

Minneapolis Small Business and Labor Standards Roundtable

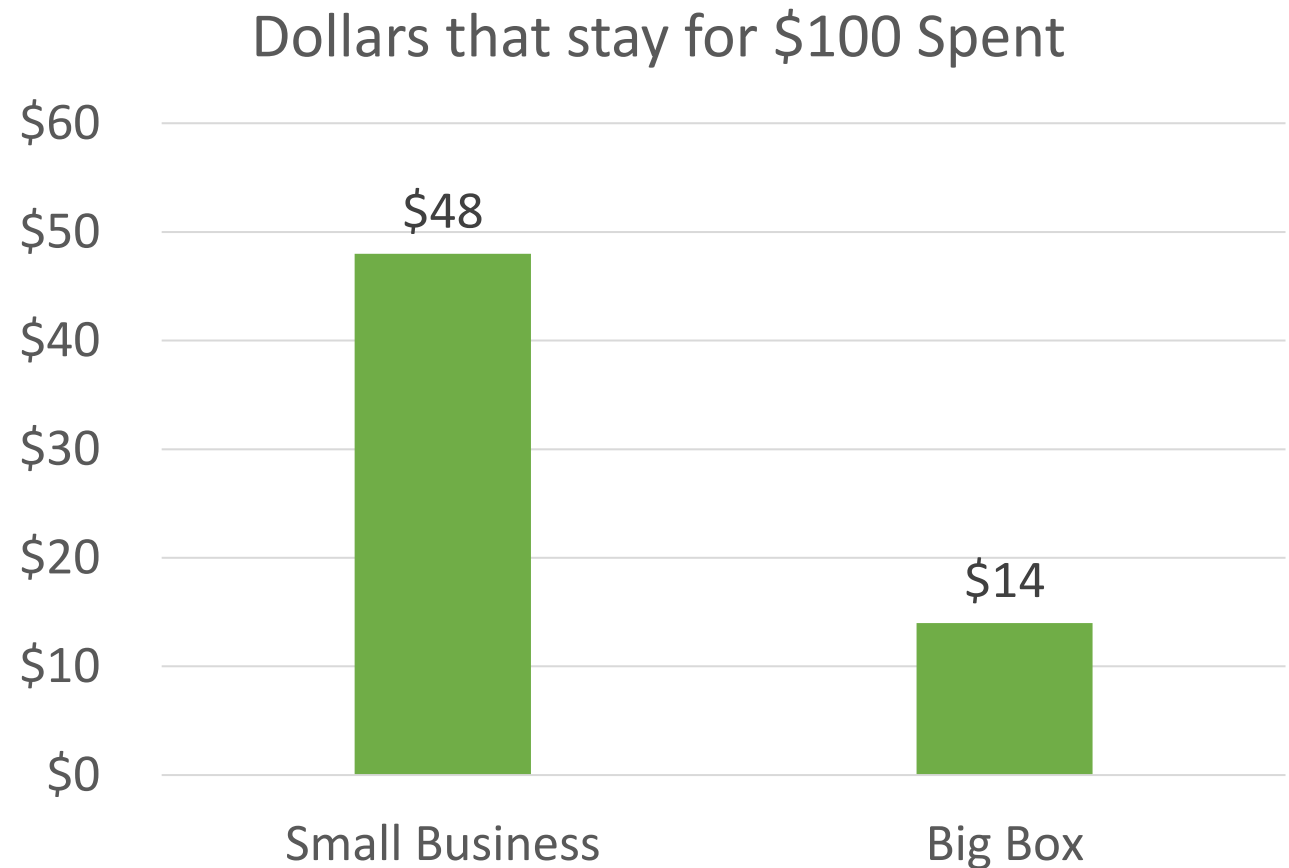
October 13, 2022

Developing a Pilot Action Plan



The Link Between Small Business And Good Jobs

- 52% of the U.S.' 134 million employees work at small businesses (US Census 2021)
- 65% of workers at the bottom quintile for income (more likely to be Black or Latinx) (Gallup 2020)
- Very small employers (<20 employees) were more likely to provide good jobs than any other size business besides very large firms (>500 employees) (Gallup 2020)
- The U.S. SBA estimates that for every \$100 spent in a small business, \$48 stays in the community. For big box stores only \$14 stays. (ABC 2021)



