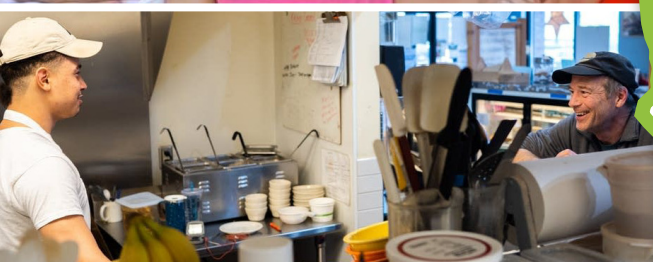




VOICES OF MAIN STREET  
 Paid Family & Medical Leave Stories from  
 Minnesota Small Business Owners  
 Spring 2019





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At some point, nearly everyone needs time away from work to recover from a serious illness or care for a sick loved one or new child. Yet only 13 percent of the Minnesota workforce has paid family leave through their employers, and 44 percent have personal medical leave through an employer-only provided temporary disability program.<sup>1</sup> Unequal access to paid leave reflects structural inequality, with lower-paid employees<sup>2</sup> and employees of color less likely to have access.<sup>3</sup> Lack of paid leave forces working people to make the impossible choice between their paychecks and their families. With women still shouldering a larger share of family caregiving responsibilities, the lack of widely available paid leave, exacerbates gender inequities. For Main Street businesses, healthy families are part of our bottom line. Small business owners and our employees alike need to take time away from work when a loved one is sick, or we have health problems of our own. That's a real financial struggle for all of us—and it shouldn't be.

Across Minnesota, over 513,000 small businesses employ 1.2 million people.<sup>4</sup> Even though they would like to, these small businesses lack the capital and the scale to provide earned benefits like paid family and medical leave, even when business owners want to provide those benefits.<sup>5</sup> The few options available to small business on the private market are expensive and peppered with exclusions (e.g. for cancer) and waiting periods. As a result, these plans fail to cover many circumstances in which leave would be needed.<sup>6</sup> Many small businesses are losing talented employees to large corporations, which wield the market power to give good benefits. Small businesses benefit when employees can care for their families and return to work ready to help small businesses profit and thrive. Main

Street businesses don't want to lose good employees; turnover and instability is costly. To give small business a fighting chance, we need to level the playing field and adopt a strong paid family and medical leave social insurance program.

Progress has already been made. States and municipalities across the country—California, Hawaii, Massachusetts, New Jersey, New York, Rhode Island, Washington state, and Washington, DC—are showing these laws help create a more equitable Main Street. Small businesses report an overall positive experience with these programs. Paid family and medical leave laws make paid leave affordable and accessible to small businesses, both leveling the playing field between small businesses and large corporations and increasing economic security for small business owners and their employees.

When lawmakers fail to act, large corporations win. Leaving small business owners and employees to fend for ourselves gives big corporations that already dominate our economy and politics a competitive edge. Small business owners and our employees need action from lawmakers to address racial, geographic and gender inequities in our state.<sup>7,8</sup> Minnesota has vast racial and gender wealth gaps produced by decades of discriminatory policy, making paid family and medical leave especially urgent for families of color and women. Minnesota's rural people and people of color<sup>9</sup> are less likely to hold jobs where paid leave is offered, and women more often shoulder caregiving responsibilities. A Minnesota paid leave program will improve the workplace for women and people of color, creating more stable households and a stronger, more equitable Minnesota economy.

1. <https://www.bls.gov/ncs/ebs/benefits/2018/employee-benefits-in-the-united-states-march-2018.pdf>

2. <http://cepr.net/documents/nj-fli-2014-06.pdf>

3. <http://www.nationalpartnership.org/our-work/resources/workplace/paid-leave/paid-family-and-medical-leave-racial-justice-issue-and-opportunity.pdf>

4. <https://www.sba.gov/sites/default/files/advocacy/2018-Small-Business-Profiles-MN.pdf>

5. <https://bit.ly/2tCUdFk>

6. <https://www.minnpost.com/community-voices/2019/04/the-cost-of-inaction-on-paid-family-and-medical-leave/>

7. [https://mn.gov/deed/assets/paid-family-medical\\_tcm1045-300604.pdf](https://mn.gov/deed/assets/paid-family-medical_tcm1045-300604.pdf)

8. <https://www.hhh.umn.edu/news/rural-minnesotans-have-greater-need-paid-family-leave-humphrey-school-report-says>

9. <http://www.nationalpartnership.org/our-work/resources/workplace/paid-leave/paid-family-and-medical-leave-racial-justice-issue-and-opportunity.pdf>

## A Win-Win-Win: Good for business, employees and Minnesota

The PFML Act is an affordable and responsible way for small businesses to support and retain employees when serious family and medical needs arise. The contributions would go into an insurance fund, building on Minnesota's leading Unemployment Insurance administration under the Department of Employment and Economic Development to ensure program stability for employees, employers, and the state. Contributions would cover both benefits and administrative costs. This spreads the cost of leave, reducing the burden on individual employers without creating significant new administrative requirements. When an employee or small business owner needs to take time away from work, they can draw income from the fund to get by until they're back on their feet. Employers can use the salary of their on-leave employees as they see fit; they can use it to hire a temporary replacement, invest it in their business or save it for another use.

