

Made in the USA: Stories of American Manufacturers

Testimony of:

Barbara J. Schindler

President and COO

Golden Artist Colors, Inc.

New Berlin, NY

Before the Committee on Small Business

United States House of Representatives

June 19, 2013

Good afternoon Chairman Graves, Ranking Member Velázquez and members of the Committee. Thank you to Congressman Hanna for inviting me to be here today.

My name is Barbara Schindler, President and COO of Golden Artist Colors, Inc. Thank you for the opportunity to provide testimony on manufacturing in America. GOLDEN manufactures acrylic and oil paints for professional artists. As a global company, we export our products to 60 countries around the world. Currently, our international sales make up 25% of our business.

Our mission is to grow a sustainable company dedicated to creating and sharing the most imaginative and innovative tools of color, line and texture for inspiring those who turn their vision into reality.

To achieve that mission, we operate on three principles: 1) make the best products, 2) provide customers with the best service and 3) find people who can make the first two happen. Our products are intended to preserve the artistic legacy of our times for hundreds of years. This is a unique responsibility and privilege we take very seriously. In 2002, GOLDEN became an employee owned company. We have 157 owners coming to work each day, knowing that their contribution will have a direct impact on their investment and retirement!

What makes GOLDEN a successful manufacturer in America?

The Art Materials Industry is one which grows a meager 2% per year. Despite that reality, GOLDEN has grown its business 21% since 2009. Many

of our competitors have moved a portion of their manufacturing to emerging markets, predominantly China. We choose to remain here, as we recognize we can protect our product quality and intellectual property in the United States. Our continuous efforts to drive manufacturing efficiencies improve our ability to remain competitive; however our commitment to new product development and consumer relationships is essential for continued growth. Many product concepts come from artists / consumers who use our brand. Our five-member technical support team responds to 13,000 phone calls and emails annually. We also contract with over 40 teachers in North America who provide art education for over 15,000 people per year.

GOLDEN believes in giving back to our local community and the global arts community as well. Each year the company has contributed 10% of its net profit to the many non- profit organizations that make a difference in our world. Business is an ecology of interconnected resources, human and environmental. Each business needs to find its own way in nourishing these resources to remain sustainable.

What obstacles do we face on a federal level?

Most of the issues we face are local and industry related, yet there are three significant issues where the Federal Government can provide leadership and assistance. They are health care, education and specific to our industry, harmonized labeling standards.

We remain optimistic that the Affordable Care Act will meet its goal of creating affordable health insurance to all Americans. As we prepare for

this future, however, it is our approach to ready our employees and our business for every aspect of health care, and not simply the ACA impact alone.

At GOLDEN we have been managing affordability via fierce staff education and wellness. Yet, a consumer mind set can only go so far in an opaque market such as health care. As health care services remain rationed, especially in rural areas of our State, and with medical inflation outpacing the cost of living in multiples, we need your continued efforts to address the entire health care system. Americans must embrace wellness and health care providers must place the patient in the center of all they do so we may once again enjoy the highest quality health care in the world and not simply the highest costs.

Secondly, an educated and creative workforce is critical to sustain success in any business. Unfortunately, due to federal mandates and budget shortfalls, art teachers are being lost in almost every district. We are troubled by the lack of arts education in our schools and believe this is a serious situation that will in the long run, shrink one of the most significant drivers of American ingenuity and leadership.

Finally, we need a truly harmonized regulatory framework for health and safety labeling of art materials. Applying State of California mandated health warnings to our products, warnings that are deemed appropriate by no other jurisdiction in the world, causes confusion and lost sales not only in other States of the U.S., but in our foreign markets as well. Adoption of the United Nations' Globally Harmonized System of Classification and

Labeling of Chemicals, as the preemptive standard for consumer products, would eliminate these burdensome domestic and international inconsistencies.

What does the future look like for GOLDEN?

GOLDEN's future is positive and sustainable. With the help of NYS and Chenango County, GOLDEN just began a capital project to prepare us for future growth.

We will be successful if we are able to maintain and hire an educated and enthusiastic staff. Employee ownership has been a point of difference between us and other employers. At the 2011 *Inc* Magazine Awards for the 50 Top Small Companies to work for, at which GOLDEN was one of the recipients, 12 of the 50 companies recognized were ESOP companies. Federal support for ESOPs is invaluable for creating workplaces which honor and celebrate its staff. ESOPs are not a cure-all for business success, yet it provides another level of security for employees trying to navigate their future. When employees are treated like owners, they tend to act like owners.

Thank you again for the privilege to address this committee.