

**S.23: An Act Relating to Increasing the Minimum Wage**  
**House Committee on General, Housing and Military Affairs**  
Charles Martin, Government Affairs Director  
April 10, 2019

The Vermont Chamber represents nearly 1,500 members from all industries and sectors of Vermont's business community. Informed by routine engagement with our diverse membership, the Vermont Chamber prides itself on maintaining a knowledgeable perspective on issues impacting Vermont's employees and employers. After carefully considering the concerns of countless Vermont businesses, all of whom are dedicated to providing their employees with the best possible compensation packages, the Vermont Chamber of Commerce continues to oppose an increase to the minimum wage beyond levels statutorily in place.

Proposals to increase the minimum wage above levels mandated by current statute will, if enacted, disproportionately impact small businesses, including those businesses' current and future employees. The reality stands that burdening Vermont's business community with an additional costly mandate will interfere with natural growth, including by limiting the ability of employers to organically expand compensation and benefits in a consistent and sustainable manner.

We are proud that Vermont maintains one of the nation's highest minimum wages. That said, we have concerns about a proposal to raise the State's wage scale by 40 percent over the next few years, when most Vermont businesses will not see equivalent revenue increases to offset such cost pressures. We celebrate Vermont businesses who currently pay above current minimum wage levels, but caution individuals who believe employers paying below this level are doing so for any reason other than the survival of their business.

Our members also have serious concerns about the tipped wage rate. The tourism industry is important to the economy and our restaurants are a major reason people enjoy Vermont. Current law requires the tipped minimum wage rate to increase at 50 percent of the minimum wage. We believe that Vermont should decouple these two rates. This would allow restaurants to pay their non-tipped employees a higher minimum wage and allow tipped employees to continue to earn above the minimum wage, or at the very least, the new minimum wage.

In summary, the Vermont Chamber of Commerce continues to support indexing the minimum wage to inflation, as is reflected in current law. If further increases are implemented, we suggest extending the \$15 an hour phase in date to January 1, 2028 and decoupling the tipped wage and minimum wage rates.