

## **VRGA Overview**

VRGA is the result of the Vermont Retail Association and the Vermont Grocers Association merging in 2014. To date, VRGA consists of about 800 stores – ranging from general retail, grocery stores, convenience stores, distributors, producers, and business service members. We are the umbrella association for the Vermont Specialty Food Association, the Vermont Petroleum Association, and the Vermont Alliance of Country Stores. We host several networking events throughout the year to foster networking, and information sharing. We work hard to represent the voice of our collective membership, ensure that they're well-informed to the point where they are in compliance with state laws and regulations, and are aware of cutting edge resources and opportunities in the retail sector.

Fun Fact: Retail is the largest private employment sector in Vermont with an average of 67,000 employees at any given time.

- Increases during the holiday shopping season,
- \$2.5 billion in GDP

Some of our concerns may be of no surprise to you.

- A shrinking workforce and the diminishing ability to find reliable, trainable employees persists and is a perennial discussion. I consistently hear from my members that it's becoming harder and harder to find capable employees. It's hard to find trustworthy employees.
- Main Street Fairness continues to hurt the small retailers in Vermont. This past holiday season we noticed about a 3% increase over last year's holiday shopping sales. Slowly getting back to 2014 levels.

Online shopping this past holiday season increased by 17% over last year's numbers. Last year, it increased 13%. Double digit numbers don't bode well for the state's tax revenues. VRGA continues to press our congressional delegation for a national fix, but the further down the road we head the more likely it seems that we'll need to depend on a state-by-state fix.

***Example of what 17% is: Based on the reported sales tax revenues for November and December 2016, the state lost upwards of \$5 million.***

*Sales and use tax for Nov – \$19.1, Dec – \$18.93*

- *\$6.5 million in November and December alone*

- Mandates: Each year, new mandates on business reduce the already finite margins that they operate on. In a commentary by one of my members, Marc Sherman of Stowe Mercantile he talks about how payroll and all the associated taxes are the single largest group of expense and therefore it is always under pressure to not increase faster than the growth of sales. Struggle with increasing online sales.

However – the single greatest asset businesses have are their employees. It's hard to offer a one-size-fits-all benefit package when our employees each prioritize something different. When the cost of doing business differs for each business. Many of the employers in Vermont know that their employees are their most valuable asset.

We ask that this committee keep in the back of you minds this year,

- that workforce development is one of the greatest necessities in Vermont
- employees are our greatest asset, and we ask that employers have the opportunity to work with their employees to address their priorities be it flexible hours, a slight increase in pay if possible, additional vacation time, etc. But employers and employees have to work within the finite constraints of the business's operating budget. This will require taking a pause in increasing or imposing new taxes or fees.
- We really do have an incredible product here – the state as a whole but also the fantastic products produced here. We believe there is opportunity to strengthen the state's brand, but that will require new, creative ways of marketing, partnering with organizations and businesses from around the state, and possibly reprioritizing existing funds.