



# **The Robert Wood Johnson Foundation**

**Key Findings From Qualitative and  
Quantitative Research Among America's  
Small Business Owners**



# What We Did:

✓ **10 Triads (Qualitative discussion sessions with three to four business owners per session)**

✓ **National Survey**

*Note: For a detailed description of the methodology used in conducting this research, please see the Appendix beginning on page 45 of this slide deck. Additional profiles of each company size segment can also be found in the Appendix.*

# **The Context:**

**In the triads as well as on the survey...**

- ✓ **Small business owners are facing health care costs rising at an unpredictable rate;**
- ✓ **They are worried about the issue in terms of their families and businesses, and the big picture too;**
- ✓ **They connect offering health care benefits to retaining quality employees particularly among those who offer it now; and,**
- ✓ **They see a role for government in addressing the issue but do not like mandates.**

**On an open-ended survey question, the issues facing businesses were very similar across each small business segment surveyed. Health care and energy costs dominate as a primary concern for business owners.**

*What would you say are the one or two most important issues facing your business today?*

Categories Of Topics Mentioned	Number Of Mentions
Health care costs	78
Fuel/Energy costs	70
Weak economy	55
Cash flow/Sales	28
Higher prices across the board	24
Finding/Retaining good employees	20
Taxes	19
Housing downturn	18
Government regulation	18
Insurance problems/costs	16
Increased cost of raw materials	15
Finding new customers/business	12
Low consumer confidence	11
Higher food prices	7
Competition, particularly foreign competition	6
Government inaction/incompetency	5
Inflation	5
Layoffs	3
Difficulty getting loans	2

On a closed-ended survey question, the same priorities are reflected and respondents focus on the issues of affordable health care, energy and taxes.

**Ideas Most Important To Focus On First**

	<u>Core</u>	<u>2-9</u> <u>Employees</u>	<u>10-24</u> <u>Employees</u>	<u>25-50</u> <u>Employees</u>
Making health care more affordable	42%	38%	42%	49%
Securing more affordable, clean, and diverse supplies of energy	39%	42%	34%	35%
Offering tax breaks for small businesses	31%	33%	31%	19%
Ensuring taxes on businesses and individuals do not increase	24%	21%	26%	21%
Helping individuals and families who are uninsured get health care coverage	18%	17%	22%	23%
Reforming immigration laws and expanding temporary worker programs	14%	14%	9%	19%
Repairing the bridges and roads that are the backbone of our nation's economy	9%	9%	8%	13%
Expanding trade with other countries to open up new markets for U.S. businesses	8%	10%	10%	7%

*Now, there are a number of different issues that affect small businesses, the economy, and workers. I would like to read you some ideas proposed to improve the U.S. economy and grow business and jobs in our country. Knowing it would be difficult for the next President and Congress to do all of these things at once, which one of these goals do you think is most important to focus on first?*

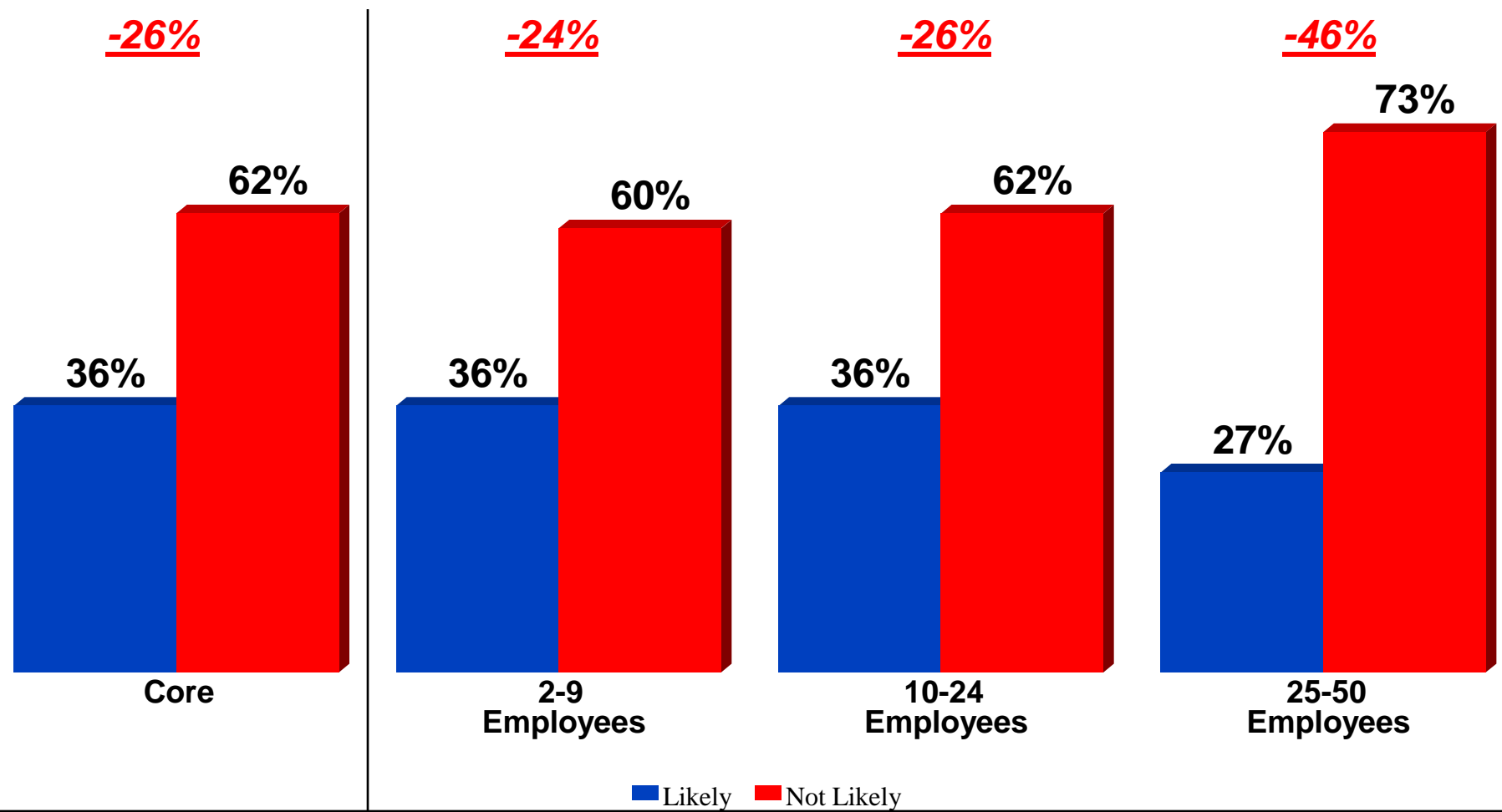
**The respondents most likely to say health care is the most important priority on which to focus include those companies where health care costs have increased the most in the past year, companies in the retail and wholesale industries and Democrats.**

**Profiles Of Businesses Most Concerned About Making Health Care More Affordable**

Employees Pay 1-30% Of Premiums	60%
Company Costs Increase 11-15%	58%
Company Costs Increase 21%+	56%
Strong Democrats	52%
Retail/Wholesale Industry	51%
Democrats	50%
Total	42%

In the future, more than one out of three (36%) companies say they are likely to no longer pay for at least some portion of health insurance benefits for their employees. Roughly one out of five (17%) say very likely.

**Likelihood Companies Will No Longer Assist With Health Care Coverage**



*In the next three to five years, how likely do you think it is that your company would consider no longer providing or paying at least some portion of health insurance benefits for coverage for your full-time employees?*

**The respondents who think it is likely they will no longer provide assistance with health care coverage of their employees include companies where health care costs have increased the most in the past year, companies whose employees pay a portion of their premiums and companies in the retail and wholesale industries.**

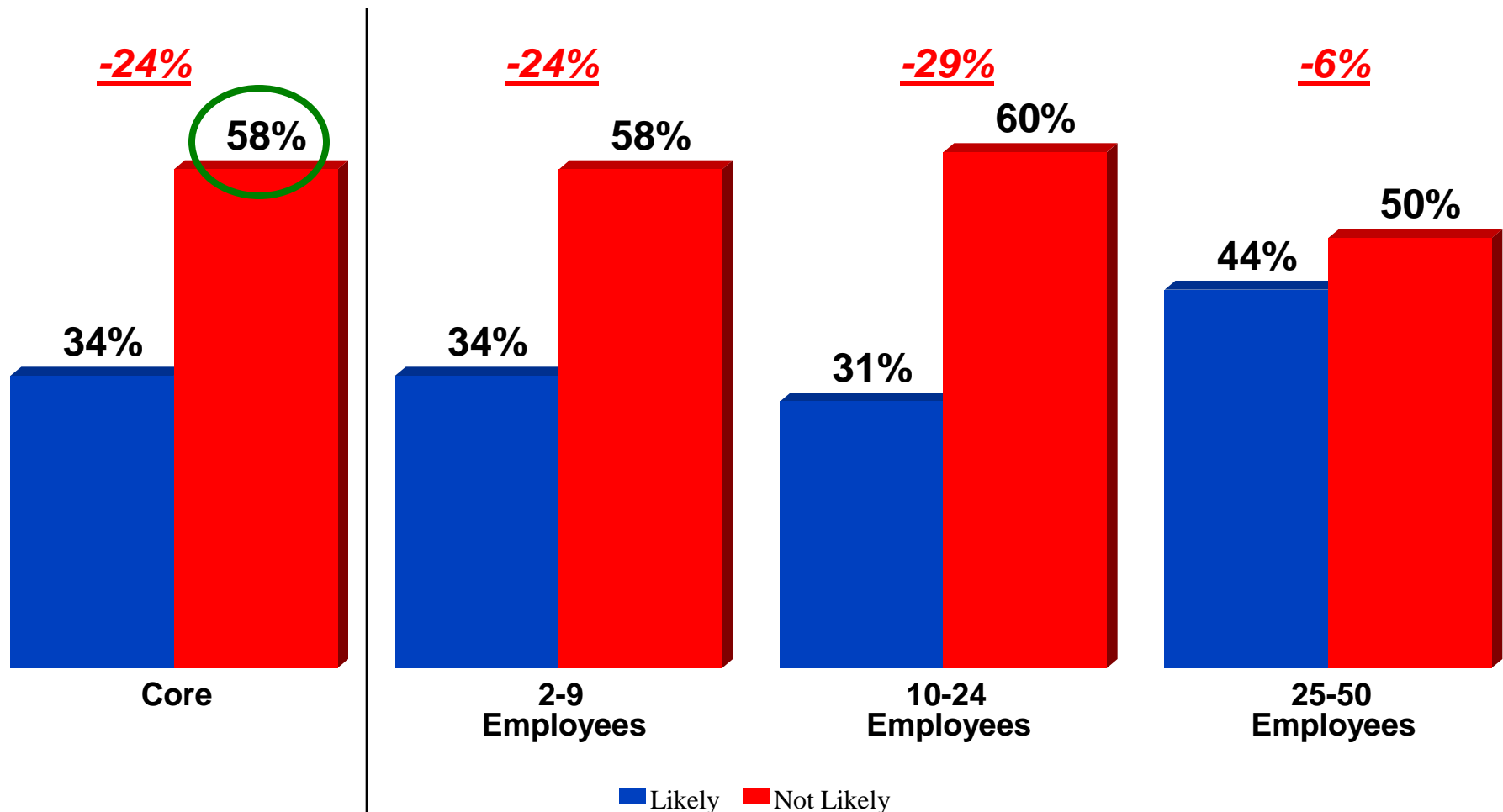
**Profiles Of Businesses Who Think It Is Likely Companies Will No Longer Assist With Health Care Coverage**

Company Costs Increase 21%+	66%
Employees Pay 50%+ Of Premiums	58%
Employees Pay 31%+ Of Premiums	56%
NFIB Membership	56%
Retail/Wholesale Industry	44%
Operating For 11-15 Years	43%
<b>Total</b>	<b>36%</b>



Business owners are pessimistic about action on this issue, as roughly six out of ten say it is not likely the next president will pass health care legislation.

