



Minnesotans Need Paid Family & Medical Leave

Minnesotans believe in caring for one another. Yet the vast majority of Minnesotans don't have access to paid family & medical leave benefits. This means every day, Minnesotans face impossible choices between losing a paycheck or caring for a new child, an aging loved one, or themselves.

It's time for a common-sense solution. Our current system is costly to workers, families, businesses, and our economy. Paid Family and Medical Leave is overwhelmingly popular across party lines and has already passed in eight other states plus DC. By passing Paid Family and Medical Leave we can begin to solve our caregiving crisis while leveling the playing field for all Minnesotans.

How It Works

The Minnesotans for Paid Family & Medical Leave Coalition supports a state-administered paid leave insurance program, where everyone contributes and everyone benefits. Paid Family & Medical Leave is different than paid sick days which would allow workers to earn sick days for minor illness of themselves or family members (which is not yet required of all employers in Minnesota).

The Paid Family & Medical Leave Act will:

- Provide up to 12 weeks of partial wage replacement for medical leave (including pregnancy), so Minnesotans can take care of themselves.
- Provide up to 12 weeks of partial wage replacement for family leave, so Minnesotans can take care of themselves and their families.
- Replace wages on a tiered scale at 90%-55% of an employee's salary (66% on average), while protecting job and healthcare benefits, so Minnesotans can experience economic security during their leave.
- Keep costs low for all by creating a large statewide risk pool and equally share costs between employers and employees, with both contributing 30 cents per \$100 of employee earnings. For a median worker and their employer, this costs about \$2-\$3 per week.
- Build 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.

The Benefits of Paid Family & Medical Leave

For employees

- Provides economic security to families during important life events
- Improves parent and child health and well-being
- Allows elders to age in their homes and communities

For employers

- Benefits businesses by reducing turnover
- Boosts employee productivity and morale
- Benefits small-businesses by helping level the playing field

For all Minnesotans

- Reduces reliance on public assistance programs



- Increases women's participation in the workforce
- Simple and cost-effective

Coalition Members

The Minnesotans for Paid Family & Medical Leave Coalition is made up of the following members:

- AARP
- AFSCME Council 5
- AFSCME Council 65
- American Cancer Society Cancer Action Network
- Children's Defense Fund – Minnesota
- Communications Workers of America State Council
- Education Minnesota
- Elders for Infants
- Family Tree Clinic
- Gender Justice
- Greater Minnesota Worker Center
- Hispanic Solutions Group
- ISAIAH
- Jewish Community Action • JustUsHealth
- Land Stewardship Project
- Main Street Alliance of Minnesota
- MAPE
- Midwest Doula's
- Minnesota AFL-CIO
- Minnesota Breastfeeding Coalition
- Minnesota Chapter of the American Academy of Pediatrics
- Minnesota Council of Nonprofits
- Minnesota Doctors for Health Equity
- Minnesota Nurses Association
- Minnesota Public Health Association
- National Multiple Sclerosis Society of Minnesota
- Northstar Policy Institute
- Northstar Prosperity
- Open Access Connections
- OutFront Minnesota
- Planned Parenthood
- Prenatal to Three Coalition • SEIU-Minnesota
- Simpson Housing Services
- Superior Small Batch
- Take Action – Minnesota
- Thriver LLC
- Trabajadores Unidos en la Lucha
- UFCW Local 6
- UFCW Local 663
- UFCW Local 1189
- UNITE HERE
- Vital Aging Network
- Women's Foundation
- Working America
- Workutopia Consulting LLC
- Violence-Free Minnesota



Paid Family & Medical Leave in Minnesota

Family and Medical Leave Insurance allows employees to care for themselves and their loved ones. For many, taking unpaid time off to meet their family needs is inconceivable. As a result, **Minnesotans have to make an impossible choice: forgoing caring for their loved ones during times of medical need, or leaving their jobs and risking severe economic uncertainty.**

By creating an **employee & employer-funded** paid family and medical leave insurance program, we can help families get ahead – but the benefits don't end there. **Employers whose employees have access to leave report decreased turnover and improved morale.**



Sarah Piepenburg, owner of Vinaigrette with locations in Excelsior and Minneapolis, and her family.

