



Workforce Development Testimony
Submitted by Erin Sigrist, VRGA President
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VRGA represents over 750 members across the state. Our membership is inclusive of a variety of business types and models. Members include general retail, grocery stores, convenience stores, distributors, food producers, and business service members. Of the retail and food retail-related members, our membership represents just under 2000 retail outlets.

Retailers have been on the frontlines since the inception of retail. Over the past two years, food retailers have borne the responsibility to provide consumers access to the food and necessities Vermonters needed to safely get through the pandemic. Many general retailers, unfortunately carried the burden of having to close their doors, laying off employees, and if they did not respond quickly in establishing an online presence, many lost significant resources to online retailers.

Whether it was becoming personal shoppers for customers and delivering products to the curb or finding new and varied distributors to make sure products were on the shelf, retailers, like all other sectors, were forced to innovate and redesign their business models seemingly overnight.

And while I'm happy to report that the percentage of transmissions of COVID-19 within the retail sector remained exponentially low throughout the pandemic, and most retailers have survived a tumultuous two years, there is much work to do looking forward to bring retail and the business sector back to a solid foundation.

We've made great strides in Vermont, even through a global pandemic. The resiliency of Vermont, along with immense support from our Congressional delegation has provided us an opportunity to continue to move forward. In 2022, VRGA is advocating for support of the following:

Worker Relocation Grants Support

VRGA continues to support the worker relocation grants in an effort to address the worker shortage we face in Vermont. As the shortage has only become more dire with the COVID-19 pandemic, we are pleased to learn of the effort that has shown a positive annual economic impact. While these relocation grants rarely go to retail industry positions, workers that relocate make retail purchases. At this time, due to the rate at which wages have increased due to market pressure, some retail positions, specifically management positions which can hover right around the median household income for Vermont do qualify for workers relocation grants. However, we do request that eliminating the wage requirement would allow for all sectors in Vermont to bring in additional workers.

Addressing Vermont's Housing Stock

Much of the discussion surrounding workforce development has touched on attracting new workers to Vermont. Relocating workers consistently report difficulties finding housing as they move to Vermont for professional reasons. Likewise, low-and-middle-income Vermont residents consistently report on the lack of housing options. Without addressing the Act 250 process, the lack of housing stock will hinder recruitment efforts.

Access to Childcare

While the lack of access to childcare has long been felt across the state, the COVID-19 pandemic magnified the need to address Vermont's childcare system. Vermont must focus on building a stronger,

more sustainable childcare system to ensure that workers are able to maintain their positions, employers can maintain a consistent workforce, and children have consistency in their growth and learning experiences.

Financial and Business Transition Coaching

The proposal in H.703 to allocate \$500,000.00 to ACCD for statewide delivery of business coaching to support employee ownership business models, including worker co-ops and employee stock ownership plans. This provision is incredibly valuable for the small businesses across Vermont. Within the last two years, VRGA has noticed an uptick in general stores, and independent retailers looking to sell. To be clear, this should not only be limited to Employee Stock Ownership Plans. By limiting the coaching to ESOPs you are limiting access to this support for the small businesses that support our vibrant communities. There remain many retailers of retirement age or are looking to move onto the next endeavor. Many have trained managers that are looking to take over the business. This is a typical trend, but providing assistance may encourage more employees to consider ownership if they know they have support. I would also encourage the committee to consider increasing this allocation.

To build on this, allocating funds for financial business coaching would result in more retailers being confident with the financial decisions made and in planning for upcoming expenses and investments. I've spoken with retailers that have received business coaching and they have been able to identify the number of customers needed to break even per day, the total amount of sales, and even the ability to properly plan for employee wage increases and addition of benefits.

Support Training Opportunities and Career Technical Education

VRGA supports strengthening training opportunities for job seekers. Supporting efforts such as the Vermont Training Program and Workforce Innovation Opportunity Act will expand the workforce by supporting the residents that are already here. These programs provide services to job seekers to succeed in the labor market. Additional funds and resources should be allocated to ensure Vermonters are aware of the opportunities available to them.

One piece that has always been difficult for employers, and most likely employees, is know what training opportunities are available. Similar to the Small Business Portal hosted by the Secretary of State, VRGA suggests including available training opportunities in an easy-to-digest portal where employers can find the perfect fit out of the myriad opportunities available.

That said, very few if any of the training programs steer new job seekers or second chance job seekers to the retail sector. VRGA welcomes the opportunity to partner with the State or Legislature in identifying workforce preparedness training that would help new job seekers enter the workforce comfortably.

Creation of a General Stores Tax Credit

[H.569](#), the House Omnibus Economic Development bill, contains language that would increase the current program cap from \$3 million to \$4.75 million, and extend the program to include [Designated Neighborhood Development Areas](#). Currently, the program is limited to the core commercial areas of downtowns and villages, with the next layer addressing the residential areas just outside of downtowns and villages.

With about \$1.75 million sitting with the Agency of Commerce and Community Development, VRGA requests that the Legislature consider the creation of a General Stores Tax Credit to help these important businesses, sometimes the only location for miles to offer the staple foods and necessities for their communities. General Store operators report that a tax credit would help them to make significant upgrades to their facilities, update equipment, and make long-desired improvements to these very important community centers. Such improvements will allow for additional efficiencies and open up the opportunity to allocate funds to pay increases for existing employees as well as the creation of new positions.

The chair and vice-chair of the House Ways and Means Committee [express their support of and concern for general stores in Vermont.](#)

Retail Theft

Prioritizing the safety of employees has been and continues to be at the helm of employers large and small. However, more focus needs to be placed on enforcement of existing laws across the state. Retailers testified in the Senate Judiciary Committee in early 2022 explaining the experiences they've encountered with emboldened and fearless criminals.

The sale of fraudulent goods is a \$509 billion criminal enterprise according a [January 2020 report by the Department of Homeland Security](#). News stories are replete with consumers buying products on dominant online marketplaces that are stolen, unsafe, deceptively labeled, expired or even banned by federal regulators.

Local retail storefronts and their employees are put in harm's way as professional criminals aggressively confront employees and forcibly steal thousands of dollars of merchandise to quickly resell on these dominant platforms.

- Nearly 67% of asset protection managers at leading retailers surveyed report a moderate to considerable increase in organized retail crime, while 80% believe it will only get worse in the future.
- 86.2% of retailers surveyed said a ORC subject has verbally threatened an associate; 75.9% said an ORC subject has physically assaulted an associate, 41% said an ORC subject has used a weapon to harm an associate.

Big tech marketplaces have not made changes voluntarily and they're profiting from inaction. Some online marketplaces remain fiercely opposed to basic verification and accountability laws that would make it harder for criminals to conduct these illicit transactions.

While it may not sound like a workforce development effort, we believe that passing the INFORM Act, a bill that has been introduced in 22 states would bring us one step closer to helping existing employees feel safe in the workplace and send the message that the Legislature believes retail employees should be safe in the workplace.

The INFORM Act requires six basic pieces of information that any legitimate brick and mortar business – small or large – already provide. And because of the anonymity afforded by these marketplaces, consumers have little recourse against sellers who sell them a stolen or counterfeit product. Retailers suffer because these goods are often sold well below market value. Peer retailers have minimal communication with marketplaces to address the sale of their stolen goods when/if they are identified. And law enforcement has minimal tools to identify and investigate these nefarious actors.