



The Retail Review

THE OFFICIAL NEWSLETTER OF THE
RETAILERS ASSOCIATION OF MASSACHUSETTS

January - March 2022 Edition

MARK YOUR CALENDAR:

Thursday, May 12, 2022

Spring Board Meeting

Hampshire House, Boston

8:30 am - 12:00 pm

NEWS & UPDATES

If you are not receiving RAM e-news alerts you are missing timely updates and information, please email us at info@retailersma.org and provide us an email address. To view past e-news alerts visit our website www.retailersma.org.



Tuesday, April 12, 2022

12:00 pm - 1:30 pm



2022 Virtual MA Small Business Day

RAM is once again proud to be co-sponsoring an event to highlight our industry and our small business members on MA Small Business Day. This virtual event will occur on **Tuesday April 12, 2022**, with specific details soon to be released. It is more vital than ever that small employers are more focused, cohesive, and louder in our educational efforts.

We hope you will consider joining us and become more engaged in our collective industry and small business education efforts. Take time to know your legislators, and attend meetings and gatherings with them and your local chamber of commerce. Rest assured that activists seeking new mandates, restrictions, and costs on your bottom line are working equally hard to get the attention of those we elect to public office.

It is our collective responsibility to hold our elected officials accountable for sensible economic policies, and to make sure their support of Main Street goes much further than just a few photo opportunities or Tweets on Small Business Saturday in November. MA Small Business Day is an important time to deliver those messages and reminders.

Watch your email and our website, www.retailersma.org for more information.



A Letter from the President

Cost, Shipping & Staffing Issues Persist Post COVID

After 24 months of dealing with the whiplash of government triggered closures, restrictions, and layoffs, which collectively led to dramatic shifts in remote work, and consumer spending habits; the wake of COVID leaves our industry and customers now with inflation not seen for 40 years. Those escalating costs are also coupled with continued supply chain disruptions and staffing shortages.

The challenges are evolving yet persisting, putting many small businesses at continued risk as they seek to increase sales while struggling to control spiraling costs.

Consumers for the time being are relatively confident, and their personal balance sheets are in good shape given less spending and borrowing, higher wages, and the increased value of their homes over the last two years. Yet, that can rapidly change as their necessary expenditures for electricity, heating, gasoline, food and health care dramatically increase with inflation; and as war abroad raises concerns. Discretionary consumer spending could be squeezed as prices rise at local sellers and service providers due to increased inventory and staffing costs.

For small businesses seeking customers, delivering great service at the proper level of value becomes a far more difficult objective. Payroll has increased, even with staff shortages; shipping costs in many cases have at least doubled for inventory which has also dramatically increased in wholesale price.

As the economic challenges evolve into a third year of uncertainty for the balance of sales and operating costs, what can government do to protect your future? And what can we do collectively as an industry to work together to meet these challenges?

The most important guiding principle for government is to first “do no harm” for their small businesses and Main Streets. State government must avoid counterproductive initiatives which raise mandated payroll costs, including unemployment and paid family and medical leave taxes, and workers compensation premiums. And government must recognize that certain mandates on health insurance and energy disproportionately hit small businesses, which have neither the market clout nor the regulatory equality under certain laws for cost avoidance under mandated programs.

Our local governments in the coming months should focus on using their ARPA dollars to promote, protect and preserve their Main Streets by providing timely rent assistance, incenting local consumer spending, and by continuing to provide convenient and affordable parking in their shopping and dining districts.

And here at RAM, we will continue to improve and expand our offerings of member services, which are designed to both save dollars, and to help attract and retain your workforces. Thirty-one years of unparalleled results under our MA Retail Merchants Workers Compensation Group provides our members ownership of the collective cooperative premium savings through up front discounts and backend dividends which elsewhere would go to the commercial insurer.

Likewise, our innovative Health Insurance Cooperative has navigated challenges thrown up by federal and state regulation which historically discriminate against small employers, by providing important and free employee benefits, ranging from employee assistance programs, to vision, life and supplemental hospitalization coverage, to health savings account and flexible spending account options. And although the federal government last year displayed both an anti-small business and an anti-Massachusetts regulatory bias by taking away state

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The Retail Review

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discretion for our upfront group discounts, we have been innovative by coupling the free employee benefits with a backend employer incentive. These benefits help you compete with large employers, as you seek to recruit and retain a quality workforce.