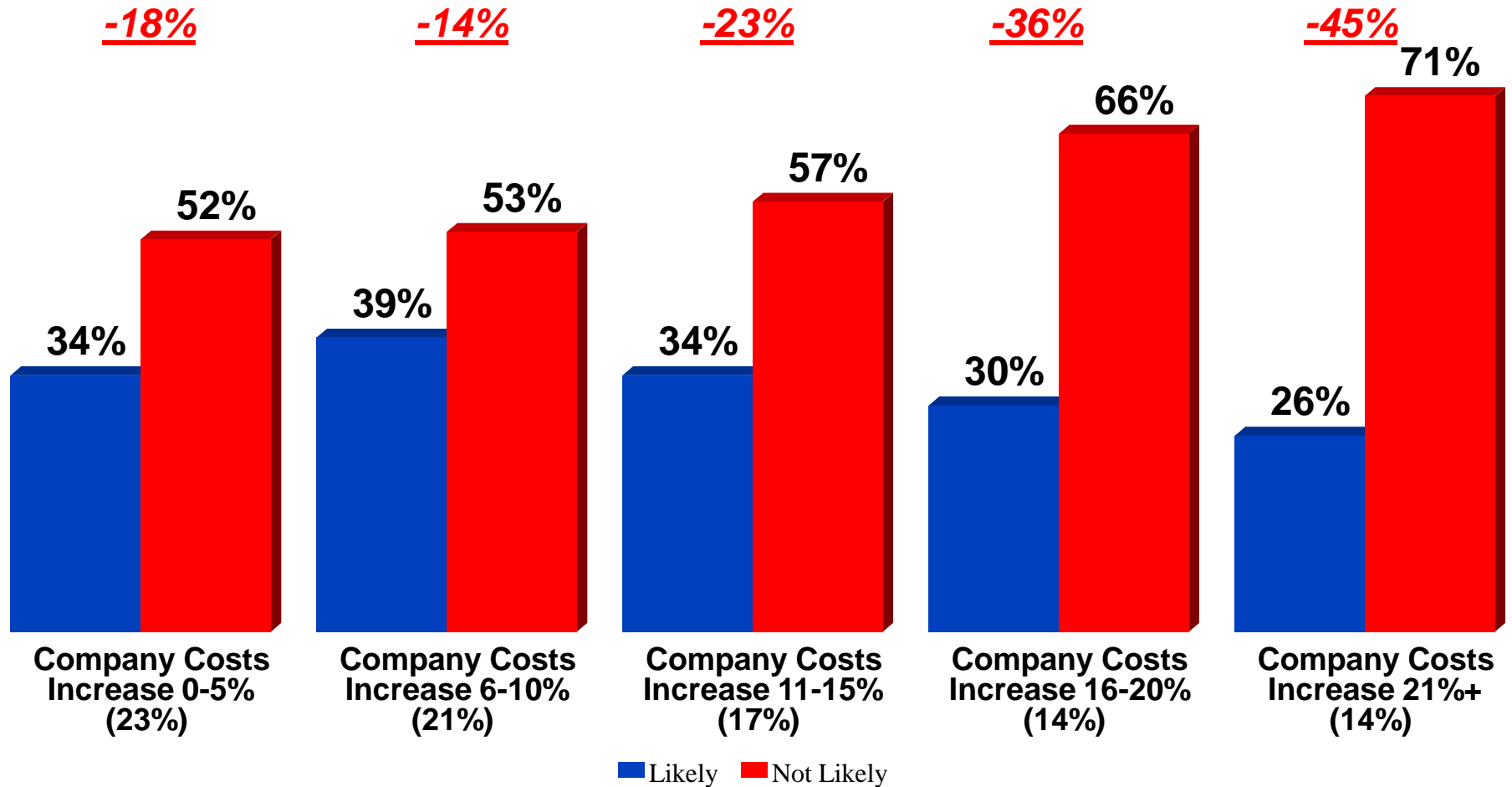
**Likelihood Future President Will Pass Health Care Legislation**



*How likely do you think it is that the next President and Congress will pass legislation reforming the health care system that will help control rising costs and make sure more Americans have health coverage?*

Those companies who have had the highest increase in health care costs are the most pessimistic about action in Washington.

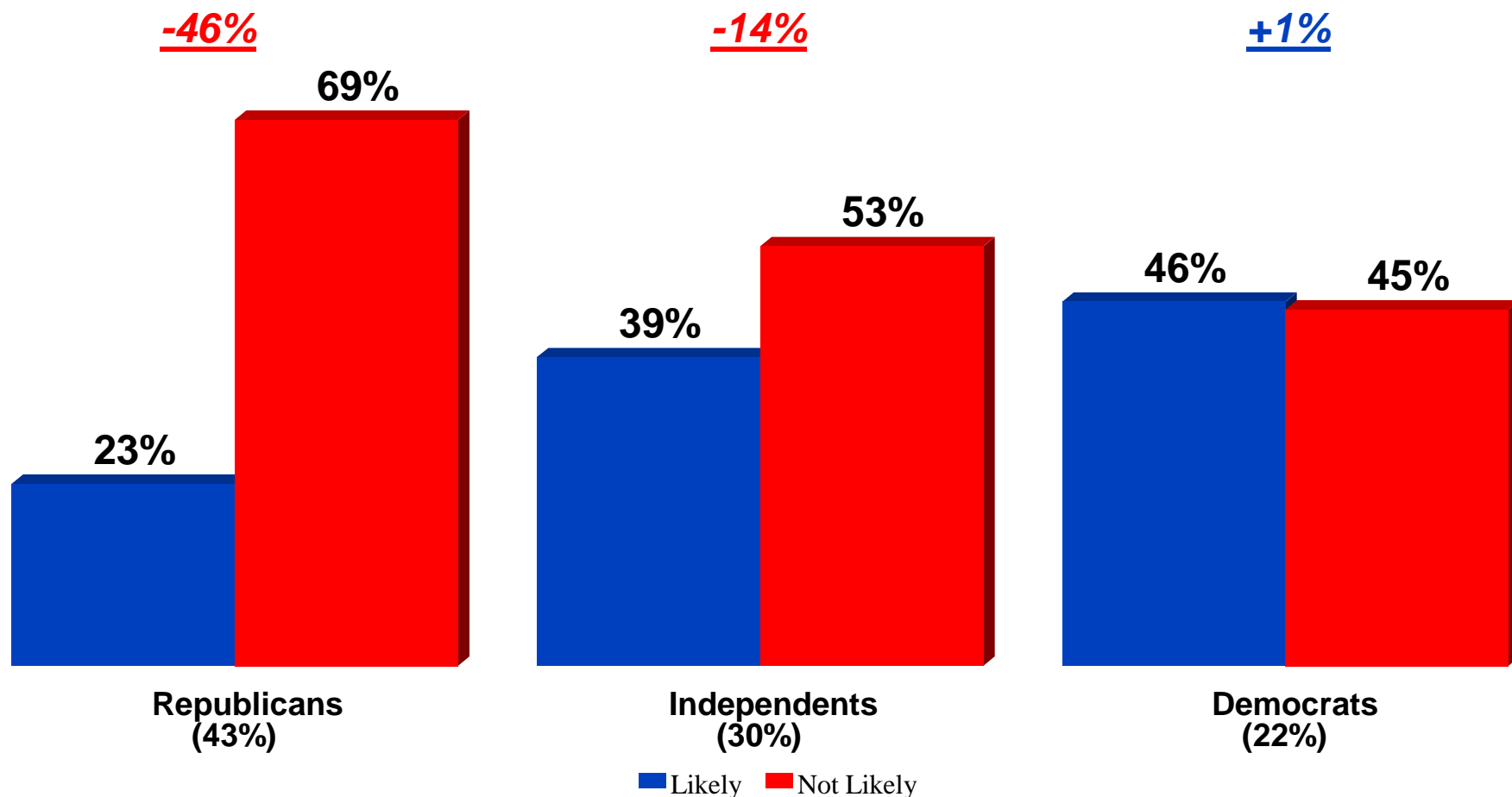
**Likelihood Future President Will Pass Health Care Legislation By  
Companies Whose Health Care Costs Have Increased**



*How likely do you think it is that the next President and Congress will pass legislation reforming the health care system that will help control rising costs and make sure more Americans have health coverage?*

# There is a profound difference by party identification.

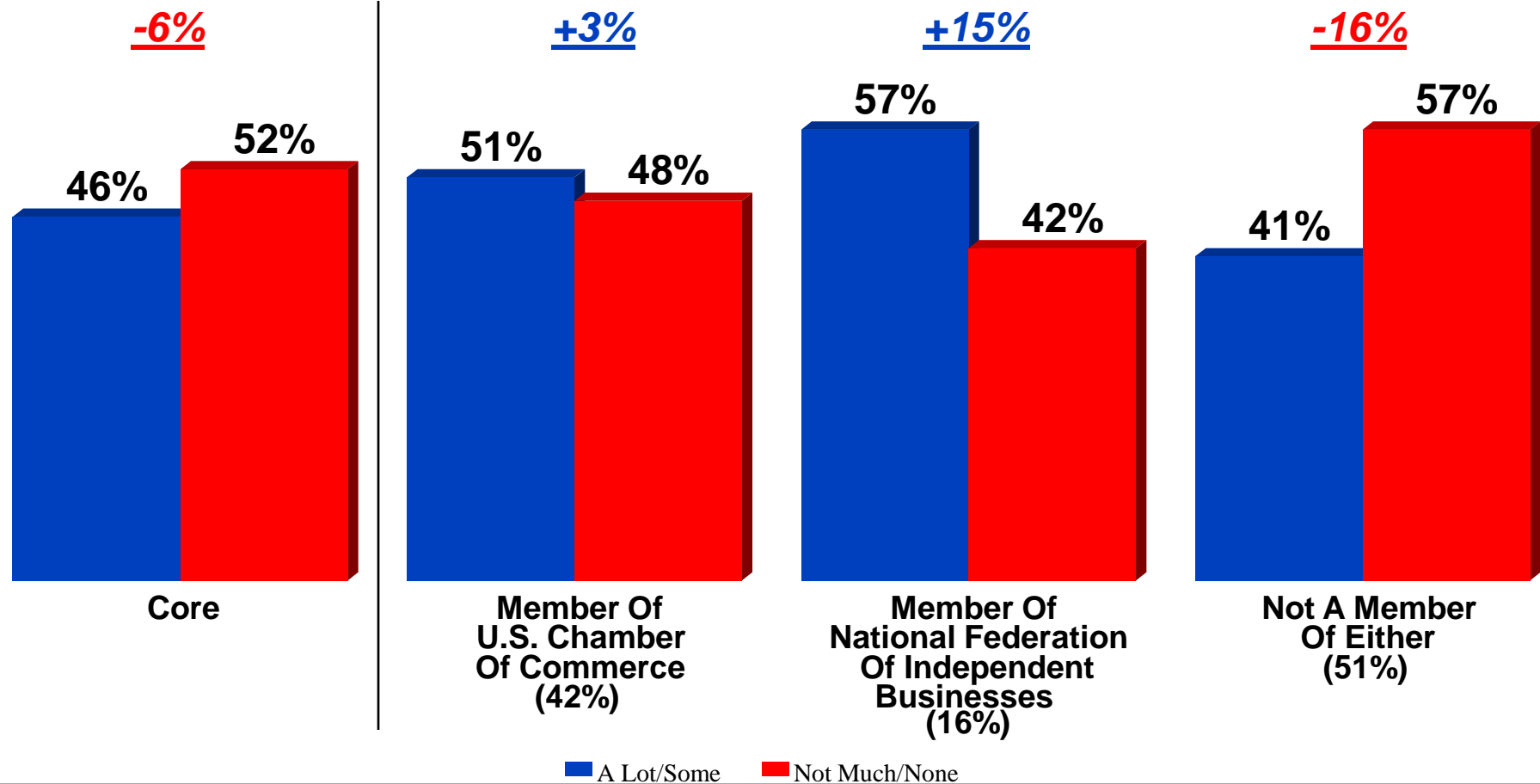
## Likelihood Future President Will Pass Health Care Legislation By Party



*How likely do you think it is that the next President and Congress will pass legislation reforming the health care system that will help control rising costs and make sure more Americans have health coverage?*

**A majority of small business owners do not believe they have much influence in the legislative process. However, Chamber of Commerce/NFIB members do see themselves as having more impact.**

