



# The Retail Review

THE OFFICIAL NEWSLETTER OF THE  
RETAILERS ASSOCIATION OF MASSACHUSETTS

## UPCOMING EVENTS:

### Friday, November 3

#### E-Training for Retailers

10 am - 4:30 pm

Cape Cod Cultural Center

South Yarmouth

### Thursday, November 16

#### 99th Annual Board Meeting

8:30 am - 11:45 am

RAMAE Luncheon

12:15 pm - 2:30 pm

The Conference Center at Bentley  
University, Waltham



## State House Update: The Fall Agenda

### Unanswered Questions on the new \$200M Employer Health Care Tax

Employers in the Commonwealth are waiting for the state to release draft regulations this fall that will hopefully address the many unanswered questions surrounding the implementation of the new \$200 million employer health care tax, set to kick in on January 1. The Legislature and Governor Baker agreed to the temporary tax increase on employers to cover a budget shortfall in the state's Medicaid program, known as MassHealth. Governor Baker had also proposed a series of MassHealth and other private market reforms that the Legislature did not act upon, saying they needed more time to review the reform package and that they would bring their own cost saving reforms to the debate this fall.

The two-tiered tax increase will be imposed through the unemployment insurance tax system in changes to the existing Employer Medical Assistance Contribution (EMAC). EMAC funds are used to pay for subsidized health care for low-income residents of the Commonwealth. For all employers with 6 or more employees, the tier one EMAC rate will increase from 0.34% to 0.51% of annual wages, up to an annual wage cap of \$15,000. This equates to raising the maximum per-employee contribution rate from the current \$51 to \$77 annually.

The second tier of the tax increase will hit employers that have non-disabled employees who are on MassHealth or another state subsidized health plan. Employers will be required to pay an additional 5% of annual wages for each employee on public coverage, up to the annual wage cap of \$15,000, resulting in an annual maximum per employee contribution rate of an additional \$750.

RAM has been raising questions to the Administration that we hope will be addressed in draft regulations to be released this fall. Issues include part time, seasonal employees and ensuring that multiple employers are not paying the tax on the same employee who happens to have multiple jobs. How will the state handle any additional reporting requirements and how will an employer know who or how many employees they have on public health assistance programs?



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of Massachusetts

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# Sales Tax Initiative Leveraging Debate on How Government Affects Sales and Operating Costs on Main Street

By Jon Hurst, President

## The Retail Review

September/October 2017

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The Retailers Association of Massachusetts has been investing considerable time and resources this fall to qualify a ballot initiative to reduce the sales tax rate back to the 2009 level of 5.0%, as well as to authorize an annual August two day sales tax holiday. Our membership polling clearly showed overwhelming support for the Association to take this rare step. As an industry, we have not used the ballot initiative mechanism since 1994, when the voters approved a RAM sponsored measure to make Massachusetts the last state in the nation to allow stores to open on Sunday mornings, and on the three summer national holidays.

The existence of the sales tax ballot measure creates an important opportunity to discuss what every Massachusetts small business owner needs—higher sales and lower costs. Unfortunately, for many local employers, both of those needs are heading in the wrong direction. And make no mistake about it—government imposed taxation, as well as labor and cost of operations mandates can and do create financial incentives on where consumers spend their important discretionary dollars. With consumer spending representing 70% of our economy, any state policy which incents our residents to spend elsewhere instead of right here in the Commonwealth is economically dangerous in the age of the smartphone.

The 25% sales tax increase in the Great Recession, and the lack of a sales tax holiday over the past two years couldn't have happened at a worse time—just as mobile commerce exploded. And despite two decades of advocacy and debate, most of those online marketers are still not collecting the 6.25% Massachusetts sales tax. The result has been sales reductions for our local small businesses, and a more regressive state tax system for our lower income families and seniors on fixed incomes.

For some of our members which sell consumables and tend to see their customers every week, the rate reduction is what is needed to bring traffic and sales back into the state from untaxed deliveries to consumers' doorsteps, or from their drives to New Hampshire. For higher end product sellers, the sales tax holiday was a lifeline of 2 days out of 365 where they had tax parity under the law to pull back those durable good product sales which were otherwise going out of state. And even for some of members which are less affected by the sales tax—such as food stores, restaurants, and gas stations—they understand the cohesiveness of our Main Streets and that commercial districts are at stake today as consumer visits drop. Indeed, tens of billions of dollars' worth of consumer sales are getting diverted from our local economy to out of state, untaxed competitors.

