

Position Statement – U.S. Housing Policies

Executive Summary

As a leading science and technology company with more than 13,000 employees across 70 facilities in 20 states around the U.S., our employees form the backbone of our business. It is therefore critical that our employees whose jobs do not allow them to work remotely be able to commute to and from our R&D, manufacturing, packaging, and distribution facilities in an easy and timely fashion. However, rising housing costs in communities across the country have forced our employees to live farther and farther away from our facilities, resulting in long commute times that have negative consequences for our employees, our operations, our ability to recruit and retain diverse talent, and our communities. Our company strongly supports policies that seek to make housing more affordable, available, and accessible for our employees.

Why It Matters

Companies depend on their workers in order to be successful. Businesses oftentimes choose to expand or locate offices, laboratories, manufacturing plants, distribution centers, and other facilities according to the size and skills of the workforce in a given area. However, a lack of available housing can wholly disrupt a labor market by causing workers to move away from or by preventing them from moving to a given area in search of more affordable or accessible housing elsewhere.

According to a study published by the Harvard University Joint Center for Housing Studies, nearly 50% of U.S. households were cost-burdened as of 2018, meaning that they spent more than 30% of their income on housing, resulting in difficulties affording food, clothing, transportation, medical care, and other necessities.¹ Oftentimes, workers are forced to relocate to distant suburbs and exurban areas in search of more affordable homes.² As a result, according to the U.S. Census Bureau, Americans in 2019 spent on average more than 55 minutes each day commuting to and from work, an increase of more than 20 minutes each week compared to a decade prior.³ According to a study published in the *American Journal of Preventive Medicine*, long commute times can have detrimental effects on workers' productivity, quality of life, and mental and physical health, including increased stress, high blood pressure, and obesity.⁴

As communities have grown and matured around our company's facilities, it can be difficult to establish new modern housing initiatives. While growth in mixed-use, transit-oriented developments can increase an area's housing supply, make it more attractive for younger residents, and provide a variety of housing units, including affordable housing, local zoning laws often make it difficult for these new developments to get off the ground, and many states and localities struggle to provide diversity in housing choices.

Our Position

As a company with facilities across the country in urban, suburban, exurban, and rural communities, we acutely understand the challenges that result from a lack of available housing. We support policy solutions that improve housing affordability and support greater access to diverse housing choices for our employees.

- We believe that diverse housing options attract workers to a given city or town, which can have significant positive effects on that community, including reduced infrastructure costs, increased diversity, and improved health outcomes.⁵

¹ Joint Center for Housing Studies of Harvard University. (2020). America's Rental Housing 2020. Retrieved from https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_Americas_Rental_Housing_2020.pdf

² Ingraham, C. (7 Oct. 2019). Nine days on the road. Average commute time reached a new record last year. Washington Post. Retrieved from <https://www.washingtonpost.com/business/2019/10/07/nine-days-road-average-commute-time-reached-new-record-last-year/>

³ United States Census Bureau (18 March 2021). Census Bureau Estimates Show Average One-Way Travel Time to Work Rises to All-Time High. Retrieved from <https://www.census.gov/newsroom/press-releases/2021/one-way-travel-time-to-work-rises.html>

⁴ Hoehner, C.M., Barlow, C.E., Allen, P., and Schootman, M. (15 May 2012). Commuting Distance, Cardiorespiratory Fitness, and Metabolic Risk. *American Journal of Preventive Medicine*, Volume 42, Issue 6. Retrieved from <https://www.sciencedirect.com/science/article/pii/S0749379712001675?via%3Dihub>

⁵ Good Shepherd Housing. (10 Oct. 2015). Why Affordable Housing is Good for Business. Retrieved from <https://goodhousing.org/2015/10/10/why-affordable-housing-is-good-for-business/>



- We also believe that diverse housing options promote economic growth, as mixed-use developments cater to the different needs of residents and support local retail and food establishments that get built around them.
- We also support increased available housing, as cities and towns that have access to both housing and workplaces experience less traffic, less pollution, and develop a more cohesive sense of community.⁶

We encourage policymakers to engage with local housing groups, businesses, developers, community organizations, and other key stakeholders to increase the supply of available housing and incentivize demand through rent, zoning, and commercial development incentives and reforms.

- We support common-sense reforms to tax, permitting, zoning, and parking policies and regulations that seek to increase and provide access to available housing in the communities in which our company operates.

About Merck KGaA, Darmstadt, Germany

Merck KGaA, Darmstadt, Germany, a leading science and technology company, operates across healthcare, life science and electronics. Around 58,000 employees work to make a positive difference to millions of people's lives every day by creating more joyful and sustainable ways to live. From advancing gene editing technologies and discovering unique ways to treat the most challenging diseases to enabling the intelligence of devices – the company is everywhere. In 2020, Merck KGaA, Darmstadt, Germany, generated sales of € 17.5 billion in 66 countries.

The company holds the global rights to the name and trademark "Merck" internationally. The only exceptions are the United States and Canada, where the business sectors of Merck KGaA, Darmstadt, Germany operate as EMD Serono in healthcare, MilliporeSigma in life science, and EMD Electronics. Since its founding 1668, scientific exploration and responsible entrepreneurship have been key to the company's technological and scientific advances. To this day, the founding family remains the majority owner of the publicly listed company. For more information about Merck, KGaA, Darmstadt, Germany, visit www.emdgroup.com.

⁶ United States Environmental Protection Agency. (Feb. 2013). Creating Equitable, Healthy, and Sustainable Communities: Strategies for Advancing Smart Growth, Environmental Justice, and Equitable Development. Retrieved from <https://www.epa.gov/sites/default/files/2014-01/documents/equitable-development-report-508-011713b.pdf>

