

By Martha Pena, CEO of Casa Mexicana Tile

Madam / Mr. Chair, members of the committee,

My name is Martha Pena, and I'm proud to say that I have worked in my family's business, Casa Mexicana Tile, for 43 of the past 46 years. My father, Isidro Pena, founded our company on May 1, 1978, and since then, we've been providing quality products to our community.

Needless to say, after four decades, I've witnessed more ups and downs than I can count—financial, social, and everything in between—working in a small, family-run business in New Mexico, the fifth poorest state in the nation. We've had to adapt to survive, and that's putting it mildly.

When we first opened, we imported tile from countries like Italy, Spain, Turkey, Brazil, Mexico, China, and India. Back then, there were no big-box competitors like Home Depot, Lowe's, or Floor & Decor. But, as with all things, change came—We now offer granite and quartz countertops, along with cabinetry—turning us into a one-stop design center. —starting around 2004, the landscape shifted, and we had to reinvent ourselves, to diversify our products, and invest in new equipment to stay relevant. Our Competition was now Multi- Billionaire Corporations

Eight years ago, I stepped into the role of CEO, and since then, I've had to take on significant debt to build a state-of-the-art fabrication shop. It's been a challenging journey, but my passion and faith have kept me going. Running a small business, in many ways, is like raising a rebellious teenager—there are unpredictable mood swings, and some days, you're pulling your hair out. If you've ever raised a teenager, you know what I'm talking about! One minute, you're so busy you wish you had 10 more employees, and the next, you're wondering how to make payroll.

When I was asked to speak to this committee, I wasn't quite sure what you wanted to hear. The struggles of small businesses are vast and varied, and I could easily keep you here for a year discussing them. But my late mother's advice rings in my ears: "Ser honesta," be honest. So, here's an honest breakdown of the key challenges that keep me up at night.

1. Insurance Costs:

Between general liability, workers' compensation, and health insurance, my business insurance costs alone has almost tripled these past 4 years. It's a heavy burden for any small business.

2. Payroll Costs:

After factoring in Social Security, Medicare, workers' compensation, health insurance, sick leave, and retirement, the \$25/hour I pay a skilled worker realistically becomes \$33.12/hour. For 17 employees, that adds up fast—and with PFML coming in 2026, I'll be paying employees for

three months while they're out of work. While having to hire someone to replace what they do or pile up existing employees work loads. That's a tough pill to swallow for a small operation.

3. Supply Chain Woes:

Since COVID, the cost of goods has skyrocketed, and receiving materials on time has become a near-impossible task. Pre-pandemic, a truckload of tile setting materials would take one to two weeks to arrive. Now, it takes two months, and even then, it comes in partial shipments. And explaining this to a customer who's already frustrated? I'll let you imagine how fun that is.

4. Changing Consumer Behavior:

The convenience of online shopping has transformed customer expectations, often creating a desire for immediate results. However, what many don't realize are the complexities behind the scenes—from ensuring matching dye lots to avoiding damaged shipments and coordinating installations that, in some cases, are expected "yesterday." While I commend customers for conducting their research, it doesn't always translate into expertise, particularly when it comes to installation.

5. Workforce Challenges:

Hiring has become one of my biggest struggles. Employees who want to work, show up on time, and stay off their phones seem harder to find. The motivation to learn is waning, and many seem more interested in becoming the next TikTok influencer than mastering their trade. This issue spans all ages, not just the younger generation.

6. Family Business Dynamics:

I've chosen to hire immediate family members, which comes with its own set of challenges. It's tough to know when to wear the "CEO" hat and when to wear the "Mom" hat. Sometimes, I wonder if it would be easier if no family worked for me at all. But that's unrealistic—these are people I trust, and I spend more time with them than I did with my own mother.

Despite the obstacles, owning this business remains one of the most rewarding jobs I've ever had. Many of my employees have been with me for 10-15 years, and I still get a thrill from working one-on-one with customers, helping them build or remodel their homes. The joy of seeing a project through to completion is what keeps me going.

I pay all the insurance and retirement contributions for my skilled employees because I want them to be healthy and financially secure because of this. I've raised my prices, but I believe those who value great customer service understand that quality comes at a cost. As my father always says, "Lo barato cuesta caro" — "Cheap is expensive."

In closing, I urge you to support local small businesses like mine. The personalized customer service we offer is rare. Respect the skill of laborers—they have expertise fewer and fewer

possess. And please remember, you don't ask Home Depot or Lowe's for a discount, so why do it to your local small business? Home Depot won't lose sleep if you don't return; I will. Why am I not getting the same tax breaks they are. It just doesn't make sense. I'm the one sponsoring your children's sports teams, offering you discounts, and worrying if I've done enough for my employees and customers. I am a mother, a grandmother, a daughter, a sister, and, yes, your local customer service rep at Casa Mexicana Tile where I will greet you with a smile.