**Paid family and medical leave laws help level the playing field between small businesses and large corporations, allowing small businesses to compete on more equal footing.**

With modest bottom lines, small businesses often have trouble matching more generous paid leave benefits offered by larger employers (including 84 percent of businesses surveyed by Main Street Alliance)—resulting in a hiring disadvantage.<sup>10</sup> In the current labor market, that means losing talented employees to larger employers, which wield the market power to provide paid leave to top managers but are squeezing everyone else with low-wages and uncertain jobs.

**Paid Family Medical Leave provides critical financial security for small business owners themselves.**

Small business owners themselves need paid family and medical leave. They, too, have new babies and ailing partners or parents, and often cannot afford to take unpaid leave. Their cushion maybe razor thin, and a single accident or a medical emergency could jeopardize the health of a small business and throw a business owner into financial ruin. Under the Paid Family &

10. <https://bit.ly/2DQwCX6>

11. <https://www.leg.state.mn.us/docs/2016/mandated/160419.pdf>

12. [http://asbcouncil.org/sites/default/files/files/Regulations\\_Poll\\_Report\\_FINAL.pdf](http://asbcouncil.org/sites/default/files/files/Regulations_Poll_Report_FINAL.pdf)

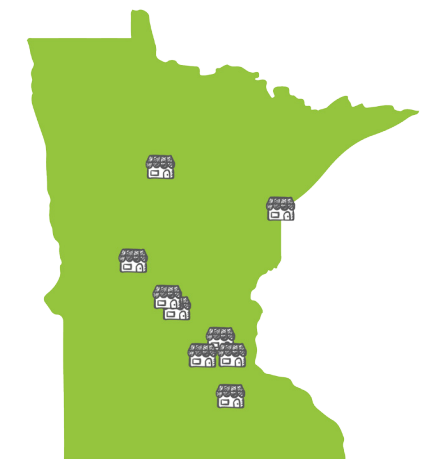
Medical Leave Act, small business owners would have a guaranteed revenue source while out on leave allowing them to take care of themselves and their family without risking their business.

**Paid Family and Medical Leave goes right back into the local economy, boosting consumer demand at small businesses, as working Minnesotans spend their increased earnings to cover the basics.**

When individuals do not have access to paid leave, it impacts their spending and consumption patterns. Minnesotans lose close to \$900 million annually in wages because of lack of paid leave.<sup>11</sup> When they take unpaid leave, employees give up income they need to pay bills, buy groceries and support their families.

Working Minnesotans who take unpaid or partially paid leave reported putting off spending, resulting in hardship for families and lost income to small businesses. Business owners cite weak sales as the biggest problem for their business and the economy, and ensuring that employees have their consistent wages means that consumer demand won't go lax with each illness or family event or emergency.<sup>12</sup>

We can't continue letting big corporations set all the terms for what businesses can thrive, who can take time to care for family, and who can feel secure in their day-to-day lives. Let's leave no business or family out. Families and small businesses alike come in all shapes and sizes. We need a paid family and medical leave program that includes all entrepreneurs, all workers, and all families. Here are some of the voices of Main Street.





When my wife and I started our business, Paddy's Game Shoppe, 13 years ago, we were told we would never be able to have kids. My wife suffered from PCOS, and we were told by doctors that a baby wouldn't happen for us. About a year later, my wife found out she was three months pregnant. It was a high-risk pregnancy from the start, and she had to be on bedrest for much of it.

In June of 2007, our miracle baby, Finn, was born. My wife was lucky to have four weeks of paid leave from her job. Having this time was critical for our family. As a small business owner, I didn't have any paid leave to rely on. So when my wife returned to work, I did what many small business owners do: I brought Finn to my shop during the day. This worked well enough in the early days with a sling and Pack 'n Play, but became more challenging as he learned to crawl and walk. Even now, 12 years later, Finn comes here to the shop after school.