Good Jobs Depended on Small Business Strength



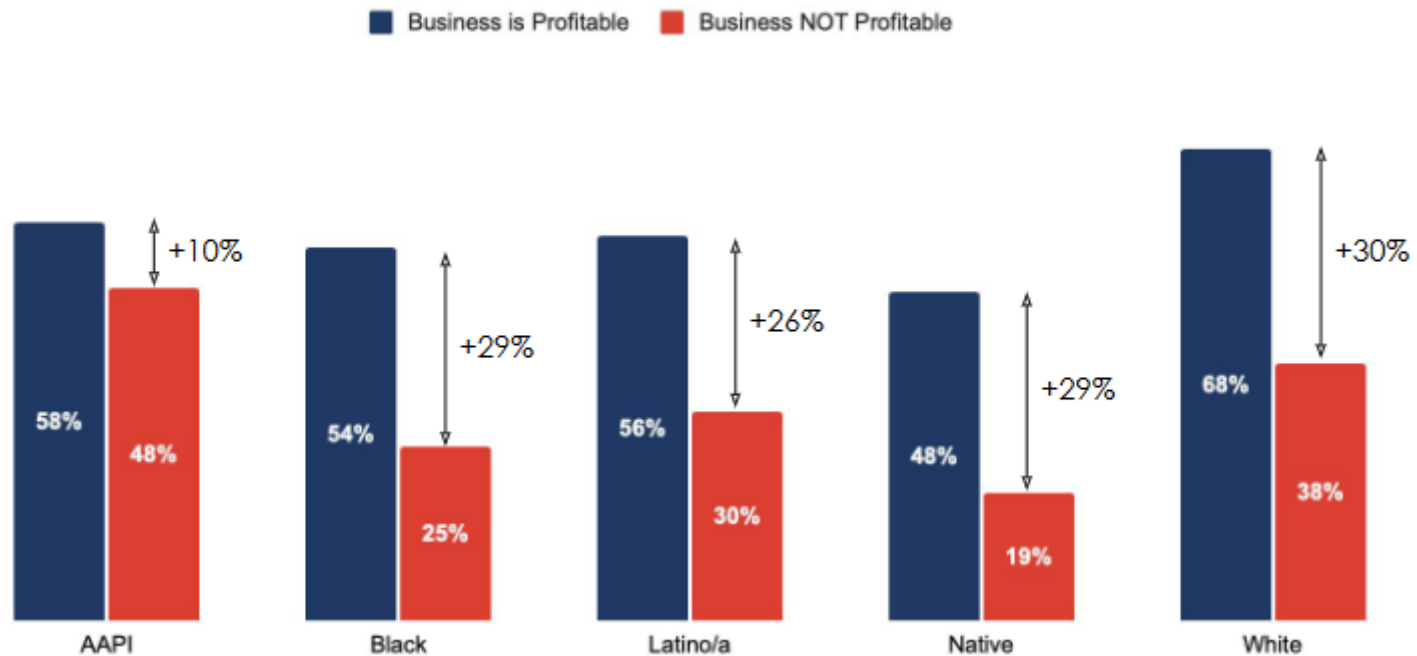
Small business owners and their workers are often in the “same boat” reporting similar levels of financial health



Small business profitability:

Increased employee financial health by 30%

Made employees 2x more likely to report financial health as “excellent” versus “struggling”



