

PAUL CRANEY: Mass. business community's been quiet as church mice

By Paul Craney

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This is my fifth column in a row regarding Gov. Deval Patrick's proposed budget and the effects it will have on taxpayers. The governor's budget, if passed, will have a lasting impact on Massachusetts even after the years following the end of Gov. Patrick's final term in office.

On Jan. 23, the governor proposed his Fiscal 2014 budget which included a 19 percent increase of the income tax rate, jumping the rate from 5.25 percent to 6.25 percent. It also included the elimination of approximately 45 tax deductions that save hard working families costs in health care, education, transportation and home ownership. The governor's plan would reduce the sales tax from 6.25 percent to 4.5 percent, even though the governor and the Legislature recently spent precious political capital raising rates only a few years ago.

The governor's ambitious plan was met with dead air from many in the business community. Without naming names, influential voices in the business community were quiet as church mice. Only the National Federation of Independent Business was vocal in their opposition.

The *Boston Business Journal's* editorial page, which no one can claim has a weak backbone, was quick to point the lackadaisical response from the business community. The newspaper said in its Feb. 8 edition, "Ours is one of the few states in the nation where a governor can propose a 19 percent income tax increase, along with the elimination of many personal tax exemptions, and receive in return almost complete silence and virtually no organized resistance. When it comes to dealing with big issues, Massachusetts is more of an oligarchy than a restless, living democracy."

The *Boston Business Journal's* editorial brings me to my point and question for this column: Where is the response from the business community? If any of my readers are business owners and have a contrary opinion to the governor's budget, you are not being represented, you need to speak up. What are you waiting for?

According to *Entrepreneur* magazine, small businesses create 60 to 80 percent of all jobs in the U.S. In my last column, I explained to readers that more than 90 percent of voters recently polled listed "jobs and the economy" as a high priority. This single issue unites Independent, Democrat and Republican voters alike, crossing age, gender, and race.

When you walk around Beacon Hill in Boston, if you look closely you will see large buildings enveloping our Statehouse. Some of these buildings represent unions and their interests. You don't see the Massachusetts Chamber of Commerce outside of the Statehouse because it doesn't exist.

The business community is not uniting and vocalizing their concerns. If you don't speak up, others will for you but it will not be in your best interest.

If the governor's budget wasn't bad enough, here are some facts about Massachusetts' economy. According to CNBC's 2012 rankings, Massachusetts is the 49th best state to do business when comparing the cost of doing business, and is the 41st best state for the cost of living category.

Dave Andelman, the CEO of Phantom Gourmet, pointed out in a recent op-ed that from 1980 to 2010, Massachusetts has gone from 12 votes in the U.S. House of Representatives down to 9, due to losing population to other states. Andelman continued that despite the negative migration of population; Massachusetts has nearly 700,000 adults on welfare and unemployment.

The last time CNBC ranked welfare spending to per capita population, Massachusetts ranked as the fourth highest state in the country.

If you are a business owner and are still sitting the fence, take solace in a few individuals who are paving the way before you. In my next column, I will introduce the public to some of these good people who are small business owners or advocates for the business community.

Before I do introduce these individuals, here is your opportunity. If you are a business owner, a job producer, an employer, do something this week to let your voice be heard. It can be as simple and private as sending me an email saying you agree with my column, or as public as contacting your elected official or local newspaper. But at the very least, do something.

With all the talk of sequestration, your opinion is not worth sequestering. The governor's plan is bad medicine for Massachusetts and the conditions are only getting worse. Now is not the time for the business community to stick its head in the sand.

Paul D. Craney is the executive director of Massachusetts Fiscal Alliance, a nonprofit organization that advocates for right of center economic, fiscal and good government issues. Send tips and comments for this column to paul@massfiscal.org or Tweet @PaulDiegoCraney.