



**JUDI  
NEAL**

# Integrity Is The Bottom Line

Focusing On  
Aaron Feuerstein

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**E**dgewalkers are people who walk between the worlds. They are firmly grounded in material reality and are successful in their lives and work. They also draw upon their religious or spiritual faith to guide them through the complexities and vagaries of life. They have a foot in the material world and a foot in the invisible world.

It is difficult to walk between different worlds and still hold on to your soul. Aaron Feuerstein, CEO of Malden Mills in Lawrence, Massachusetts, is one of the best-known examples of a business leader who has done this. Many people are familiar with his actions and decisions after Malden Mills burned down one night in December 1995 on Aaron's 70th birthday.

Malden Mills produces, among other things, Polartec® and Polarfleece® for such companies as Land's End and L.L. Bean. Rather than take the insurance money from the fire and retire, Feuerstein committed to rebuild the factory in Lawrence so that his employees and the community would not be hurt. He paid all his employees their salaries and benefits for the next three months, a cost of over \$25 million, even though most of them would not be working until the mill was rebuilt.

This incredible act of generosity and commitment to his employees and his community was completely in line with Aaron's character and behavior. Although this was one of his more dramatic acts, he was always known by his employees and the town as someone who cared.

For Aaron Feuerstein, integrity is the bottom line. And the guiding light for that integrity is his Jewish faith. He has memorized the Psalms, reads the Torah daily, and, according to one source, “The Old Testament is in my innards.” He often quotes his grandfather, a rabbi, in Hebrew and then translates: “You cannot oppress the wage earner. Each day you must give him his wages.” Aaron puts people before profits. And if you ask him why he did what he did, he says simply, “Because it was the right thing to do.”

Aaron, now a very popular public speaker, is fond of telling audiences that before the fire Malden Mills produced 130,000 yards of material per week. Due to the commitment of his employees to save the plant, within 10 days they were up and operating again in a partially burned building. Within six weeks they were producing over 200,000 yards per week.

While speaking to the Hillel Society at University of Massachusetts-Amherst (and captured on a university video), he said, “It was unthinkable to bring these towns to economic ruin. It was unthinkable to put 3,000 people out of work. The moral imperative is critical and it must be taken without regard to the consequences. Once I made the decision, my work was over. My people took over. They did it.”

Now Malden Mills faces another crisis. In November 2001, GE Capital and other large banks forced Malden Mills into bankruptcy protection as a condition of a \$20-million loan to continue operations.

The cost of rebuilding the mills was more than expected, and the payment from the insurance company for the fire was less than expected. The company found itself with mounting debt and, bankruptcy was the only answer. Many cynics use this situation as proof that you can’t afford to take your eyes off the bottom line and operate on higher values. But they underestimate the power of Aaron Feuerstein’s faith and his ability to walk between the worlds.

Feuerstein has proposed paying back all of the \$160 million the company owes its lenders over a 10-year period. In exchange, he wants to maintain control of the management of the company. Otherwise, the creditors are proposing shutting down

the plant and moving operations overseas, which would be devastating for the workers and the town.

His commitment is still strong. In 1981 the company had to declare bankruptcy, and Aaron brought them back from the brink. With the guidance of his deep faith, he just might do it again. Even if he does not, he still believes that he has done the right thing. Quoting the famous first century Talmudic scholar Hillel, he says, “Not all who increase their wealth are wise.” The world could certainly use a few more business leaders these days with his kind of spiritual wisdom.

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