



U.S. House Of Representatives  
Committee on Oversight and Government Reform

**“Leading by Example: The Need for Comprehensive  
Paid Leave for the Federal Workforce and Beyond”**

**June 24, 2021  
10:00 A.M.**

Testimony of Eric Sorkin  
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## **Chairwoman Maloney, Ranking Member Comer, and members of the Committee:**

Thank you for the opportunity to testify today on the urgent need for a robust public investment in the care infrastructure of our economy and our country, including paid family and medical leave. I am honored and humbled to speak before your esteemed panel and to be alongside my distinguished fellow witnesses. Thank you in particular to Chairwoman Maloney for your strong leadership and commitment to expanding paid leave through the [\*Comprehensive Paid Leave for Federal Employees Act\*](#) (H.R. 564) that would expand upon the *Federal Employee Paid Leave Act* to give all federal employees up to 12 weeks paid leave for any 12-month period for all FMLA-eligible reasons.

My name is Eric Sorkin and, together with my wife Laura, we own and operate Runamok Maple, a maple syrup manufacturing business. I am also speaking today as a member of Main Street Alliance, a national network of more than 30,000 small business owners who, like me, are eager to share their perspectives on critical public policy issues, especially as we collectively work to get to the other side of the most challenging public health crisis of our lifetime.

### **My Philosophy As a Small Business Owner**

With that in mind, I would like to share my business's experience with the need for paid family and medical leave. We employ about 75 people at Runamok Maple. Most of them are at our manufacturing plant in Fairfax, with the remaining employees working in our maple sugaring business.

As business owners we do everything we can to support our employees. It sounds trite, but it is true: our business is no more, and no less, than the team that we build. We strive to make Runamok a place our employees are proud to work at. We want to provide the best for our employees and hope that they'll want to do the same for us.

### **Making Tough Choices Due to Lack of Paid Leave Support**

The importance of paid family and medical leave has been crystal clear to me since we started our business. This was before we had the manufacturing business, and we were a purely agricultural company. We had about 10 employees at the time, and I learned that the wife of one of our employees was losing a battle to terminal cancer and was close to her death. This was in the middle of the sugaring season, when the hours are long and unpredictable. In the middle of this terrible family ordeal, our employee had been coming

into work because he wasn't in a position to miss a paycheck, and was even more concerned about losing his job. Put succinctly, he believed he couldn't afford to spend time with her, even though he desperately needed to.

In that moment, without even realizing it, we launched our company's paid family and medical leave policy -- and told our employee to take the time he needed to care for his wife and we would continue to pay him while he was out. Even with our small team, it wasn't a remotely hard decision. But, if I am being honest, his gratitude for the paid leave made me very uncomfortable. As a small business owner I am often surprised by some of the responsibilities I have assumed and this was one of those times. I wasn't prepared for the fact that I would need to choose between my business's profitability -- which for us is synonymous with my own paycheck -- and my employee's health and well-being.

The choice was essentially: what could I afford to do? Or maybe it was really: what was I willing to do? That's a position that we, as a society, should do our best to prevent. Nobody -- least of all those in the most precarious financial positions -- should have to choose between getting paid, or taking care of loved ones or their own health. And likewise, why would we embrace a system where small business owners must choose between their own pay and the well-being of their employees? That's a recipe for poor choices and bad outcomes on both sides.

### **Different Situations that Demand Paid Leave**

That was about 10 years ago, and since then I cannot count the number of times our employees have had similar needs. Members of our team have been out for extended illnesses, to care for loved ones, and for maternity leave. Just in the past few months one of our longtime employees contracted viral meningitis. He was out for weeks as he battled a persistent fever and delirium.

Another employee was sexually assaulted over the winter and has struggled with her mental health since then. She has needed flexibility and time off to heal. It has been a rough road to her recovery, and she can't possibly know when she'll get there. The last thing either of them needs is the added worry over getting paid.

Neither of them did anything wrong. I think we can all agree that these things happen and that none of us can predict when. Not all of us have the financial resources to navigate such situations successfully. On a sunnier note, we also currently have one employee out on maternity leave, and 2 more who are pregnant. Happy events indeed, but not without financial concerns.

