



Steven Grossman
Treasurer and Receiver General

The Commonwealth of Massachusetts
Department of the State Treasurer
State House
Boston, Massachusetts 02133

June 10, 2013

Senator Daniel A. Wolf
Senate Chair
Joint Committee on Labor and Workforce Development
Room 511B
State House
Boston, MA 02133

Representative Thomas P. Conroy
House Chair
Joint Committee on Labor and Workforce Development
Room 39
State House
Boston, MA 02133

RE: S.878, H.1701, and H.1757

Dear Senator Wolf and Representative Conroy,

I want to express my strong support for legislation to increase the minimum wage in Massachusetts. If Charles Dickens was alive today he would write "A Tale of Two Commonwealths" – one about prosperous, thriving communities filled with low unemployment, state of the art schools and modern transportation infrastructure, and another about Gateway Cities suffering from too few jobs and teachers, along

with too little hope and dignity. In government, the most vulnerable citizens are our responsibility. We cannot afford to leave anyone behind.

Since the minimum wage was set at \$8 per hour in 2008, the 94,000 workers in the state estimated as paid at that level saw inflation erode their buying power to \$7.41 per hour, according to the Massachusetts Budget and Policy Center. As serious as that decline is, the reality is that the Great Recession created a period of unusually low inflation. It is unlikely we can sustain that low inflation rate as the recovery accelerates, and I fear that low-wage workers face the prospect of falling even further behind in the years ahead.

Assuming that minimum wage workers are employed for a full 40-hour week – and few are – their annual income would be \$16,640, which is barely 70% of the \$23,550 the federal government sets as the poverty level for a family of four.

On top of this income inequity, there is also gender inequality: Women represent nearly two-thirds of minimum wage workers. Women heads of households face particularly daunting challenges and need our support.

As a small business owner, I headed a company that has been a union shop for 61 years. In a tough, highly competitive business, we paid high wages compared with most of our competitors. However, we were more than amply repaid by the quality, service, value, and professionalism we could deliver to our customers precisely because we had a loyal, dedicated, and experienced workforce.

Critics say that increasing the minimum wage will cost businesses money. I believe that high turnover and workers whose focus is distracted by a struggle to provide for their families also cost businesses money and market share.

The legislation before your committee proposes that any increase in the minimum wage be phased in over a three-year period and that certain occupations, because of their unique nature, be excluded from the provisions.

I believe that is a sensible step that reflects the reality that while we are slowly edging our way out of the Great Recession, recovery is still incomplete and uneven. The phase-in will allow for ample opportunity for business revenues to grow sufficiently to sustain the new minimums.

If we truly value the work ethic in America, then the very least we can do is ensure that people who work hard every day receive the compensation they need to maintain a decent standard of living. I urge the Committee to favorably report a bill to increase the minimum wage.

As always, if you have any questions or want further information, please contact me or my staff.

Best regards,

A handwritten signature in black ink, appearing to read "Steven Grossman". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Steven Grossman
Treasurer and Receiver General
Commonwealth of Massachusetts