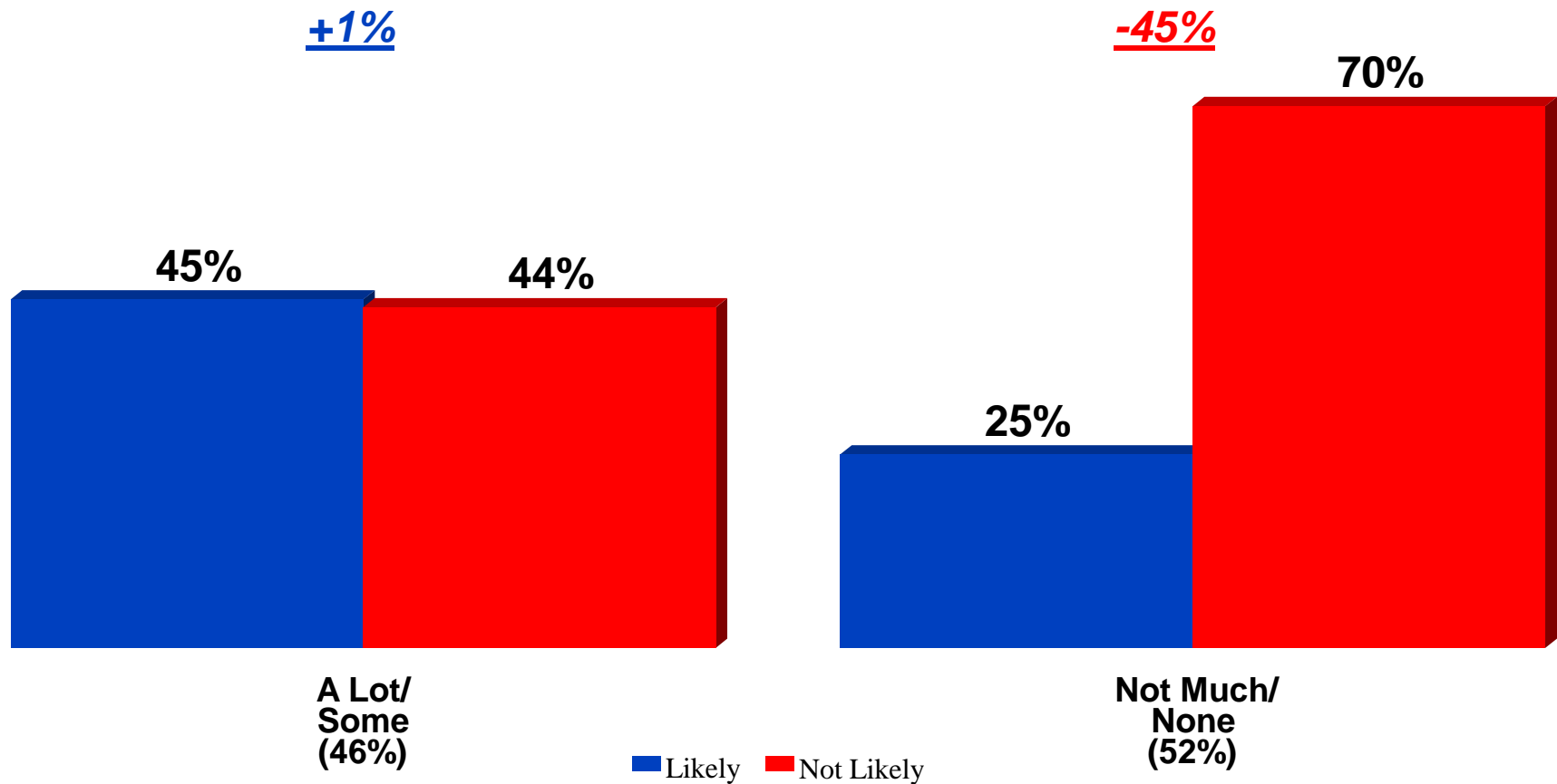
**Perceived Influence Of Small Businesses On Health Care Reform By  
Active In The Business Community**



*And thinking about the role of small businesses in America, how much influence, if any, do you think small businesses would have in getting the next President and Congress to enact the right kind of health care reform that helps Americans?*

**Small business owners who do not perceive themselves as having influence in the legislative process are far more pessimistic about health care reform legislation being passed.**

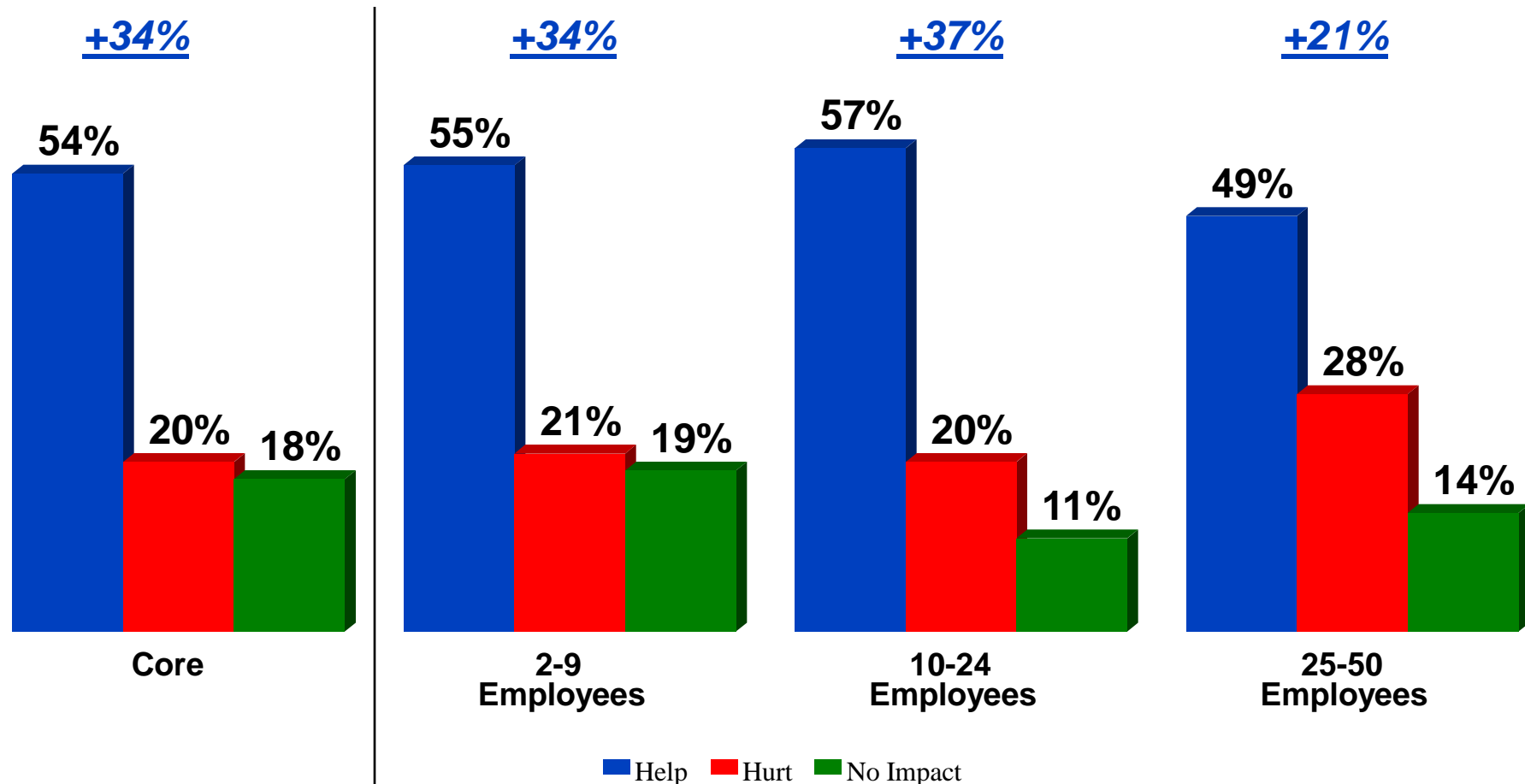
**Likelihood Future President Will Pass Health Care Legislation By Perceived Influence Of Small Businesses On Health Care Reform**



*How likely do you think it is that the next President and Congress will pass legislation reforming the health care system that will help control rising costs and make sure more Americans have health coverage?*

However, among those who think legislative action is likely, the majority think it would help small businesses that currently provide and pay for a portion of their employees health insurance benefits.

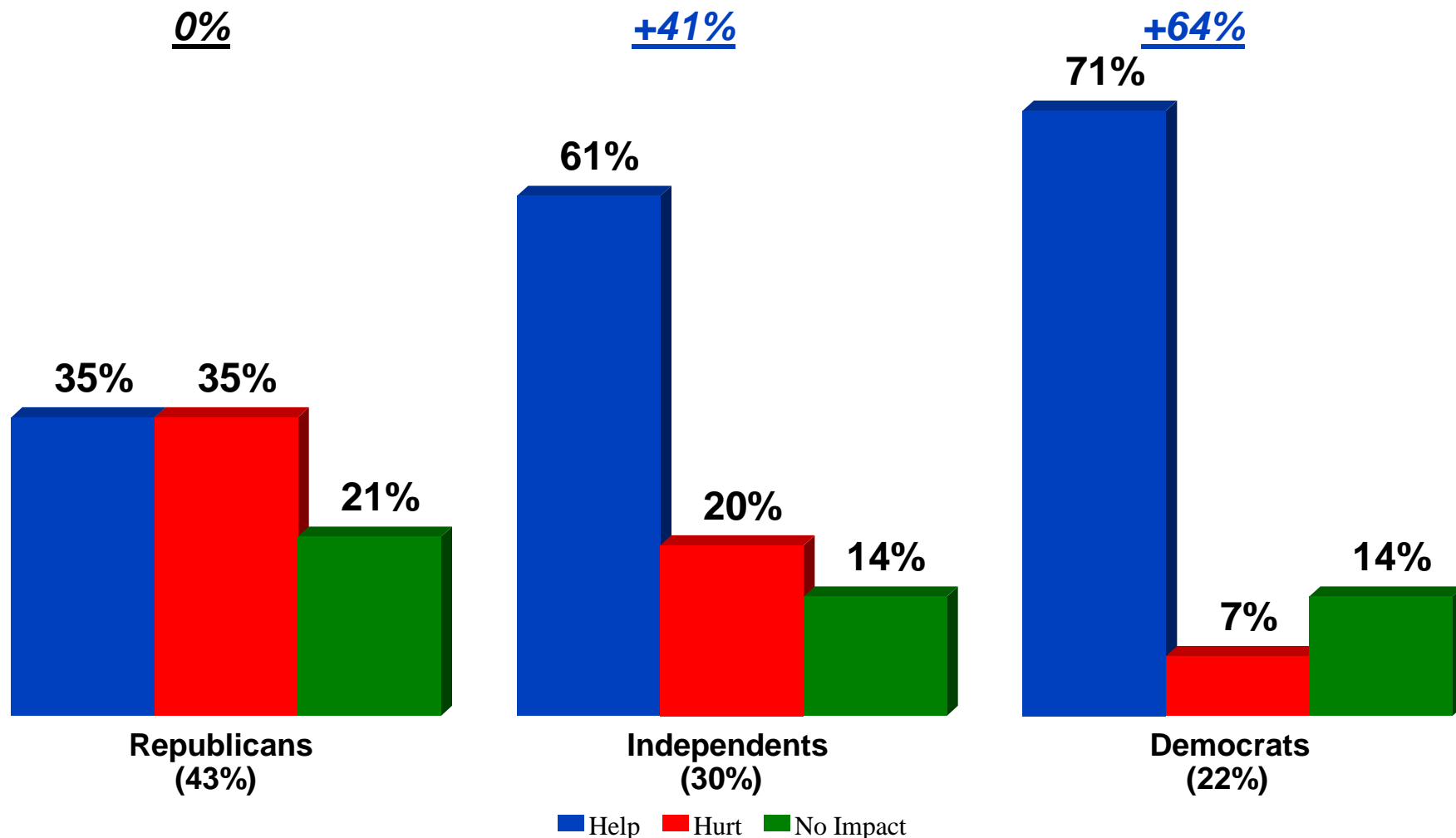
**Among The 34% Who Say Congress Will Pass Health Care Legislation;  
Perceived Impact Of Legislation To Help Small Businesses**



*And do you think this will...help....hurt...or have no impact on small businesses that currently provide and pay at least some portion of health insurance benefits for their full-time employees?*

Once again, there is a significant difference by party identification.

Among The 34% Who Say Congress Will Pass Health Care Legislation;  
Perceived Impact Of Legislation To Help Small Businesses By Party



*And do you think this will...help....hurt...or have no impact on small businesses that currently provide and pay at least some portion of health insurance benefits for their full-time employees?*

# **Policy Options:**

**There is a clear policy direction supported by small businesses which includes a small business tax credit, medical liability reform, government sponsored pools and portable health care coverage.**



## **Most Helpful Ideas Based On Core Respondents**

Create a new small business tax credit to make it easier for small businesses to create and offer jobs with health coverage. The government would provide a refundable income tax credit to employers who currently pay at least fifty percent of the cost of group health insurance for their employees.	<u><b>Definitely Help</b></u> <b>44%</b>	<u><b>Total Help</b></u> <b>75%</b>	<u><b>Total Hurt</b></u> <b>4%</b>	<u><b>Net Difference</b></u> <b>+71%</b>
Pass medical liability reform to eliminate lawsuits against doctors who have followed the correct clinical guidelines and have followed the right safety standards in patient care.	<b>40%</b>	<b>66%</b>	<b>6%</b>	<b>+60%</b>
Promote a government-sponsored pool for small businesses that would allow them to purchase insurance at negotiated rates that take advantage of bulk purchasing power.	<b>36%</b>	<b>71%</b>	<b>7%</b>	<b>+58%</b>
Make health insurance portable so that individuals and families keep their coverage even when they change jobs or employers.	<b>36%</b>	<b>61%</b>	<b>3%</b>	<b>+55%</b>

*Now, I am going to read you a list of different ideas being discussed to help control rising health care costs and increase the number of Americans with health care coverage. The next President and Congress could end up doing only one of these or many of these ideas at the same time. After I read each idea, please tell me for you personally in your business, whether the idea would...help, ...hurt,... or have no impact on your business.*

## **Second Tier - Most Helpful Ideas Based On Core Respondents**

	<u><b>Definitely Help</b></u>	<u><b>Total Help</b></u>	<u><b>Total Hurt</b></u>	<u><b>Net Difference</b></u>
Expand and encourage the use of health savings accounts - that is a tax-free medical savings account coupled with a high-deductible health insurance plan. The money consumers put into these Health Savings Accounts would roll over year to year to help build a source of funds that can only be used to cover out-of-pocket health care expenses.	<b>28%</b>	<b>56%</b>	<b>9%</b>	<b>+47%</b>
Allow trade or professional organizations, churches, and unions to offer health insurance plans to their members around the country.	<b>17%</b>	<b>46%</b>	<b>4%</b>	<b>+42%</b>
Require by law that all insurers can not deny coverage, including for pre-existing conditions, refuse renewal of coverage, unfairly charge for coverage, or force those they cover to pay excessive premiums for age, illness, or other discriminating factors.	<b>30%</b>	<b>51%</b>	<b>21%</b>	<b>+30%</b>

*Now, I am going to read you a list of different ideas being discussed to help control rising health care costs and increase the number of Americans with health care coverage. The next President and Congress could end up doing only one of these or many of these ideas at the same time. After I read each idea, please tell me for you personally in your business, whether the idea would...help, ...hurt,... or have no impact on your business.*

**There are polarizing differences on the topic of guaranteeing all Americans a choice of health plans and tax cuts for people who earn \$250K or more.**

**Less Helpful Ideas Based On Core Respondents**

Eliminate the current tax credit employers receive for providing health coverage to their employees and instead provide all Americans with a tax credit to select and buy their own health insurance. This individual tax credit would reduce Americans' taxes by two thousand five hundred dollars for singles and five thousand dollars for families.

