

Testimony of Adria Bagshaw

My name is Adria Bagshaw, and I am here to present the story of the W.H. Bagshaw Company, a small family business located in Nashua NH. My husband, Aaron, who is back at the factory, is the president, and I serve as vice president. We are a true family business – Aaron is the 5th generation to lead the company, and right now, we are fighting hard to find our way through these dire economic times.

Since 1870, the WH Bagshaw Company has been manufacturing pointed wire products – pins and needles. We supply pins that go in the hinge of the 30 & 50 Caliber ammunition boxes for the U.S. military, pins for the textile and newspaper industries, dart pins, phonograph needles. Historically, we the textile and tooling industries were our biggest markets, but our customers' business has degraded due to competition overseas. In the past several years, we've brought in new machines to serve more industries and expand our market base, and we now making parts for medical and aerospace customers.

We currently employ 18 full time employees. When I joined the business 5 years ago, we had closer to 30. Most of our employees have been with us for twenty to thirty years, and many of them are related to one another. Times are tough for them – we have been working shorter weeks and have had unpaid weeks off due to lack of work.

Sales are down about 25% this year, in spite of new technology, markets and accounts we have added. We are having trouble collecting money from our customers, and in turn are having to stretch out our bills further. We worry about the cost of heating our building this winter, as well as the inevitable increases we get each fall on our health insurance. We cover 10-25% of the monthly premium for our employees; with premiums at \$1100 per month for a family, we spent more on health insurance in the first half of this year than we spent on raw materials to make our product. Our customer base cannot absorb even modest price increases, let alone the 10-20% we would need to pass on in order to keep up with the increases. We will be forced to cut back on the quality of the plan and the amount that the company covers. The biggest drain for us is our defined pension plan, a burden that has become even greater with the recent stock market downturns.

Hollis McGuire, the Nashua area Director for the Small Business Development Center, has been a very helpful resource for us. She has participated in strategic brainstorming sessions with us, and has put us in touch with other valuable resources in the area. She has also been a sounding board for me as we developed our annual financial projections for 2009.

We understand that the SBA is providing incredible opportunities for loans right now for new ventures. As an existing business, we could use more help in the short term, especially with the winter months coming.