



# Report

## California Small Business Healthcare Survey

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August 27, 2009

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# California Small Business Owners' Perspectives on Healthcare Reform

## Executive Summary

Small Business Majority is a leading national small business advocacy organization focused on healthcare reform. The organization conducts original scientific research exploring the experiences and opinions of small business owners about healthcare reform throughout the nation, and projects this voice to policymakers through a network of small business spokespeople.

Small Business Majority's first national online survey, conducted in 2006, showed that the cost of healthcare was the top concern of small business—above taxes, energy and other issues. In August 2007, during California's major healthcare debate, the organization conducted a detailed survey of the state's small business owners that both confirmed the earlier findings and helped determine the direction for further research. Follow-up polls carried out in 2008 in New York, Ohio and New Mexico have echoed the key findings from these reports, as have recent surveys done by the Robert Wood Johnson Foundation (nationwide, Colorado, Kansas), AARP (Washington state, Vermont), the Universal Healthcare Foundation of Connecticut, and The Access Project (Great Plains states and California, focused on farmers and ranchers). Surveys that Small Business Majority just completed in 14 additional states in the West, Midwest, South and Northeast bear out these findings as well. Collectively, these surveys reflect a deep concern on the part of small business owners about healthcare issues and a willingness to consider a range of alternative approaches to crafting a solution to the problem.

The survey found that healthcare costs continue to be a major problem for small business owners. California entrepreneurs also believe that to make healthcare more affordable, it's important for individuals, employers, insurers, government and healthcare providers to share the responsibility of financing the system.

## Key Findings

California's small business community includes large sectors of Latino and rural small business owners. Because these groups are fundamental to small business in the state, three different groups were surveyed: 500 small business owners (including sole proprietors and owners of businesses with fewer than 100 employees), 100 Latino small business owners, and 100 rural small business owners. All survey questions were asked of all three groups. The survey instrument is included at the end of this report.

The results show that California's small business owners overwhelmingly believe affordability is a major barrier to providing health insurance. Where small business owners do offer coverage, the high price makes it difficult to afford. At the same time, they feel a responsibility to provide coverage. Small business owners view lack of access to high-quality, affordable health insurance as a significant barrier to entrepreneurship; see reform as necessary and important to getting the economy back on track; and see themselves as part of the solution, working together with the federal government, insurers and providers.

- The number one concern for California small business owners in healthcare reform, across the board, is controlling costs.
- 86% of small business owners in California not offering health insurance say they can't afford to, while 70% of those who do offer it say they're really struggling to do so. Among Latino small business owners, 79 of those not offering health insurance say they can't afford it, while 73% of those who do say they are struggling to pay for it. Among rural small business owners, 97% say they can't afford it, and 83% of those that offer it say they are struggling to do so.
- 87% of small business owners, including 80% of Latino small business owners and 92% of rural small business owners, want to eliminate preexisting condition rules. 68% overall, including 75% of Latino small business people and 71% of rural small business people, see these rules as a barrier to starting a business.
- 81% of small business people, including Latino small business owners, support establishing a health insurance pool to create a marketplace where small businesses and individuals can choose their coverage; only 11% oppose this proposal. Among rural business owners, 79% support and 10% oppose it.
- 68% of small business owners overall, including 68% of Latino business owners and 55% of rural business owners, say it's important for individuals, employers, insurers, the government and healthcare providers to share the responsibility for making healthcare more affordable.
- 66% of small businesses, including 56% of Latino small business owners and 63% of rural small business owners, prefer having the choice of a private or public health insurance plan.
- 62% of small business owners, including 66% of Latino owners and 60% of rural owners, say their company has a responsibility to provide health coverage for its employees.
- 61% of small business owners, including 75% of Latinos and 55% of rural small business owners, support government action to increase the number of doctors and other providers in rural areas to ensure that everyone has access to affordable, high-quality healthcare.
- 61% of small business owners, including 68% of Latinos and 52% of rural small business people, say healthcare reform is important for getting the economy back on track.
- 53% of small business owners, including 76% of Latino small business people and 53% of rural small business people, believe businesses that don't offer health insurance should be required to pay something to cover their employees. Only 32% overall, 13% of Latinos, and 34% of rural small business owners say no contribution should be required.

California's small business owners are concerned about the cost of health coverage. They believe healthcare reform is necessary and are willing to participate as part of the solution. Access to affordable health insurance is currently a problem for most of them. The majority believe that in order to make healthcare more affordable, it's important to share the responsibility for financing among government, individuals, insurers, providers and employers. Small business owners in California, including Latino and rural small business owners, support a variety of reform

approaches that involve government action. These include eliminating the consideration of preexisting health conditions in the provision of insurance, creating an insurance exchange, increasing access to affordable, high-quality care in rural areas, and adopting prevention measures for people to actively manage their health.

For more information, visit [www.smallbusinessmajority.org](http://www.smallbusinessmajority.org)

## Methodology

Lake Research Partners and Public Opinion Strategies collaborated on the design and administration of this survey on behalf of Small Business Majority.

Between August 10 and August 14, 2009, professional interviewers conducted telephone interviews with a total of 500 small business owners in California and an additional 100 Latino small business owners and 100 rural small business owners. For the purposes of this research, a small business is defined as having up to 100 employees, including sole proprietors. The interviews lasted an average of 11 minutes.

Researchers used a random sample of phone numbers obtained from InfoUSA, a leading commercial vendor that provides a constantly updated comprehensive database of all businesses in the US. Respondents were screened to include only those directly involved in determining their company's healthcare benefits and to exclude employers with more than 100 employees and those who didn't know whether their company pays for health insurance benefits for its employees.

Percentages may not always add up to 100%, due to rounding or because a question allowed for multiple answers.

Like all surveys, this survey has the potential for sampling error. The potential for sampling error depends on both the number of respondents to a particular question and the distribution of their responses. The base sample of 500 business owners has an overall margin of error of 4.4%, with a 95% confidence interval. The samples of 100 Latino business owners and 100 rural business owners each have an overall margin of error of 9.8%, with a 95% confidence interval. Answers with fewer responses have higher margins of error than does the survey as a whole.

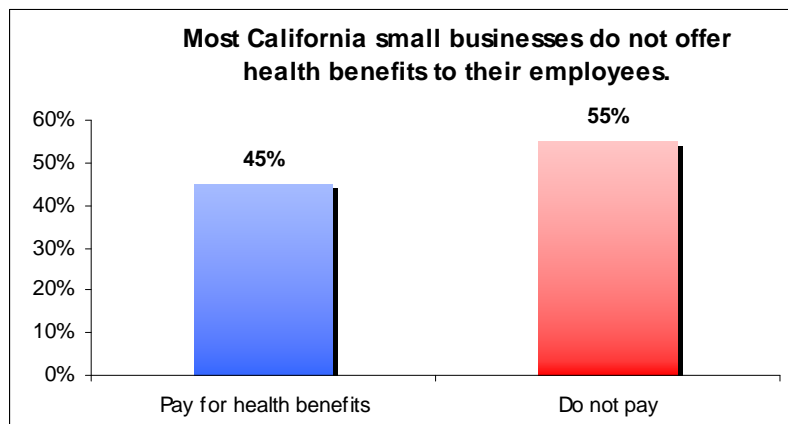
## Survey Results

California's small business community includes large numbers of Latino and rural small business owners. Because these groups are fundamental to small business in the state, three different groups were surveyed: 500 small business owners (including sole proprietors and owners of businesses with fewer than 100 employees), 100 Latino small business owners, and 100 rural small business owners. All survey questions were asked of all three groups.

California's small business owners overwhelmingly indicate they cannot afford to provide health coverage for themselves and their employees. Where they do offer coverage, it's a significant struggle to afford it. They view lack of access to high-quality, affordable health insurance as a significant barrier to entrepreneurship, see reform as necessary and see themselves as part of the solution. They support a role for the federal government in healthcare reform and a number of proposals to improve affordability and access to care.

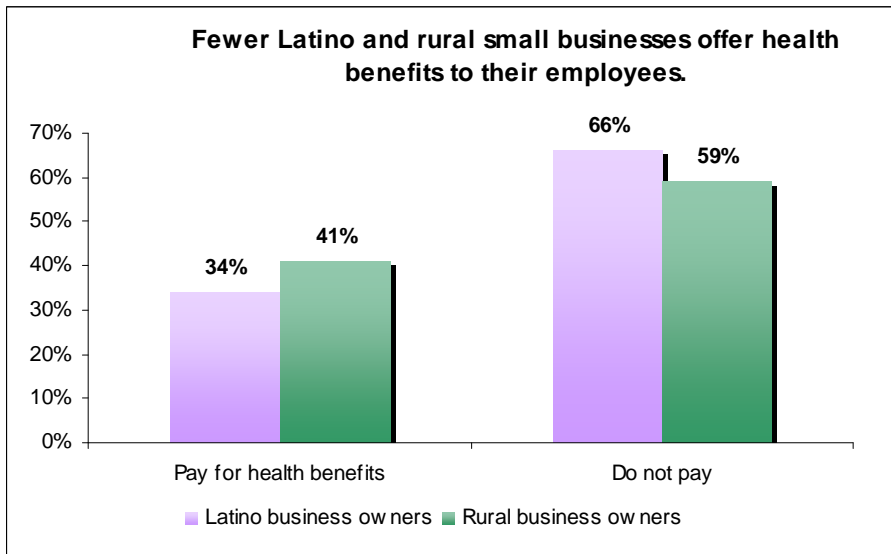
### Small businesses can't afford healthcare coverage for their employees.