## **FFCRA a Temporary Lifeline, But Not Enough**

If it wasn't evident before, the COVID-19 pandemic made it abundantly clear that we need to join industrialized nations around the world and create a permanent and robust national paid leave program.

The passage of the federally-enacted Families First Coronavirus Response Act (FFCRA) was extremely helpful to our company as we navigated COVID. Overall, approximately 80% of our frontline workers needed time off during COVID. As a small company, absorbing all those costs in such a short period of time would have been a tremendous challenge.

COVID brought the point home that, as a business, prioritizing employee safety goes hand in hand with protecting our business and the health of our community. But once again, we were faced with difficult decisions like asking employees not to come in for public health reasons -- while knowing they would have to miss a paycheck in the process. Conversely, is it reasonable to expect employers to pick up all the costs when small businesses like ours are dealing with our own financial struggles amid a pandemic-induced economic downturn? FFCRA and the later paid leave tax credits made those tough decisions easy and were a critical support to our business during this time.

Due to the combination of strict rules surrounding quarantine and testing, employees were typically out of work for a minimum of 10 days. So we did pick up additional costs for their payroll -- which was challenging at times with our cash flow.

A comprehensive paid leave policy would have allowed employees to stay home without dipping into limited company savings, and employers to plan both human and financial capital accordingly to keep their business afloat.

## **A National Solution is Needed for Employers and Employees**

Several times, including as recently as a year ago, we have looked into short term disability insurance to see if that was an option that would offer predictable costs and benefits and work both for our employees and for us as a business. Unfortunately -- like many small business owners - we found the private insurance policies that were available to a company of our size both inadequate and unaffordable.

That's why I, along with many other Vermont small business owners, have been active in a state campaign to win Paid Family and Medical leave. Setting aside a few dollars each month per employee into a fund -- so that employees' salaries are paid when they are out on leave and I as an employer have their salary to hire a replacement worker or cover overtime -- would be a huge improvement over the unpredictable and sharp cost hikes we now face when someone goes out on leave. Small business owners across the political spectrum agree -- and all support this form of paid leave that has been shown to work in seven states.

What does it say about us, if we don't take care of those in need? But the case for a national paid family and medical leave coverage doesn't rest on compassion alone. It's also very good for small businesses like mine. While I personally believe that the return is many times the expense, paying for family and medical leave is costly. The financial burden on our own business has been significant -- particularly during the early years before we were profitable.

We need a public program that addresses this need. Without it, asking small businesses to cover these expenses out of pocket is really asking for quite a lot. And the alternative, asking for workers to go without coverage, is simply no solution at all. Vermont is a state made up of small businesses and those who work for them. By creating a national paid leave solution, we would create a more level playing field for workers and all of our small businesses owners.

On behalf of Main Street Alliance, we applaud passage earlier this year of the American Rescue Plan -- a program of a scale and substance needed to address many of the urgent needs facing small business owners, our employees and customers. The extension and expansion of the FFCRA tax credits continues another critical relief lifeline for small businesses, allowing them to more easily make decisions that align public and economic health.

Nonetheless, the pandemic exposed significant structural gaps in critical infrastructure for small business that we must also address. That is why Main Street Alliance is encouraged by the scale and broad focus of paid leave plans being introduced this year. All businesses and our employees need a paid leave program like the Federal Employees Paid Leave Act as strengthened by the [\*Comprehensive Paid Leave for Federal Employees Act\*](#).

The Biden-Harris administration's proposed [\*American Families Plan\*](#) as well as House Ways and Committee Chair Richard Neal's [\*Building an Economy for Families Act\*](#) also meet our urgent needs. Both build on the bicameral Family and Medical Insurance Leave Act ([\*FAMILY Act\*](#)), sponsored by Sen. Kirsten Gillibrand and Rep. Rosa DeLauro, which had stood alone as

the only comprehensive, universal paid leave program offered at the federal level. As incredulous as it may seem, until now no American president has ever proposed a national, permanent comprehensive paid family and medical leave program. The United States remains one of the few countries in the world that doesn't guarantee paid leave.

## **Why Small Businesses Want Paid Leave Now More than Ever**

Paid leave is an essential component to ensuring more small businesses are able to make it back to profitability and to leveling the playing field for small businesses in the long run. We must never be unprepared for a crisis like this again.

