

To: House Committee on General, Housing & Military Affairs
From: Parker Riehle, President, VSAA
Re: H.552 – Minimum Wage
3/28/14

Thank you again for the opportunity to testify on Friday, March 28, 2014 as to the Vermont ski industry's concerns with H.552 and as promised, this serves as the written summary of our position.

About 75% of ski area employees are seasonal full-time or part-time and while very few are pegged at the current minimum wage of \$8.73 (0 to 10% depending on the ski area, with many of those paid minimum wage being high school students who are not legally owed the minimum wage) there are a substantial number of seasonal employees below the \$12.50 level proposed in H.552 and below the \$10.10 called for in the Administration's proposal such that an increase to either amount would create significant upward wage pressure across all pay scales. The challenge for the ski industry is that prices cannot simply be increased to reconcile this wage pressure, given the numerous other increases that occur on an annual basis, whether it be the cost of energy, insurance, property taxes, etc.

It should also be noted that the ski area employees are drawn to the additional perks that add significant value to their wages, such as free access to skiing and other amenities and discounts on food, beverage and retail items. In addition, housekeepers receive tips on top of regular wages and ski instructors have the potential to earn two to three times their wage level if they give private lessons.

Finally, we would likewise be opposed to H.552's increase in the tipped minimum wage by three dollars to \$6.65. This would be significant increase for a sector of our tourism economy with extremely thin profit margins and is not necessary given that total wages earned by wait staff will typically far exceed the current minimum wage when tips are factored in.

Thank you for your consideration.

Parker

Parker M. Riehle
President
Vermont Ski Areas Association
P.O. Box 368, 26 State Street
Montpelier, VT 05601
P: 802.223.2439 F: 802.229.6917
www.skivermont.com