Guarantee all Americans a choice of health plans, either from a private insurer, or from a new public government plan offered at a sliding scale cost based on income. Employers would be required to offer a choice of the public plan and at least one private plan to all employees and small businesses would receive discounts based on a sliding scale.

Repeal the tax cuts that have been enacted over the past few years for Americans who make over two hundred and fifty thousand dollars a year in order to help employers be able to offer health coverage to their employees.

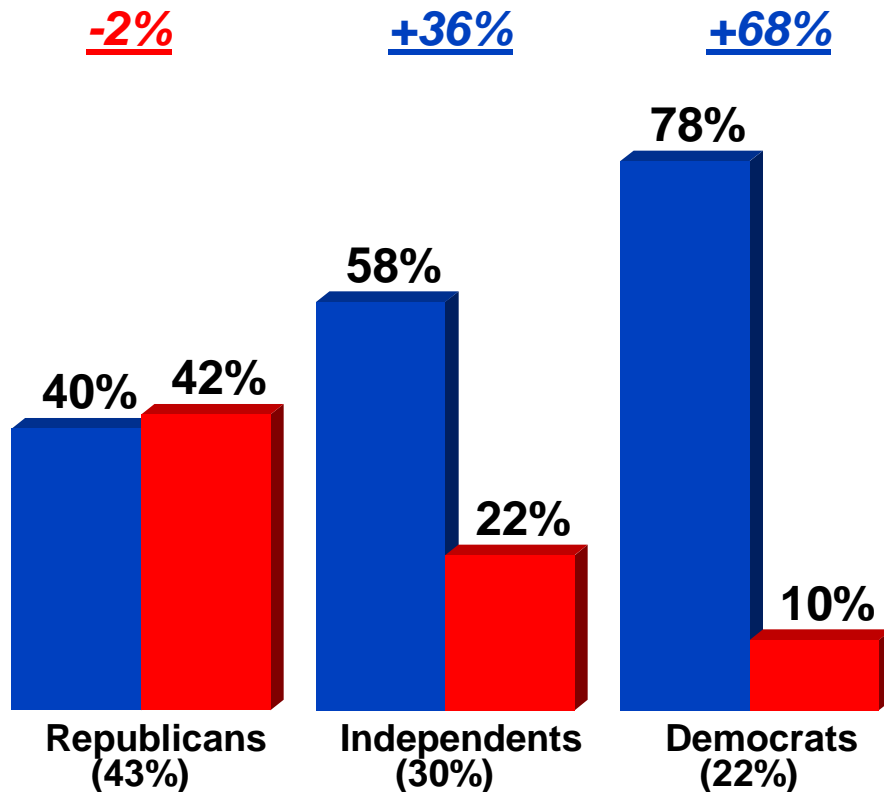
<u>Definitely Help</u>	<u>Total Help</u>	<u>Total Hurt</u>	<u>Net Difference</u>
18%	44%	19%	+25%
20%	54%	29%	+25%
20%	39%	27%	+12%

*Now, I am going to read you a list of different ideas being discussed to help control rising health care costs and increase the number of Americans with health care coverage. The next President and Congress could end up doing only one of these or many of these ideas at the same time. After I read each idea, please tell me for you personally in your business, whether the idea would...help, ...hurt,... or have no impact on your business.*

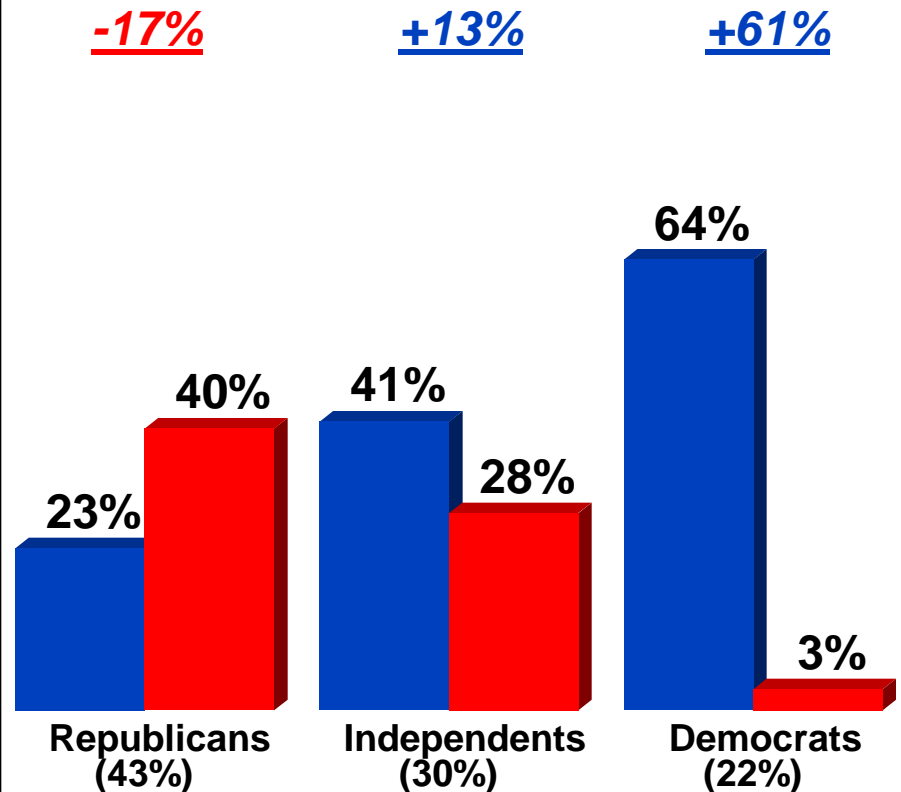
There are very polarized differences by party identification on these two proposals.

*Policies By Party Affiliation*

*Guaranteeing All Americans A Choice Of Health Care Plans*



*Repeal Tax Cuts For Americans Who Make Over \$250K*



■ Help ■ Hurt

# A plurality of respondents say an employer mandate would hurt their small business.

## The One Statement Where A Plurality Of Respondents Say This Will Hurt\*

Require employers who have ten or more employees who today do not provide health coverage to their employees to NOW pay four percent of their payroll to help cover the uninsured.

Help  
20%

Hurt  
40%

Net Difference  
-20%

\* *The proposal for an employer mandate is a net-positive with only the following three sub-groups: Owners who believe government will pass legislation reforming the health care system and it will help small businesses (32% Help/23% Hurt); Owners who believe guaranteeing all Americans a choice of health plans would help their business the most (34% Help/30% Hurt); and, Democrats (29% Help/26% Hurt).*

*Now, I am going to read you a list of different ideas being discussed to help control rising health care costs and increase the number of Americans with health care coverage. The next President and Congress could end up doing only one of these or many of these ideas at the same time. After I read each idea, please tell me for you personally in your business, whether the idea would...help, ...hurt,... or have no impact on your business.*



**Of the 11 policies tested, there were only seven that were among the top five among Republicans, Independents, and Democrats and those who are very likely to drop coverage (17%) and those who are not at all likely to drop coverage (40%).**

## Top Five Policies By Key Target Sub-Groups

### By Party

#### Republicans:

Small business tax to offer jobs with insurance (73%)

Pass Medical Liability Reform (73%)

Government Pool for Small Businesses (67%)

Expand HSAs (61%)

Make Health Insurance Portable (52%)

#### Independents:

Small business tax to offer jobs with insurance (74%)

Make Health Insurance Portable (67%)

Pass Medical Liability Reform (66%)

Government Pool for Small Businesses (65%)

Expand HSAs (63%)

#### Democrats:

Government Pool for Small Businesses (89%)

Guarantee Choice of Plans, Employers Must Offer One Private, One Public (78%)

Small business tax to offer jobs with insurance (77%)

Make Health Insurance Portable (68%)

Repeal Tax Cuts (64%)

**Top Five Policies By Key Target Sub-Groups**  
**By Likelihood To Drop Coverage**

**Very Likely To Drop  
Coverage:**

**Small business tax to offer jobs  
with insurance (79%)**

**Government Pool for Small  
Businesses (75%)**

**Guarantee Choice of Plans,  
Employers Must Offer One  
Private, One Public (68%)**

**Pass Medical Liability Reform  
(65%)**

**Make Health Insurance  
Portable (63%)**

**Not At All Likely To Drop  
Coverage:**

**Pass Medical Liability Reform  
(69%)**

**Small business tax to offer  
jobs with insurance (67%)**

**Government Pool for Small  
Businesses (66%)**

**Make Health Insurance Portable  
(58%)**

**Expand HSAs (57%)**



On an open-ended survey question, only four of the proposals received a double-digit mention as the one or two proposals that would help their businesses the most.

***Ideas Most Important To Focus On First***

	<u>Core</u>	<u>2-9</u> <u>Employees</u>	<u>10-24</u> <u>Employees</u>	<u>25-50</u> <u>Employees</u>
Create a new small business tax credit	20%	20%	23%	23%
Promote a government-sponsored pool for small businesses	15%	17%	14%	15%
Provide all Americans with a tax credit to select and buy their own health insurance	10%	10%	15%	9%
Guarantee all Americans a choice of health plans	10%	8%	13%	11%

*Now, there are a number of different issues that affect small businesses, the economy, and workers. I would like to read you some ideas proposed to improve the U.S. economy and grow business and jobs in our country. Knowing it would be difficult for the next President and Congress to do all of these things at once, which one of these goals do you think is most important to focus on first?*

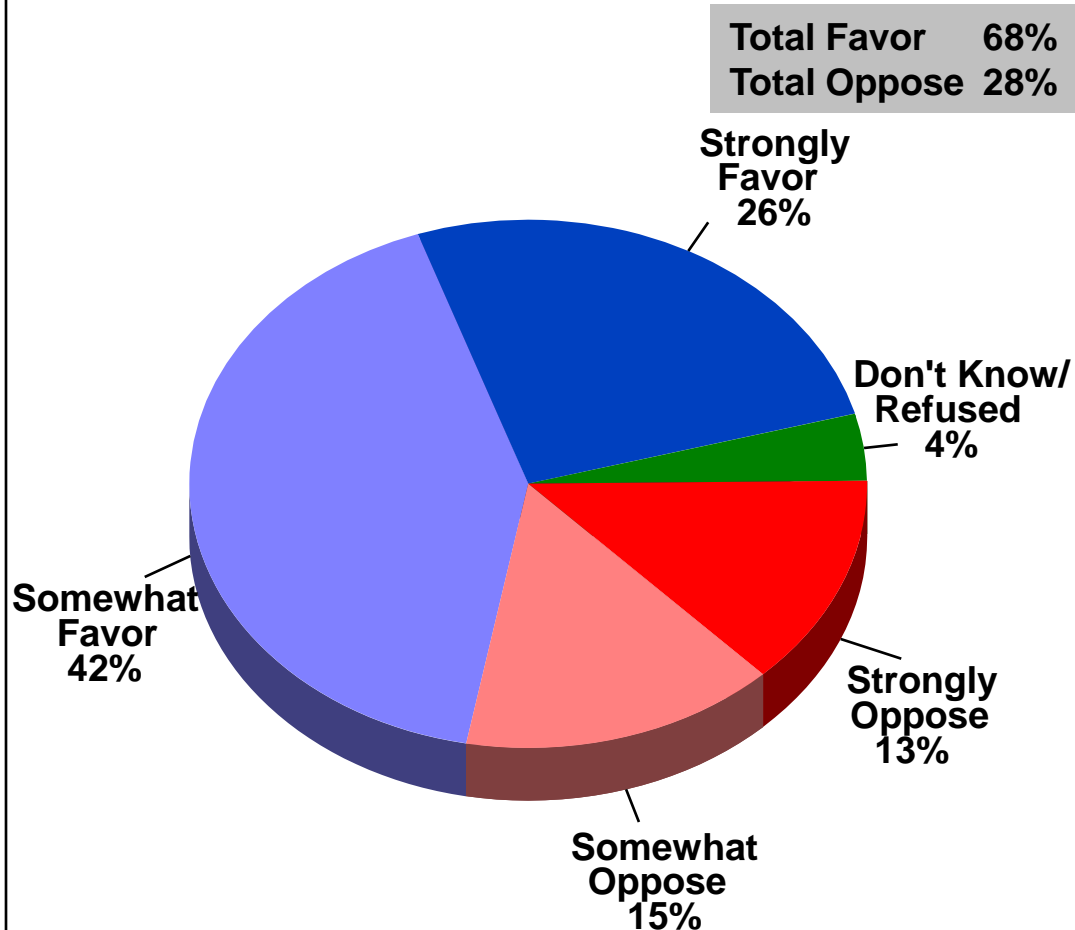


**After testing each idea individually,  
we created policy bundles to  
combine different policy ideas into  
three different policy approaches.**