Healthcare affordability is a big problem for small businesses in California. More than half (55%) of California's small businesses don't pay for any part of the cost of health insurance for their employees; only 45% contribute something toward their employees' coverage.



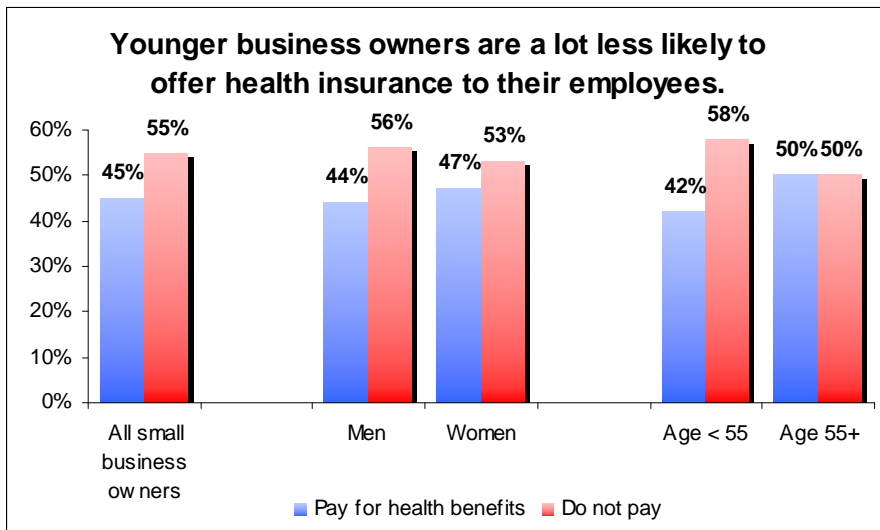
Q: Does your company pay for all or part of the cost of health insurance benefits for ANY of its employees other than yourself?

The number of Latino and rural small business owners in California offering health benefits to their employees is lower than among small businesses overall in the state. Nearly 6 in 10 (59%) rural small business owners and two-thirds (66%) of Latino small business owners don't offer health insurance to their employees.



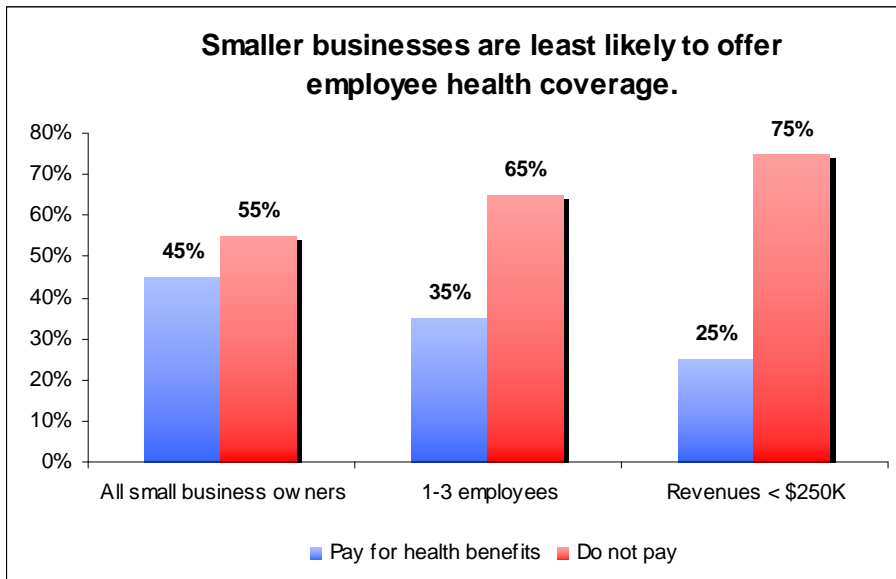
Q: Does your company pay for all or part of the cost of health insurance benefits for ANY of its employees other than yourself?

Men and younger business owners are less likely to offer health insurance benefits to their employees. More men than women (by 3 points) say they don't offer insurance. Similarly, more small business owners under age 55 than older small business owners (by 8 points) say they don't offer their employees coverage. Men under age 55 are significantly less likely to offer insurance than any other age and gender group, with only 38% saying they offer health insurance to their employees.



Q: Does your company pay for all or part of the cost of health insurance benefits for ANY of its employees other than yourself?

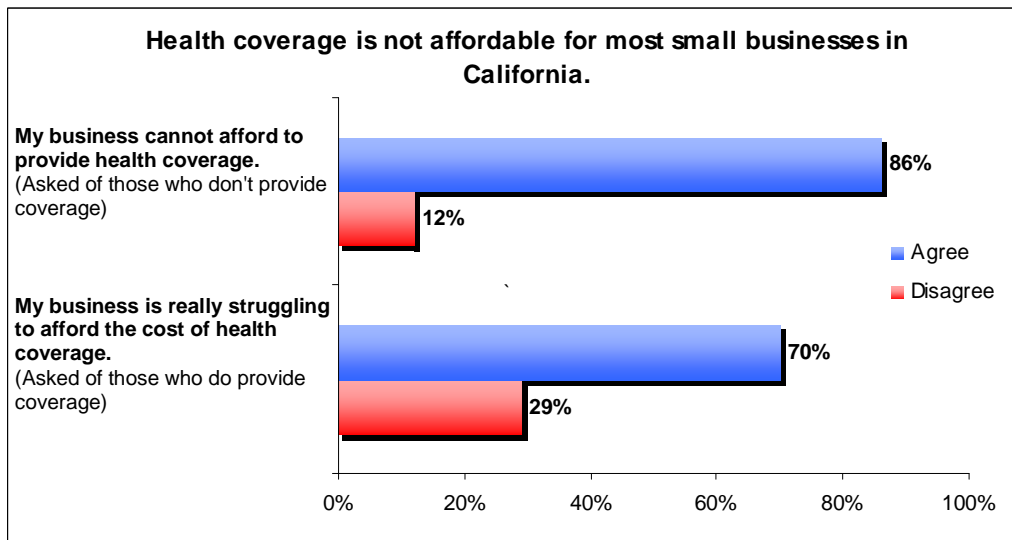
Compared with all small business owners in California, the smallest businesses are the least likely to offer insurance coverage. Only 35% of small businesses with 1-3 employees offer coverage and just one-quarter (25%) of those with revenues under \$250,000 offer coverage.



Q: Does your company pay for all or part of the cost of health insurance benefits for ANY of its employees other than yourself?

### Small business owners struggle with the cost of coverage.

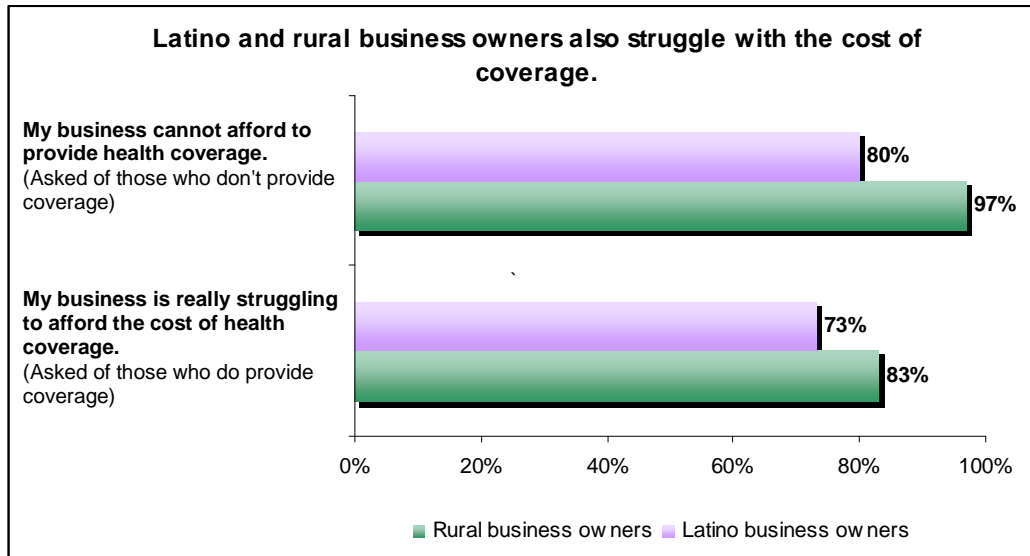
Nearly 9 in 10 (86%) of California's small businesses that don't offer health insurance say they can't afford to provide it. Moreover, the vast majority (70%) of those that offer it say they're really struggling to do so.



Q: Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the statement: My business cannot afford to provide health coverage. My business is really struggling to afford the cost of health coverage.

The number of rural business owners saying they struggle with the cost of coverage is significantly higher than in the state overall (by an 11 point margin). Rural small business people who don't provide coverage almost universally agree (97%) that their business can't afford to

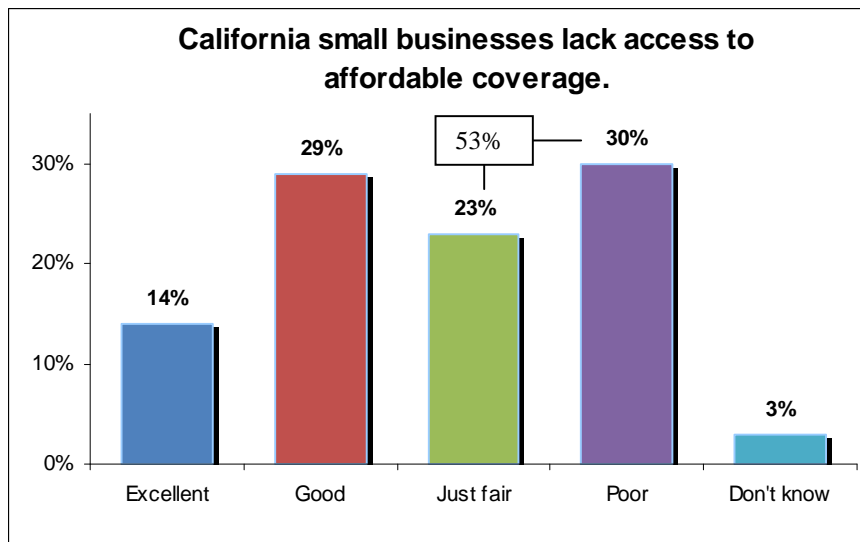
provide it. Among those that do provide coverage, 83% say they are really struggling to afford it, 13 points higher than in the state overall.



