

Testimony of Susan E Nordman

Special Committee on Aging

Hearing Title:

“Work in Retirement: Career Reinventions and the New Retirement Workscape”

Chairman Collins, Ranking Member McCaskill, distinguished committee members. Thank you for inviting me to testify today.

My name is Susan Nordman. I am the owner of Erda, a small artisan manufacturing company and the maker of Erda Handbags. I grew up in rural Maine in the late 1960's in an agricultural community. Like many of my peers, I left my rural community for college and employment. I settled in the New York City area and built a life with a family and several successful businesses. My intention had always been to return home to Maine. The beauty and ruggedness of the landscape never stopped calling me. In 2006, my husband and I packed up and headed north, leaving the congestion and noise behind. We settled outside Portland and within driving distance to Boston. Starbucks, Whole Foods and Dim Sum all within reach.

In 2012, a business broker sent me a listing about a small manufacturing company in the rural town of Cambridge, Maine. The company was intriguing but the location was an impediment. Too far north, too remote and far too rural. The idea was dropped until we stopped for coffee in Gardiner and wandered into the Center for Maine Crafts one Saturday almost a year later. Just inside the door, in the middle of the gallery, was a huge display of Erda handbags. The bright colors and quirky shapes demanded further investigation.

The facility was in a barn in the middle of a corn field, in the middle of nowhere. As soon as I walked in I was hooked. The smell of the leather, bright rolls of fabric and a group of women stitching was nothing short of mesmerizing. And there was opportunity. The company had fallen into quiet disrepair and suffered from poor management, I could see many areas of improvement and several areas of expansion. I purchased the company in October of 2013.

The physical location needed immediate attention. The idea of working in a barn in the middle of a corn field sounds romantic, the reality is unreliable internet, a cold drafty building and electric power that goes out every time the wind blows. I also had a work force issue. I had inherited a talented group of women, each one an artisan in their own right. If I moved the company too far, they would all be unemployed. Corliss is 64, Georgia was 69 and the rest of us saw our 60<sup>th</sup> birthdays together. I felt an obligation to find a solution that did not leave them behind.

We found a foreclosed building in the adjacent town of Dexter. The town had a history of manufacturing dating back to the 1800's with woolen mills and more recently Dexter Shoe. Almost all of the jobs have moved overseas but the talent is still here, albeit a bit older.

Moving to a new location meant reliable electricity, and a road the UPS truck could drive on. It also gave me the opportunity to design a workplace that was ergonomically better for my older workers.

Corliss spends most of her day standing, with her right shoulder raised, cutting fabric one bag at a time. By the end of the day her right shoulder is higher and contracted. Solution; lower table, fatigue mat and a two ton hydraulic die cutting press to click out the fabric and leather 12 at a time. Her duties were adjusted, giving her more time at a seated machine and less repetitive motion.

In some cases our sewing machines are 100 years older than we are. To raise the foot of the machine requires moving a bar with the operator's knee. This put a lateral stress on old hip joints. Solution; modern sewing machines with automatic knee lift and thread cutting.

The need for ergonomic equipment was not completely age of worker dependent. The old hips may have groaned a bit louder, announcing the issue, but young hips suffered just as much.

When I am asked "do older workers cost more?" the answer is "they cost different". When updating equipment, I had to take into consideration the physical limitations in an older body, I have an older workforce. The cost of the equipment I purchased was magnitudes higher than less automated sewing machines. The benefit for the company goes beyond a work force

that is less physically stressed. The improvement in time and quality goes directly to the bottom line. The return on the investment in new machines will be under three years.

The age of my employees has posed the need for human body considerations and adjustment, but it also represents a wealth of talent and knowledge. Preserving critical knowledge before it leaves is vital to the longevity of any business. The skills that my employees possess requires hands on learning. My older employees have more years into the process and exposure to more teachers. Annie can “stitch in a Ditch” better than anyone I know. The tricks to measuring a piece and finding dead center in under 4 seconds takes a bit of practice. With time and training new workers can learn these skills, but only if someone is there to teach them.

I do not hire on the basis of age one way or the other. I hire on skill and compatibility with the group. It takes me longer to hire, usually a candidate goes through a three week process from initial meeting to final decision. Problem solving and creativity are assessed, as well as a group audition to see how each candidate functions as a part of a team. We all come to a decision together, and each team member has a say. Slowing the hiring process down has helped to ensure a good fit and the right person for the job.