# **Market Based Reform Approach**

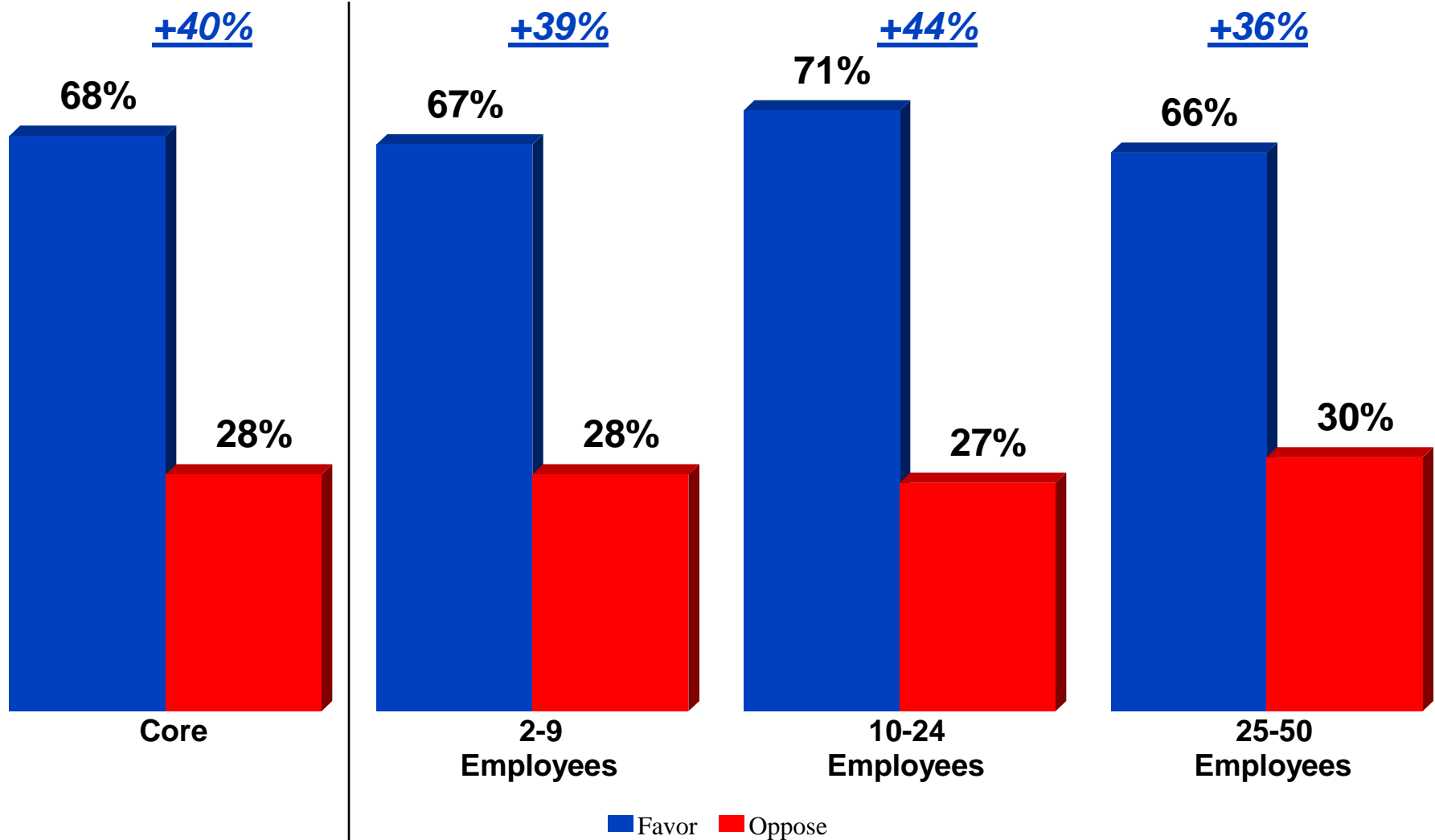
Would provide all Americans with a tax credit to select and buy their own private health insurance that they could keep and take with them between jobs. This would eliminate the current tax credit employers receive for providing health insurance to their employees. It would expand and encourage the use of tax-free health savings accounts to cover out-of-pocket health care expenses, while allowing organizations, churches, and unions to offer health insurance plans to their members around the country. Medical liability reform would be passed to eliminate lawsuits against doctors who have followed correct guidelines and safety standards in patient care.

## **Overall Image Of Market Based Reform Approach**



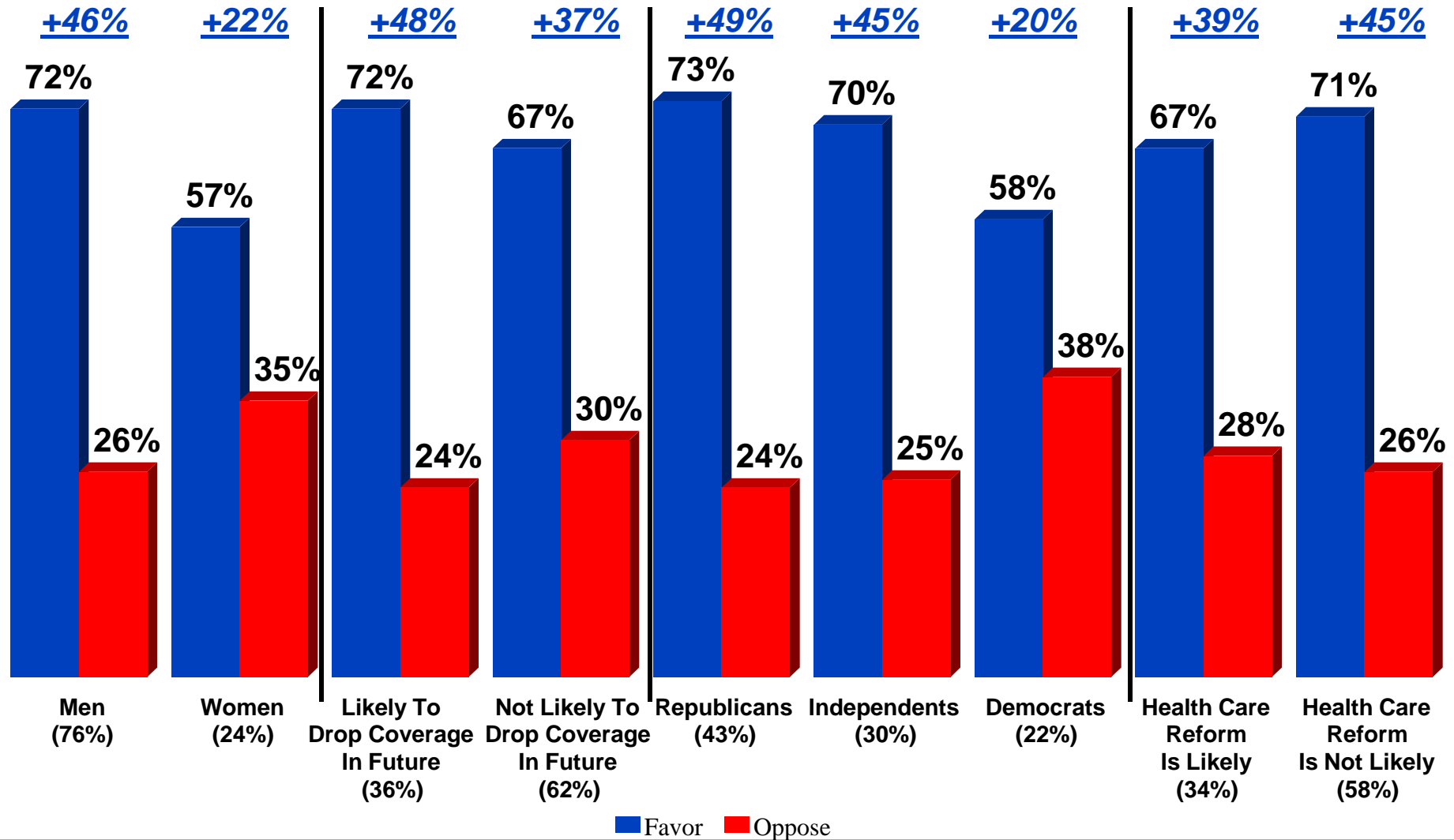
*Now, thinking about ideas to help control rising health care costs and increase the number of Americans with health coverage... I would like to read you a proposal that packages some ideas together and might be considered by the next President and Congress as a way to make health care more affordable for small businesses.*

## Image Of Market Based Reform Approach By Core And Company Size



*Now, thinking about ideas to help control rising health care costs and increase the number of Americans with health coverage... I would like to read you a proposal that packages some ideas together and might be considered by the next President and Congress as a way to make health care more affordable for small businesses.*

## Image Of Market Based Reform Approach By Key Target Sub-Groups

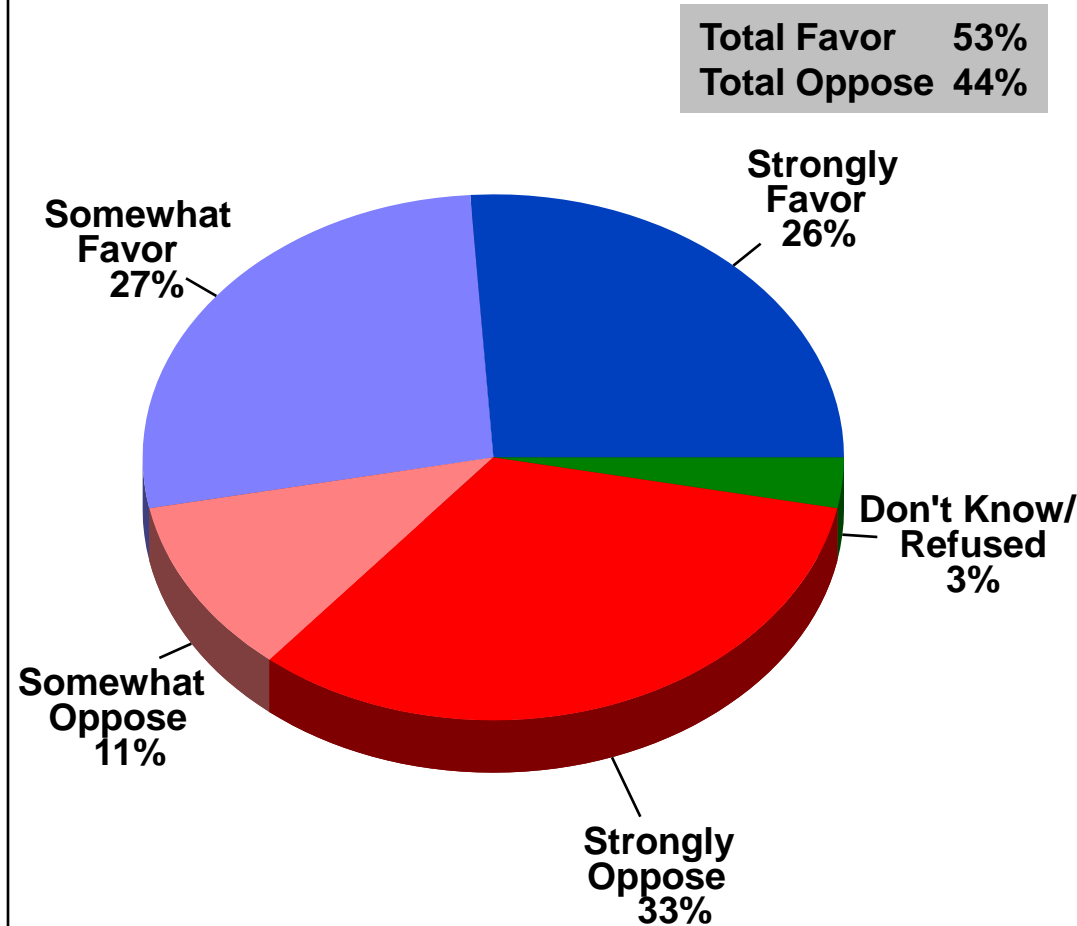


*Now, thinking about ideas to help control rising health care costs and increase the number of Americans with health coverage... I would like to read you a proposal that packages some ideas together and might be considered by the next President and Congress as a way to make health care more affordable for small businesses.*