In the coming weeks, RAM will be developing research which will show our public policy leaders and our voters how a lower tax rate will create more taxable consumer transactions in the state, while protecting corporate and individual income tax revenues, and local commercial property taxes. Taken together, the so called tax loss to the state is nowhere near where the tax and spend lobbies will claim. It simply isn't accurate to say tax revenues will drop 20% with the rate reduction, since vital consumer transactions will return, jobs will be saved and less stores go dark. Anyone who truly understands consumer behavior and economic multiplier effect principles will agree with those facts.

And just who will be on the other side arguing for the continued high and regressive sales tax? Likely the very same big public union special interests which in recent years brought us the mandatory 5 day paid sick leave law, and 38% minimum wage increase. And now they are promoting 3 more ballot questions which could go before the voters in November, 2018. Those questions include a 4% income tax surcharge netting \$2.2 billion annually from individuals (and certain small business owners such as Subchapter S corporations) earning \$1 million or more; another 37% minimum wage increase to \$15 per hour; and additional mandatory paid leave requirements, granting 90% wage replacement for 16 weeks of family leave, and 26 weeks of medical leave, even for part-timers and teenagers.

The initiative also puts the retail sector back on the front burner. With so much of the recent political focus on biotech, technology, film industries, and labor priorities, adequate attention hasn't been paid to the proliferating dark store fronts. proliferating dark store fronts.

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# Retail Association Multiple Employer 401k Retirement Plan

All the flexibility, none of the responsibility!



[www.Retail401k.com](http://www.Retail401k.com)

Securities offered through Cambridge Investment Research Inc., a broker-dealer, member FINRA/SIPC. Investment Advisor Representative, Cambridge Investment Research Advisors, Inc. a Registered Investment Adviser. Cambridge, Atlas Financial Group, LLC, Empower, Angell Pension Group, and Retailers Association of Massachusetts are not affiliated



## Highlights from the 11th Annual Loss Prevention Expo

September 14, 2017 – DCU Center, Worcester, MA

The Expo was sponsored by the six New England State Associations as well as NRF, Staples, Wegmans, Rite Aid, BJ's Wholesale Club and CIS as we welcomed hundreds of attendees to our 11th annual New England Expo. In addition to the awesome speakers, we had 25 solution providers in the Expo Hall showing the latest and greatest in technology helping loss prevention and law enforcement personnel in the fight against retail crime. This expo continues to be the largest and most successful one in New England!

The day started off with a kick off from the only speaker to have been part of all 11 of our shows. Loss Prevention icon Joe LaRocca gave the attendees a lot to think about when it comes to how things are changing for LP in the technology arena. Joe talked about ORC and increased violence during the commission of shoplifting or ORC and how all retailers have identified and admitted they have been victims. Joe also talked about preparedness, crisis response and dealing with data breaches.....plus turned the group on to a new mobile app called "Zello" that allows first responders to communicate via voice during an emergency event.

Next, Paul Fisher talked about technology that will scan a barcode of most every available ID and authenticate it. Think of how this can help retailers with things like liquor sales or those that issue instant credit! The system works on a mobile app, but is supported with one of the most robust databases known.....check out Intellicheck for more information!

We then had Bill Peters, Director of Safety and Regulatory Compliance for BJ's Wholesale Club discuss some of the safety concerns that exist within the warehouse club environment. Bill showed us some the challenges BJ's faced and how they implemented plans and actions to solve those challenges. Bill's transparency when talking about safety of his clubs, his team members and the club members was summed up when he said "90% of all accidents are caused by poor decisions". As members of the loss prevention and law enforcement families, we all related to that and know that we need to be the voice of reason and action when it comes to keeping our business safe.

Our keynote speaker of the day was Dr. Larry Barton. As an expert on workplace violence preparedness, avoidance and response, particularly as it pertains to the social and psychological aspects of this epidemic, the group of attendees were truly gifted with Dr. Barton's words of experience and wisdom. Dr. Barton provided a whole host of real time stats, real life case studies and scenarios along with real solutions to those scenarios. Dr. Barton's speech was engaging and many in the audience were overheard afterwards talking about how it was the "best presentation ever".

Our closing speaker was Lt. Jim Ostojic from Polk County Florida. The Lieutenant made his way from Florida as damage from Irma was still being ascertained to talk to us about various skimming scams he is seeing in central Florida. Jim's message to the group was all about training and awareness and that with law enforcement and citizens knowing the red flags and reacting to them, we all can live in a safer environment.

Ryan Kearney bestowed three awards at the end of the conference:

Loss Prevention Person of the Year – Robert McFarlin, Big Y Foods

Law Enforcement Partners of the Year – Officer William Adamson, Nashua, NH Police Department and Deputy Chief Christopher Chronopoulos, Tyngsborough, MA Police department.

Loss Prevention Case of the Year – Sticky Fingers case – Elie Chemaly, Staples and Shanon LaCorte, Attorney General's Office, City of New York, NY.