Everyone should have time to take care of their families, regardless of where or for whom they work. This time in our lives is precious, and my employees deserve to have that time too. But, as a small business owner, I can't afford to pay for 12 weeks of leave on my own,

Everyone should have time to take care of their families, regardless of where or for whom they work... But, as a small business owner, I can't afford to pay for 12 weeks of leave on my own, so we've had to improvise.

so we've had to improvise. I've had several employees bring their kids to work and put them in the Pack 'n Play, and we've worked out other short-term solutions. But family friendly workspaces aren't enough. I'm not sure what I'd do if my wife, Finn, or I had a serious illness.

A paid family and medical insurance program would make it possible for me and other small business owners to provide leave to employees or take time for our own health and families if we should need it.

The lack of paid leave is a huge problem for me as a small business owner. I have five employees. When one of my employees broke both her arms two years ago, I had to pay thousands of dollars out of pocket for medical leave. This year, I have an employee who needs a hip replacement, and we expect that she will be out for 10 weeks. I want to be able to cover her, but doing so would be a huge financial hit to our business and our family. The last time we covered medical leave out of pocket, we fell behind on our commercial lease and home mortgage.

Our current case-by-case out-of-pocket practice could sink our business. Over and over, I have been told by legislators that we don't need a paid family leave insurance program, that I as a small business, should do this voluntarily.

So I looked on the private market to see what insurance I could get there. I spent more than five hours researching, and I came up dry. For business owners, this is a game of who you go to and who you trust. The smaller the business, the more expensive it is and the less power you have to negotiate rates. Plans differ drastically, making them really difficult to compare.

The plans I reviewed all had one horrendous commonality: minimum hospital stay requirements. When my employee broke her arms, her stay in the hospital was just two days, so that leave would not have been covered. The average stay in the hospital for a hip replacement is just 1-3 days. Therefore, this leave would also not be covered under any of the private temporary disability plans available to my small business.

There are NO private insurance options that will actually cover my employees in their time of need.

I took hours away from my business to speak to multiple companies and agents, I can tell you one thing for certain: For small businesses like mine, there are NO private insurance options on the market that will actually cover my employees in their time of need. The private temporary disability plans out there fall short in many important ways. They are expensive, ranging from \$200-300 per month for a business our size. They are peppered with harmful carve-outs, and would fail to cover the situations we've already encountered. They contain waiting periods, minimum hospital stays, exclusions for cancer, and variance in plan offerings and pricing depending on which agent you talk to.

Small businesses need a transparent and reliable coverage option, and we need the Legislature's help to get there. A high-quality family and medical leave insurance plan will help my small business keep its valued employees and continue to grow and serve our community.

	Colonial Life (Agent 1)	Colonial Life (Agent 2)	Aflac	m under the PFML Act
MONTHLY PREMIUM (per employee)	\$49.95	\$35.32	\$22.63 <small>(50+ years old, rate increases by \$10)</small>	\$15.86
WAGE REPLACEMENT RATE	60%	60%	60%	66% avg. <small>(progressive scale of 90%-55%)</small>
LEAVE AVAILABLE	6 weeks	6 weeks	6 weeks	12 weeks
MINIMUM HOSPITAL STAY	7 days	7 days	None	None
EXCLUSIONS	Paternity leave, foster care, adoption, aging parent care, cancer	Paternity leave, foster care, adoption, aging parent care, cancer	Cancer	None
OTHER LIMITATIONS	Unknown	Unknown	Health screening required, must use all PTO first	None

Sarah Piepenburg is the owner of Vinaigrette Oil and Vinegar, family-owned and operated food store in Minneapolis & Navarre

I work every day with start-up small businesses, mostly rural ones, and every day I'm awed by the passion, ingenuity and determination the owners of these businesses put into their work—from sunup to past sundown. It's a work ethic that pushes me to do even more in my own business to support folks like these who don't rest until the job is done.

Running my own small business and working closely with dozens more, I've seen how difficult it can be to care for our employees, to give them what we know they're worth while making sure our businesses survive and grow. Whether it's trying to provide high-quality health insurance, good childcare options, or paid time off when family responsibilities necessitate it, the options for small business can be slim and expensive, if they're available at all.

In October of 2018, I hired my first employee. During the hiring process, she told me that health care benefits and possibilities for paid leave were priorities for her. She has infant twins. We discussed very openly that it's almost impossible for small businesses like mine, with razor thin bottom lines, to offer these benefits on our own.

It wasn't that I didn't want my employees to have paid family and medical leave, and high quality, affordable health care. As the mother of two children, I know how important these are to all families. But these benefits are beyond what I can offer.

I offered my employee what I could: a stipend toward the cost of health care coverage and flexibility in taking time off. But in the end, she left for a job with benefits. I can't fault her for needing to put her family first and avoid the possibility of having to choose between her job and her kids.

