

Thursday, January 25, 2018

To Whom It May Concern;

I am writing to comment on the proposal to raise the state minimum wage to \$15.00 per hour, which I strongly oppose.

I am a small business owner in Stowe. I own a store, a wholesale business and a house cleaning company. I am one of the very businesses that your proposal would dramatically affect and not in a good way for my customers, my employees or myself. The wages I pay my employees range from \$11 an hour to \$17.00 an hour depending upon their position within the company, their responsibilities, training, and the number of years they have been with us. I also pay vacation and holidays plus provide annual bonuses.

Let me start by noting that I feel there is often confusion with the idea that the MINIMUM wage should be equated with a LIVING wage. They are not the same thing. Minimum wage is a starting point, a marker of what people should receive when there is very little training, education or skill set and an employer is required to provide those things or the job itself does not require them. Training people is costly, it takes more hours to get a job done, mistakes are inherent and independence is at a minimum for an employee. And then an employer runs the risk that after all that investment, an employee might decide that the job isn't right for them and/or conversely, the employee didn't work out for the company and you start all over again.

I think I speak for hundreds of businesses in this state when I express a frustration that the Legislature sees the answer to most income issues is to make businesses or taxpayers pay for a new program or service or, in this case, a raise in minimum wage. As though the belief is THIS time we will fix all the problems that plague low income Vermonters, THIS is the answer to economic rejuvenation in the state! Economic vitality is indeed supported by good paying jobs, but that is different than good paying handouts. And inadvertently (either because it is not politically popular or you're not really that interested) you skip a very important aspect of how people get/want better paying jobs, the element of pride and skin in the game, essentially the psychology of motivating people.

Stop for a moment, look around the Chamber and you tell me one person who is sitting in those seats that hasn't made sacrifices to get where they are in one way or another? Who hasn't improved their lives through advanced education, vocational training or mentoring/apprenticeships? Humans are motivated to do better by being part of their successes and failures, learning from them and enjoying hard won achievements. And the Legislature regularly takes that pride away from people by focusing on being indulgent "parents" to entitled children. You are not the State of Vermont's parents, rather you are its government and you should not forget that important distinction.

You are misguided when you think that everyone is owed a living. They are not. They owe it to themselves and their families to EARN a living. We can support them in many ways, but we can't do the

work for them either. Minimum wage is a great example of that. It's the MINIMUM meaning there are ways to improve upon that. As a state, we have a fantastic community college system and other blue collar training options. With financial aid, it is within the reach of most everyone who applies. A better educated and trained workforce is one of the important solutions to economic vitality and growth because employees have more money to spend as they usually enjoy higher wages. For example, the company that repairs my snowmobile charges \$105 an hour - because they can. Do you believe they pay their employees minimum wage? They most certainly do not because they are trained at a skill that pays them much better than that. Those employees made a choice to better their lives through education and skin in the game and it has paid off every paycheck since for them.

At the end of the day, by raising the minimum wage you will raise the prices in stores, at the gas station, at restaurants, housing, utilities and other essential services we all depend upon. The very parts of life you believe a hike in minimum wage will unburden, will in fact have the opposite effect. It will eventually level itself out right back to the same place as before the increase and you are back to square one, except we will have the dubious distinction of being one of the most expensive states within which to live and visit. That does not make for workforce retention and rejuvenation not to mention the colossal negative impact on tourism, a major economic force for us.

By increasing my payroll you also increase the cost of my workers compensation insurance, unemployment insurance, liability insurance, FICA/Medicare, and other costs of having employees - because they are ALL payroll based. Payroll goes up, so do all those aforementioned costs. That \$5 increase really translates to about \$8 plus. Am I also expected to pay the 16 year old who works for me with no advanced education or training and lives with her parents (who pay all their expenses) the same minimum wage? And do you honestly believe that companies will just absorb that and not need to find it somewhere else? You are naïve and ignoring the very real facts if you do.

I truly believe that if you want to positively impact the lives of all Vermonters you would be better served by shifting your energies to actively promoting and advocating for the myriad of ways we provide education and training in the state. Allow people the opportunity to better themselves on their own terms and with their own effort. It is practically free to go to CCV for lower income students. Why does advanced education not seem to get everyone as impassioned as costly quick fixes do?! No one is better educated or trained with a hike in minimum wage. There is no personal investment in bettering one's life. There is no ownership in the success, as the Legislature did it for them. You are essentially giving people promotions without them having to do one thing to earn them. And that's just shameful and disrespectful in my opinion.

Thank you for your time.

Elizabeth Gadbois  
Owner, Quality Cleaning of Stowe  
Owner, The Body Lounge – retail and wholesale

