



January 19th, 2022

House Committee on Commerce and Economic Development  
Vermont State House  
115 State Street  
Montpelier, VT 05633-5301

On behalf of Main Street Alliance, we are grateful for the opportunity to share our member feedback on the issue of Workforce Development. As you know, Main Street Alliance is an organization with over 700 Vermont small business members and we work to lift up and center the small business voice from across the state to fight for policies that level the playing field for our smallest businesses and their workers. We work on policies related to the Care Economy, Health Care, and Access to Capital among others both here in Vermont and in DC.

We know that Vermont's demographic and workforce challenges pre-date the pandemic, but it's COVID-19 that has truly reshaped the landscape of our small businesses and their workforces. Main Street Alliance has engaged in multiple conversations throughout the state to connect with our members to hear the challenges that they are facing and Workforce is #1 on the minds of many business owners. To solve for this, we must address the serious and intersectional challenges workers face that prevent this state and these jobs from being a truly VIABLE option for their future.

I want to start out by taking a moment to quote one of our members, Randy George, co-owner of Red Hen Baking Company of Middlesex, Vermont.

*"I want to make it clear that in this period that is being called "the great resignation," I feel that we as business owners have a responsibility to meet this challenge. Gone are the days where an employment ad would yield a healthy crop of applicants who were eager for work and ready to put up with a number of indignities and risks in order to make a living. If this pandemic has prompted a long-lasting questioning of the value of work, then I consider that to be COVID's silver lining. I believe that in order to be a successful business in this changed landscape, businesses need to turn their focus to creating work environments that pay attention to their employees' humanity. And we need government to join us in meeting this challenge. Most small businesses cannot be expected to shoulder the entire burden of supporting employees fully in the way that is sometimes required when unexpected circumstances arise. It's on us to create great work environments. It's on us to commit to paying livable wages. It's on us to create policies that*

*support workers in creating a work/life balance. But it is on our State and Federal entities to ensure that, when circumstances are particularly extenuating, they are there to bolster us. COVID is one of those circumstances. A lack of affordable housing options is one of those circumstances. Child Care is one of those circumstances and Getting to and from work in a rural state like Vermont is one of those circumstances.”*

We know that it is our smallest businesses that help to shape our communities - think of one of the many small towns in Vermont and you think of the hardware stores, independent grocers, retail shops, mechanics, and cafes and restaurants, like Red Hen. We also know that these businesses run on increasingly tight margins - even more so with increased costs associated with challenges in our supply chain - a dollar can only stretch so far. If we care about the character of our communities, we must make bold investments that work to find intersectional solutions that support both our small businesses and our workers.

We reached out to our business owners to get a sense of what is working well and what are the major barriers for their workforce - this is some of what we heard:

Our first question asked: As your business works to attract and retain workers, what structures or programs do you have in place that have helped you and your business in this process?

We heard that for our larger employers that they are using a range of tactics which include: Wages, additional benefits (health care, earned time off, dental, retirement), flexible schedules, and further creating safe spaces for their employees. We also know that while these offerings are a good thing for workers and these businesses, our smallest businesses cannot always offer these services and therefore struggle to compete in an already tight job market.

We then asked: What are the major barriers you face in hiring?

As has been previously stated, here are some of the major challenges our small business members face:

- There is a critical lack of affordable and middle income housing. We hear time and time again from our members that they had qualified and excited candidates for a position but due to a lack of available housing or affordable child care, the candidate wasn't able to take the job
- More rural businesses struggle with challenges associated with inconsistent and inaccessible rural transportation
- Throughout Vermont, our members struggle with a lack of affordable and high quality child care and as such, this is having increased and outsized impacts on women and their ability to remain in the workforce.

- Vermont lacks the social infrastructure and public programming available to our smallest businesses and solo-entrepreneurs like retirement, health care, and equitable paid family and medical leave.

All of these factors create a lack of security for any worker and unfortunately during the pandemic, that uncertainty has made it challenging to find workers who are willing to work under these circumstances.

Finally, we asked: What would be most helpful to you and your business as you work to attract and retain workers?

In addition to solving for the challenges outlined above - With thousands of COVID cases each day, workers are forced to stay home to stay safe and keep their co-workers safe as they care for themselves and/or their loved ones. We know that some businesses have been able to pay their workers for these lost days. For those businesses who have been able to support their workers, we are hearing that they are no longer able to afford these costs. While some families remain resilient in these moments, others are struggling to meet their financial obligations. Additionally, we continue to see that when children stay home from school or child care, this has a disproportionate impact on women in the workforce.

I will share that I recently spoke to a worker who has lost ten days of work and child care in the last three weeks and to add to that loss in pay, they have also had to cover the cost of their child care. To add insult to injury, this is all compounded by the loss of the monthly child tax credit. The recent surge in Omicron has put unsustainable pressure on small businesses and parents as they are doing all they can to keep their workers and families safe.

As your committee and the legislature consider long term solutions to address workforce development, we ask that you also address the urgent need of workers and small businesses and consider the establishment of a VT COVID worker relief fund, essentially a state-based FFCRA program, to help both workers and small business remain resilient during these challenging times.

Thank you so much for your time and consideration and am available to answer any questions that you may have.

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Main Street Alliance