

February 3, 2023

**Testimony to the Vermont House Committee on General & Housing
Randy George, Co-Owner, Red Hen Baking Company in Middlesex**

Chair Stevens and members of the Committee;

Thank you for having me testify today in my capacity as a Vermont business owner about the critical need for a universal paid family and medical leave program here in the Vermont.

My wife Liza and I have owned and operated Red Hen Baking Company for over 23 years. As anyone in the service industry will tell you, the last three years have challenged us in ways that we have never seen before. The onset of the COVID pandemic prompted business owners and employees who have only ever known service industry work to reevaluate whether they wanted to continue working in this field.

Creating sustainable jobs in our industry has never been easy. We are at a great disadvantage compared to businesses in other industries with higher profit margins. We've always known that our intelligent, hard-working staff could find employment in other fields that would afford them more financial stability if they ever wanted to seek that out. For many, the pandemic was the prompt to do just that. Getting COVID or caring for a family member with COVID was one thing, but being left with no safety net in these circumstances introduced a level of uncertainty that was too much to bear. Anyone who has tried to go out to eat in the last couple of years has seen the effects of this upheaval on our communities and our economy.

At Red Hen we have always strived to provide service jobs that come with pay and benefits that allow people to make a career out of this work. In addition to earning wages that exceed the industry average for this area; all of our 50 plus full-time employees have disability insurance and enjoy a generous paid time off benefit; they have the opportunity to invest in a company-matched retirement account; and with a small contribution on their part, they enjoy the peace of mind of full health care coverage. But missing from this list is a key benefit -- one that nearly everyone will need at least once in their working life: paid family leave.

Many larger companies in more profitable industries can afford to offer this benefit to their employees, but for smaller businesses and especially ones that operate on thin margins like ours

does, it is not feasible to pay employees for up to 12 weeks while they are not working. Therefore, any paid leave program that is not mandatory will leave out the great number of Vermonters who work for businesses like ours. This will just further exacerbate the exodus away from service industry work.

Aside from health insurance, paid family leave is probably of more importance and value than any of the benefits that we currently offer at our business. We're reminded of this when we see our employees become new parents, when they face the strain of caring for ailing family members, or when they fall ill themselves. These aren't abstract ideas to us. I have many stories of individual employees of ours that have faced these very challenges

But paid leave isn't just there for the unfortunate circumstances. Many of our employees are new parents. As good community members, we should all be concerned that Vermont families are getting all the support they need right before and after the birth of a child. Study after study confirms the following:

- Mothers who take at least 12 weeks of leave are also more likely to breastfeed, with important, lasting health benefits for their children.
- Fathers who take longer leaves experience greater engagement in their children's lives, and greater paternal engagement has cognitive and developmental advantages for children.
- Children whose mothers do not return to work full time in the first 12 weeks are more likely to receive medical checkups.
- For new birth mothers, having less than 12 weeks of family leave is associated with increased symptoms of postpartum depression.
- People who have paid leave recover more quickly from injuries and have a reduced risk of developing chronic issues.

Each of these benefits is even more critical for people in lower and middle income brackets. Without the support of paid family leave, it is much harder to break out of a cycle of poverty. When viewed in this light, it becomes clear that a paid family leave program could go a long way towards addressing income inequality. It's also simply good business. H66 will improve the well being of our families, small businesses, and Vermont's economy.

Thank you for your hard work, and I urge you to advance this bill as quickly as possible.