This issue needs to be addressed by our state. Entrepreneurs pride ourselves on being problem solvers, but there are limits to what an individual small business can do. We can't go it alone when it comes to programs we all need, like paid family and medical leave.



Whether it's trying to provide high-quality health insurance, good childcare options, or paid time off when family responsibilities necessitate it, the options for small business can be slim and expensive, if they're available at all.

No matter how hard you work, a serious illness or growing family can sink a small business, just like it can upend workers and their families. For all of us, it's scary when so much is left up to chance. This is true for both small business owners and for employees.

I want our political leaders to show the same determination that small business owners demonstrate day-in and day-out. It's time for paid family and medical leave.

Shannon Berns is the owner of Du Nord Consulting, a small business consulting firm, in Alexandria



So many small businesses and entrepreneurs fail because of one small problem or misstep along the way, and it usually has nothing to do with their business. I've seen this happen to many people who try to start their own business. These problems have also affected me and my family, and too often, they are beyond my control.

Recently, I was in a bad car accident. We had to close our doors and scale back our operations. My memory has been greatly impacted, and several issues—like my hand shaking—impact my ability in the shop. I still have two CAT scans and an MRI to do, and I start physical therapy soon. I am tired all the time, and I know I need to take time off, but I can't. As a business owner, if you don't work, you don't eat.

I try to look at the positives of my situation. We are lucky the accident happened with a rental, not our car. We have understanding, loyal customers and several projects in the works. If I didn't have my wife working with me, our doors would still be closed—maybe for good. Luckily, I have a partner who does most of the thinking for us both anyway, and friends who help out.

The bottom line is, small businesses need more support from our state to thrive. A program like paid family

and medical leave would really help me right now. I would have the time I need to rest and recover without worrying about making my mortgage payment or putting food on the table.

Lots of small business owners and people live just one paycheck away from financial ruin, but people of color face greater risk because of the wealth disparities by race in our society. Access to paid family and medical leave is important for everyone in Minnesota—but will make even more of an impact in communities like North Minneapolis.



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KB Brown is the owner of Wolfpack Promotional, a promotional printing company in Minneapolis

As a small business owner, a city councilmember and a Mom, I am thrilled that the state is considering paid family and medical leave insurance.

I have owned Content Books, an independent bookstore in downtown Northfield, since 2014. I have five great employees, and we do everything we can to create a positive experience. We provide good pay and benefits where we can. But like most small businesses, on my own I simply cannot afford to pay my employees beyond the sick and safe time that we offer.

Late last year, the Northfield City Council passed a six week paid family leave policy for city employees. While we were working on the policy, I heard from employees who had considered changing jobs before having kids because they couldn't afford to take unpaid time off. I saw city employees use up vacation and sick time to be home with their baby, then quit. They couldn't balance work while parenting a month-old infant.

Both of these scenarios represent costs for the city—not just in the dollars it takes to replace and train staff but in the damage to morale that comes when people have to choose between what they know is best for their kids and keeping their jobs.

I'm delighted that the City of Northfield now offers six weeks of paid leave to our employees, but I'm also nervous about what it means for the city's budget. The unpredictable cost was the biggest barrier to passing the policy, or extending the term to a more realistic eight, 10 or 12 weeks.

What would help us, our taxpayers, and our employees most would be to share the risk through a statewide program. It makes sense to ask employers and employees each to contribute to the fund, which would then benefit everyone when they need it.

I have two kids of my own, ages eight and three. After each of their births, their dad was able to take paid parental leave. His time with each baby in their first year made it possible for him to bond with and care for our kids in a way that laid a strong foundation for our partnership in child-rearing for years to come.

Our second child was born after I opened the bookstore. I budgeted carefully to cover extra staff time and help with bookkeeping and other tasks. I took about a month



to be home with the baby full-time, and then eased back into work at the shop, leaning heavily on my great staff. It was too expensive to cover all my hours, so I spent many days and nights with a baby and a laptop in my arms, or with the little guy napping behind the counter at the shop. My husband's paid leave made it possible for me to work at my usual pace for several weeks of that first year, but we juggled a lot.

It was painful to make tradeoffs between investing in my business and caring for my son. A statewide paid leave program would have made it possible for me to take time off without sacrificing resources that I could otherwise devote to growing my bookstore. As an employer, it would give me peace of mind to know that if and when one of my employees needs time off for a new child or an unexpected illness, they can care for their families and return ready to work and my business will have the needed resources for additional overtime or to hire a temporary employee.

Every City of Northfield employee, every Content bookstore employee, has a family counting on them to be both caregivers and breadwinners. Nobody should have to choose between the well-being of their baby and their job. A paid family leave system would share costs fairly, and ensure that all families get a healthy and secure start.