# Guaranteed Choice

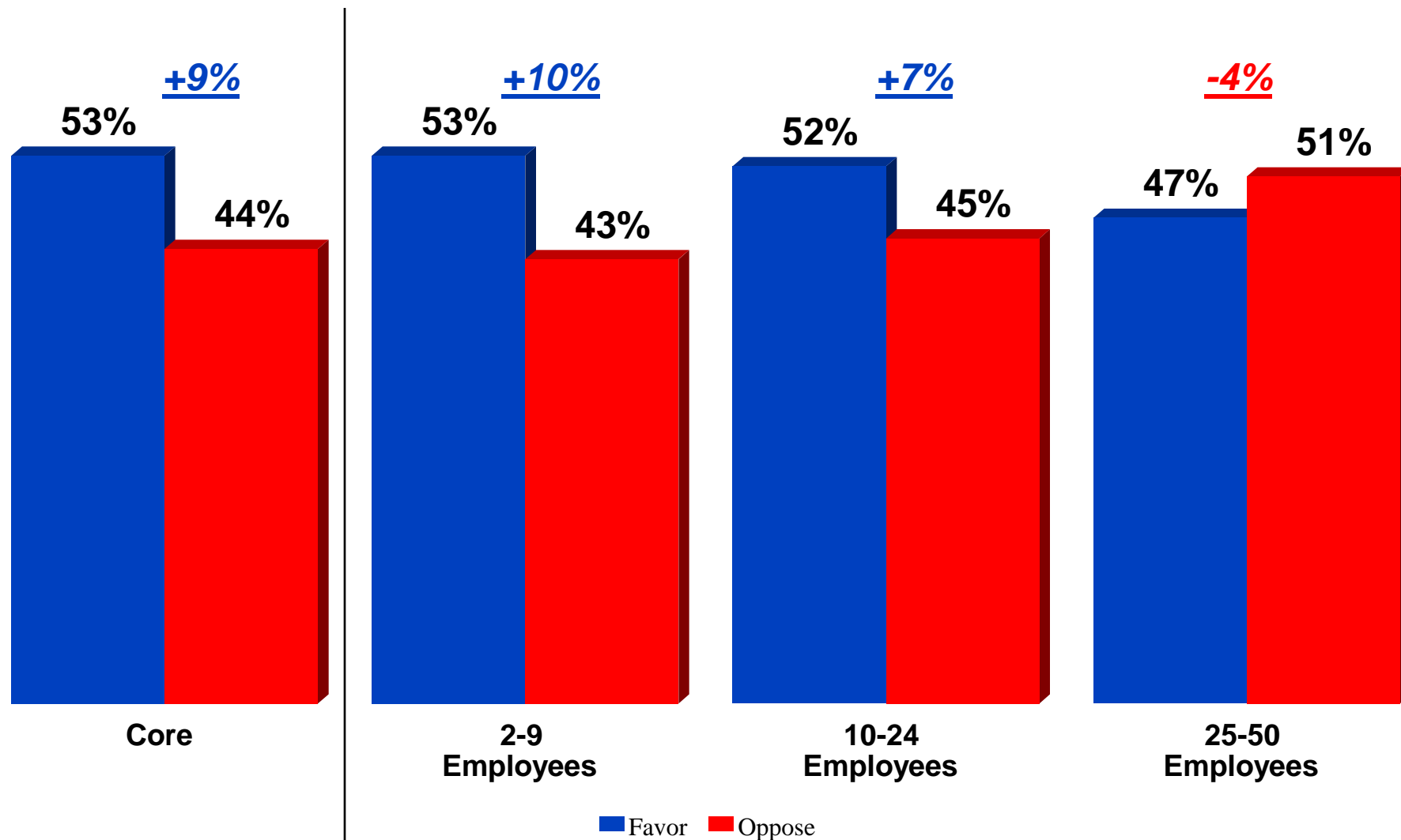
Would guarantee all Americans a choice of public or private health plans that they could keep and take with them between jobs. Employers would be required to offer a choice of the public plan and at least one private plan. Insurance companies would not be allowed to deny people coverage due to age or pre-existing conditions. This proposal would be paid for by repealing the tax cuts enacted over the past few years for Americans making more than two-hundred and fifty-thousand dollars.

## Overall Image Of Guaranteed Choice



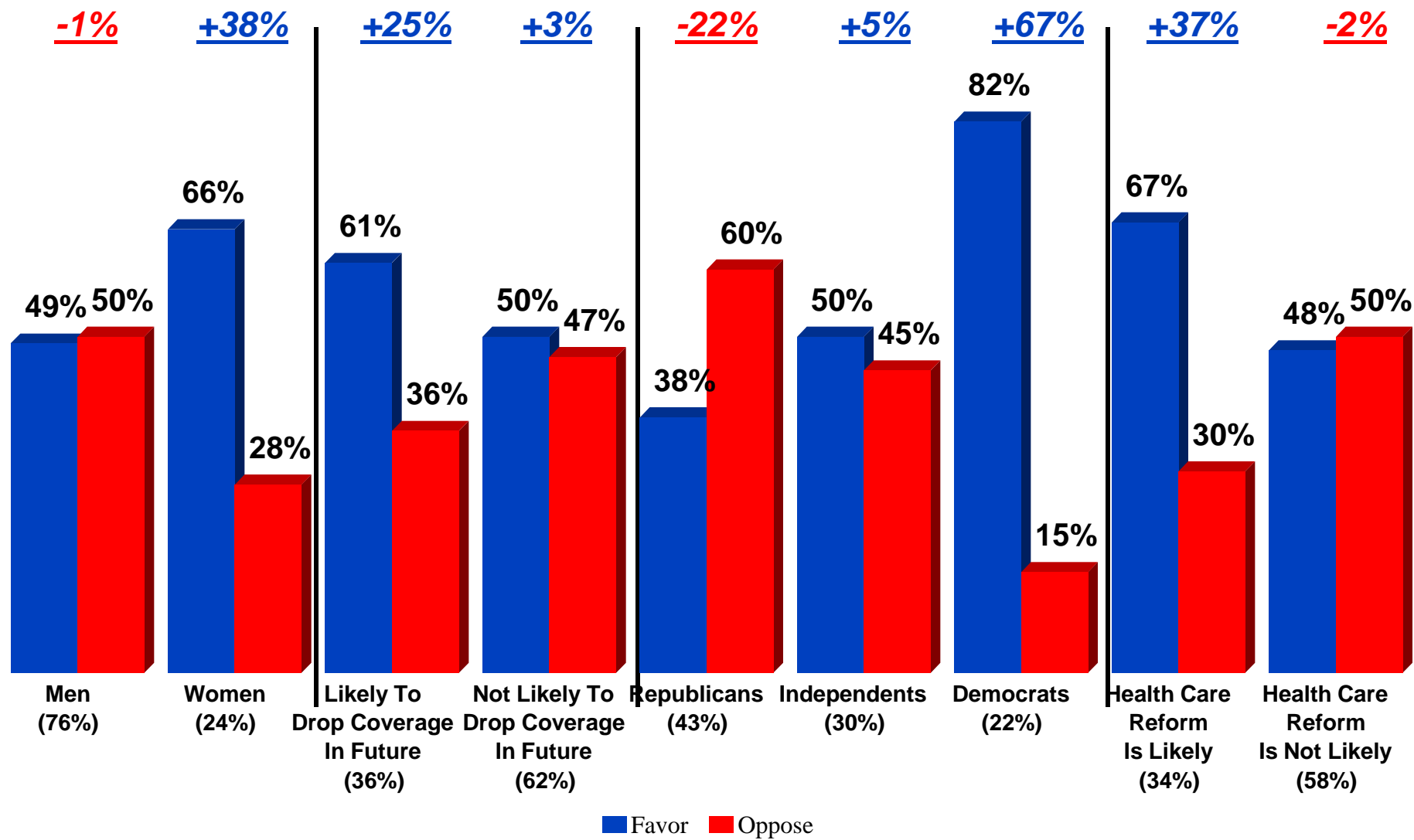
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## Image Of Guaranteed Choice By Core And Company Size



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## Image Of Guaranteed Choice By Key Target Sub-Groups



*Now, thinking about ideas to help control rising health care costs and increase the number of Americans with health coverage... I would like to read you a proposal that packages some ideas together and might be considered by the next President and Congress as a way to make health care more affordable for small businesses.*



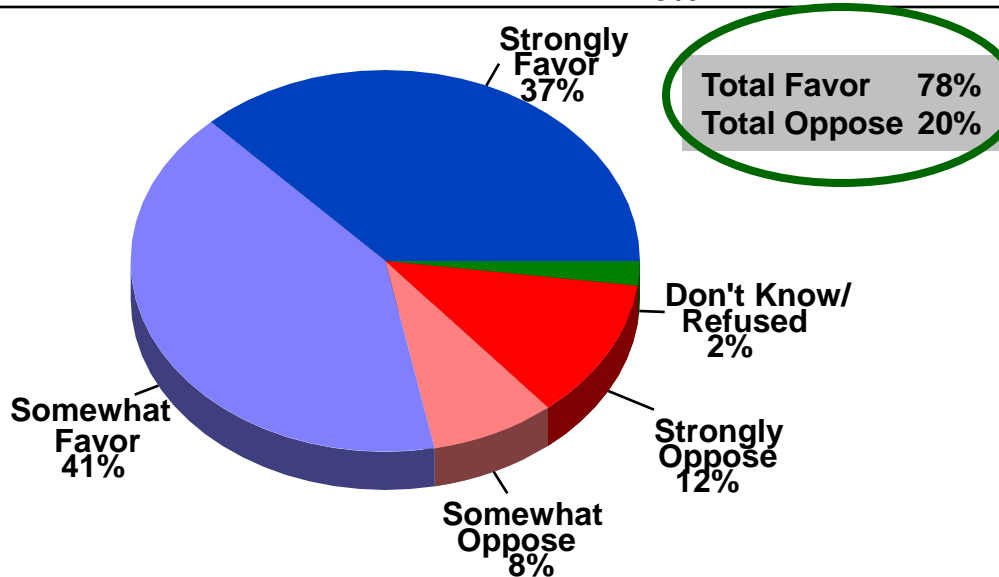
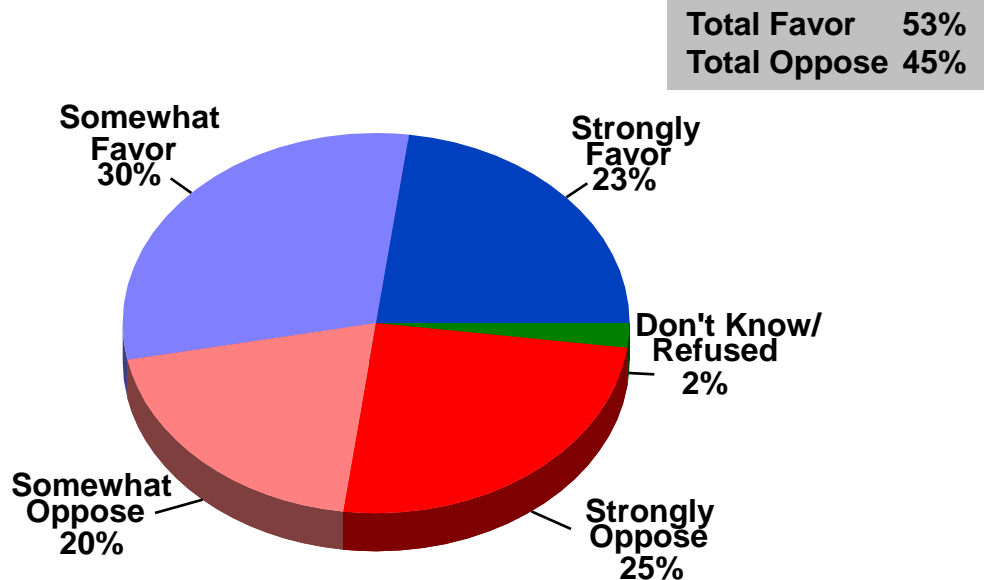
# **With the four percent employer mandate proposal...**

Would promote a government-sponsored pool for small businesses to purchase insurance at bulk purchasing rates. Small businesses would get a new tax credit to make it easier to offer health coverage if they pay at least fifty percent of the cost of employee health insurance. **This proposal would require employers with ten or more employees who today do not provide health coverage to pay four percent of their payroll to help cover the uninsured.**

# **Without the four percent employer mandate proposal...**

Would promote a government-sponsored pool for small businesses to purchase insurance at bulk purchasing rates. Small businesses would get a new tax credit to make it easier to offer health coverage if they pay at least fifty percent of the cost of employee health insurance.

