



Vermont Outdoor Business Alliance

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Senate Economic Development, Housing and General Affairs

Kelly Ault, Executive Director, VOBA

I'm Kelly Ault, Executive Director of the Vermont Outdoor Business Alliance. Thank you, Chair Clarkson and members of the committee, for inviting me to speak about Vermont's growing outdoor economy that is driving economic and social impact in all our urban and rural communities. We appreciate the opportunity to share business and workforce development needs as well as the work of our state-wide organization.

VOBA is a nonprofit established in 2018 with a mission to strengthen Vermont's outdoor industry. VOBA's 140 business members represent the highly diversified sector, from the manufacturers that make our gear and apparel, the retailers that sell it, the outdoor centers, lodges, and trail builders that support places to play, the guides, educators, and creatives that tell our stories, and many more that provide products and services to Vermonters and visitors.

According to the US Bureau of Economic Analysis, our state was ranked second in the nation in 2023 for its \$2.1 billion in contributions to the state GDP which is 4.8% of Vermont's economy. The manufacturing of outdoor goods grew by 15% followed by increases in retail, accommodations and food services. Snow activities including skiing, snowboarding, and snowmobiling drive local economies with an increase of 29%. We were pleased that Gov. Scott in his address recognized the strength of this data and the VT Outdoor Recreation Economic Collaborative, or VOREC, of which we work very closely with.

The BEA reports an industry workforce of more than 16,000 and that the number of manufacturing employees increased 12% in 2023. These numbers complement the tourism data and reflect a wide range of job opportunities for those entering and advancing in the industry.

VOBA's core work fosters entrepreneurship, career pathways, and branding for the success of Vermont's employers and employees. This enables their contributions to vibrant downtowns and villages, quality natural and recreation resources, and equitable access for all in work places and outdoor spaces.

VOBA was a partner in VOREC's Move Forward Together Vermont statewide planning process last year to identify a vision and set of priorities for outdoor recreation over the next five years.

- VOBA involved 200 businesses in forums and surveys to shape a work plan based on economic outcomes for individual businesses & the state.

The process cemented VOBA's objectives aligned with VOREC in climate resiliency and equity as well as sector-specific impact areas in innovation and sustainability and career pathways.

- It strengthened existing collaborations with organizations such as the VT Trails and Greenways Council, Ski VT and the Kelly Brush Foundation and mapped partners in education, finance, conservation, and transportation.

Data from the Move Forward Together Vermont outdoor business survey with close to 70 respondents combined with VOBA's policy survey of almost 50 respondents has shaped VOBA's priorities this legislative session.

- Additionally, our entrepreneur support and technical training made possible by grant funding from VOREC via the Dept of Forest, Parks and Recreation and from the Economic Development Authority via the Dept of Tourism and Marketing has given us insight into the needs of the sector.

The state can help VOBA by investing in two areas.

The first is VOBA's Climate Outdoor Business Program which provides targeted technical assistance for business adaptations that ensure innovation and stability in the face of climate change and industry shifts from supply chain, consumer behavior and outdoor visitation.

- Fifty-eight percent of MFTV survey respondents reported being impacted by recent climate events and identified that technical assistance resources such as state and federal grants, financial and business planning, and marketing analysis are valuable to outdoor businesses.

- Policy survey respondents highly prioritized flood recovery funding for physical, economic injury and recreation infrastructure as well as for research on climate risks to inform adaptation financing.
 - We thank this committee for the support of the Business Emer Gap Assistance Prog (BEGAP) which bridged flood recovery over 2 years.
 - We ask for an investment of \$250,000 in VOBA's technical assistance program so we can expand our support of VT companies demonstrating an ROI from sustainable & local production, technology upgrades in facilities & factories & stewardship services.

A second investment in VOBA is for our Climate Outdoor Workforce Program which provides professional development, education and training, and marketing tools for technical and climate jobs that facilitate a transition to skilled service, energy efficiency, circular systems & attracts a young, diverse workforce.

- Sixty-five percent of outdoor businesses plan to hire 1-5 new employees in the next 12 months, however, they face challenges due to the cost of living (60%), lack of qualified applicants (58%), and lack of housing (56%).
- Businesses cited important investments as internships & apprenticeships, adult education, and career development for underserved communities.
 - We thank this committee for the support of the Office of Workforce Development as well as affordable & employee housing programs.
 - We ask for an investment of \$250,000 in VOBA's workforce education and professional development programs so we can expand training in FY26 that businesses report as effective in increased employee engagement (71%), consistent work processes (61%), and reduced skill gaps (54%).

The industry is strong despite years of pandemic and climate events because of consistent public and private investment in businesses and the recreation and community infrastructure that is the foundation for our livelihood. We know that climate strategy, entrepreneur innovation, and skill building pays dividends, therefore we cannot afford not to invest in sustainability. Supporting businesses that take risks and forge solutions attracts young, active recreators to VT to raise their families and work in our communities, bringing health, wealth and improving our current aging demographic. We look forward to working with you on strengthening the value of the outdoor economy to our state. Thank you.