I learned early on in business that our store is only as good as the people who work for us, and to invest in our employees is to invest in our business. That's why I support efforts to create a public paid family and medical leave program. As a small business owner, this is the kind of policy I want and need to keep my local business and employees healthy.

— Sarah Piepenburg, owner, Vinaigrette

More than 1.2 million people - 47.8% of Minnesota's workforce - work in small businesses. But many small businesses generally 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.

Only 17 percent of the U.S. workforce have access to paid family leave through an employer, and less than 40 percent have access to personal medical leave.

Among working mothers, only about half are able to take any kind of paid leave – including sick or vacation time – when their children are born. And, most strikingly, **more than 40 percent of bankruptcies in the U.S. are a result of lost income when the employee or a family member falls ill.**

Paid Family & Medical Leave Act

Self-Funded - small contributions from both the employer & the employees of around 0.31% of employee earnings makes the PFML Act fund self-funded. Similar policies in WA, MA, CA, NJ & RI cost on average less than \$2.00 per employee per week.

Wage-Replacement - replaces wages on a progressive scale at 90%-55%, 66% on average.

Easy-Admin - MN Department of Employment and Economic Development handles payments & admin, leaving business owners to focus on running their business.

Eligibility - all working Minnesotans, including small business owners & those self-employed are eligible for up to 12 weeks of medical leave & up to 12 weeks of family leave.

Good for Business - Small businesses that could not afford to offer paid leave to their employees would now be able to offer the benefit, helping businesses attract the best and brightest employees & enjoy increased productivity.

Studies have shown...

When mothers take longer leaves, their babies are **MORE LIKELY** to be seen for regular check ups and immunizations.

Breastfeeding mothers, who take part in paid leave programs, continue breastfeeding for **TWICE** as long as those without access to paid leave.

Children's hospital stays are shortened by **31%** when parents have access to paid leave.

9 months after the leave is taken, fathers who take at least two weeks off for the birth of a child are more involved in direct care than those who do not.

In NJ, CA & RI, the vast majority of employers reported that paid family leave **POSITIVE** had a or no noticeable effect on productivity, profitability, turnover or morale.



Paid Family & Medical Leave in Minnesota

*The U.S.
is one of
the only
countries
in the
world to
not offer
any kind
of paid
family or
medical
leave.*

MN
*can lead
the way
to do
better.*

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.¹ In the current labor market, that means losing talented 15 employees to larger employers, which wield the market power to provide paid leave to top managers but are squeezing everyone else with low-wage, 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 & 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 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.² 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.³

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

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StarTribune - Opinion Exchange

Minnesota, it's high time for paid medical leave

Too many people, especially people of color and American Indians, don't have it. And it's not just the right thing to do; it's the smart thing.

By Nathan Chomilo

FEBRUARY 26, 2019 — 2:52PM

Four pounds, 10 ounces. Our son was smaller than a bag of potatoes, and they were telling us he was ready to leave the hospital. Even as a board-certified pediatrician and a pediatric nurse, we found the thought of bringing him home daunting. Would he keep growing? What if he had issues feeding or my wife had issues keeping up her breast-milk supply?

However, some questions that weren't front and center for us worry thousands of families in Minnesota in similar situations: Can I afford to stay home with my newborn? For how long? Whom do I trust to care for my infant child?

Parents and families face these questions because in Minnesota 74 percent of children have all their parents in the workforce, yet there are no federal or state requirements for employers to provide paid sick time or paid family leave. This hits low-wage-earners the hardest, as most do not have access to paid leave. In fact, 63 percent of full-time and 67 percent of part-time workers report they would face significant economic hardship if they had to take time without pay to care for a new baby, care for an ill loved one or deal with their own health issue.