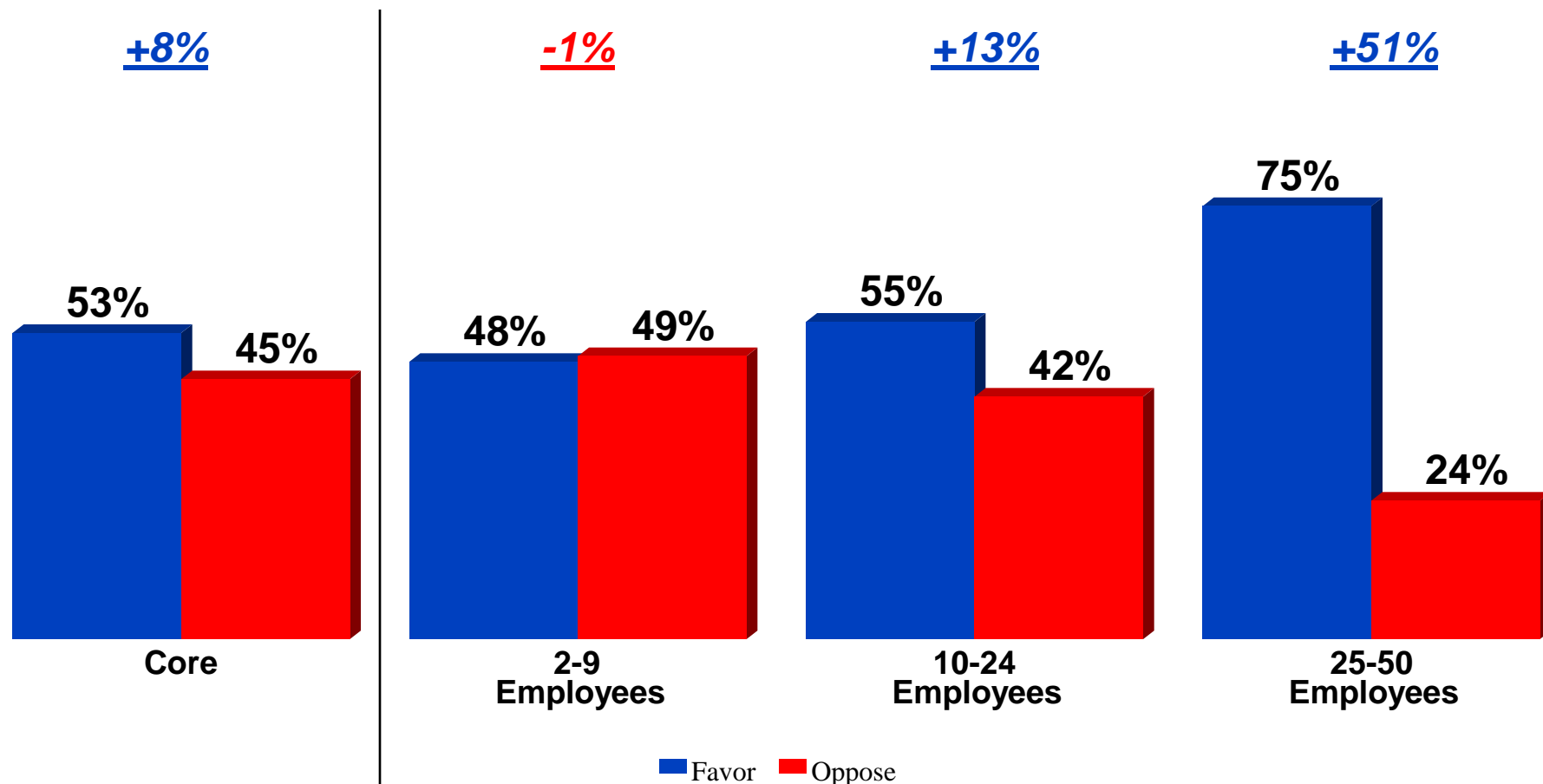
## **Government Sponsored Pools And Tax Credits Approach**



*Now, thinking about ideas to help control rising health care costs and increase the number of Americans with health coverage... I would like to read you a proposal that packages some ideas together and might be considered by the next President and Congress as a way to make health care more affordable for small businesses.*

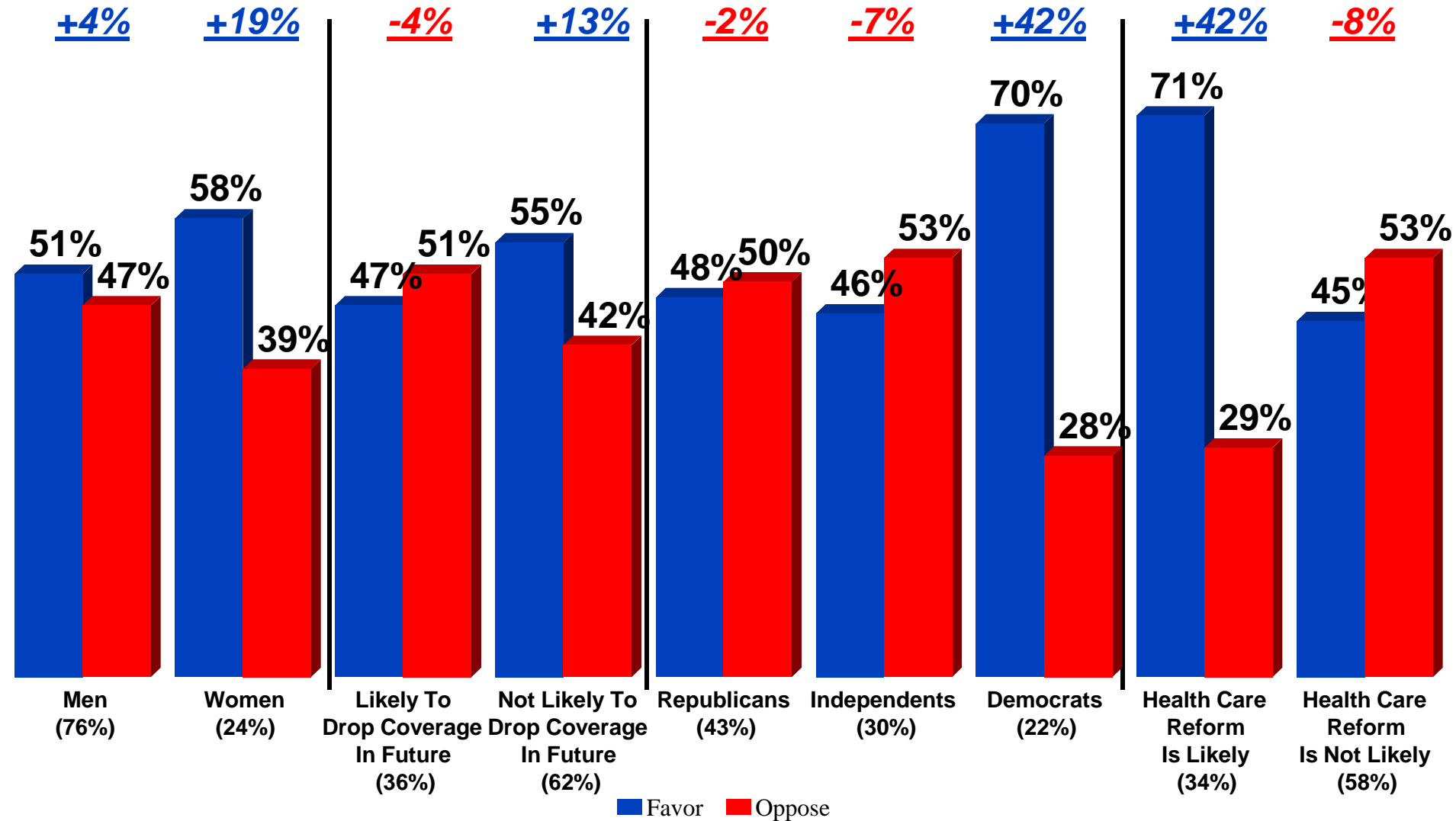
# Larger business owners are more supportive of the employer mandate than smaller business owners.

## Rating Of Four Percent Employer Mandate Proposal By Size Of Company



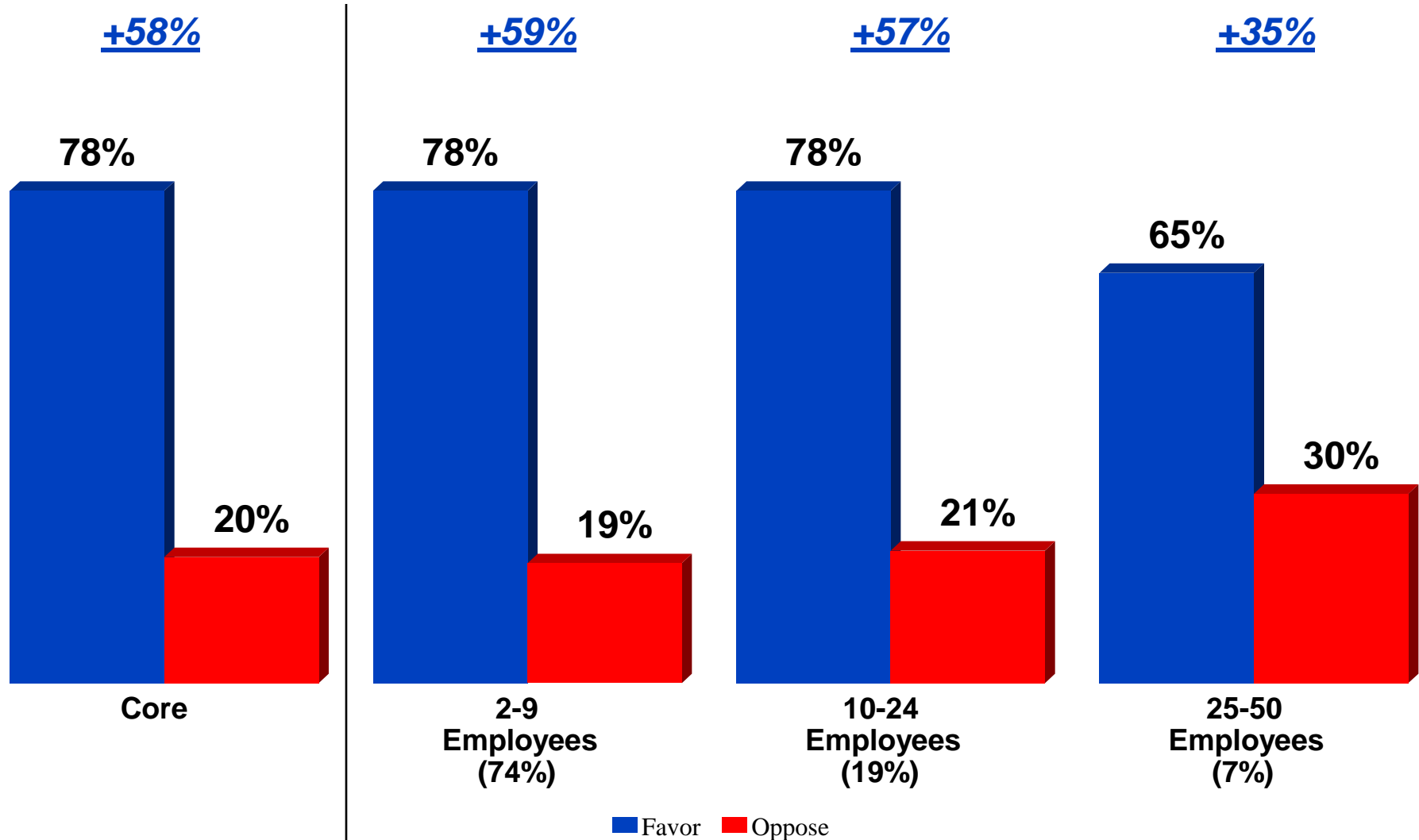
*Would promote a government-sponsored pool for small businesses to purchase insurance at bulk purchasing rates. Small businesses would get a new tax credit to make it easier to offer health coverage if they pay at least fifty percent of the cost of employee health insurance. This proposal would require employers with ten or more employees who today do not provide health coverage to pay four percent of their payroll to help cover the uninsured.*

## Image Of Government Sponsored Pools And Tax Credits – With Four Percent Employer Mandate Approach By Key Target Sub-Groups