Q: Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the statement: My business cannot afford to provide health coverage. My business is really struggling to afford the cost of health coverage.

### California small businesses lack access to affordable coverage.

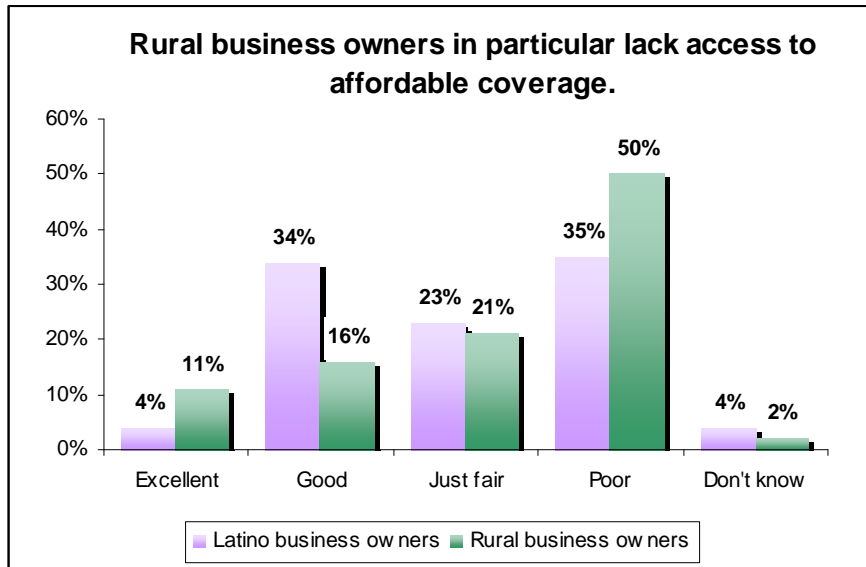
More than half (53%) of California's small business owners describe their access to affordable health insurance as just fair or poor. A small minority (only 14%) say their access is excellent.



Q: How would you describe your access to affordable health insurance coverage—excellent, good, just fair or poor?

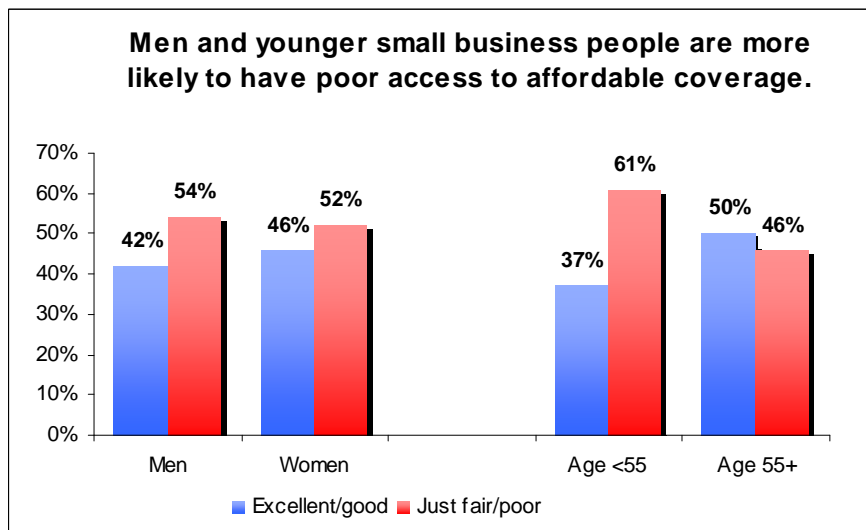
Latino and rural small business owners struggle with the cost of coverage more so than small business owners as a whole in California. However the lack of affordable coverage is particularly acute for rural small business owners. Among rural businesses, 71% say their access to affordable

coverage is fair or poor (only 11% say it is excellent). Among Latino small business owners, 58% say their access to affordable coverage is fair or poor (only 4% say excellent).



Q: How would you describe your access to affordable health insurance coverage—excellent, good, just fair or poor?

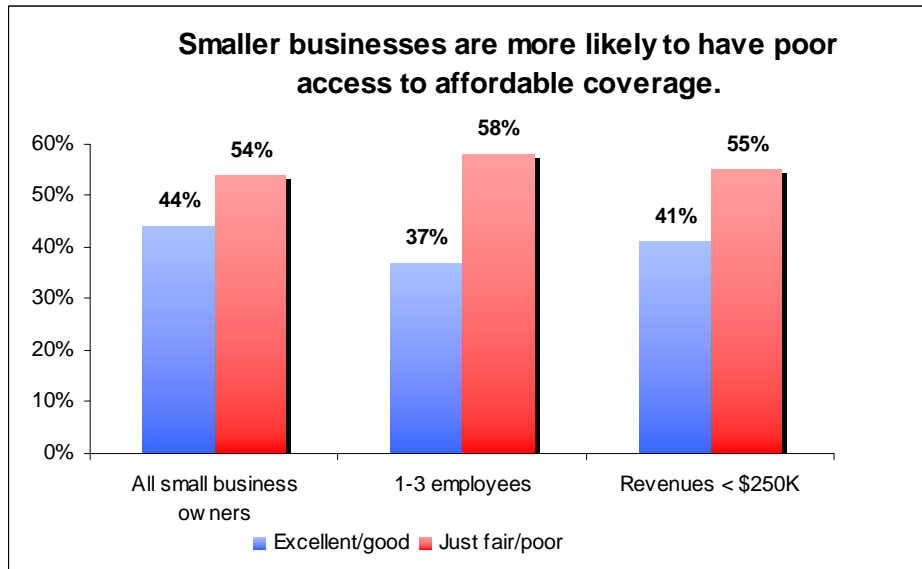
Men and younger small business owners are more likely than women (by 2 points) and older business people (by 15 points) to say they have poor access to affordable coverage. Six in ten (61%) business owners under age 55 say they have fair or poor access, compared with 46% of those over 55.



Q: How would you describe your access to affordable health insurance coverage—excellent, good, just fair or poor?

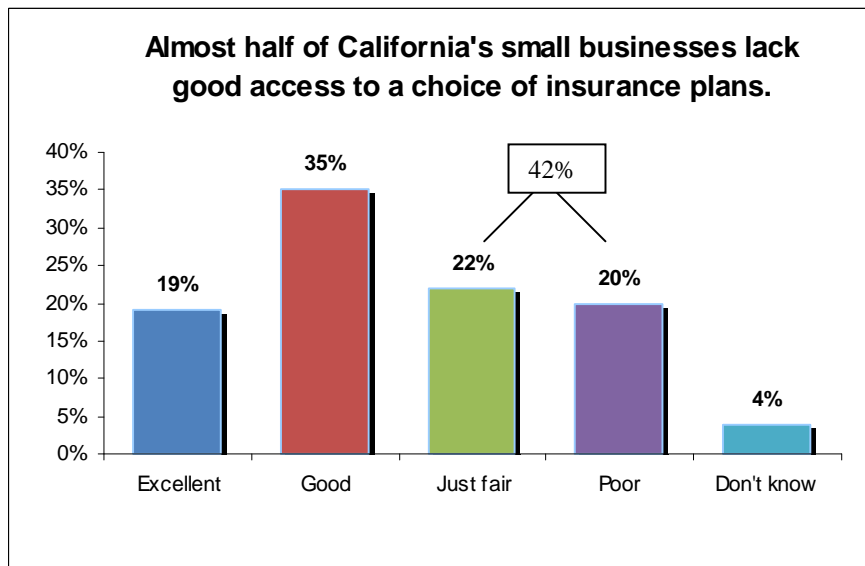
Owners of smaller businesses struggle with access to affordable coverage much more than their larger counterparts. More than half of smaller business owners say their access to affordable coverage is just fair or poor. Among those with 3 or fewer employees, 58% say they lack access

to affordable coverage. Among those with revenues of less than \$250,000, 55% say they don't have this access.



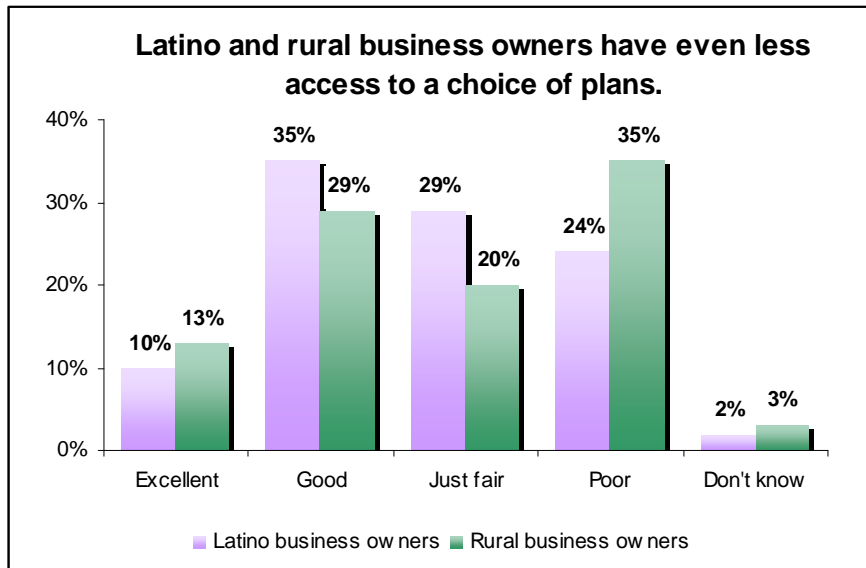
Q: How would you describe your access to affordable health insurance coverage—excellent, good, just fair or poor?