This leaves many Minnesotans struggling to care for loved ones when they are ill, while also trying to put food on the table and keep the lights on. Often families are forced into tough decisions that place finances above health or time with ailing family members. Or, as in the case of one of my patients, above one's own health.

Bob was admitted to the hospital because of a complication from his dialysis treatment for kidney failure. He was a relatively young man who had a family at home and was the main provider for them. He had been on dialysis for four years and shared that he hadn't even started the process of getting a transplant because he knew he couldn't afford to take the time off necessary for the surgery and recovery.

Bob had already had a handful of hospitalizations since starting dialysis and that had moved his family "to the edge" financially. He is an otherwise healthy individual whose life, health and time as a financially independent and contributing member of our state could be significantly extended by the security that paid medical leave would provide.

Paid medical leave would be truly life-changing, and potentially life-saving, to thousands of Minnesotans.

In addition to the benefits of paid medical leave, there is ample evidence that paid family/parental leave improves rates of breast feeding, infant bonding and development and vaccination rates, while lowering racial health disparities, infant mortality and premature births. These are among the many reasons that the United Nations Children's Fund (UNICEF) counts paid parental leave as one of the three policies critical to support young children's healthy brain development.

Unfortunately, in Minnesota, the ability to take paid leave is yet another gap in opportunity experienced by Minnesotans of color and American Indians, as the structural racism our society has been built on has left us more likely than white Minnesotans to be in low-paying, less secure jobs with fewer benefits.

Paid medical and family leave is therefore an opportunity to address the wide racial health inequities and disparities we continue to face.

Our little sack of potatoes is now a bouncing, bubbly 2-year-old. Even as a physician, my job only provides two weeks of paid parental leave for fathers (far short of UNICEF's recommendation). My wife received short-term disability for 12 weeks, but given complications of our pregnancy and our son's early arrival, she would have had to return to work when he was not yet to his due date.

We made the decision for her to stay home. I took extra time off that my coworkers and colleagues generously helped cover so I could be at home with my family. These are luxuries the majority of Minnesotans lack access to. And our co-workers' generosity is no substitute for justice.

All Minnesotans deserve the opportunity to take time to heal, care for loved ones and give their children the best start possible. The proposed Paid Family and Medical Leave Act (HF5) would be one step toward a more equitable and family-focused Minnesota for years to come.

Dr. Nathan Chomilo is a Twin Cities pediatrician and internist, a founding board member of Minnesota Doctors for Health Equity and is one of the Early Childhood Champions for the Minnesota chapter of the American Academy of Pediatrics.



Providing Economic Stability for Rural Minnesota Families, Employers and Communities during Family and Medical Leaves

Research Brief | January, 2019



A majority of people agree that the 25 year-old national *unpaid* Family and Medical Leave Act (FMLA) needs updating (PerryUndem, 2018). Across the state of Minnesota, hard-working families that need to be there for family members when it matters most and be responsible workers struggle with destabilizing economic consequences when they take an unpaid leave. Those in rural communities face even greater challenges and stress.

More than half of rural workers said they would very likely face hardship if they had to take a few months of unpaid time off work, compared to 40% of metro area workers. (PerryUndem, 2018)

In many ways, rural Minnesota workers encounter a greater need for family and medical leave (see box). At the same time, smaller rural employers struggle to provide the workplace supports more commonly offered to professional employees by metro area Fortune 500 companies. For example, one study found that

SOCIAL INSURANCE MODEL

- A small payroll contribution (.31% each) shared between all workers and employers paid into a state fund
- Eligible workers receive partial wage replacement (average 66%) from the state fund while on leave, freeing up employer resources for work coverage (overtime/temp support)
- Broad participation keeps costs low, spreads risk and creates stability for workers, employers and the main-street businesses that rely on them
- A sustainable, efficient, effective solution adopted in six US states

after controlling for a wide range of variables, rural women were 24% less likely to have access to job protected maternity leave than their urban counterparts,

79% of small businesses said that a social insurance model would help them the most.

