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Testimony in Support of Raising the Wage in Vermont  
S. 40, a bill to raise the minimum wage

Eva Krukowski  
Bennington College Class of 2020  
Vermont State Legislative Intern (Winter 2018)

I am speaking as a college student in Bennington Vermont, and also a former Legislative Intern for the State House. During this past winter, I worked in the State House under supervision from Sen. Brian Campion. While here, I focused most of my work on this bill so I am familiar with the pros and cons that the legislature is grappling with on this issue. I was born and raised in San Francisco, but I have chosen to study in Vermont from here on out.

**The bill S.40, a bill to raise the minimum wage, came out of the S. Economic Development/General Affairs. Senator Mickael Sirotikin, the chair of this committee, truly did his work on this bill well in advance of this session to make it the best it can be for the time being.**

There was a study group complete with Senior Economists like Tom Kavet and Joyce Manchester, and support from the legislative council by Damien Leonard, among others. I interviewed Sn. Economist Tom Kavet during my internship and questioned him on the merits and possible issues with S.40. I was very pleased to hear in his testimony that he is in support of this bill.

I'm here to represent the majority of students from Bennington who earn Vermont's minimum wage through our Federal Work-Study positions. Federal Work-Study provides part-time jobs for undergraduate and graduate students with financial need, allowing them to earn money in college to help pay education expenses. The program encourages community service work and work related to the student's course of study.

Bennington College is located inconveniently far away from Main St. and Downtown Bennington which makes it difficult for students to shop or work at the many local, small businesses. The closest places to shop to our College are Walmart, Price Chopper, Hannaford, and Home Depot. Bennington students already need an incentive to go downtown to shop, so increasing the minimum wage would be an incentive to shop, work, and spend more time downtown.

As much as I would *love* to shop at the local book store, farmers' market, or mom & pop restaurants, I cannot afford to do so. I earn my spending money

directly from working my part-time minimum wage job on campus. The type of student budget that I am describing is chump change compared to the budget and expenses that you hear from working families because most living expenses for college students are included in tuition. The small, student budget that I'm describing consists of expenses like books, groceries, clothing, and some leisure expenses. **Students** who work a Federal Work-Study position or any part-time position **should be able to afford** a budget like this.

Students want to be able to support small businesses because we have all moved to Vermont to fall in love with Vermont culture. The Vermont experience is built on the products produced by small business owners and farmers. The charm of Vermont does not exist at staple stores like Walmart and Home Depot, it exists at Powers Market in North Bennington. Or at the Bennington Bookstore on Main St. College students in Vermont want to support and buy into the "Vermont charm", which I have learned is vis-a-vis the Vermont economy, but we cannot afford to.

As a student, I am faced everyday with the task of learning how to "walk the walk" as a working adult. Many students and business owners can attest to the beneficial experience of hiring young people. **When you hire a young person, you are giving that young person a clear vision of themselves running a business.** Not only are you giving them a dream, but you are giving them a resume and experience. Raising the minimum wage will benefit small businesses because it is making them competitive with big businesses.

I am not just a college student who moved to Vermont to go college and then leave the state to work back in my home-state. I moved to Vermont to become a working, voting, citizen of the state. It would be very easy for me to move back home to San Francisco, CA and earn \$15/hour flipping burgers. Believe me when I say that I would rather live in this beautiful state of Vermont and flip burgers for \$15/hr than move back to my sunny California\*. (See note 1.a.-b. Below in case you are curious why CA and VT should have the "same" minimum wage when cost of living might be different).

We all are too aware that Vermont's workforce is aging and because of this, Governor Phil Scott wants to attract more young people into the state to study, work and start a family... I am the target demographic that the Governor wants to attract to stay in Vermont. So please help me make this dream an *economic reality* and vote yes on S. 40, a bill to raise the wage in Vermont.

Thank you,  
Eva Krukowski

Additional Information:

I understand why people are skeptical of S.40 because I have also been skeptical of it too. Here are some things to keep in mind in regards to this bill:

1. An *incremental* increase in wages until 2024 for Small Businesses: **This bill is offering a 6-year grace period for businesses in Vermont to plan financially for the \$15/hr benchmark.** This grace period means that the bill as is, will only effectively increase wages by a mere **\$2.84** above the projected minimum wage under the current law.
  - a. \*You might wonder why Vermont should mimic California in their minimum wage because our cost of living is probably lower than theirs. The bill in California has a 2022 benchmark which means by the time Vermont's minimum wage is \$15, CA's will be higher. Around 40% of the businesses in California are small businesses, and Vermont's small businesses make up around 80%. This means that the majority of the businesses in California can afford to pay their employees \$15/hr two years earlier than Vermont's businesses.
  - b. \*Vermont's original bill was a duplicate of California's with a 2022 benchmark. For those legislators in the House that are trying to make further accommodations for small businesses, please note that this bill already has included an amendment to support small businesses.
2. **Single-parent families, female workers, and young people** will be affected the most by this bill because this is the disproportionately demographic **earning minimum wage in VT.**
3. Not only big businesses: If this bill only asked big businesses pay \$15/hr, then small businesses would lose their workforce: If only Walmart and Dunkin' Doughnuts could afford to pay you \$15/hr, then most of the workforce would choose to work at those businesses. **We might lose the small business workforce if we make any more incentives to work at big businesses.**

Table from Joyce Manchester's Fiscal Note:

<b>Table 1. Minimum Wage Paths in Nominal Dollars, Current Law and Proposed Path</b>					
	CPI inflation (Consensus)	Projected Current Law	\$15 in 2024	Projected Annual Increase	Difference from Current Law
2018	2.5%	\$10.50	\$10.50		\$0.00
2019	2.9%	\$10.80	\$11.10	\$0.60	\$0.30
2020	2.8%	\$11.11	\$11.75	\$0.65	\$0.64
2021	2.5%	\$11.38	\$12.50	\$0.75	\$1.12
2022	2.3%	\$11.65	\$13.25	\$0.75	\$1.60
2023	2.2%	\$11.90	\$14.10	\$0.85	\$2.20
2024	2.2%	\$12.16	\$15.00	\$0.90	\$2.84

"S.40\_Joyce Manchester, Legislative Joint Fiscal Office\_Fiscal Note\_2-8-2018.Pdf." February 7th, 2018, Fiscal Note prepared by Joyce Manchester, *Vermont Legislative Joint Fiscal Office*, 802-828-2295, VT LEG #330062 v.4, n.d.