California small businesses also say they lack a choice of health insurance plans. More than 4 in 10 (42%) say their access to a choice of plans is fair or poor. Only 19% say they have excellent access to a choice of plans.



Q: How would you describe your access to a choice of health insurance plans—excellent, good, just fair or poor?

Latino and rural small business owners are more likely to say they lack access to a choice of plans, with more than half of each saying their access is fair or poor.



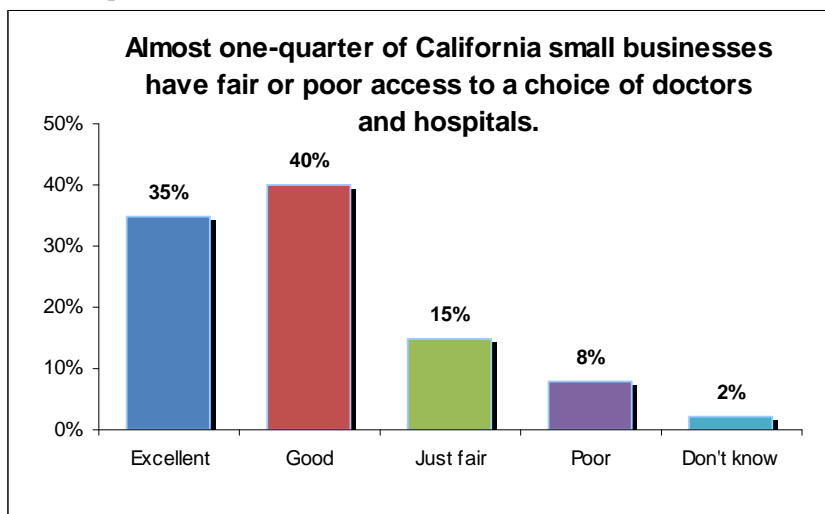
Q: How would you describe your access to a choice of health insurance plans—excellent, good, just fair or poor?

Younger business owners are more likely (by 10 points) to say their access to a choice of plans is just fair or poor, with 46% of those under age 55 saying their access to a choice of health insurance plans is fair or poor, compared with 36% of those over age 55.

When looking at business size by revenues, small businesses with under \$250,000 in revenues are more likely than small businesses overall (by 7 points) to say their access to a choice of plans is fair or poor, with 49% saying this.

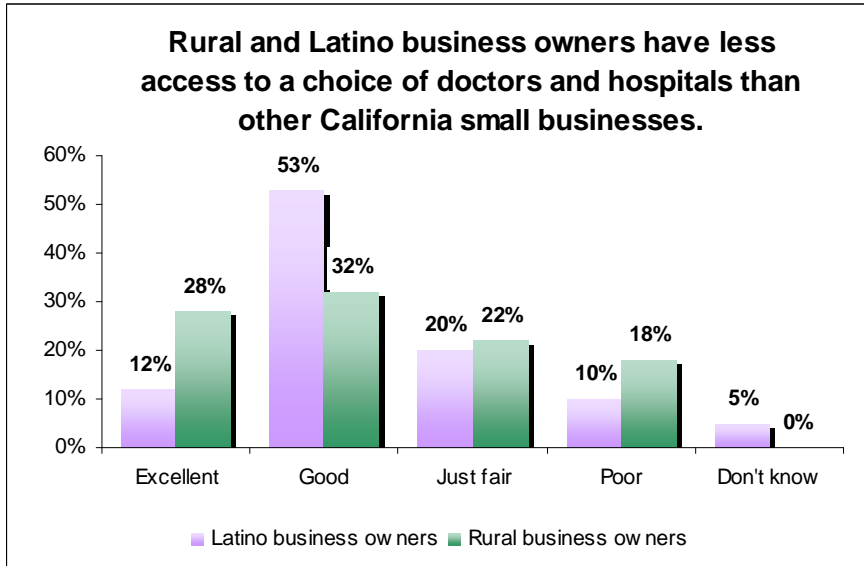
### Many California small business owners lack access to specialists and emergency care services.

While three-quarters of California's small business owners say they have good or excellent access to a choice of doctors, about one-quarter (23%) still describes their access to a choice of providers as fair or poor.



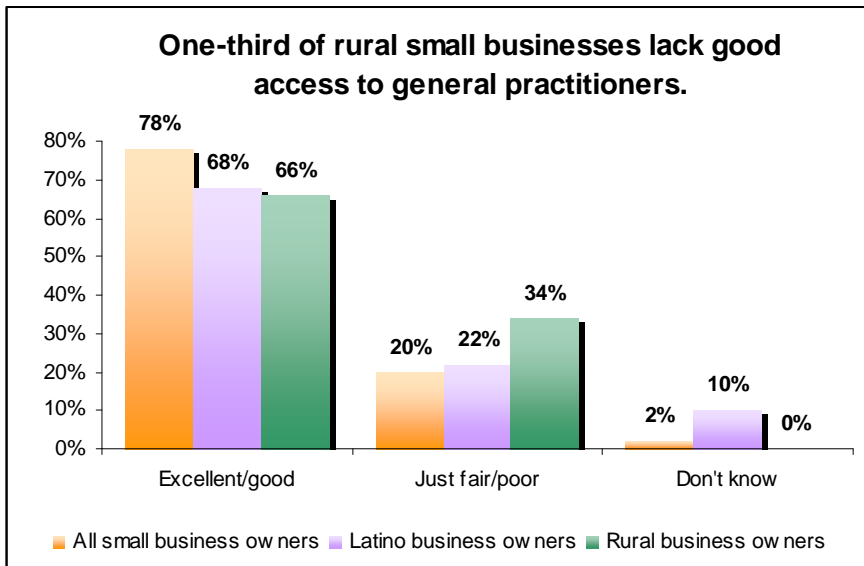
Q: How would you describe your access to a choice of doctors and hospitals- excellent, good, just fair or poor?

This problem is more acute for Latino and rural business owners. Among Latino small business owners, 30% say their access to a choice of doctors and hospitals is fair or poor, compared with 23% of other small businesses in the state; among rural business owners, 40% say their access is fair or poor.

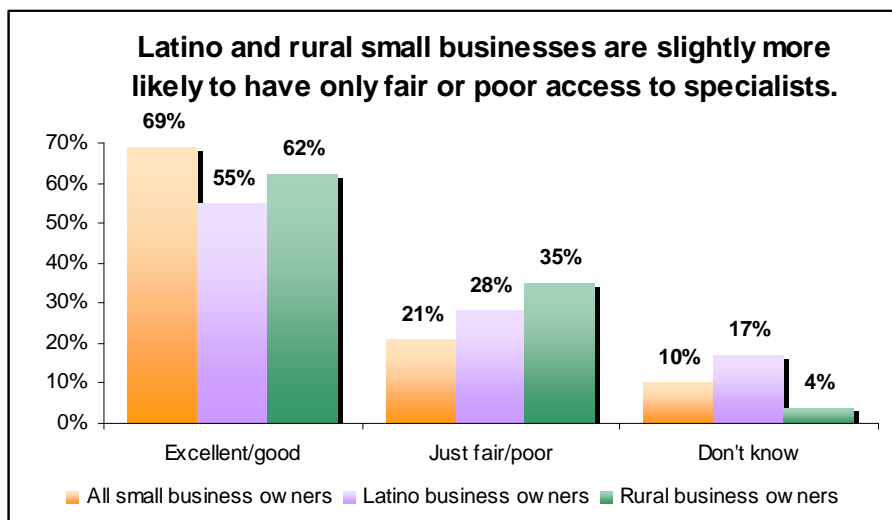


Q: How would you describe your access to a choice of doctors and hospitals- excellent, good, just fair or poor?

When looking at access to primary care physicians and general practitioners as well as specialist providers, rural small business owners are more likely than other small business owners in the state to say their access is just fair or poor.



Q: How would you describe your access to primary care physicians and general practitioners - excellent, good, just fair or poor?

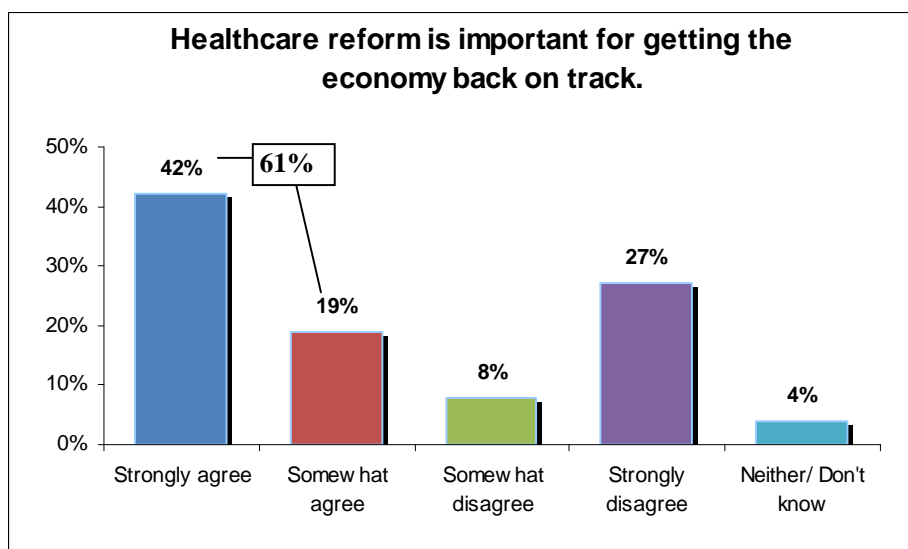


Q: How would you describe your access to specialist providers such as cardiologists, gynecologists and dermatologists - excellent, good, just fair or poor?