(Mainstreet Alliance, 2018)

PAID LEAVE LANDSCAPE IN RURAL COMMUNITIES

GREATER NEED

- Older population, aging in place and needing elder care
- Childcare, eldercare, long-term care shortages, paid and unpaid
- More family members with a disability
- Greater distances to medical care
- More complicated births
- Increased impact of gender-based violence

LESS ACCESS

- Smaller businesses
 - Less revenue
 - Fewer employees
 - More challenging to provide
- Greater proportion of employment sectors that are less likely to provide
- Workforce shortages
- Higher levels of self-employment
- More contingent, part-time or seasonal employment

even though they are more likely to experience complicated births and have higher workforce participation rates (Glauber, 2015; MDH; ACS 2012-16).

Six US states, DC and most countries across the world have adopted a sustainable, flexible, cost effective and efficient solution—a paid family and medical leave social insurance program. (AEI-Brookings, 2018)

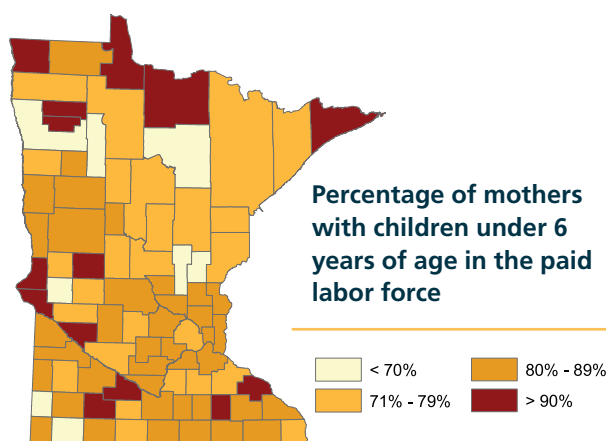
These programs have had neutral or positive effects on employers, even small ones, while providing a host of positive benefits for workers and their families. Built on already existing state Unemployment Insurance infrastructures that minimize the administrative burden on workers and employers, the programs are sustainably funded through small payroll contributions. These programs help ensure that every family, regardless of their zip code, has the freedom and flexibility to care for themselves or a loved one without risking their job or financial stability. At the same time, the programs take the strain off of businesses that may struggle to pay a worker on leave and simultaneously cover overtime or temporary worker pay to get the job done in their absence (Applebaum, 2013; Bartel, 2016; Ramirez, 2012).

WHAT IS DRIVING THE GREATER NEED FOR FAMILY AND MEDICAL LEAVES IN RURAL COMMUNITIES?

Workforce shortages mean the care capacity (paid and unpaid) in Minnesota rural communities is strained to the point of crisis.

According to the Center for Rural Policy and Development, some of Minnesota's most rural counties are among those with the highest percentage of 25 to 64 year olds participating in the labor force and overall rural labor force participation is at its highest level ever (CRPD, 2018).

Half of Minnesota's entirely rural counties have 90% or more of mothers with children under 6 in the paid labor force. (ACS 2012-16)



There is a critical shortage of childcare (paid and unpaid), especially infant care, in rural Minnesota communities.

Significant losses of in-home family child care businesses are not being offset by center-based care in many rural communities, creating a severe shortage over most of the state. (CRPD, 2016) Enabling more opportunities for parents to provide care during the first year would help ease infant care shortages and benefit babies (American Academy of Pediatrics, 2017).

Eldercare and aging in place are growing concerns, especially in rural communities.

While the whole state is aging, rural areas are aging faster. In addition, population growth in some rural areas of the state is being driven by older households retiring to lake homes (CRPD, 2018). Paid family leave has been shown to reduce the probability of nursing home care (Arora, 2018; AEI-Brookings, 2018)

90% of older adults receiving long-term care in the community rely on unpaid family care and most of those caregivers are employed. (National Center on Caregiving)

Rural areas have higher rates of residents with disabilities than urban areas.