We recently hired two under 30’s to join our team. Their age was not a consideration in the hiring process. They simply were the best candidates. I pair one younger worker with an older worker, practicing a knowledge exchange. Both age groups have the advantage of learning from each other. Group demonstrations and shared lessons help to expand our knowledge base and improve product quality.

The shared lessons have the added benefit of forming a cohesive team that expands into a support system beyond the work place. The exchange is not one sided, when Corliss needed to fly alone for the first time in her life, her younger tech savvy partner helped her navigate the situation by printing out a map of the airport and showing her how to make her connection.

Staying mentally active is a strong reason for working past retirement age. I recognize this and have created a work place that is more studio than factory. Each handbag is made one at a time by one worker. This gives us a truly handcrafted product and it requires each employee to

perform a variety of task throughout the day. It eliminates the assembly line style of production, and keeps everyone engaged in the process.

The ability to engage with others and form workplace friendship adds to job satisfaction and employee retention. We practice a loose style of democracy, with almost everything getting a vote. From fabric to leather color to where the pocket should go, all gets voted on. This helps create a team and forms consensus among the group. It gives everyone a say and a sense of validation. I retain veto privileges, I try to use them judicially.

Financial necessity dictates the need to work for most of my older workers. Retirement is not an option. Corliss has four generations living together under her roof. She comes into work early in the morning so that she can meet the school bus when her great grandchildren arrive home. She hopes to be able to retire at age 70, but isn't hopeful. Her biggest concern is the cost of her health care, she pays more the \$750 a month to cover her family. She earns under \$12.00 per hour.

Two of Annie's weekly paychecks go to health care premiums, her scoliosis and hands will force her to retire next year. I am currently designing products that will be easier on her hands to keep her employed longer.

Laurie has no plans to retire, she has survived lung cancer and says she will work until she can't move any longer. She worries about the longevity of Social Security and health care costs. I suspect that Laurie would work regardless of financial need, her creativity requires an outlet.

Sully just received her Social Security statement of expected benefits and doesn't know how she could retire on \$1100 per month. Her employment at Erda is necessary for her financial stability and adds a cushion to her budget. It is the difference between just putting food on the table and being able to go camping or have a dog. Her biggest fear is being a valuable member of the team, as a cancer survivor she knows firsthand the vulnerability of her body. The expressed insecurity resounds through the group. I was not aware of the group's feelings until we started discussing the topic for this hearing. How do we meet our financial obligations going forward as our earning capacity diminishes?

I worry about what happens when I lose my older workforce. I have a work force that is steeped in the traditions of manufacturing and working with their hands. The jobs have been gone long enough that the newer generation has no idea what manufacturing is and certainly never had a summer job in a woolen mill running shuttles back and forth. An immigrant population can answer some of those needs or I may be left outsourcing overseas.

I am often asked if it is harder to train an older worker, are they too set in their ways? The image of an old dog lying on the couch, ready to snap at anyone walking by comes to mind and I have to laugh. When did we become old dogs? How hard is to teach Algebra to a teenage boy? Breaking down stereo types has to be one of the first things to happen when confronting the aging workscape.

Ease of learning has nothing to do with age. I have found that older workers embrace new methods quickly and easily. When I added a French seam to a design, we all gathered round the computer and watched a youtube video to see how it was executed. The older staff picked it up immediately and expanded the concept into other areas, the younger crew was right behind them. In part, the quick assimilation of new techniques in an older worker comes from having a larger set of experiential building blocks on which to pin a new concept. I suspect the old dog that has trouble with a few new tricks was once a young dog that had trouble with new tricks.

An older worker tends to be more balanced with their personally life, while work is important it does not dominate. Each employee sets their own hours at Erda. Some elect to come as early as 5:30 and others elect to work nine hour days and take a half day on Friday. It is a benefit that costs me very little and goes a long way to making a better work place and a sense of autonomy for each individual. The flexible schedule is necessary so that family obligations can be met.

My employees are paid hourly, not by the piece. They get sick days, holiday and vacations. We break for Qi Gong sessions every morning at 10 am, shaking and tapping to keep joints loose and moving. Once a month massage sessions help to ease tight shoulders.

We are a small company, but you can find our handbags throughout the United States in galleries, museum stores and some national parks. Up until recently we were in Acadia National Park. When an out of state company took over the management of the park stores many of the

Maine businesses were left out. Giving small business access to these markets would go a long way towards our sustainability.

A workplace that includes older workers is more balanced, more representative of real life. An integrated workplace is more rewarding and more interesting. I don't know what role, if any the government should play in this issue. For now we keep making our handbags and learning from one another old to young and young to old.

Thank you for taking the time to hear my testimony.