Access to emergency care services, such as emergency rooms in hospitals, is most lacking for Latino small business owners, with 35% saying their access is fair or poor, compared with 20% of small business owners overall (15 point margin). Rural small business people also lack access to emergency care services, with 30% saying their access is fair or poor (10-point margin compared with small businesses overall).

**Healthcare reform is important for economic recovery.**

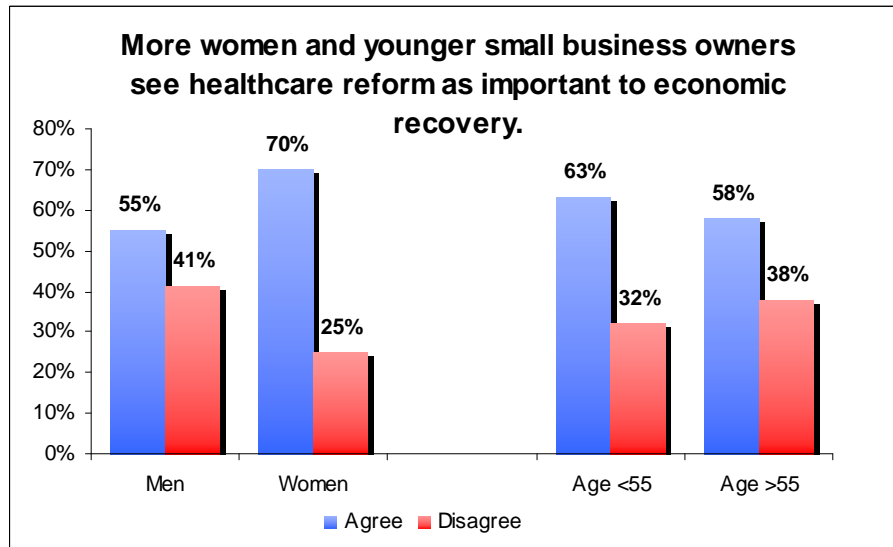
More than 6 in 10 (61%) small business people in California say healthcare reform is important for getting the economy back on track; more than 4 in 10 strongly agree.



Q: Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the statement: In order to get our economy back on track we need healthcare reform now.

Compared with all small business people in California, Latino business owners are most likely to agree that healthcare reform is important for economic recovery (68% compared with 61%). Fifty percent say they strongly agree with this statement, compared with 42% overall.

Women and younger business people are more likely than men (by 15 points) and older business people (by 5 points), respectively, to agree that healthcare reform is important to getting the economy back on track.



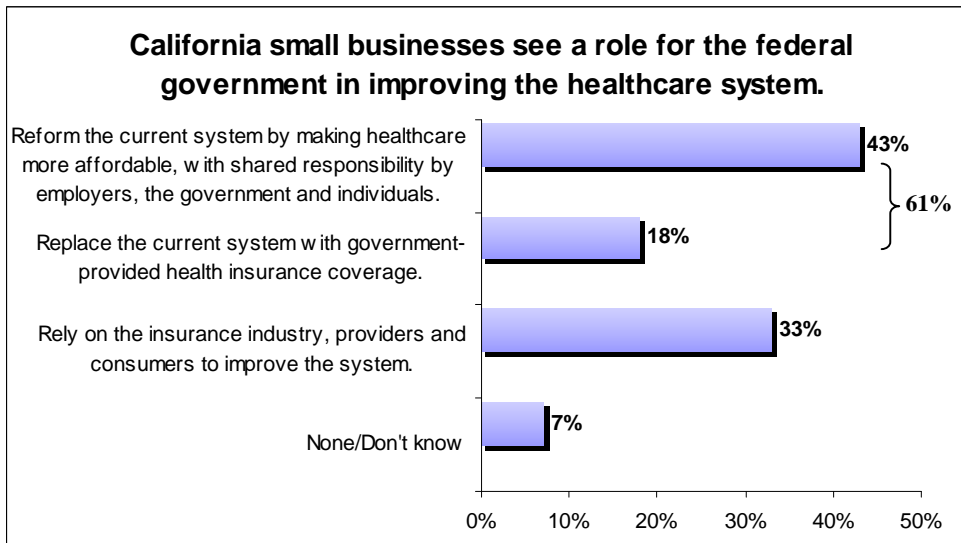
Q: Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the statement: In order to get our economy back on track we need healthcare reform now.

Minority business owners are also more likely to agree that healthcare reform is important for economic recovery, with 69% agreeing and 23% disagreeing.

### California small business people see a role for the federal government.

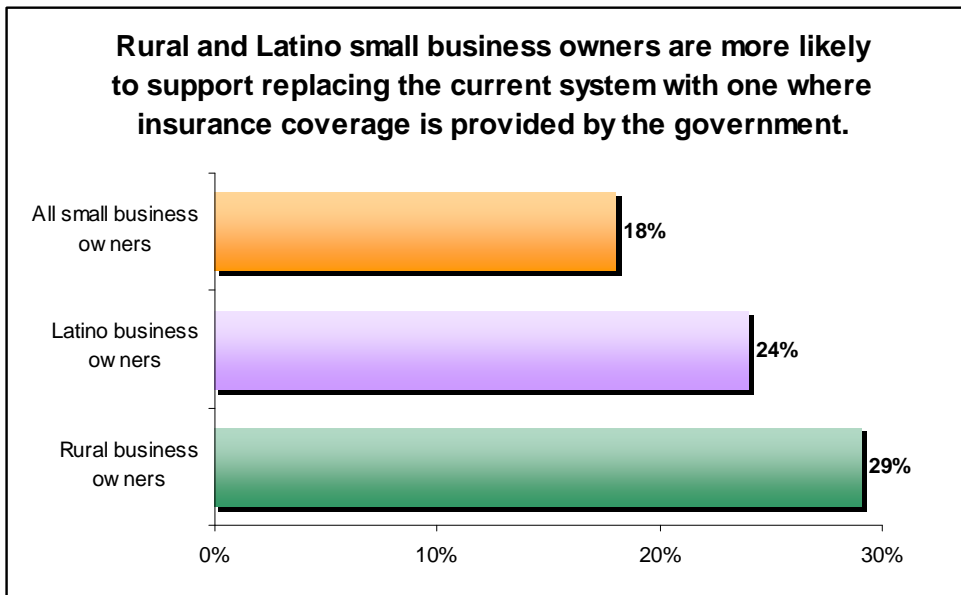
More than 6 in 10 (61%) of California's small businesses see some role for the federal government in improving the country's healthcare system. This level of support is high across the board, with 62% of Latino and 60% of rural small business owners agreeing.

More than 4 in 10 (43%) want to reform the current system by making healthcare more affordable, with shared responsibility by employers, the government and individuals. Another 18% of small businesses in California would prefer to replace the system with one under which all Americans have health insurance provided through the government. Only 33% want to rely on the insurance industry, providers and consumers to improve the healthcare system, with no involvement from the federal government.



Q: Which one of the following statements is closest to your view of the role the federal government should play in improving the country's healthcare system?

Latino and rural small business owners are more likely to want to replace the current system than small business people in the state overall.



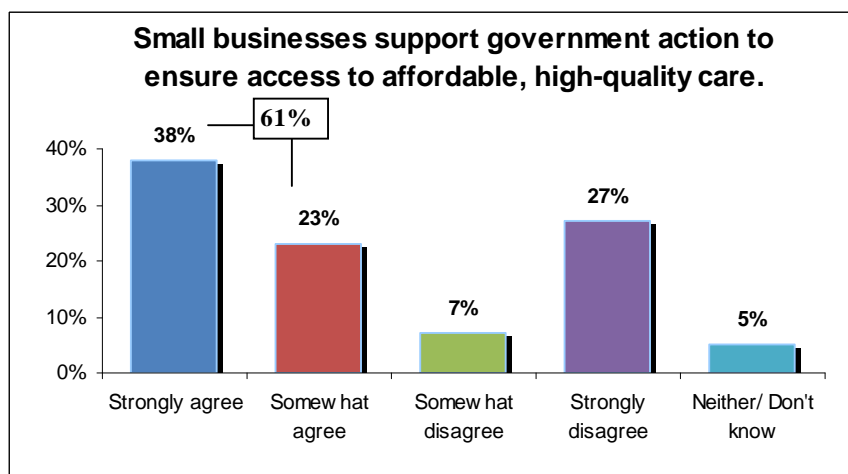
Q: Which one of the following statements is closest to your view of the role the federal government should play in improving the country's healthcare system?

There are few differences by business size in support for a government role, but there are variations by gender and age of business owners. Women are more likely than men by 11 points to see a role for the federal government in making healthcare more affordable, with 48% supporting shared responsibility by employers, the government and individuals (compared with 40% for men).

Even larger differences exist by age of business owners. Small business owners under age 55 are far more supportive of a federal role in general and of a shared responsibility approach in particular than their older counterparts, with 47% supporting the latter (and 64% total supporting a federal role), compared with 38% of business owners aged 55 and over (with 56% total supporting a federal role).