Retirement savings are vital to the future of our employees, and several states have mandated the offering of a 401K program. In a cooperative effort with our counterpart state associations across the country, our multiple employer plan is comprehensive for your employees, without the costs of implementing your own plan.

What makes these cooperative programs work is collective buying clout of our members. Together we are stronger in market-oriented solutions to support you and your employees, and the more those programs expand, the greater the savings and benefits.

At the same time our growth in membership and services makes us stronger as an association and an industry in public policy arenas of all levels of government.

The economic and political challenges for our industry and members today are formidable. Yet working together and growing together we can meet those challenges.

Jon Hurst,
President

Engage with other RAM members in your retail sector

RAM is seeking to better engage our members within targeted retail sectors to bolster public policy efforts through periodic Zoom meetings and communications. Connecting similar businesses from across the state for face-to-face policy discussions has never been easier to do for busy small employers. RAM will coordinate short virtual meetings that focus on specific retail sectors—whether that be restaurants, auto service establishments, grocers, furniture, book, or pet supply stores—to identify the issues impacting each group and strategize ways to best communicate concerns to bring about change. Likewise, we can also pull together members in individual communities to deal with pending local issues on strategy and policy positions.



Interested members can fill out our Sector Division Survey to help us better understand the priority issues of concern facing your business as well as which sectors of our membership are most interested in this type of activity. Submit your survey today and become part of the solution.

www.surveymonkey.com/r/SLJRV9W

There are several state and New England associations which service various homogenous retail sectors. All of those associations provide important functions, and RAM members are urged to participate with those organizations. RAM is not about sector training, supplier relationships and trade shows; rather we are about public policy advocacy and broad-based small business services. The establishment of RAM membership divisions is in no way meant to compete with the important work of any of those focused sector organizations, nor of local chambers of commerce; rather we are simply working to become a more engaged, coordinated and effective trade association and industry on behalf of all of our members, with all levels of government.



RAMHIC News: Cooperative Expands Free Ancillary Benefits and Announces 1% Wellness Incentive

WELLNESS INCENTIVE

RAM has been approved to provide businesses participating in the RAM Health Insurance Cooperative (RAMHIC) with an annual year-end wellness incentive. Our goal is to provide equal access to the wellness incentive to all cooperative member businesses. The incentive will therefore be issued universally to all cooperative member businesses according to the following conditions and eligibility requirements:

- The business must enroll in a Blue Cross Blue Shield of Massachusetts (BCBSMA) health benefits plan through RAMHIC with an effective date of January 1, 2022 or later.
- The business must elect the BCBSMA Healthy Actions wellness program as part of their health benefits plan, and agree to promote Healthy Actions to their covered employees—both are existing eligibility requirements for joining the cooperative.
- The incentive shall be an amount equal to 1% of total annual premium paid on the health benefits plan during the plan year.
- The business must remain enrolled in the health benefits plan for the full 12 months of the plan year to remain eligible to receive the incentive. Cancellation or termination of the health benefits plan prior to the end of the plan year will result in forfeiture of the entire incentive.
- The incentive will be issued within 90 days after the end of the business's plan year, and will be issued directly from RAM to the participating business.
- The 1% wellness incentive shall be separate and distinct from the financial incentives available to employers and enrolled employees through Healthy Actions for participation in that program.

This wellness incentive is part of an expanded list of free ancillary benefits available through RAMHIC and designed to help your small business compete with large employers. To learn more about your free ancillary benefits visit RAM website at www.retailersma.org/ramhic-free-ancillary-products

Questions regarding the RAMHIC Wellness Incentive program may be directed to RAM General Counsel, Ryan Kearney, at 617-523-1900 or via email at rkearney@retailersma.org.

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NEW RAM OFFERING:

LARGE GROUP BENEFITS FOR SMALL RETAIL EMPLOYERS

With Blue Cross Blue Shield of Massachusetts, you're backed by a health insurance leader that's uniquely positioned to improve health care. Blue Cross' unrivaled network of relationships with providers and others can mean deeper discounts and better care, as well as benefits that are customized to you.