Special thanks to out to the following people:

1. Retailers Association of Massachusetts (Jon Hurst, Ryan Kearney and Andi Shea) - for bringing the Expo to life.
2. RAM Loss Prevention Committee Board – Brendan Fitzgerald (Conference planner extraordinaire), Kevin Plante, (Board Chairman and emcee), Alicia Le, Matt Taylor, Kevin Foote, Greg LaPre, Jason Adams and Allan Peterson.
3. Our sponsors, exhibitors and attendees!

See you next year! ■

The regulations are being drafted by the Division of Unemployment Assistance (DUA) within the Executive Office of Labor and Workforce Development (EOLWD).

**Ballot Initiatives: \$15 Minimum Wage / Paid Family and Medical Leave**

Proponents of legislation to increase the state's minimum wage to \$15 per hour are also now collecting signatures around the state to place the issue before the voters in November of 2018. The same group is also collecting signatures on a question that would mandate all employers in the Commonwealth to provide mandatory paid family and medical leave. Both initiatives were filed earlier this year as legislation and both were recently heard before the Joint Committee on Labor and Workforce Development. In testimony before the Committee, RAM argued against both proposals, citing that imposing higher labor cost on Massachusetts employers places them at a competitive disadvantage compared to out of state and online competitors at a time when health insurance premiums, unemployment taxes, and energy costs continue to skyrocket.

**Criminal Justice Reform / Larceny Threshold**

Criminal justice reform is also on the fall agenda, with the Senate expected to take a bill up in mid to late October. The proposal includes provisions to phase out the indigent counsel fee, and to require frequent inmate reviews on the length of stay in solitary confinement. The provision that is very troubling to the retail industry is the inclusion of an increase in the felony threshold for the crime of larceny from the current amount of \$250 to \$1,500. At the current threshold level of \$250, retailers already experience significant losses due to theft— costs which are shared with consumers in the form of higher prices. RAM has argued that the provision is akin to a cost of living adjustment for criminals.

The Legislature will recess again from formal sessions on November 15th, returning in early 2018. ■

## Governor Charlie Baker to Address RAM members at RAMAE Luncheon

Please join us on Thursday, November 16, 2017 for the 99th annual RAM Board of Directors' meeting and the 20th annual RAMAE luncheon. There is no cost to attend either meeting, but RAM membership is required for the Annual Board meeting.

Mike Nikitas of NECN will present the 2017 RAMAE awards at the luncheon and Governor Charlie Baker will deliver the keynote address following the presentation of the awards.

Please contact Andi Shea if you have any questions about either of these meetings at [ashea@retailersma.org](mailto:ashea@retailersma.org) or at 617.523.1900.



Both meetings will take place at the Conference Center at Bentley University, 175 Forest Street, Waltham on the 3rd floor of the LaCava Building. Registration is required in order to provide attendees the required parking pass for the Bentley parking lots.

Visit [www.retailersma.org](http://www.retailersma.org) to register.

## Welcome 67 New Members

703 Tavern Kitchen & Patio  
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A Plus Tire & Auto LLC  
Blackstone

ADCO  
Woburn

Amesbury Chevrolet  
Amesbury

Andolini's  
Andover

Art of Framing  
Middleton

Battleship Brewhouse  
Fall River

Big Picture Industries LLC  
Newton

Boca Grande Taqueria  
Brookline

Boston Wax Museum  
Boston

Cafe Magna, Inc.  
Newburyport

Cape Cod Auto Connection  
Hyannis

Chelsea Morning Produce  
Ipswich

Craft Beer Cellar  
Swampscott

Crown Bakery and Cafe Corp.  
Worcester

Depot House of Pizza, Inc.  
Andover

Dessert Works  
Westwood

Dos Lobos LLC  
Reading

Dunkin Donuts  
Saugus

Dunkin Donuts  
Needham

Dunkin Donuts  
Berkley

# 5 Tips

## Increasing holiday store traffic

Retailers earn 40 percent or more of their revenue during the holidays. Now is the time to plan on how to maximize customer traffic.

### 1 DAILY DEAL

Offering a big discount a day is especially successful if you have well-known brand merchandise or particular items that people are looking for.



### 2 FREE ITEMS

Pick a popular item (socks, measuring tools, chocolate – depending on your business) and offer it for free to anyone spending \$25 in your store.

### 3 DEEP DISCOUNTS

Puny discounts of 5 or 10 percent no longer fly with shoppers, who inevitably will compare prices. Go a minimum 20 percent storewide, or a higher discount for individual items.



### 4 EMAIL SPECIALS

Social media is hot, but email is effective. Send one or two emails during the holiday season to promote your specials.

### 5 JANUARY REVIEW

In early January, debrief your sales staff on what did and didn't work, and put it in your tickler file for next fall!