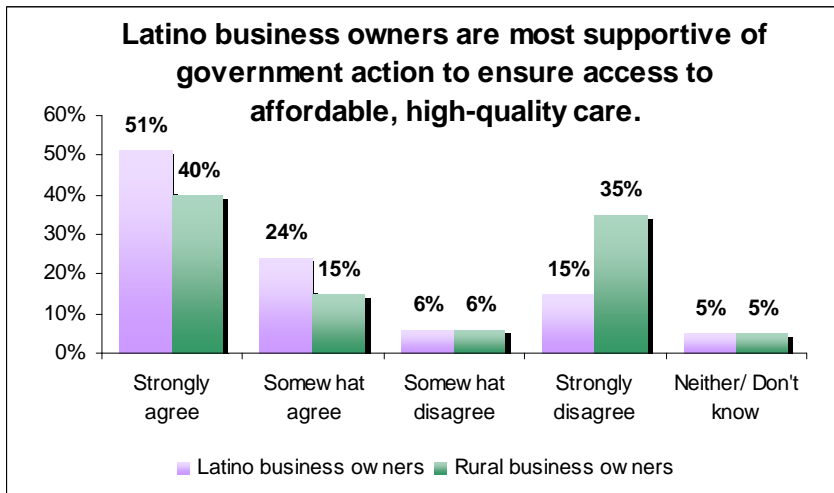
### **Small businesses want government action to ensure access to affordable care.**

More than 6 in 10 (61%) small business owners in California say the government should take action to increase the number of doctors and other providers in rural areas, including rural California, to ensure that everyone has access to affordable, high-quality healthcare.



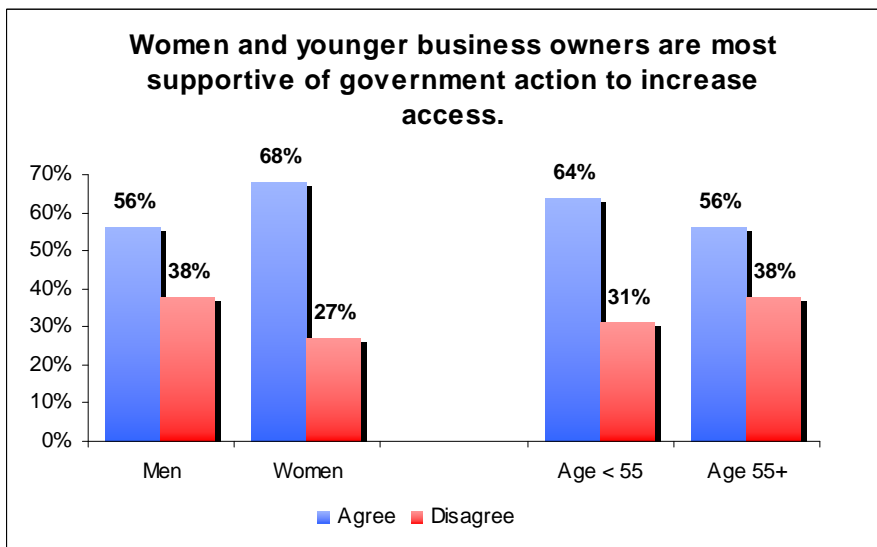
Q: Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the statement: the government should take action to increase the number of doctors and other providers in rural areas, including rural California, to ensure that everyone has access to affordable, high-quality healthcare.

Latino business owners are most supportive of government action to increase the number of doctors and other providers in rural areas. Nearly three-quarters (75%) of Latino business owners agree, by a margin of 14 points, compared with small business owners overall. Rural businesses are less likely to agree with this proposal.



Q: Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the statement: the government should take action to increase the number of doctors and other providers in rural areas, including rural California, to ensure that everyone has access to affordable, high-quality healthcare.

Women and younger business owners are more supportive than men and older business owners of government action to increase the number of doctors and other providers in rural areas. Among women, the margin of support for government action is 41 points (68% agree and 27% disagree); similarly, among business owners under age 55, the margin of support is 33 points (64% agree, 31% disagree).



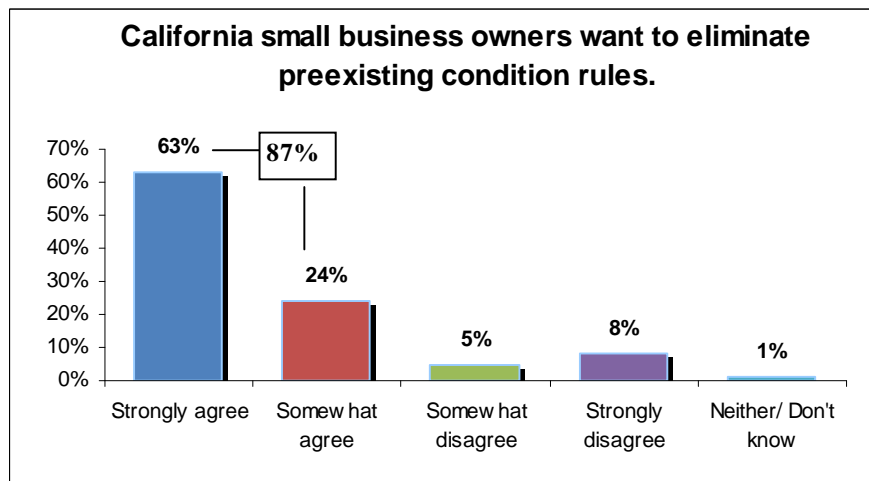
Q: Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the statement: the government should take action to increase the number of doctors and other providers in rural areas, including rural California, to ensure that everyone has access to affordable, high-quality healthcare.

Small businesses with under \$250,000 in revenues are more supportive than their larger counterparts. The margin of support among these small business owners is 40 points (68% agree, 28% disagree). The largest differences are found among minority business owners, where the margin of support for government action to increase access is 58 points (76% agree, 18% disagree).

## California small business owners want to eliminate preexisting condition rules.

Nearly 9 in 10 (87%) of California's small businesses believe people should be able to buy healthcare policies without regard to their health status or previous health conditions, by a margin of more than 6 to 1. Nearly two-thirds (63%) of small business owners say they strongly agree.

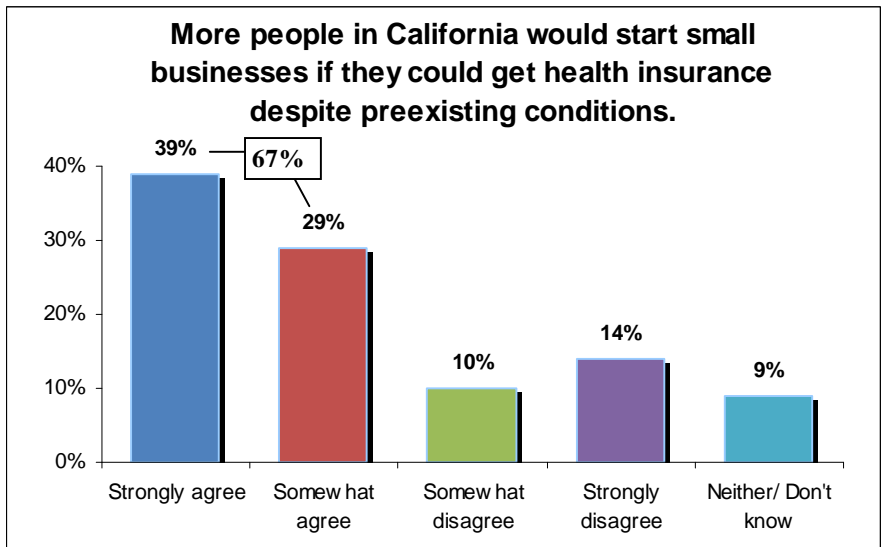
Women and minority small business owners feel most strongly about eliminating preexisting condition rules. There are no significant differences by age of business owners or by size of business.



Q: Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the statement: People should be able to buy healthcare policies without regard to their health status and previous health conditions.

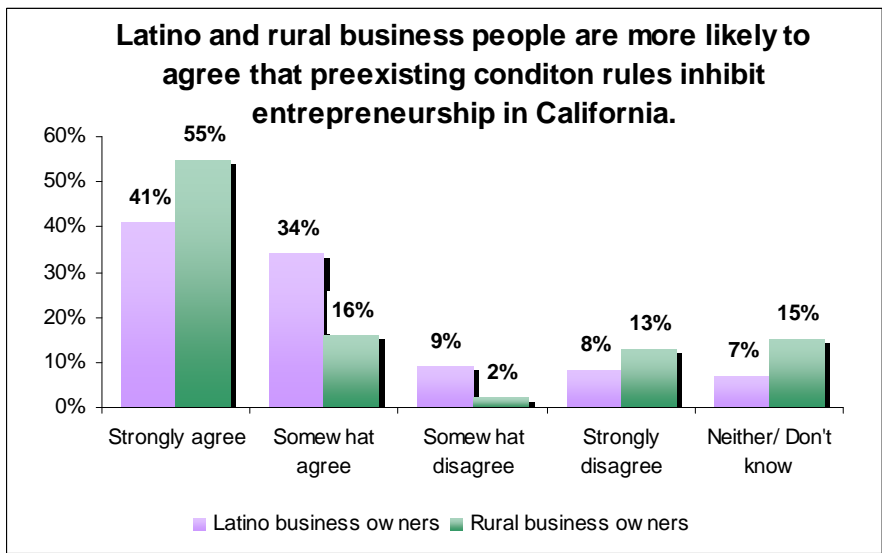
Rural small business owners feel most strongly that people should be able to buy healthcare policies without regard to their previous health status, with 92% of them agreeing with this statement.