Jessica White is the owner of Content Books, a locally owned bookshop in Northfield



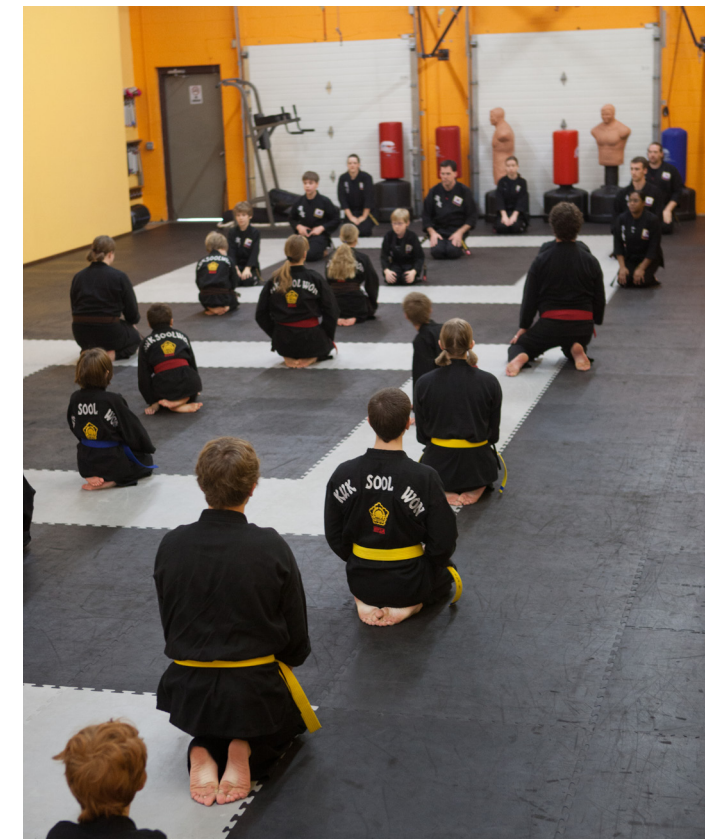
My partner and I own and run a martial arts school in Saint Paul. We are the primary, and sometimes the exclusive, instructors in every class. We are there, physically teaching, at least six days a week, all year round. If one or both of us were injured or became seriously ill for an extended period, the chances are good that we would have to close a school that has been in business for over 13 years. We would lose our livelihood, and the Midway neighborhood would lose a business with a strong community focus and a mission to make what we do available to everyone, regardless of ability to pay.

Paid Family and Medical Leave Insurance is good for businesses, working Minnesotans, and everyone in our community. Giving self-employed people, like myself, the chance to opt in makes paid leave programs that much stronger. Allowing a business like ours to pay just the employer's half of the tax means we're not paying double, a consistent issue for self-employed individuals owning a small business.

Paid leave ensures that everyone working in Minnesota has a financial safety net when they have or adopt a child, when they need to take time off of work to protect their own safety, or in the event of a serious medical condition. No one in my community should have to choose between their health, their families, or their safety and their jobs.

Nicki Jones is the co-owner of Kuk Sool Won, a martial arts studio in St. Paul

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At Vikre Distillery, we've been very lucky to have staff that are committed to our company and helping it grow. To help attract and retain good people, we provide health insurance and 20 days of Paid Time Off (PTO) to salaried employees. We also provide earned sick and safe time to all staff.

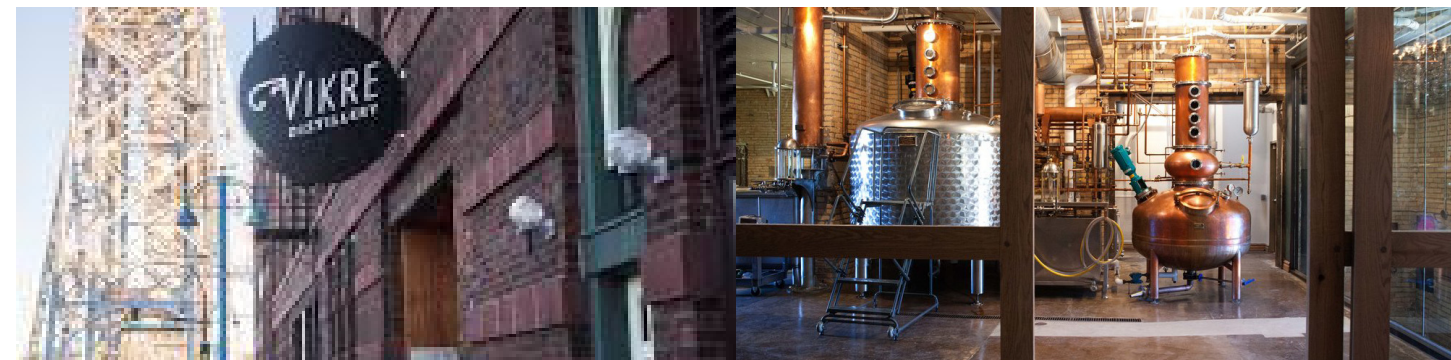
In part, we do this because people who have the time and resources they need to care for their families are able to do a better job at work. But we also do it because we have a family, and we've experienced how important flexibility is when you have a new baby, or medical needs arise.