Small business owners overwhelmingly supported national paid leave even before the pandemic and as critical COVID relief during the outbreak for numerous reasons:

- **More than ever, small businesses and their employees need a program that allows owners and workers to take time from work for health reasons** – whether to care for themselves and/or their loved ones or to quarantine or isolate and avoid spreading COVID-19. Multiple studies point to the public health benefits of paid sick time protections when it comes to combating contagious diseases. Most recently, a study of the Families First Coronavirus Relief Act documented that it prevented more than [15,000 COVID-19 infections each day](#).
- **Small businesses can't afford paid leave on their own like many larger businesses can.** Small businesses generally lack the capital and the scale to provide paid leave, even when owners want to provide that benefit. Moreover, private insurers generally do not offer affordable, adequate paid leave policies to small businesses. As a result, as of 2019 [only 14 percent of workers in firms with 99 or fewer employees had access to employer-provided paid family leave, compared to 29 percent of workers in firms with 500 or more employees](#).
- **Our businesses benefit when employees can take time to care for their families and return ready to work.** Paid leave helps reduce turnover and boost employee morale and loyalty, increasing productivity and cost savings for our small businesses. These benefits can be substantial - a recent study found [companies with paid leave programs averaged increases of 4.6 percent in revenue and 6.8 percent in profit on a full-time equivalent \(FTE\) basis](#). Paid leave makes good business sense.
- **Paid Leave is a matter of racial and gender equity.** The racial wealth gap means employees and business owners of color have less of a financial cushion for taking

time off, but they also have more limited access to paid leave. And, with most caregiving still [falling to women](#), paid leave is an important gender equity measure for business owners and employees alike. These facts have been further heightened during the pandemic. With higher rates of COVID-related illnesses, death, and business closures, the need for paid leave is higher than ever in Black and brown communities. A robust, permanent paid family and medical leave program is essential for supporting Black- and brown-owned businesses, their employees, and the communities they serve.

- **Economic Recovery on Main Street.** For small businesses and Main Street economies to recover, we need more customers spending on Main Street and the safe return of our labor force. Comprehensive paid family and medical leave programs have been shown to significantly increase [mothers' attachment to the workforce](#) and caregivers' participation in the labor both [short and long-term](#). Paid leave dollars go back into the local economy, boosting consumer demand at small businesses, as working people spend their leave to cover basics. Paid leave and care policies have the potential to help the economy grow as much as [5 percent](#) by bringing women's labor force participation rates in the United States up to levels in other countries.
- **Business owners support paid leave.** A [national survey of 600 small business owners](#) found that two-thirds supported the U.S. having a national policy for paid family and medical leave. Support for paid leave by the owners is also not a partisan issue, with 80% of Democrats, 55% of Republican, and 53% of Independent owners in favor of a national policy for paid family and medical leave. Over 1,600 small business owners have [added their names](#) to state and federal campaigns calling for comprehensive paid leave like the Family Act.

### **Paid Leave Key to a Thriving Small Business Economy**

With the ongoing pandemic and Main Street still on the path to recovery, paid leave is not an “extra” – it's an essential must-have to the survival of our country's 30 million small businesses and the health of small business owners, employees, and customers alike.

Federal lawmakers must make creating a robust permanent paid family and medical leave program a priority. From our experience with existing state programs we have learned that policy details matter to small businesses and our employees. We need a program that:

- Covers all businesses, families and individuals, including freelancers and the self-employed and business owners themselves;
- Increases financial security by providing wage replacement to enable employees to take time off and meet their expenses;
- Is sustainably and responsibly funded to make the program affordable for businesses of all sizes, and affordable to use by workers of all incomes;
- Provides leave to care for parents, children, spouses, domestic partners, and other family;
- Is publicly administered to ensure ease of administration by small business; and
- Includes extensive outreach to ensure small business owners and our employees can learn about and access the program.

In order to successfully overcome the COVID-19 crisis and thrive in the future, small businesses need a comprehensive, sustainable, and affordable paid leave foundation now more than ever. As Congress considers a long-term economic infrastructure and recovery package, a national, permanent paid leave policy and program must be a priority. Paid leave is not just what small business employees deserve, it is vital to keeping our entire communities safe and our economy resilient.

Thank you for your time and attention. I look forward to answering any questions you may have.