## FREE SOCIAL MEDIA TRAINING FOR SMALL BUSINESSES

Become your own social media manager at one of our daylong bootcamps. Free follow-up consultations offered.



Sessions are ongoing until June 2018 and are being held throughout the state.

After our last e-bootcamp:

- **100 % of participants reported that they learned new skills they could immediately apply to their businesses.**
- **100% of participants said they would recommend these interactive sessions to a friend.**

### Topics covered:

- Instagram
- Facebook
- how to go live
- live demos
- shortcuts to growth
- starting from scratch
- customer service on social media
- trends and tricks
- advanced users
- technical basics for beginners

To learn more, email Jessica Van Sack at [Jessica@RetailersMA.org](mailto:Jessica@RetailersMA.org). This program is funded by grants issued by the Commonwealth Corporation and the Executive Office of Labor and Workforce Development.

[WWW.RETAILERSMA.ORG/SOCIAL-MEDIA-TRAINING](http://WWW.RETAILERSMA.ORG/SOCIAL-MEDIA-TRAINING)

The Massachusetts Senate has now convened a Retail Industry Task Force including 7 Senators, 5 RAM member representatives, and 2 representatives of organized labor. From this fall through next spring, the challenges of Main Street employers will be front and center before that Task Force, in a long overdue discussion about an industry which has been simply taken for granted on Beacon Hill. We're hopeful that RAM members around the state will engage with the Task Force when they meet regionally in your area.

We recognize that the voters may be given the opportunity to put into place a far more progressive state tax system when you combine the public unions' income tax increase question with the sales tax reduction. It will be interesting to see where some interest groups come down on the questions. Do they want a fairer tax system for everyone, including local small businesses, low income families and seniors? Or is the objective just for more taxation and more state spending, on top of a state budget which has already doubled in the last 15 years? And do "one size fits all" state labor mandates really have a place in the 21st Century when goods and services can be sourced and received in hours from anywhere around the world right from our smart phones?

The coming months will be telling. There will be opportunities for important discussions, Rest assured that RAM isn't going to sit and watch more of our members close their doors without a fight. ■



## New Members

*continued from page 5*

Easton Country Club South Easton	Inaka Japanese Restaurant Lawrence	Moe's Southwest Grill Pointe Verde	Semolina Kitchen & Bar Medford
Enhanced Street Performance Sterling	Johnnie's Superstore Pittsfield	Music Hall Dining, Inc. Allston	Sunoco Mini Mart Lowell
Five Guys Burgers & Fries Saugus	KLM Auto Repair Chicopee	Ocean Chic Boutique & Waterbar Salem	The Bebop Boston
Fresh n Clean Reading	Kravings Grille & Ice Cream Millis	Padaria Brazil Allston	The Beechwood Inn, Inc. Worcester
Fritz & Gigi Concord	Lewis' Restaurant & Grille, Inc. Norwood	Pamplemousse Salem	The Rhumb Line Restaurant & Bar Gloucester
Gervin Tire, Inc. Brockton	Lone Star Taco Bar Allston	Petti's Market Brockton	The Social Register Boston
Gift Barn North Eastham	Lou's Custom Exhaust Chelmsford	PJ's Smoke 'N' Grill, Inc. Medway	The Village Manor Dedham
Giovanni's Tewksbury	Lyn Evans Potpourri Cohasset	Platinum Posies Middleton	The Westfield Tavern, Inc. Westfield
Golden Goose Cafe Boston	Mattress Depot Salisbury	Price Rite Automotive Groveland	Weinbergs Bakery and Weinbergs Coffee House Hull
Green Tomato LLC Reading	Mike's Pastry Boston	Prospect Hill Company Brockton	Zest Cafe & Juice Bar Dennis
Hodgies of Newburyport LLC Newburyport	Mill on the Floss New Ashford	Ren's Mobile Amherst	
Hornstra Farm's Hingham	Minuteman Press Devens	Seaside Variety Nahant	





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Hundreds of RAM members are saving on their health insurance premiums and taking advantage of additional money saving benefits by enrolling in coverage through the RAM Health Insurance Cooperative (RAMHIC). RAMHIC offers a variety of plan options from Fallon Health and Blue Cross Blue Shield of MA (BCBSMA). All plans offered come with a 1% upfront premium discount and cooperative membership provides members with access to additional cost saving options not available in the open market. To start taking advantage of these cost saving options members may contact their broker or our providers directly to request a quote.

For more information regarding these offerings as well as additional ancillary benefits please visit our webpage at [www.retailersma.org/RAMHIC](http://www.retailersma.org/RAMHIC) or contact RAM's Insurance & Human Resources Director, Larry Mulrey, at (617) 523-1900 ext. 180.

