

TESTIMONY OF REBECCA HAMILTON, W.S. BADGER CO-CEO

HOUSE WAYS AND MEANS COMMITTEE

JANUARY 28, 2020

Chairman Neal, Ranking member Brady, and members of the committee, thank you very much for the opportunity to speak with you today. My name is Rebecca Hamilton, and I am the co-CEO (collaborative executive officer) of the W.S. Badger Company. We are a small, family-owned and run, mission driven manufacturer based in rural Gilsum, New Hampshire, population 802. We have been producing organic balms and personal care products since 1995. Today, with 100 employees, we formulate and manufacture and ship across the U.S. and internationally over 100 hundred personal care products designed for babies, kids, and adults and ranging from mineral sunscreens to hair, face and body care. We actively strive to create a supportive and family-friendly workplace where all employees are treated as valuable members of our community. Our employees hold positions ranging from manufacturing and distribution to sales, marketing, and customer service.

We provide a living starting wage of \$15 per hour, and our benefits include:

- five weeks of paid family and medical leave, beyond the mandatory FMLA,
- two weeks of paid family caregiver leave,
- long and short-term disability, with the company paying 60% to keep employee out of pocket costs low,
- 23 paid vacation days for full-time, exempt employees; pro-rated for part-time employees,
- 14 paid holidays,
- 40 hours of paid health leave,
- an annual wellness fund of \$1,000 to cover expenses not covered by medical benefits,
- flexible work schedules,
- profit sharing,
- babies at work program,
- subsidized, near-site childcare,
- and a free, organic lunch, which is served every weekday during a paid half-hour lunch.

We offer these benefits not only because it aligns with our mission as a family-friendly workplace, but it also makes good business sense. Our innovative approach has enabled us to spend virtually zero dollars on recruitment while retaining an engaged and committed workforce for the past 25 years. Recruiting and training a new employee involves thousands of dollars and dozens of hours in non-productive costs. It has been estimated that turnover costs are about 1/5 of an annual salary<sup>1</sup>. The average length of

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<sup>1</sup> <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>

employment at Badger is 7 ½ years, and the demographics of our workforce are 65% women and 35% men, with 50% under the age of 43. We have 20 employees that have been at Badger for ten or more years.

On average, turnover in manufacturing was about 16% or one of every six workers.<sup>2</sup> That is a lot of non-productive training dollars and hours. Badger has been in business for 25 years, and offering generous benefits, such as paid leave, has resulted in a near-zero rate of turnover and very low rates of absenteeism. In a recent employee engagement survey conducted by The Employee Engagement Group, one hundred percent of employees surveyed at Badger felt that their manager respected their work/life balance; eighty-two percent reported feeling highly engaged, and over fifty percent plan to stay at Badger for more than five years.

Badger is a member of the American Sustainable Business Council, an advocacy network of over 250,000 businesses that share a commitment to the triple bottom line of people, planet and profits. ASBC and Panorama recently released a study on the impact of paid leave benefits on business return on investment, and these first quantitative results demonstrated just what we've seen at Badger: paid leave pays off for business. Unfortunately, we know that only 19 percent of working people nationwide have access to paid family leave, and in New Hampshire, even unpaid leave under the federal Family and Medical Leave Act is inaccessible for 58 percent of working people<sup>3</sup>. We stand with nearly 100 small businesses and national brands that have endorsed a strong national paid leave policy through Businesses Advancing National Paid Leave (<http://advancingpaidleave.org/>)

Federal paid leave would be a game-changer for many working families (i.e., seasonal and temporary workers, factory workers, those workers who are part of our supply chain and retail partners, and our own customers and families who we care about and want to see covered), and it would level the playing field for the millions of small businesses nationwide that are struggling to attract and retain engaged, skilled workers. We do not want to be carved out – we want a policy that works for us and our employees. The most effective paid leave policy for small businesses is a social insurance program, where small businesses have low, predictable contributions rather than having to cover the cost of paid leave themselves. We are well aware that not every employer can afford to offer the level of benefits that we do. And that not every employee is fortunate enough to work for a business that can provide paid time off to care for a family member or loved one. However, no one should have to choose between earning a paycheck and caring for a sick child, a loved one, or ailing parent, or taking care of their own health. A national paid leave policy will make a difference in the lives of workers and their families.

As a women-led, women-majority company, we are particularly aware of the importance of benefits such as paid leave and the potential impact on the working environment. I was recently appointed to serve as a member of the National Women's Business Council, an independent advisory committee

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<sup>2</sup> <https://growthfreaks.com/average-employee-turnover-rate-by-industry/>

<sup>3</sup> <https://www.nationalpartnership.org/our-impact/news-room/new-data-show-slow-progress-on-access-to-paid-leave-paid-sick-days.html>; and <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-leave/paid-leave-means-a-stronger-new-hampshire.pdf>

established to provide advice on issues that affect women entrepreneurs and business owners. In my role and as a member of the Women's Rural Entrepreneurs committee, I have become better informed about the challenges facing women in the workplace, particularly those in rural areas, who are heavily impacted by a lack of accessibility to family-based benefits. In fact, 86% of working mothers will leave a job for an opportunity that better supports their work and life considerations. Additionally, 75% of women surveyed believe employer support of work-life flexibility is the most critical criteria for feeling respected at work<sup>4</sup>. We see the results at Badger every day with a high level of employee engagement and our ability to thrive as a business in a rural community.

We hope that by lending our voice, sharing our best practices, and serving as a leader and role model within the business community, we can help policymakers, organizations, and influencers get behind national paid family medical leave.

**I want to share the story of a Badger employee, Emily Hall Warren**, the mother of three young boys, taking paid leave to care for her husband diagnosed with Stage 4 metastasized thyroid cancer. Emily has worked at Badger for over 8 years and is a valuable member of our team. Her husband Bill is self-employed, and her salary and health benefits are critical for the family.

In November 2017, Emily Hall Warren's husband Bill, was diagnosed with Stage 4 metastasized thyroid cancer. Emily has worked at Badger for over 8 years. As a mother with three active school-aged children, being able to take paid time off to care for her spouse during his three subsequent surgeries and radiation treatments was an incredible benefit both emotionally and financially. Emily's husband is a self-employed master cabinetmaker. The family relies on both Emily's and Bill's income, and Emily's health benefits. Like most self-employed workers, Bill did not have disability insurance. Paid FMLA allowed her to take time off to stay with Bill in the hospital, attend follow up appointments, and care for their children solo while Bill recovered. Without this benefit, either Bill's health, her children's care, or her job would have suffered. With the benefit, she was able to move more easily through a really trying time for her family. Everyone – from her family to her employer, to the broader economy – benefitted from this outcome.

Emily's story shows that caregiving doesn't end after the birth of a child. At Badger, we recognize how important comprehensive paid family and medical leave is to workers and how an inclusive paid leave policy is necessary to support and retain valued employees like Emily. We didn't want her to choose between the health of her family and her commitment to our business. Giving her the space to care for her family meant that she did not have to make that choice.

We have prioritized this benefit for our employees, and we have seen the return on investment through both cost-savings and a healthier, happier and more productive workforce. We want this for all working people. We proudly support the Family and Medical Insurance Leave (FAMILY) Act and believe in the need for a strong and comprehensive national paid leave policy that covers all working people.

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<sup>4</sup> According to the MOM Project, a recruitment organization connecting mothers to world-class employers