Small business people view restrictions based on preexisting conditions as a barrier to becoming entrepreneurs. Nearly 7 in 10 (68%) small business owners say more people would become entrepreneurs and start businesses if they knew they could get health insurance despite their preexisting conditions.



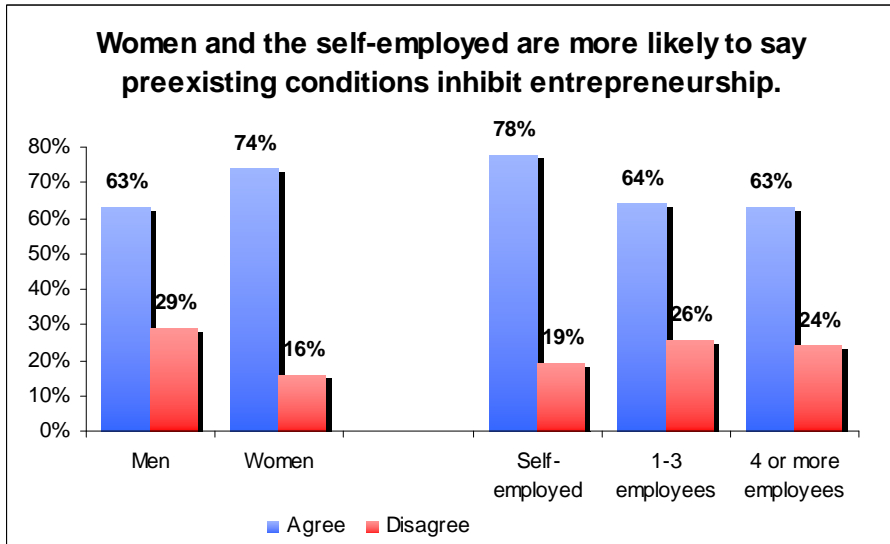
Q: Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the statement: More people would become entrepreneurs and start businesses if they knew that they could get health insurance despite their preexisting health conditions.

Compared with small business owners in the state overall, Latino small business owners are most likely to agree that more people would become entrepreneurs if they knew they could get health insurance despite their preexisting conditions. Three-quarters (75%) of Latino business owners agree, compared with 68% of small business owners overall. However, rural business owners feel most intensely about it, with more than half (55%) strongly agreeing that more people would start businesses if they could get health insurance despite their preexisting conditions.



Q: Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the statement: More people would become entrepreneurs and start businesses if they knew that they could get health insurance despite their preexisting health conditions.

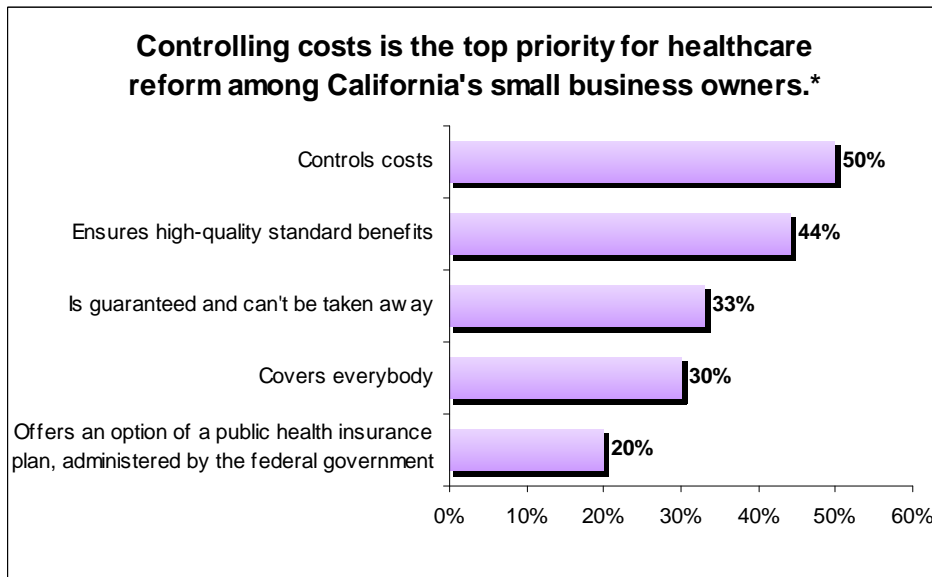
Women and self-employed business people feel more strongly than men and those with at least one employee that preexisting condition rules in the provision of insurance hold people back from becoming entrepreneurs.



Q: Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the statement: More people would become entrepreneurs and start businesses if they knew that they could get health insurance despite their preexisting health conditions.

### Small business owners' top priority for reform is controlling costs.

The most important goal for California's small business owners in healthcare reform is controlling costs, with 29% saying it is their top goal for reform, and 50% saying it is one of their top two goals.



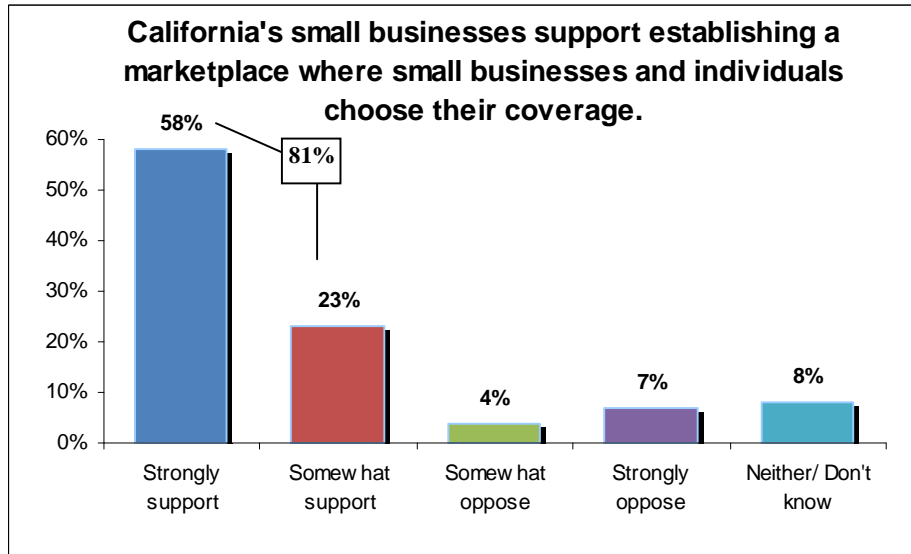
\*The graph reflects the top two answers for goals of healthcare reform, so numbers do not add up to 100%.

Q: Now, thinking about healthcare reform, which of these goals would be the **most** important to you in healthcare reform? And which of these goals would be the **second** most important to you in healthcare reform?

## Small business owners support establishing a health insurance marketplace.

Californian small businesses overwhelmingly support a proposal to establish a health insurance pool to create a marketplace, or exchange, where small businesses and individuals choose their coverage, with 81% of small business owners supporting this proposal and 58% strongly supporting it.

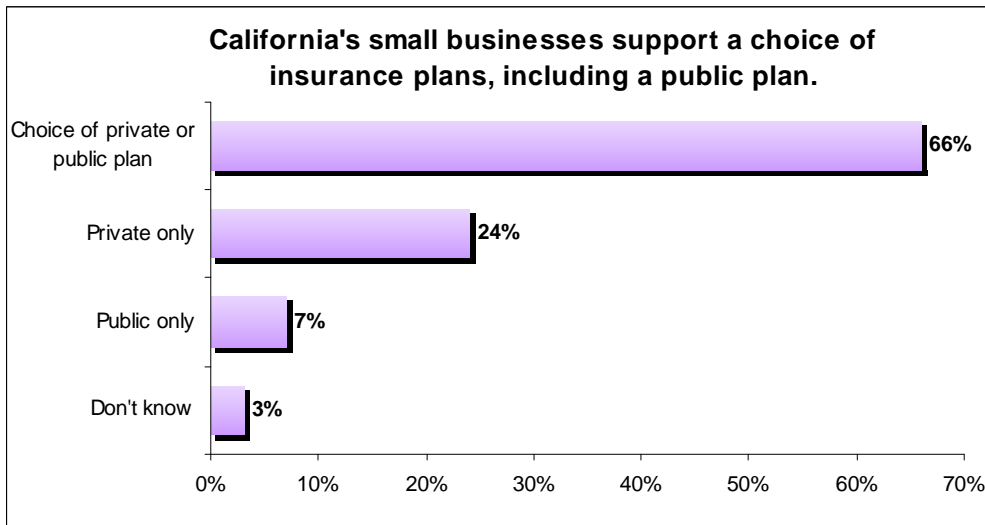
Support for an insurance exchange is broad, with all groups supporting it at similarly high levels.



Q: Would you support or oppose the following proposal: Establish a health insurance pool to create a marketplace where small businesses and individuals choose their coverage?