When our second child Vidar was born, he was born with heart problems and spent three months in intensive care at the hospital in Minneapolis. My wife, Emily, and I spent that time with him, far away from our home and business. We did a lot of conference calls from the hospital room of course, but our staff stepped up and ran the business in our absence. We were incredibly lucky to have that flexibility—we didn't have to worry about losing our jobs. This drove home how important it is for people to have support when something goes wrong.

We're in a unique position. It would be great if all businesses could afford to let folks have the flexibility they need in a crisis, but that's just not the case, particularly for small business. That's why we need an affordable, state-run paid family and medical leave program with a statewide insurance pool. It would create financial security for both small business owners and employees alike, allowing them to be there for their families when trouble strikes.



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Joel Vikre is the co-owner of Vikre Distillery in Duluth



With most caregiving still falling to women, paid leave is an important gender equity measure for business owners and employees alike...the state has an important role in promoting economic development, and the lack of paid family and medical leave is an enormous problem for all businesses, but especially women-owned businesses.

The Business Women's Circle (BWC) is an organization that helps women grow themselves and their business through accountability, learning and support in peer advisory groups. This year, we are celebrating 10 years of business, with 150 active members. Over our years in business, we have mentored and supported approximately 400 women business owners.

Women own four out of every ten small businesses in the U.S. When it comes to Women-Owned businesses, Minnesota ranks first in the employment vitality category, and Minneapolis/St. Paul ranked second in the city employment vitality category. That's the good news.

The flipside is new business generation and job creation are almost net zero. There are many reasons why we see businesses, especially women-owned businesses, fold; one reason that comes up time and again is the lack of family and medical leave benefits.

With most caregiving still falling to women, paid leave is an important gender equity measure for business owners and employees alike. I heard from one young entrepreneur who closed her business so she could go back to a corporate job where she could get benefits to support her pregnancy and maternity leave. I heard

from a business owner of 18 years who was concerned about being able to afford to take time off to move her parents—both of whom were suffering from dementia and health issues—up to Minnesota from Iowa. I heard from a start-up business owner who had to have neck surgery for debilitating pain and went back to work after two weeks because she could not afford to lose anymore earnings. I could go on and on.

The state has an important role in promoting economic development, and the lack of paid family and medical leave is an enormous problem for all businesses, but especially women-owned businesses. Creating a paid family and medical leave policy is an opportunity to help level the playing field and increase women's participation in the workforce.

Lani Basa is the CEO of Business Women Circle, an organization dedicated to women entrepreneurship, headquartered in Victoria



Paid family and medical leave insurance would make it possible for us to grow our family and pay one of our employees to cover our work while we took the time every family deserves to welcome a new child.

When we had a baby nearly two years ago, I took two weeks off, unpaid, and then we took our son with us into the shop for the next seven months. When he could crawl, it became unmanageable. We put our son in childcare, which costs more than our house payment.

We are considering having another child, and we'd like to do so, but it's challenging without access to affordable health insurance or any paid leave. Paid family and medical leave insurance would make it possible for us to grow our family and pay one of our employees to cover our work while we took the time every family deserves to welcome a new child.

In addition, one of our employees is considering having a child. We can't afford to pay her extended time off from a very physical job, where she stands all day, but with a low cost PFML insurance program we could. It is frustrating that young entrepreneurs and people who work for small businesses have to delay having children and families because we don't have same market power corporations do to provide high quality careers.

My husband and I own Bench Pressed Printing and Design in Minneapolis. We were young when started our company seven years ago, and for a long time, we scraped by. With a lot of hard work, every year our profits have grown by 100 percent. We have been able to hire three part-time staff. By nearly all measures, we are a successful and growing business.

However, like many small and micro businesses, we need more support where the private market has failed us. We want to raise a family, and we have found that it is deeply challenging without the support middle-income families like us need.

We are teetering on the edge of Minnesota's benefits cliff. We were on Minnesotacare until we made slightly too much money and were kicked into the private insurance market, now we're paying thousands of dollars a year for a high-deductible plan.

