

OPINION

Goldstein: Data privacy proposals will hurt small businesses



The author writes that proposed bills would eliminate data-based marketing insights that are valuable to small businesses. (Photo Metro Creative Services)



By **ERICA GOLDSTEIN**

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Ten years ago, I launched my own art brand. My female-forward paintings, prints, cards, and hand-painted flowerpots celebrate color, confidence, and empowerment in the face of challenges. My goal is to connect with people who will find my work inspirational — whether at local art markets, through my online shop, or on Instagram.

It's hardly a high-tech business, and as a sole proprietor with an endless to-do list, I find it difficult to follow what's happening on Beacon Hill. But that recently changed when I learned that Massachusetts legislators are considering radical changes to how large and small companies find customers, connect, and grow their business — including one of the bills being considered, Senate Bill 2516, which could pass soon.

I deeply value privacy and believe in protecting people's most personal data. But I worry that Massachusetts might go too far with rules that don't align with how data powers the digital economy. The bills say businesses can only use customers' data to provide specifically requested products or services. That would make it nearly impossible for me to do much of the marketing that's vital to my business, and use many of the services my digital partners like Instagram or Shopify provide.

For example, if someone bought a print online, I might like to email them to say I've made greeting cards in the same design. But the proposed laws mean I can't use data from their first purchase for anything other than providing their purchased items. I value seeing repeat customers at art shows and making recommendations to them based on prior purchases. Why would the same interaction be nefarious just because it happens online?

The proposed laws would also eliminate data-based marketing insights that are really valuable to small businesses like mine. For example, when I post on Instagram, I can see how many people saw my post and clicked through to my website, and where they're from. Those insights help me understand what kind of content and products my followers are interested in, so I can pivot in what I'm creating and make the most of my limited time. However, Instagram users do not request that their data be used to help businesses improve their products. Without that data, I'd be flying blind.

Similarly, my Shopify-powered website provides data showing how visitors arrived there — whether through one of my Instagram posts, an online search, or an email link in my newsletter. I can also see which pages people visited, how long they stayed, and what products they've purchased. I can't see any personal information, just valuable trends in aggregated data that tell me a lot of valuable information.

What really worries me is that the bills also include a “private right of action,” which means individuals could sue me for alleged data-privacy violations. In the past, that's opened small businesses to frivolous lawsuits filed by unprincipled lawyers that file massive lawsuits and offer quick settlements. But even small settlements can have a big impact on business like mine with razor thin margins.

Lawmakers don't seem to understand how small businesses actually use data — or how important it is to our success. We're not spying on anyone. Instead, we're gathering data-based insights that help us grow, test creative ideas, and reach our target customers — in my case, art collectors. Some lawmakers say small businesses won't be affected by the new rules, but that's simply not the case. Larger data-processing partners like Shopify and Instagram would have to comply, so we'd be impacted, too.

At a time when we're already grappling with enormous economic uncertainty, increased operating expenses, and unpredictable tariffs, the last thing we need is to lose data-powered digital tools that help us strengthen our connection with customers.

Erica Goldstein is the founder of Boston-based creative brand The Blank Canvas Company.

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