profitability because expenses and constant evaluation by the public make it a costly, uncertain enterprise. After overhead, rent, making payroll for managers, cooks, waiters, and buying, transporting, and keeping food safe, owners and stockholders say little profit is left, depending, of course, on the size and the number of establishments. Profit depends on the volume of customers, the price and quality of the foods served, location, restaurant reputation, and other real and perceived factors.

I begin with restaurants because most people try to eat at least three meals a day, a luxury denied to more than 820 million people who go hungry daily world-wide. Here in the U.S., the world’s richest country, more than 40 million experience daily hunger.

Low margin businesses also apply to health care, home mortgages, apartment rentals, cars, and a wide variety of activities used to define or describe people. Every business and human activity has its way of measuring gains and losses, of determining the value of things. Transporting products from here to there, for instance, creates

business relationships that establish value, which, in turn, shapes how each of us lives, what we do, what we avoid, and what we think is worth our effort.

The coronavirus is hurting everyone in the world, rich and poor but not alike. Almost every business has suddenly been revealed a low margin industry, including the highly regarded professions that many of us thought immune. The freedom to move has been restricted by stay-at-home directives that frustrate people, forcing everyone to consider realities previously ignored or willfully neglected. Workers with low wages are suffering the most because they cannot feed their families, and many depend on the good will of others for food, shelter, and clothes. Unlike the well-connected, the poor have no or little bargaining power, even though they frequently provide essential tasks despite the virus. People with means appear better prepared to weather this epidemic, but they are also susceptible and suffering financial pain. Threatened, most Americans feel that authorities do not have to tell us to protect ourselves, though some risk-takers appear willing to expose others to a pandemic without a known cure.

Businesses and families are hunkered down, many assuming that once the threat is over, we can resume our previous lives. Some of us, however, realize that the world will never be what it was, because many unfair practices have been exposed, too many inequities are now blatantly visible. This situation means that two types of people will likely emerge: those who want to return to normalcy, and those who see the virus as an opportunity for change. Frankly, I think human welfare and interests ought to prevail over the economy, over businesses that create, move products, and promote activities.

The virus has shown us that people are our primary and central concern. Creating, selling, and promoting products are what people engage in, but caring for human beings has proven the first consideration. This reality should not be argued; it is

indisputable. Yet, as soon as stated, we know that many people will insist on returning to the way things were.

Who will the “return to normal people” be? Likely the same ones who now own and control everything, the people and leaders who decide how society functions. Their decisions, we know, will not serve the interests of most human beings, even though such individuals depend on the “little people who do not have much” for their welfare. Leona Helmsley famously said that it is the “little people” who work and who pay taxes. These are the same low-margin people who own little and who live in destitution, it must be said. They do most of the hard, difficult work, and they are not paid sufficiently because owners and stockholders see them as creating profits for the people who hire and fire them as needed. Since the little people lack the power and the resources to improve their welfare, they cannot change how their regions, states, counties, cities, and neighborhoods function. Ironically, after the virus has abated it may even appear easier to some of the abused little people themselves to return to normal, unequal practices because shaping an uncertain future appear too risky and uncertain.

Voices in all corners of the globe will argue for this or that but changing business and social practices is exactly what the world needs. Doubtless, we will lose the common togetherness the virus has forced the world to embrace, the focus on protecting and advancing human life first, but that is the challenge.

What has the coronavirus shown us? That the daily health of the world’s people is the most important concern, even more than the economy. That health care should be the prime consideration of human activity. That the world has little choice but to figure out how to feed our planet’s six or seven billion people, preferably three times a day. That homes need to be built to shelter every person on earth. Not makeshift shelters, but

homes that people can afford to live in, homes that will allow people to work and to profit from their labor. That salaries and everything that advances human life should be rewarded, and that everything that militates against these daily human needs ought to be avoided, reduced, and eventually eliminated.

These goals may initially seem unrealistic, given how people who now control society have constructed the world. The “return to normal people” will insist on continuing to make decisions about how we should all live. But even though they possess most of the world’s resources, such people know that there are simply so many low margin human lives in the U.S., and in the world, that the people who daily endure pain and life’s difficulties, the “little people,” may well prevail. Why? Because the “return to normal people” have realized that they realistically depend both on the votes and the good will of the low margin people for their profits.

Now that the coronavirus has brought clarity to how society functions, everyone needs to work to elect enlightened leaders. We need leaders committed to changing realities and practices that create low margin lives. Why? Because a great society should not divide people. The poor should not be forced to endure financial and physical pain, while the better off enjoy and profit from the labor and the fruits of the poor who have no choice.

The people paid meager wages and who suffer pains and economic frustrations need to be properly appreciated, not with “a thank you,” but rewarded with livable salaries. Now that almost all money streams have been disrupted, fairer money streams should be created because the resources are clearly available, as the government bailouts have shown. The rich should not be protected first, while the poor remain in debt, unrewarded, and living in misery. Salary increases are long overdue. Even Warren Buffet, Tom Steyer, and other billionaires are on record supporting raises for wage earners who cannot live and maintain families on what they are paid. Life and

society should pay people properly; it should not be about depriving or punishing them with less money. Human ingenuity has proven wonderfully resourceful when not stymied by laws, practices, and policies that exclude and restrict people. The poor and the destitute daily clamor for relief everywhere on our social screens, and their plight should not be ignored. Honest labor should be rewarded with the profits, too.

The world is rich with know-how and accumulated resources, riches that people need to share to reduce poverty and create better lives for all human beings. We all have views about how the world ought to function, how it ought to work. But most of us unfortunately cannot do much about how we can improve our own lots, given how society has been created to function. Leaders capable of changing detrimental laws, policies and practices exist, but people with such talents need to be selected and encouraged to examine how best to share society's profits, both for their own advancement and for the benefit of everyone else in the U.S. and abroad.

Clearly this is one of the main challenges that the coronavirus will leave us. It remains to be seen if society's elected leaders will make fair and equitable decisions for all of humankind. Or, if leaders will continue primarily to serve their own interests, as they have, before the coronavirus erased the world as it was.