Jane Shannon is the co-owner of Bench Pressed, a letterpress printing and design shop in Minneapolis



My business partners and I started Clockwork, a Minneapolis-based experience design and technology agency, 17 years ago in our basements, now we have 60 employees. We had a very intentional goal to create the jobs—and the workplace—we always wanted: A work culture that proved the treatment of people mattered in business. In those very early days, we made a commitment to put people first. That was, and continues to be, our business strategy.

My employees know I care about them. I tell them all the time, but actions speak louder than words. We have worked hard to attract and retain talent in a tight market since the very early days of our business. All while being surrounded by much larger companies with the financial ability to do more and offer more to employees. We bootstrapped our business, and continue to be entirely independent 17 years in. We have always offered some amount of medical leave, but it's lean compared to large companies. Still, we do our best.

We already provide some of what Minnesota's paid family and medical leave program would offer, and I'm still a strong support. A state-run PFML insurance plan would allow us offer even more extended leave benefits to our staff, helping us to compete with larger companies and their more robust benefits.

While I can never be General Mills, Target, or 3M, I do have to compete with them. Arguably, every employer in Minnesota is competing with them for talent in some way. The benefits they offer are what every person in the state wants. I hear it from employees all the time. It's vital that businesses of all types and sizes keep up with what the workforce is demanding.

Our workforce as a whole will be stronger with a PFML program. We're all afraid that we won't be able to take care of our families if something happens. And that fear erodes our workforce and our capacity.

As a woman, and a mom, and a business owner, my life boils down to two priorities: my family and my company. I would hate to have to choose between the two. I know I'm not alone. PFML would mean small business employee and small business owners themselves don't have to choose. And I can't think of a better thing to offer my staff than peace of mind.

A state-run paid family and medical leave insurance plan would allow us to think more creatively about how we could offer even more extended leave benefits to our staff, helping us to compete with larger companies and their more robust benefits.

Nancy Lyons is the owner of Clockwork, a design and technology firm in Minneapolis





A paid family and medical leave program will provide us the kind of financial security we need at a really low cost. Paid family and medical leave will make it easier for young people to go into business for themselves. It will help build and grow strong small business communities and vibrant downtowns throughout Minnesota.

I started Compass Rose, a boutique in downtown Bemidji, with my boyfriend about two years ago and am excited to see it grow. Our plan is to be able to integrate my partner full time in the business, too, and hire additional employees. As we consider having a family ourselves down the road, and as we hire employees who may have or want to start a family, the question of benefits will come up.

A paid family and medical leave program will provide us the kind of financial security we need at a really low cost. Small business owners take a lot of risks and make personal sacrifices all the time. But if I have the option to opt-in to a state program like this and access 12 weeks of paid family benefits, it one sacrifice I won't have to consider making. It will give me, my partner, and any future employees critical time to bonding with a baby, taking care of a medical issue, or be there in the event of a family crisis.

Paid family and medical leave will make it easier for young people to go into business for themselves. It will help build and grow strong small business communities and vibrant downtowns throughout Minnesota.



Hannah Anderson is the co-owner of Compass Rose, a boutique in downtown Bemidji

Good bakers and cooks are hard to find and keep. I do everything I can to reduce turnover at my cafe, and paying fair wages is part of that. I was an early adopter of earned sick and safe time when the ordinance came to Minneapolis, and it's been good for my business.

My employees know they will be taken care of, so they are loyal and work hard, and that benefits my business.

This past year, two of my employees, a baker and my chef, found out they were going to become dads. They



were worried about taking time to be off and wanted to be able to plan.

I decided to pay both of them three weeks paternity leave. Honestly, it cost me quite a bit, and was made even more challenging by the fact that I had to pay another employee overtime to cover. To make up expenses like these, I end up taking on more debt, scrambling to make cuts elsewhere, and just not paying myself. None of that is sustainable.

It was the right thing to do, and I am glad that their families have had that time together, but I can't imagine doing this for more than one employee in a year again. Restaurants run on a very small profit margin. We need a better solution. We need a paid family and medical leave insurance program so people can work at our restaurants and retail shops and still have a high quality of life and take care of their children and families.

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Dan Swenson-Klatt is the owner of Butter Bakery Cafe in Minneapolis



I was ready to get going and fight the cancer but there was just one major problem: how to pay for it. As an independent business owner, I didn't have paid leave or any other options while I recovered.

I own and run a small letterpress print shop in St. Joseph. I inherited the equipment from my late father, Don Bruno, and I have been making a go of it since 2005. I love St. Joseph and all the entrepreneurs and businesses here that make our little town so unique. I consider myself a community printer. I engage neighbors and organize all kinds of events in St. Joseph.

Back in 2013, I had some concerns regarding a lump, and I went in for my first mammogram. I learned had

a very early stage of breast cancer. We started with a lumpectomy. After further testing it turned out that I have the BRCA gene, which makes you 180 percent more likely to get breast and ovarian cancer. I decided to have a double mastectomy and hysterectomy.