In 2022, the Retailers Association of Massachusetts (RAM) Health Insurance Cooperative is bringing our small retailers even more large-group benefits. RAM employers or their employees now can take advantage of:

- Vision plan, administered by Blue 20/20*
- Employee Assistance Program, administered by New Directions, an independent company*
- Fee waiver for HealthEquity[®] Personal Spending Account (available at renewal)**
- A 1% employer wellness reward, administered by the RAM Health Insurance Cooperative***
- Accident coverage, administered by USable Life[®], an independent company****

THE FOLLOWING RAM BENEFITS AND TERMS CONTINUE UNCHANGED

- \$10,000 Group Life Insurance, administered by USable Life****
- Hospital Indemnity plan, administered by USable Life****
- Blue Cross subscribers must be enrolled in Healthy Actions[®], Blue Cross Blue Shield's wellness program.
- Dental Blue[®] and GeoBlue[®] International Travel health insurance plans continue to be available to RAM member employees, at an additional cost to the employer
- RAM also offers employers: workers' compensation; a discount for credit card processing; legislative policy advocacy; and more

*Available to groups with 1-50 enrolled employees; coverage includes dependents

**Available to groups of 1-50 enrolled employees

***Available to groups of 1-50 enrolled employees, and in addition to any Healthy Actions earned incentive

****Available to groups with 2-50 enrolled employees, covering subscribers only

QUESTIONS?

For more information, contact Inside Sales at 1-888-723-4840 or insidesales@bcbsma.com.

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MA Legislature Reviewing \$48.5B State Budget Proposal, \$700M Tax Cut Plan

In January, Gov. Charlie Baker filed his FY23 state budget proposal, H.2, a \$48.5 billion spending plan that was accompanied by a separate \$700 million tax cut proposal that “will relieve the tax burden for very low-income residents, provide significant relief for housing and childcare costs, and improve the state’s competitiveness,” as described by the Governor.

The budget includes a \$749 million increase to the Stabilization Fund, which will bring the balance to a record high of \$6.64 billion by the end of FY23. Governor Baker’s proposal did not include plans to spend any of the remaining \$2.3 billion in federal relief funds still available. A separate spending plan is expected at a later date to appropriate those funds leftover from the state’s share of COVID-19 relief funds from the American Rescue Plan Act of 2021 (ARPA).

Unfortunately, but not unexpectedly, the budget again includes the “Real Time” sales tax collection proposal, or daily remittance requirement, that the Governor has included now for the 6th year in a row. The proposal (in Section 34 of the budget) requires third party processors (predominantly credit card companies) to remit to the Commonwealth, on a daily basis, the portion of a sale that is attributable to sales tax, with an effective date of July 1, 2025. To comply with this change, retailers, banks and payment processors would need to spend billions to upgrade software and hardware according to a 2017 State Tax Research Institute study. This proposal does not modernize tax collections, it creates a bifurcated system – a new one for card transactions, while preserving the existing one for cash, check, gift card and split tender transactions.

Added costs aside, we argue now that with the adoption and implementation last year of the advanced payment of sales tax system, this issue has been resolved. The state now receives an advanced payment of sales tax by the 25th day of every month from all filers whose cumulative MA tax liability in the immediately preceding calendar year is equal to or more than \$150,000. Retailers now remit sales tax on an advanced schedule, and the state has already benefitted from the one-time revenue bump in advanced collections when the system was first turned on. There is now no available state revenue bump from a switch to daily

remittance, only added costs and administrative burdens to our retailers and restaurants.

The Governor also again proposes to allow for the use of debit cards in lottery purchases, in Section 10 of the budget. RAM opposes this change, unless the language is amended to clarify that Lottery Commission “shall pay any fee associated with facilitating point of sale transactions with a debit card.”

When consumers use a debit card to make a purchase, banks charge that retailer a fee to process the transaction. According to the U.S. Federal Reserve, the average debit card fee ranges from \$0.23 on a larger bank’s card, to \$0.44 on a smaller bank’s card. If this proposal passes, swipe fees would eat into every debit card lottery ticket sale. The customer would see no change in the price of the ticket, but the vendor would lose out on the swipe fee. Meanwhile, Lottery is flourishing. The state should not allow for any debit card sales of lottery products unless the state is willing to pay for all of the related swipe fees.

RAM is actively engaged in discussions with legislators and staff to oppose both of these measures as the budget process advances.

The Governor’s tax plan, filed as separate legislation (H.4361 & H.4362), expands tax breaks for senior citizens, parents, and low-income workers, as well as proposing changes to the estate tax and capital gains tax. The estate tax is reformed, in a proposal to double the current \$1 million threshold and eliminate the “cliff effect” that taxes the full amount below the threshold. The tax rate on short-term capital gains would be cut from 12 to 5% under the plan. RAM testified in support of the Governor’s plan before the Joint Committee on Revenue in February, arguing that the package, as a whole, would put more money back into the pockets of Massachusetts families and consumers, who in turn would invest and spend that money here in our local economy.