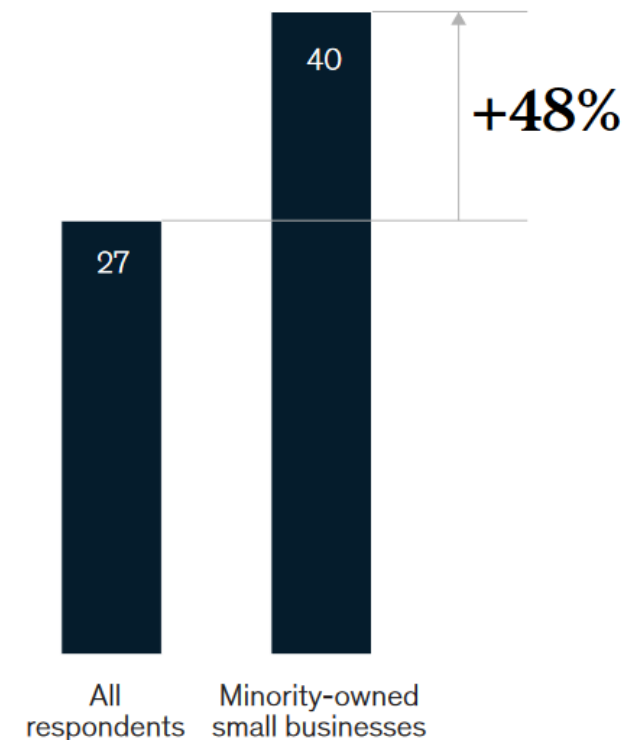
Source: Reimagining Main Street 2020

Small businesses show a commitment to job quality and their communities

Survey Findings:

- 66% of small businesses were taking some action to improve job quality for their employees (Aspen Institute 2020) .
- 80% of small employers offer employees a benefit beyond wages (Reimagine Main Street 2022)
- Most small employers explained the reason they think providing benefits is important is because “it is the right thing to do.” (Reimagine Main Street 2022)
- Minority-owned small businesses were more likely to offer local community or employees support during the pandemic (McKinsey 2020). ‘

Added new services to support community and employees during crisis, % of respondents



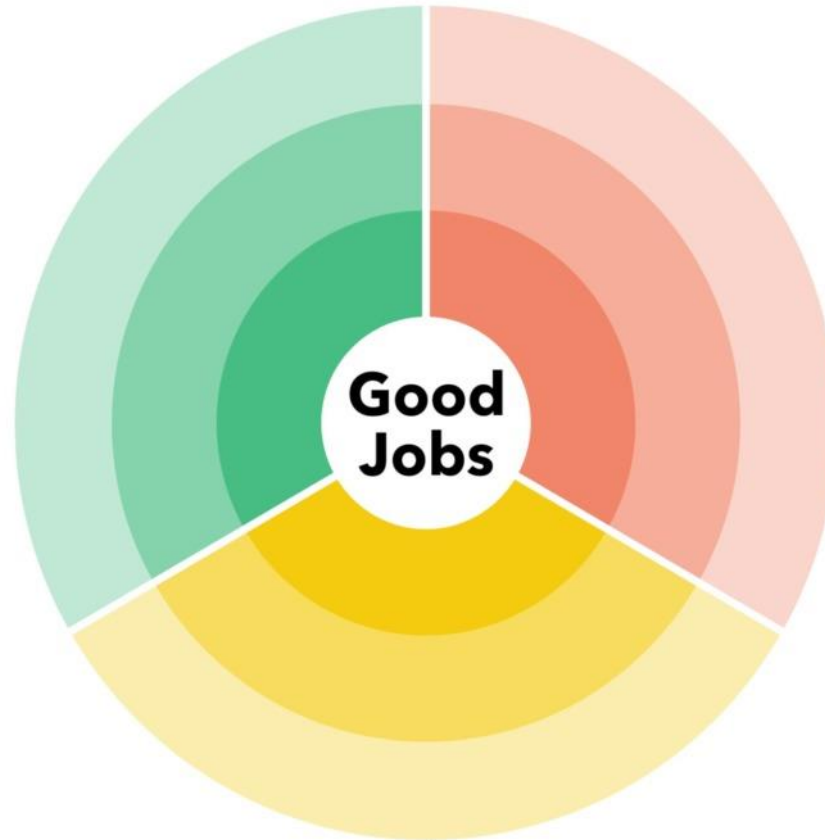
Good Jobs: A Working Definition

Economic Stability

- ❑ Stable, family-sustaining pay
- ❑ Sufficient, accessible, and broadly available benefits
- ❑ Fair, reliable scheduling practices
- ❑ Safe, healthy, and accessible working conditions

Economic Mobility

- ❑ Clear and equitable hiring and advancement pathways
- ❑ Accessible, paid training and development opportunities
- ❑ Wealth-building opportunities



Equity, Respect & Voice

- ❑ Organizational and management culture, policies, and practices that:
 - ❑ are transparent and enable accountability
 - ❑ support a sense of belonging and purpose
 - ❑ advance DEIA*
 - ❑ and address discrimination.
- ❑ Ability to improve the workplace, such as through collective action or participatory management practices