I was ready to get going and fight the cancer but there was just one major problem: how to pay for it.

As an independent business owner, I had access to MNSure, but I didn't have paid leave or any other options while I recovered. The doctors recommended that I take time off work to heal from the major surgeries. Not only was I not used to taking time off, taking a break from the shop and my business meant that I would not have any income. I had to cover the deductibles and travel expenses from the operations, and I did not have that kind of money.

Fortunately, my strong community stepped up to the plate and rallied behind me. It was humbling because I'm not used to asking for help, but my friends, family, neighbors and other businesses came through in crowdfunding and even hosted a fundraiser with a silent auction. It was beautiful; my community raised \$20,000 when my goal had been just \$5,000.

When you come from a small town like St. Joseph, where people care about each other, you can get through things like cancer. But it shouldn't have had to be so challenging. It shouldn't have had to be a charity case each time someone has a major issue like cancer.

Paid family and medical leave insurance would help self-employed people like me have access to some financial security when a crisis happens. I am grateful that things turned out the way they did, but things should be easier for people that work hard all the time to make a small independent business succeed. Paid family and medical leave insurance would definitely have taken the pressure and anxiety off of me during my recovery. We all need some safety nets in place for the unplanned things.

Mary Bruno is the owner of Bruno Press, a small letterpress print shop in St. Joseph

These are the voices of Main Street Alliance small business owners. Across the country, small business owners are coming together to share their experiences with paid family and medical leave. Small business owners are working families, who support business practices and policies that boost the economy and reduce inequality.

A paid leave insurance program would make it affordable and accessible to small businesses, leveling the playing field between them and large corporations and increasing economic security for small business owners and their employees. Insights from these small business owners and additional follow up conversations, coupled with evidence and lessons learned from existing programs, have highlighted 10 program elements that should be part of any Minnesota paid family and medical plan program.

### Coverage

Ensure maximum benefit of the program to small businesses:

- All business sizes and configurations covered, and all owners, self-employed people, and employees (whether part-time, full-time, or seasonal ) covered, with no carve-outs or opt-outs.
- Parental, family, and serious personal medical needs covered without gender distinction. Minimum 12 weeks leave.
- Inclusive, simple family definition to meet the needs of today's workforce.

### Costs

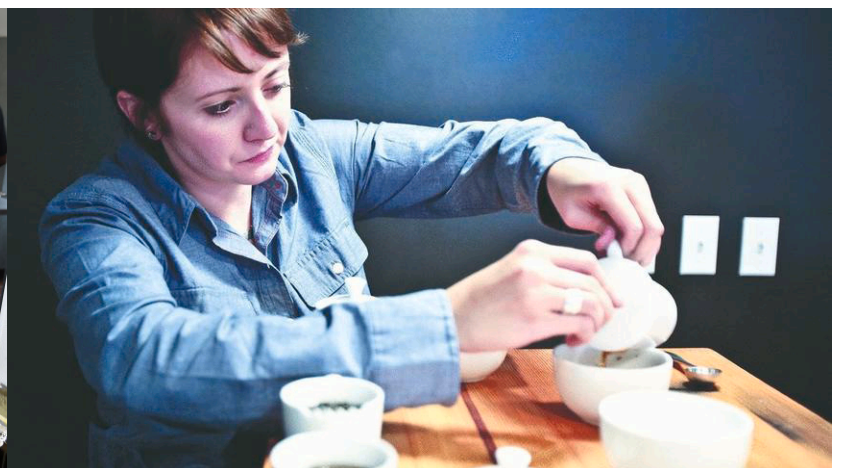
Responsible and self-sustaining funding to make leave affordable for businesses of all sizes:

- Cost shared between employers and employees.
- Maintain spending power of leave beneficiaries through progressive wage replacement with up to full replacement for lower-wage workers.
- Social insurance model, spreading costs across all businesses and business types and across all income level of employees and include a dedicated funding stream (that does not harm other essential programs.)

### Implementation & Administration

Designed to support employers and provide stability to businesses:

- Public administration of state program to maximize simplicity and ensure funding applied to benefits, not third-party profit.
- Extensive outreach and technical assistance for businesses to launch and address issues such as extended employee absence, and stability and predictability for employees as they return to work.
- Focus on ease of implementation for small business.
- Program sets benefit floor, not ceiling: businesses can enhance benefits set by state standards.





The Main Street Alliance of Minnesota works to provide small businesses a voice on the most pressing public policy issues in Minnesota and nationally. Our advocacy promotes vibrant businesses and healthy communities, and fosters leadership development of socially responsible business leaders.