The House and Senate Committees on Ways and Means are now holding of a series of public hearings on the budget, broken out by subject matter. The House will release and debate its budget plan in April, and the Senate will follow with its own process in May.

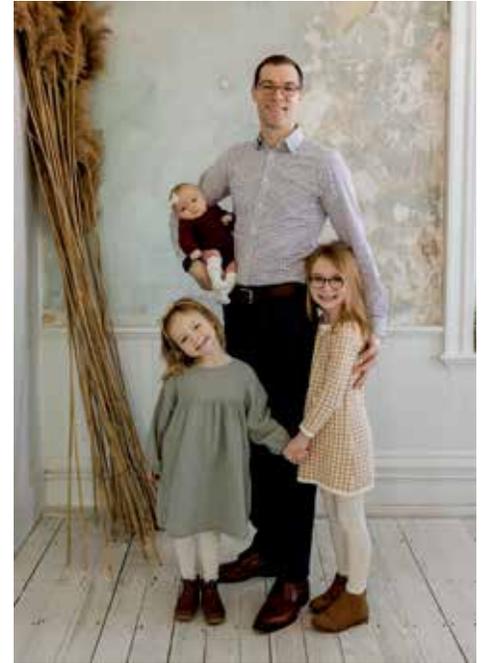
Data Privacy Bill Raises Concerns

Last month, the MA legislature's Joint Committee on Advanced Information Technology, the Internet and Cyber Security, favorably released a redraft of state data privacy legislation. The bill, S.2687, An Act Establishing the MA Information Privacy and Security Act, is modeled after the CA Consumer Privacy Act of 2018, but attempts to draw from other since-passed state laws as well. The bill requires covered entities and data processors to use information collected only for certain business purposes, to reasonably secure personal information, comply with data breach requirements, substantially limit the sale of information to any third party, and establish principles of data portability, where an individual can request access to all of the personal information a company has stored on them, and more. RAM recently hosted a member working group meeting to identify key issues with the bill and outline a discussion strategy moving forward. With serious outstanding concerns, we will continue to engage with legislators and staff to make sure that retail's voice is heard. ■

Labor Committee Advances Legislation to Expand Overtime & Implement One Fair Wage

The Joint Committee on Labor and Workforce Development recently released two bills of concern to RAM members. S.1225, An Act updating overtime protections to protect the Commonwealth's middle-class workers, seeks to increase the salary threshold for the "white collar" overtime exemption to \$64,000 by 2024 and remove existing exemptions for seasonal, hospitality, gas station and restaurant employees. S.1213, An Act requiring one fair wage, would gradually eliminate the state's allowable tipped wage for service workers by incrementally increasing it each year until it matched the state's minimum wage in 2027. Both bills were reported out favorably and referred to the Senate Committee on Ways and Means. RAM continues to actively oppose both of these bills and urges concerned members to contact their state legislators and share their concerns. ■

RAM Welcomes Baby Kearney



RAM General Counsel Ryan Kearney and his wife Meghan welcomed their third daughter to the family on December 4, 2021. June Carroll Kearney joins her sisters Bronwyn (6) and Greta (4).

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www.Retail401k.com

Member News

Rocky's Ace Hardware Approaches A Century Of Innovation And Change

The Falcone family have been innovators since 1926, when Rocco Falcone II's grandfather opened his first hardware store in Springfield — and later doubled his profits with a foray into tool rentals. Now part of the Ace Hardware co-op, the family business has made plenty more pivots since then, adopting the home-center model in the '70s and then shifting to a more targeted, customer-service-focused model in the '90s to combat the rise of Home Depot. And today, at a time when the pandemic is crushing small, independent stores, Rocky's is still growing, to 38 stores and counting.

Read the whole story by Joseph Bednar, in the February 17 edition of *Business-West.com*



Rocky's has grown from a single store in downtown Springfield to a 38-location chain in eight states.



Rocky's Ace Hardware President and CEO Rocco Falcone II



You can also find these stories on RAM's social media channels. If you would like your business featured on RAM's social media, email ashea@retailersma.org

Don't forget to 'Like' us on Facebook.

With Flowers in Short Supply, RAM Member, Central Square Florist Graced the Cover of *The Boston Herald* Ahead of Valentine's Day

As a fixture in the area since 1929, Central Square Florist is a unique breed of flower shop. They feel like a neighborhood market, but their shelves are nearly bursting with flowers and plants, sourced from all over the world. They're able to provide a wide selection at an exceptional value, and if they don't have it, they can get it...easily.