*DEIA: diversity, equity, inclusion, and accessibility

Back Office Systems Pilot Project

City will fund MCCD to manage the back-office pilot project

Proposed services

- Payroll
- Bookkeeping
- Business support

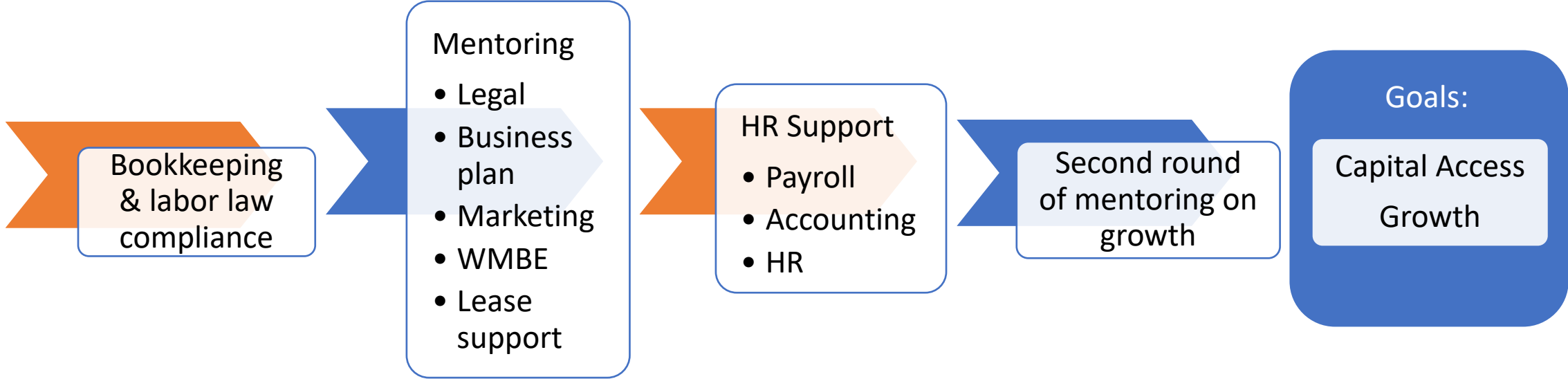
Next steps

- Vetting payroll & bookkeeping vendors
- Recruiting small business participants to apply

What Makes Our Pilot Unique

	Seattle	Portland	Detroit	Minneapolis
Education	X	X	X	X
Bookkeeping or Accounting Support	X	X	X	X
Mentoring	X	X	X	X
IBIPOC Equity		X	X	X
Payroll Support				X
On-Going				X
Focus on Job Quality & Labor Compliance				X

The Life Cycle of Support



Provided through the pilot program

Provided by other programs in Minneapolis

Processes for Vetting Bookkeeping and Payroll Vendors



Vetting Payroll Features and Costs

Annual costs and fees

Features

- Paid Time Off accrual tracking
- Employee payment options
- Handles tipping
- Compliance - including local employment laws

Set-up support, training, and ongoing tech support – from humans!

Other products company offers

Potential integration with external products (QuickBooks, point-of-sale, etc.)

Reviews/Customer Feedback

Values Alignment


Vetting Vendors: Bookkeeping

Cultural competence

Focus on labor compliance and job quality

Knowledge of user friendly systems (e.g. Quickbooks) and integration across products (e.g. incorporating point-of-sale)

Trusted by small business owners



Participant Criteria : An Initial Proposal

- Preference for:
 - **Restaurant food service up to 15 FTE**
 - **Retail up to 10 FTE**
 - **Geographic areas of underinvestment**
 - **BIPOC & immigrant-owned businesses**
 - **Roundtable participants**
 - **Compliance & job quality bottom lines agreement**

How Can the Teams Help

Pilot team

- Small Business Feedback
 - What do you want for from bookkeeping payroll, and mentoring?
- Help vet vendors
 - Support researching vendors or attending product demos

Outreach team

- Recruit businesses...we need to hit 30-50!
- Help develop fair and transparent criteria for payroll program participation
- Work with pilot team to develop a few questions to solicit input on vendors from other businesses and mentoring

We will now break into our teams and brainstorm how to approach these next steps?



Report back

We will now have each team report back their ideas and plans. We ask others to provide their feedback and additional ideas for each team as well.