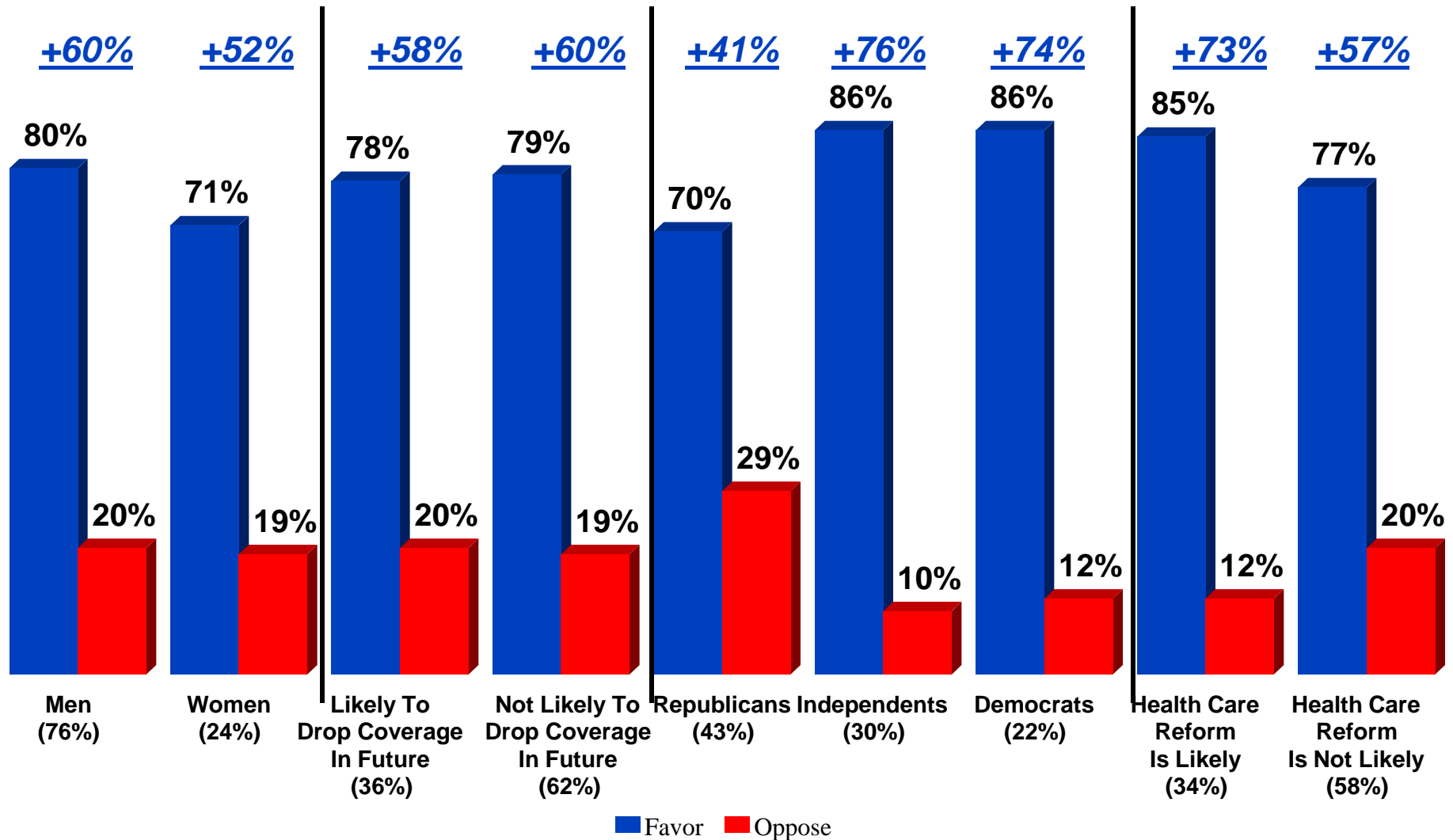
*Now, thinking about ideas to help control rising health care costs and increase the number of Americans with health coverage... I would like to read you a proposal that packages some ideas together and might be considered by the next President and Congress as a way to make health care more affordable for small businesses.*

**Image Of Government Sponsored Pools And Tax Credits – Without Four Percent Employer Mandate Approach By Core And Company Size**



*Now, thinking about ideas to help control rising health care costs and increase the number of Americans with health coverage... I would like to read you a proposal that packages some ideas together and might be considered by the next President and Congress as a way to make health care more affordable for small businesses.*

## **Image Of Government Sponsored Pools And Tax Credits – Without Four Percent Employer Mandate Approach By Key Target Sub-Groups**



*Now, thinking about ideas to help control rising health care costs and increase the number of Americans with health coverage... I would like to read you a proposal that packages some ideas together and might be considered by the next President and Congress as a way to make health care more affordable for small businesses.*

# Message Direction:

## In the triads...

- ✓ Owners are on board with the need for action.
- ✓ Creating hope and a role for them that sounds doable and not an onerous burden is the challenge.
- ✓ They must see action as a win/win for them.
- ✓ Shared responsibility is a strong element.
- ✓ They push back on language that sounds to them overly dramatic, weepy or depressing.
- ✓ They also push back on language that suggests this problem is just about them or the only issue they face or that that seems to discount their ingenuity.

## From the triads...

Powerful messaging elements	Cautionary notes
Level the playing field. Small businesses believe it is unfair that larger businesses get better rates.	But small businesses don't necessarily resent bigger businesses or think they are immune to these problems.
Government as a watchdog and enforcer to rein in excessive profits, and encourage healthy behavior and personal responsibility.	Be sensitive to language that sounds like mandates.
Healthcare is a key issue that is harming businesses, employees, and the economy across the board.	Small businesses face a myriad of challenges. Be careful not to overstate the issue of health care.
Small businesses are struggling with rising and unpredictable health care costs.	Be mindful that small business owners pride themselves on being risk takers and rising to the challenge.
Express the need for comprehensive change.	This is not necessarily a call for sudden overhaul but rather they want to hear from any reformer or advocate that they have considered the complex, interrelated and underlying causes of the problem.

## From the triads...

Powerful messaging elements	Cautionary notes
Highlight the magnitude and urgency of the problem. Business are facing rising and <u>unpredictable</u> costs.	But these owners are turned off by language that is seen as scare tactics or overly dramatic, e.g. businesses will go out of business.
Highlight the unique perspective of business owners and how important it is to have them at the table.	But avoid language that sounds like these owners have some special responsibility.
Statistics in moderation are effective. For example, noting how many jobs are created by small businesses and that costs are rising at double digits.	Avoid a litany of depressing statistics.
There is strength in numbers.	We need to help small businesses connect the dots to extend this concept to political power and action beyond just pooling.
Small businesses are not being listened to and given the credit they deserve.	Avoid any language that sounds like a handout or entitlement for small businesses.
Everyone should have access to affordable health care. Employees are valued assets and health insurance helps retain quality employees.	Avoid overly weepy language or arguments that rely strictly on morals or economics.



# Message Direction:

**Based on these findings from the triads, we revised the messages to focus more on these themes and language.**

# Messages focusing on keeping America's small businesses strong score the highest as a motivator to get small businesses to support health care reform.

## Most Convincing Statements Ranked By Net Difference Based On Core Respondents

	<u>%4-5</u>	<u>%1-2</u>	<u>Net Difference</u>
Small businesses are the engine of new job growth in our economy. In fact, we generate half of America's Gross Domestic Product (GDP) and two-thirds of new jobs every year. During these tough economic times, we must ensure that we keep America's small businesses strong. This means fixing our health care system to ensure that small businesses have access to affordable, quality health care coverage.	76%	7%	+69%
As small business owners, we simply cannot continue to face double-digit increases in health care costs and neither can our employees. We need health care reform that is fair and reasonable where we all – employers and employees, business and government, doctors and patients – share in the responsibility and costs to build a system in which everyone has affordable, quality health care coverage.	76%	10%	+66%

*Now I am going to read you some statements from small business owners about health care reform. Please rate how convincing you find each statement as a reason for small business owners to support health care reform on a scale from zero to five, where a zero means it is not at all convincing and a five means it is very convincing. You can use any number between zero and five depending on how you feel about each statement.*

# Another key message rating is for the need to compete with bigger companies for the best employees.

## Convincing Statements Ranked By Net Difference

	<u>%4-5</u>	<u>%1-2</u>	<u>Net Difference</u>
We need affordable health care choices for our employees if we are going to compete with other businesses today. These days, the benefits you offer are just as important as the salary. If we want to recruit the best employees, we need to be able to offer them the same benefits that bigger companies can. We need health care reform so that we can stay competitive.	72%	10%	+62%
As health care costs have continued to skyrocket, America's small businesses are hard pressed to find ways to manage costs. We've already reduced the health benefits we offer and asked our employees to pay more, but many small businesses still can not keep up with the double digit increases in premiums every year. We cannot do it alone. We need real health care reform now before the costs of health care spiral further out of our control.	64%	8%	+56%

*Now I am going to read you some statements from small business owners about health care reform. Please rate how convincing you find each statement as a reason for small business owners to support health care reform on a scale from zero to five, where a zero means it is not at all convincing and a five means it is very convincing. You can use any number between zero and five depending on how you feel about each statement.*

# **On an open-ended survey question, business owners mention education and outreach efforts to small businesses would be the most effective way to get them involved.**

*What would you say to get the small business community motivated to become more active in their community on this issue and to contact their Member of Congress?*

Categories Of Topics Mentioned	Number Of Mentions
Educate about costs/issues	25
Small businesses need to come together	13
Encourage people to contact officials directly	9
Act, don't just talk	7
Offer incentives	6
Government is unresponsive	5
Can't be done	5
Government incompetent	4
Tort reform	4
Government & Businesses need to work together	4
Lower taxes	3
Advertising	3
Work through Chamber of Commerce	3
Emphasize how health care is essential to economy	3
Vote	3



# Appendix

Section One: Triads and Survey Methodology

Section Two: Profiling Small Businesses

# Section One: Triad Methodology

**On behalf of the Robert Wood Johnson Foundation, Lake Research Partners conducted and Public Opinion Strategies designed and conducted ten triads—discussion groups of three to four respondents—among small business owners in Chicago, Philadelphia, Denver, Fremont, and St. Cloud.**

- ✓ **The size of the small businesses ranged from three to fifty employees.**
- ✓ **Groups were organized by gender, industry, number of employees, and whether or not the business offered insurance.**
- ✓ **Groups are structured but open-ended discussions that permit the exploration of thought processes at a deeper level than does quantitative research. These groups allow us to explore voters' concerns in their own words, discover the sources of their ideas and opinions, and test reactions to messages.**

# Section One: Triad Methodology

## Description of the Triads

Location	Date	Gender	Industry	Employees	Insurance
Chicago, IL	April 24, 2008	Mixed	IT/Engineering	26-50	Yes
Chicago, IL	April 24, 2008	Mixed	Service	3-25	No
Philadelphia, PA	April 28, 2008	Mixed	Retail	26-50	Yes
Philadelphia, PA	April 28, 2008	Mixed	Retail	3-25	No
Denver, CO	May 8, 2008	Mixed	Construction	3-25	Yes
Denver, CO	May 8, 2008	Mixed	Service	3-25	Yes
Fremont, CA	May 21, 2008	Mixed	IT/Engineering	26-50	Yes
Fremont, CA	May 21, 2008	Women	Retail	11-25	Yes
St. Cloud, MN	May 22, 2008	Women	Service	3-25	Yes
St. Cloud, MN	May 22, 2008	Mixed	Service	3-25	Yes

# Section One: Survey Methodology

On behalf of the Robert Wood Johnson Foundation, Public Opinion Strategies and Lake Research Partners conducted a national telephone survey among 400 owners, CEOs, and presidents of businesses with 2-50 employees that pay for at least some portion of their employees' health insurance benefits. This survey was conducted June 26 – July 30, 2008.

The breakdown of businesses with 2-50 employees reflects the national number of small businesses as follows:

<b>Businesses - Nationally</b>	<b># Of Businesses</b>	<b>% Of Total</b>
<b>2-50 Employees</b>	<b>5,121,027</b>	
<b>2-9 Employees</b>	<b>3,994,401</b>	<b>78%</b>
<b>10-24 Employees</b>	<b>819,364</b>	<b>16%</b>
<b>25-50 Employees</b>	<b>307,262</b>	<b>6%</b>



# Section One: Survey Methodology

The core survey was designed to reflect the national proportion of small businesses.

Businesses We Surveyed	# Of Interviews	% Of Core
Core	400	
2-9 Employees	295	74%
10-24 Employees	76	19%
25-50 Employees	29	7%

We conducted an oversample in order to have a statistically significant number of cases within the business segments of 10-24 employees and 25-50 employees.

Oversample	# Of Interviews In The Core	# Of Oversample Interviews	Total Number Of Interviews
10-24 Employees	76	124	200
25-50 Employees	29	171	200

# Section Two: Small Business Profiles

## Small Business Owners/CEOs/Presidents

- Over three-quarters are men (76%);
- 82% are age 45 or older, and 46% are 55 or older;
- Not very ethnically diverse – 91% are white;
- Republican leaning (43% vs. 22% Democrat);
- Very few have unionized employees (3%);
- Their businesses have been operating for over a decade (65% 16 years or more);
- Are confident of their business' financial future (84% total confident); and,
- Almost half of the businesses are active in the business community (49% are members of Chamber of Commerce and/or NFIB).

# Section Two: Small Business Profiles

## 2-9 Employees (74% of core sample)

- On average, their employees pay a smaller part of their health insurance premiums (15% average);
- The youngest owners (44% age 55 or older);
- Their companies have not been in business quite as long (40% have been open 15 years or less); and,
- Are not as actively involved in the business community, though still active (46% members of Chamber of Commerce and/or NFIB).

# Section Two: Small Business Profiles

## 10-24 Employees (19% of core sample)

- The highest female representation (31%);
- Are businesses which are operating primarily in the service or industrial industries (24% other service industry and 21% industrial/manufacturing industry); and,
- Many of these businesses have been operating for over a decade (71% have been operating for 16 years or more).

# Section Two: Small Business Profiles

## 25-50 Employees (7% of core sample)

- Have the lowest female representation (17%);
- The oldest owners (54% are 55 years or older);
- Have the most unionized employees (9%);
- Have been operating the longest out of all the businesses we surveyed (80% for 16 years or more);
- Are the most active in the business community (62% members of Chamber of Commerce and/or NFIB); and,
- Are the most confident of their business' financial future (89% total confident).

# The Robert Wood Johnson Foundation



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