



Paid sick days make good business sense

By Randy George, Owner, Red Hen Baking Company

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My wife, Liza Cain, and I started Red Hen Baking Co. a little over 10 years ago. We started with one employee. Today, we employ 32 people who bake and deliver bread throughout Vermont, and prepare and sell food at our new café in Middlesex. Our annual sales last year were just over \$2 million.

When we began, and even up to a year ago, I thought that a paid sick days benefit did not work with a business such as ours. Labor is our single biggest expense. Our profit margin is slim and whatever profit there is, is made possible entirely by the hard work of those that produce, deliver and sell what we make. If people don't show up for work, the wheels simply stop spinning.

And, in our case, this is true seven days a week, nearly 24 hours a day. So how could we afford to pay people for not showing up to work?

When we opened, I created a business where I was the primary labor force and everything depended on my good health. As our business grew and we hired others to help keep up with our growth, we found mostly men and women who would tell me in their job interviews that they "never got sick."

But as our business grew, it became increasingly important for us to recognize the value of keeping our long-term employees. We have watched most of these valued employees get married, have children and purchase homes.

As our employees matured with our business, we needed to look at ways in which the work that we offer can be integrated into a life that includes a fulfilling family and home life. Things like a livable wage, paid vacation, a retirement program, and health benefits were the first items on our list as we have strived to meet that goal.

I think that one of the loftiest goals that we can have as a business is to have a core staff that wants to make a career out of their work. We have come to see that the next important piece of this puzzle is paid sick days.

Although our pay may be slightly above the industry standard for Vermont, it is still the case that our employees' paychecks are spent on mortgages and child care almost before the money hits their bank account.

Without paid sick time, a missed day of work can mean falling behind on bills, so people are pressured to work through illness, which can extend their recovery time, reduce the quality of their work and expose their co-workers to their illness.

As a food service business, we are legally and ethically bound to require that people do not work when they might spread illnesses. Is it right for us to also tell our employees that they will go without pay if they get sick? Is it right for them to miss pay if they need to stay home to care for a sick child who cannot attend child care or school?

At the end of last year, we came to realize the direct costs of not having sick pay and the potential benefits of having such a program in terms of even better employee retention as we continue to strive to become a business that supports the people that support it.

This year we began offering employees a week's worth of sick pay in each calendar year. We haven't been doing this long enough to see the long-term benefits of this program, but people have begun to use this benefit and I have received feedback from our employees about the feeling of security they have knowing that they will not lose pay if they or their children are sick.

I encourage the Vermont House of Representatives to support this paid sick days bill, H.382 and I challenge other businesses, even service industry businesses, to look at the benefits of paid sick days and think creatively about how they can offer it to their employees.

Randy George of Middlesex is the owner of the Red Hen Baking Co.