Jackie Levine, vice president at Central Square Florist in Cambridge.

Judy Herrell Wins Alignable's Northampton Businessperson of the Year Award

RAM member Judy Herrell, owner of Herrell's® Ice Cream & Bakery, won Alignable's Northampton Businessperson of the Year Award. This award is given after a two-month nomination and voting period is completed by businesspeople within the specific community named.

The competition runs throughout the US and Canada, and each community's businesspeople vote on the winner in each community.

According to Alignable, "Competition criteria focused on local SMB role models who are dedicated to helping other small businesspeople succeed. After an extended round of nominations, top nominees advanced to the finalist stage, where local Alignable members voted for their favorite candidate."

"It's truly an honor to just even be nominated," said Judy, "but to win, well, that's amazing, especially with all of the other great business owners in the City of Northampton."

Welcome 71 New Members

3A Auto Body Billerica	Coppycakes LLC Lynn	Lee's Hot Dog Stand Baldwinville	Sutter Meats LLC Northampton
A&J Ethos Woburn	Creative Cakes by Colleen Monson	Lemon Brooke Concord	Teststripz LLC Woburn
Abby Park Milton	E Market Convenience Peabody	Lychee Bistro & Lounge Quincy	The Bookloft LLC Great Barrington
ABS Gas & Co. Fitchburg	Eleni's Mediterranean Grill Woburn	Marblehead Ace Hardware Marblehead	The Local Tavern and Grille Sandwich
American Flatbread Somerville	Everett Transmission Services Everett	Mass Alternative Care, Inc. Chicopee	The Mercantile South Boston
Bert's Electric Supply North Quincy	Frank's Auto Inspection & Repairs Wakefield	Mission Beach House Revere	Uni-T Natick
Bird & Wolf Haverhill	Frank's Gulf Service, Inc. Saugus	Mizuya Japanese Restaurant Norwood	US Gas and Convenience Middleton
Birds Hill Pharmacy Needham	GazBar, Inc. Leominster	New England Harvest Newburyport	Victory Exhaust Peabody
Bon Me Foods, LLC Roxbury	Hartnett's Auto Body, Inc. Danvers	Novara Milton	White Lion Brewing Company Springfield
Book Hill Farms LLC Yarmouthport	Health Circle, Inc. Rockland	O'Brien Garden Center LLC Peabody	Wine Witch LLC Northampton
Boston Light & Sound, Inc. Boston	Husky's Pub Worcester	Oliver M. Dean, Inc. Worcester	Yong Shing Auburn
Boston Wholesale Lobster Co. Lynn	IHOP Tewksbury	Original Stockyard LLC Brighton	
Botera Brockton	Jae's at the Hilton Garden Inn Pittsfield	Oxford's Casual Dining Oxford	
Cafe Fresh Bagel Norwood	Jardin Mahoney Edgartown	Paprika Grill Salem	
Cape Cod Café Brockton	Jay's Smoke Shop Oxford	Pikalox Dorchester	
Capri Pizza & Restaurant Holyoke	Jay's Smoke Shop Fitchburg	Raceway Dracut	
Caroline's Cannabis, LLC Douglas	Johnson Compounding Waltham	Real Italian Gusto Medford	
Central Square Gifts Grafton	Joseph's Pawn & Jewelry Springfield	Rogers Spring Hill Garden and Farm Center Haverhill	
Cohasset Golf Club Cohasset	La Hacienda Bar & Restaurant Boston	Smokestack Roasters Lunenburg	
Commercial Comfort Service, Inc. Tewksbury	Lambert's Cove Inn West Tisbury	Stevens Jewelers, Inc. West Springfield	





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Practical Insights to Supercharge Your Workers' Comp Plan!

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ConnectPayUSA.com/workerscomp

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COVE22

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- 300+ Exhibitors
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WHO SHOULD ATTEND?

Anyone involved in the running of restaurants and foodservice establishments such as but not limited to:

- Restaurant Owners
- Executive Chefs
- Purchasing Managers
- F&B Directors
- General Managers
- Bar Managers
- Caterers/Event Planners
- Executive Management

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Membership News

We want to hear from you!

Contact Andi Shea, Membership Director at 617.523.1900 ex. 150 or ashea@retailersma.org with any interesting news or information about your business.

For example, let us know when your business is in the news or if you received special recognition from your community. We would like to showcase this information in future newsletters.

