

Sherman Enterprises Inc.

d/b/a
Stowe Mercantile
Boutique
Stowe Public House

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Vermont House Committee
General, Housing & Military Affairs

Testimony regarding H.196 Paid Family Leave

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Basic Payroll / True cost of \$1.00 in wages

For every dollar of gross wages, there are additional employer costs.

Federal Unemployment: .6%
Vermont Unemployment: 1.3% to 8.4%
Medicare: 1.45%
Social Security: 6.2%
Worker's Compensation Insurance: 1.5% and higher based on experience rating
VT Health Care Assessment.

The Proposed Family Leave bill increases the cost of an employee by .465. For my company that equates to another \$2,400 annually. That equates to more than a \$1.00 an hour raise for an employee.

After discussing this with my staff of mostly women, none of them were fully supportive. Several didn't want to pay into a program they may never use and 2 members stated they didn't intend to have children so they didn't want to pay into it.

As an employer, my business is unable to afford another mandated tax that increases the cost of employment.

I accommodate staff on an individual basis when situations arise. I extend pay and benefits and other accommodations that meet both the needs of the employee and of the business.

In fact, yesterday, I closed my stores early. I will pay my staff for their missed hours because I respect them and they depend on me to fulfill my obligation to them. It is an obligation that I and most employers take very seriously.

But I can't afford to do everything for them. At some point, there will be no jobs because I can't remain in business.

And the other great concern is the inability I have to keep a position open for three months.

I have a yearly staff of around 12 – 14 employees. In the summer, we extend our operating hours and hire 3 – 4 additional staff. Even though we hire high school and college students, it has become extremely difficult to find employees for these summer positions.

For my business, it would be crippling to have to hold a position open without a replacement. During the fall season and again in the Holiday period and ski season, there simply are not enough people willing to work for a short period that have the skills I need for my business.

Even if I found someone to hire for short term, it is impossible for them to learn all the skills they need to replace my regular staff member in their position. When confronted with these situations, I've always come to an arrangement with my employee that works for both us.

It is becoming too hard to be an employer in the retail and tourist segment of our economy. There simply is too much pressure on the employer.

I also noticed that language exempting small businesses from this bill has already been struck.

I just don't understand why there isn't any accommodation for small employers. We have no HR department. Many of us have no book keeper. We have lost any financial ability to carry extra staff because of increased pressure on profits. The owner has to do it all. But there's no acknowledgement of our contribution. There's no one to back me up, providing me with extra benefits, pay or time off when I have these situations in my life.

Small businesses in Vermont provide jobs and support to our communities. Why are we always made to feel we're not doing enough?