Long-term care shortages are also a challenge for rural communities, impacting the care load for families. Forty-three percent (43%) of caregivers of adults with an intellectual or developmental disability (IDD) and 49% of caregivers for children with an IDD had to take a leave of absence, for example; 85% think that partially paid leaves of absence would be helpful or very helpful. (FSRTC/ARC 2018)

RESIDENTS WITH DISABILITIES IN MINNESOTA COMMUNITIES

Percent with a Disability	Percent of Counties in Category			
	Rural	Town/Rural	Mixed	Urban
Less Than 10	0%	0%	4%	46%
10 to 11	7%	26%	46%	46%
12 to 14	57%	54%	38%	8%
Greater Than 14	36%	20%	13%	0%

Source: American Community Survey 2012-16

Distances to medical care are increasing in rural communities.

Frequent full day trips to receive care are necessary (Corbett, 2018). Rural communities have more complicated births and lower access to high quality, timely prenatal care (MDH, 2018). Occupations common in rural areas have higher injury rates. Due to travel distances to care and types of occupations (farming and mining), physicians are more likely to prescribe opioids in rural areas and only 10% of addiction treatment centers are in rural areas meaning greater travel time for families and patients (GIA, 2018).

78% of Minnesota's entirely rural counties are above the statewide average for C-section births, compared to 31% for entirely urban counties. (MDH, 2017)

Intimate partner violence (IPV) and sexual assault are at least as prevalent (or more so) in rural communities.

But the effects in rural places are often exacerbated by limited access to support services including shelters and affordable housing and by confidentiality concerns in small, tight-knit communities that may result in a reluctance to report abuse (Rural Health Info, 2018). Some studies also find that rural women experience higher rates of IPV and greater frequency and severity of physical abuse (Peek-Asa, 2011). For all these reasons, survivors and their caregivers may have to travel greater distances or be out of work for longer periods in order to receive care or remove themselves from harm.

WHY ARE RURAL WORKERS LESS LIKELY TO RECEIVE “FAMILY-FRIENDLY” BENEFITS LIKE PAID LEAVE?

Employer types more prevalent in rural areas are among the least likely nationally to provide paid leave.

(Pew, 2017; CRPD, 2018)

Leisure/Hospitality and Trade, Transportation and Utilities are among the least likely industries to currently offer paid leave. Around 22% of rural Minnesota employment is in trade, transportation and utilities and 14% of Minnesota’s entirely rural county employment is in Leisure and Hospitality (compared to 10% in other non-entirely urban areas of the state) (CRPD, 2018). Rural counties with economies based on tourism and recreation are also the most likely to be maintaining higher than average population growth (USDA, 2017).

Self-employment and non-standard (contingent, part-time, varied hour, seasonal) work are more prevalent in nonmetropolitan areas. (McLaughlin, 2009; CRPD 2018.)

Job vacancies are high in rural areas of the state, but a significant proportion of vacancies are not full-time (45-40% are part-time). (CRPD, 2018) Nonstandard and self-employed workers rarely qualify for workplace benefits.

Employers are more likely to be small in rural areas. (MN DEED)

Smaller employers can have a more difficult time affording and managing the risks associated with an extended leave. Even when

“A much larger percentage of rural women than urban women spent their entire early to mid-career (age 24-53) without ever having access to family-friendly benefits.”

(Glauber 2015)

Flexible hours:
49% compared to 55%
Telecommuting:
9% compared to 25%
Paid leave:
17% compared to 34%

(Henning-Smith 2018)

employers allow employees to bank sick or vacation time that is then used to cover a leave of absence (the most common means of managing leaves currently), the employer must still pay the worker on leave while coming up with resources to cover the work.

Workforce shortages, especially acute in rural areas of the state, are exacerbated when rural businesses can’t compete on benefits.

