



**Hearing on Perspectives from Main Street: Raising the Wage  
Subcommittee on Oversight, Investigations and Regulations  
House Committee on Small Business**

**Written Testimony of Rebecca Hamilton, Co-CEO and Family Owner,  
W.S. Badger Company, Gilsum, New Hampshire**

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Thank you, Chairman Phillips and distinguished members of the House Subcommittee on Oversight, Investigations and Regulations, for the opportunity to testify in support of raising the federal minimum wage as called for in the Raise the Wage Act of 2021.

My name is Rebecca Hamilton and I am the Co-CEO and Family Owner of W.S. Badger Company (Badger) in Gilsum, a rural community in the Monadnock region of New Hampshire. I also serve on the National Women's Business Council, a nonpartisan federal advisory committee.

Badger was founded in 1995 in our family kitchen by my father, a carpenter who needed a better balm for his cracked hands. Today, we employ over 90 people and manufacture over 100 natural body care products sold across the United States and internationally including lotions, balms, sunscreens and insect repellents for children and adults.

Forbes magazine honored us as one of America's best small companies, we were New Hampshire Business of the Year 2019, and Real Leaders recently chose us as one of its "Top Impact Companies" from around the world. Our employees are central to those achievements.

Over our 25-year history, fair pay has helped our business succeed and grow. Our lowest starting wage is \$15 for entry-level employees. We also provide a range of benefits from day one. Paying well above the current federal minimum wage has been good for our business and good for our bottom line.

New Hampshire is the only state in New England following the current federal minimum wage. \$7.25 per hour is too low for New Hampshire and too low for our country. For businesses, the low wage floor makes it harder to hire and retain employees, build your customer base, and grow your business. It undermines regional economic development.

We participated in a working group of New Hampshire businesses examining the relationship between our region's low wage floor and poor health outcomes. People who earned low wages

were more likely to end up in the hospital, for example. We joined the Healthy Monadnock initiative because we believe that businesses play an important role in the health of our community. And we believe that stronger communities make for stronger businesses. With our hospital-affiliated convener, the working group surveyed apartment, food and fuel costs in our region, as well as the cost of basic needs items like clothing and household supplies.

We found that an hourly wage below \$15 for a single adult with no children was inadequate to maintain a safe and decent standard of living in the Monadnock region and could not sufficiently meet a person's food, housing, transportation, health care and personal care needs.

Our fair pay business model has helped us hire and retain excellent staff, keeping us competitive and succeeding into second generation family ownership even as many other businesses in our region have struggled.

New Hampshire has often had a problem with young people leaving to seek work elsewhere. A 2018 survey, for example, found that younger workers see New Hampshire as lacking job and career opportunities.<sup>1</sup> Several years ago, we participated in a workforce group of employers in education, the private sector and local government examining the regional struggle to find talented staff. The region's lower wages were a drag on economic and community development, making it harder for many businesses to hire and retain staff, miring businesses in a cycle of costly churn, and significantly weakening the consumer spending that drives business survival and growth.

New Hampshire's adherence to the \$7.25 federal minimum wage hasn't helped businesses. It keeps even full-time workers in poverty and places businesses and the region at a disadvantage compared to surrounding states with higher wage floors.

Badger has thrived by following a different model. By paying livable wages and investing in our employees, we keep our attrition rates at Badger very low. Employees grow with us – they don't leave us to grow. Fair wages and family-friendly benefits at Badger have created a workplace that people want to be a part of, allowing us to cultivate people inside the company and promote from within.

This 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 20% of an annual salary or higher.<sup>2</sup>

Nationally, turnover in manufacturing averaged 31% in 2019. It's significantly higher in lower-wage industries – such as 79% in accommodation and food services.<sup>3</sup> That is a lot of non-

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<sup>1</sup> <https://www.businessnhmagazine.com/article/nh-young-people-see-no-career-opportunities-here>

<sup>2</sup> <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>

<sup>3</sup> <https://www.bls.gov/news.release/jolts.t16.htm>

productive training dollars and hours. Badger has been in business for 25 years, and offering fair wages and good benefits has resulted in very low rates of turnover and very low rates of absenteeism.

Having low employee turnover saves us considerable money on hiring and training. Businesses often take turnover for granted, and don't look at how much money they lose with poor retention.

By retaining experienced staff, we also see increased productivity, less waste and fewer errors, which further saves us considerable money and time. When you hire a new employee, it can take weeks to a year where they are not as effective and efficient. We see this with seasonal staff, where less experience at Badger translates into higher errors – and that costs money. The more we can retain already trained staff, the more money we save, the more reliable our staff, and the better our productivity.

Good pay and benefits also boost morale. When you treat employees well, they care more about your business success. Their success and yours become aligned. Employees take extra care with their work and with your customers because they want the business to succeed. In a recent employee engagement survey conducted by The Employee Engagement Group, 100% of employees surveyed at Badger felt that their manager respected their work/life balance and 82% reported feeling highly engaged.

Having engaged, caring employees who can afford to stick around creates the kind of customer service that turns customers into repeat customer and builds your positive reputation. And an engaged, motivated staff helps you keep up with changing customer tastes and generate new ideas, and helps you innovate to succeed for the long run.

Sometimes I hear fellow small businesses say they have a harder time than our larger counterparts in addressing rising costs. In small business as in large, there are many places where you can cut costs or spend money. Choosing to cut costs on employee compensation to spend money elsewhere is a short-sighted decision that costs businesses money and time in the long run.

When we raise the federal wage floor, we will encourage better business practices, helping businesses experience the benefits of lower turnover and a more engaged workforce while boosting spending across the economy.

We support raising the minimum wage to \$15 by 2025 for businesses of all sizes and in all regions. Our experience in New Hampshire is an excellent case study for how low wages do not help small businesses and regions compete. Rather, low wages hold back business and economic growth and hamper employee and community health and well-being.

Many large companies such as Amazon, Costco and Target already pay a \$15 minimum wage now. We will not help small businesses compete or survive by with a minimum wage so low that anyone who can will choose larger employers over small.

Raising the minimum wage is vital to help us recover from the pandemic and build a stronger economy. It's not simply bad for working people when wages are so low you can work full-time and still not afford the basics. It's also bad for business. In our consumer-driven economy, businesses like mine depend on customers who can afford our products and services. Raising the minimum wage will put more money in the hands of working people who will spend it at businesses in New Hampshire and across America.

With fair pay central to our business model, we have been successful enough as a company that we have never taken on outside funding in our 25 years. Investing in our employees has been the best business decision we could make.

Raising the minimum wage to \$15 by 2025 will provide a more solid, level playing field for small and large companies. It will help small businesses succeed. It's an investment in our nation's workforce that will pay great dividends now and in the future.

Thank you for your time.

Rebecca Hamilton  
Co-CEO  
W.S. Badger Company  
Gilsum, NH  
603-357-2958  
[www.badgerbalm.com](http://www.badgerbalm.com)