A large body of research (AEI-Brookings, 2018) shows that paid leave can help attract and retain workers, leaving smaller rural employers that are not able to offer such benefits at a disadvantage in the competition for the best workers or any workers at all. Millennial and Gen Z workers indicate a willingness to relocate for this kind of benefit, adding one more enticement to leave rural communities for metro ones. (Ernst & Young, 2017)

EMPLOYER SIZE IN MINNESOTA COMMUNITIES						
Number of Employees	Percentage of Employers within Region					
	Central	Northeast	Northwest	Southeast	Southwest	Twin Cities
Less than 10	74%	71%	77%	72%	73%	70%
Less than 20	87%	86%	89%	86%	87%	83%
Less than 50	95%	95%	96%	95%	95%	93%

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RECOMMENDATIONS FOR CREATING A MINNESOTA PROGRAM THAT PROVIDES ECONOMIC STABILITY FOR RURAL FAMILIES, EMPLOYERS AND COMMUNITIES DURING FAMILY AND MEDICAL LEAVES

Many important decisions are made when designing a new program. A deep understanding of rural worker and employer needs helps ensure that a Minnesota program is designed to support everyone, regardless of their zip-code.

INCLUDE EMPLOYERS OF ALL SIZES

- **Small Businesses:** Since a larger proportion of rural workers are employed at smaller establishments, a program that does not include smaller businesses would leave more rural families and employers behind and significantly compromise key program goals. These goals include leveling the benefits playing field between employers fighting to attract and retain the best workers, keeping costs for all low through the largest possible risk pool and minimizing the financial risks and instability associated with a leave for both families and employers.
- **State and Local Government:** In many rural communities, state and local government employment constitutes a larger proportion of employment. A program that does not include these employers would similarly result in less access to financial stability during leaves for rural families.

PROVIDE SUPPORT TO EMPLOYERS, ESPECIALLY SMALL ONES

Rural employers are currently less likely than urban ones to have experience offering this kind of support. State funding for technical assistance provided by trusted employer organizations located throughout the state should be built into the program cost, minimizing confusion for employers and maximizing best practice adoption during the implementation of the program.

COVER ALL WORKERS

Nonstandard work is more prevalent in rural communities. Leaving this work out of the program will disproportionately reduce financial stability for rural workers and families during leaves.

- **Seasonal:** Seasonal work is common in the agriculture and tourism industries that are more prevalent in rural areas of the state.
- **Self-employed:** Many rural workers (around 15%) rely exclusively on earnings from their own business; many others combine self-employment with a more traditional job.
- **Part-time or contingent:** Many new jobs being created in rural areas are part-time and some workers combine multiple part-time jobs to support their families.

CONSIDER THE FULL-SPECTRUM OF CARE AND CAREGIVERS

While care for new babies is important, critical care occurs across a lifetime and in a variety of contexts. *Eldercare, care for the disabled, care associated with military service, domestic violence or sexual assault care, care for opioid and other forms of addiction and medical care at a distance are all more prevalent in Minnesota rural communities.* In addition, severe childcare shortages and sudden losses of FFN (family, friend or neighbor) care, more common in rural communities, can leave families unpredictably without the childcare that allows them to work. A program that accommodates these forms of care will be more helpful for rural families than one confined to new babies alone. Rural workers are more likely than their urban counterparts to be providing care for a non-relative. For this reason, *a mechanism that allows non-relatives to be a designated caregiver for program purposes would be especially helpful for rural communities.*

ALLOW SOME DEGREE OF PROGRAM FLEXIBILITY

Workforce shortages in rural areas of Minnesota may limit an employer's ability to cover for an absent worker. Programs that require workers to take leave in large blocks of time in order to receive support may result in administrative efficiencies but limit creative solutions. *A partial return to work option* may help both the employer and the worker better manage a leave. *Intermittent leave* can also be critical for those providing eldercare, those dealing with their own or a loved one's chronic condition and for those that must travel distances to receive care, necessitating day-long trips or overnight stays.

HUMPHREY SCHOOL
OF PUBLIC AFFAIRS
UNIVERSITY OF MINNESOTA

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