## Small businesses support a choice of plans, including a public option.

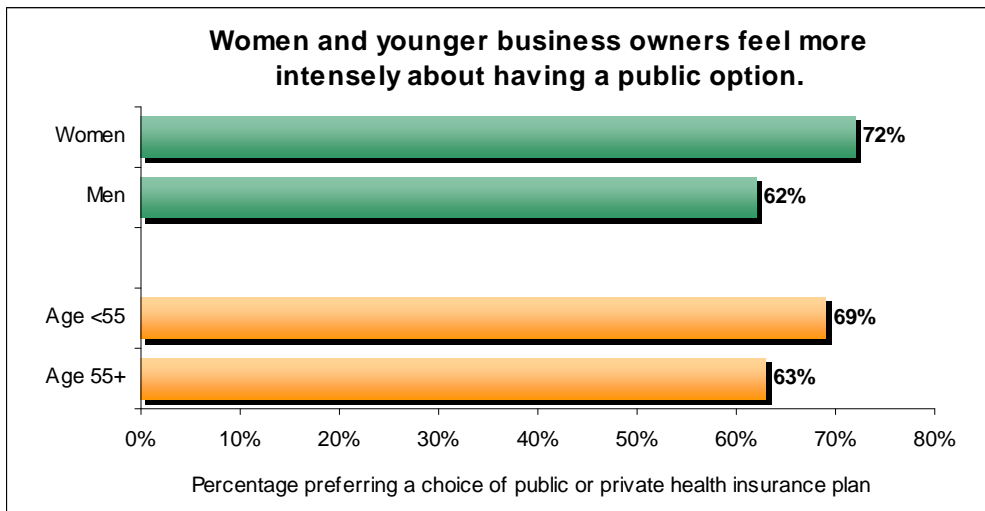
A strong majority of California's small business owners prefer having the option of private health insurance or a public health insurance plan as part of healthcare reform, as opposed to everyone having coverage through a public plan or having only private insurance. Two-thirds (66%) of small businesses support having a choice of plans.



Q: Which of the following three approaches to healthcare reform do you prefer: one, everyone getting health insurance through private health insurance plans; two, everyone getting health insurance through a public health insurance plan; or three, everyone having a choice of private health insurance or a public health insurance plan?

Latino small business owners are slightly less likely (56%) to support a choice of public or private plan options, but more likely than other groups to support having just a public plan (19%).

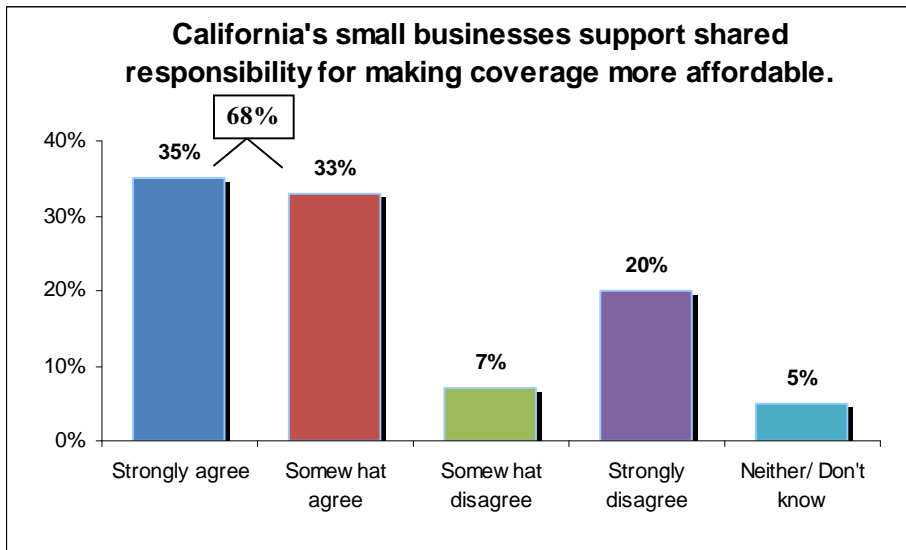
Women business owners and those under age 55 are most supportive of having a choice of public or private health insurance plans as part of healthcare reform.



Q: Which of the following three approaches to healthcare reform do you prefer: one, everyone getting health insurance through private health insurance plans; two, everyone getting health insurance through a public health insurance plan; or three, everyone having a choice of private health insurance or a public health insurance plan?

### **Small businesses support shared responsibility for financing healthcare.**

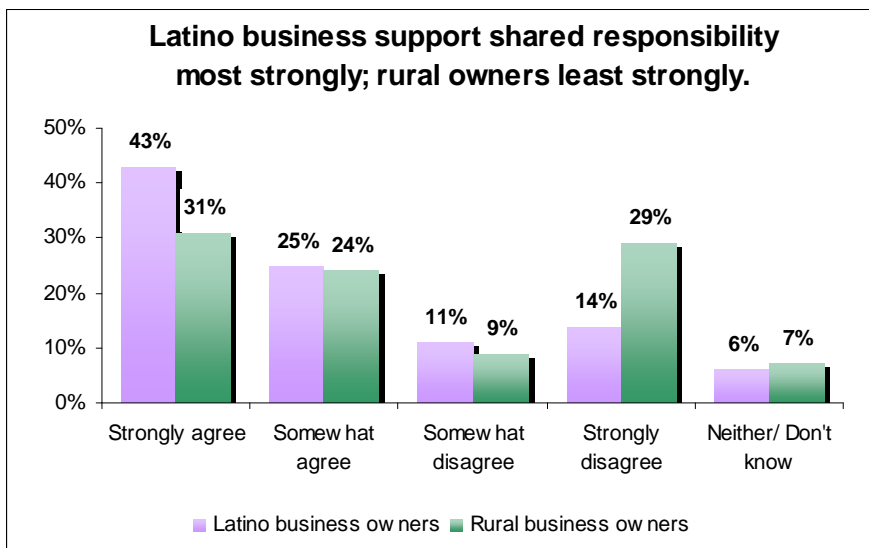
Almost 7 in 10 (68%) small business owners surveyed in California say individuals, employers, insurers, the government and healthcare providers should share the responsibility for making coverage more affordable. Thirty-five percent of small business owners say they strongly agree.



Q: Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the statement: In order to make healthcare more affordable it is important to share the responsibility for financing it among individuals, employers, insurance companies, providers and government.

Latino small business owners feel more strongly about sharing responsibility for making healthcare more affordable than do other small business owners, with 43% saying they strongly agree, compared with 35% of California small business owners overall.

Although rural small business people are less likely to agree with this approach, a majority (55%) still support it.



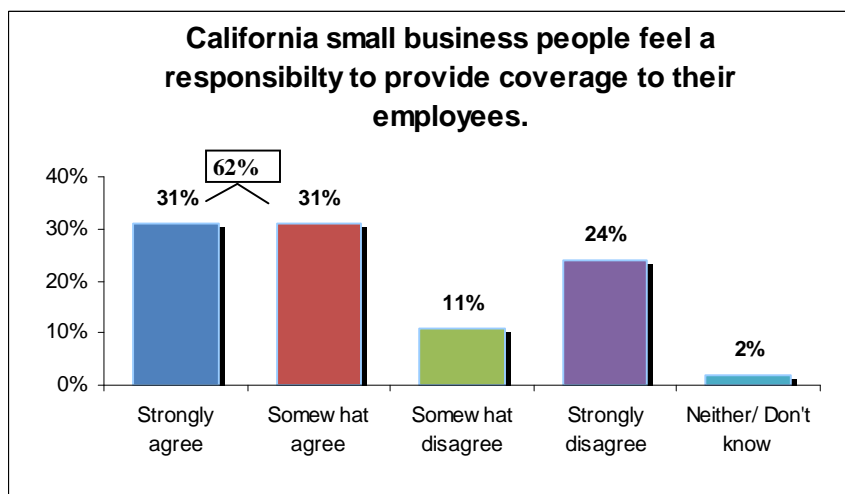
Q: Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the statement: In order to make healthcare more affordable it is important to share the responsibility for financing it among individuals, employers, insurance companies, providers and government.

There are few differences by gender, age, and size of business by number of employees. However among businesses in the smallest revenue category (under \$250,000), 74% agree and only 19% disagree (55-point margin) that individuals, employers, insurers, the government and healthcare providers should share the responsibility for making coverage more affordable.

Similarly, among minority business owners, 74% agree and only 20% disagree (54-point margin) with this principle.

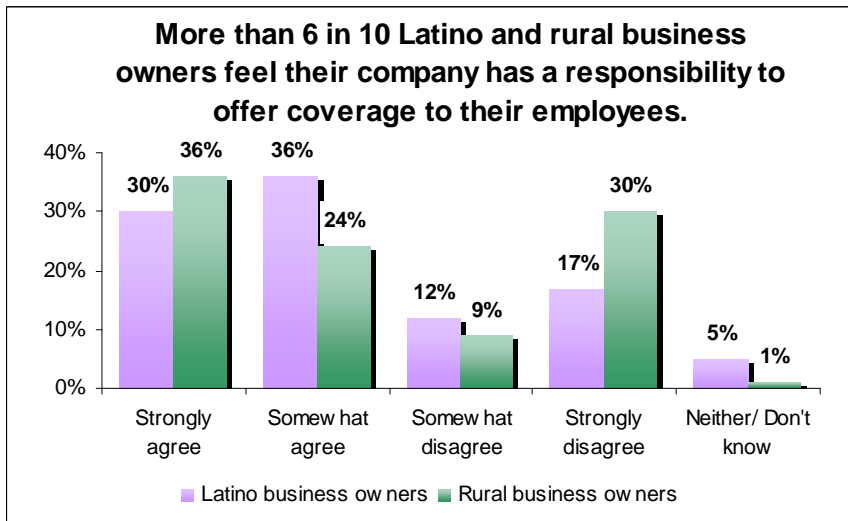
**Small business owners feel a responsibility to provide health coverage.**

Providing health insurance to their employees is important to California’s small business owners, with more than 6 in 10 (62%) saying their company has a responsibility to do so.



Q: Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the statement: I feel my company has a responsibility to offer health coverage to employees.

There are few differences among Latino and rural small business owners, with 66% and 60% respectively saying they feel their company has a responsibility to provide coverage.



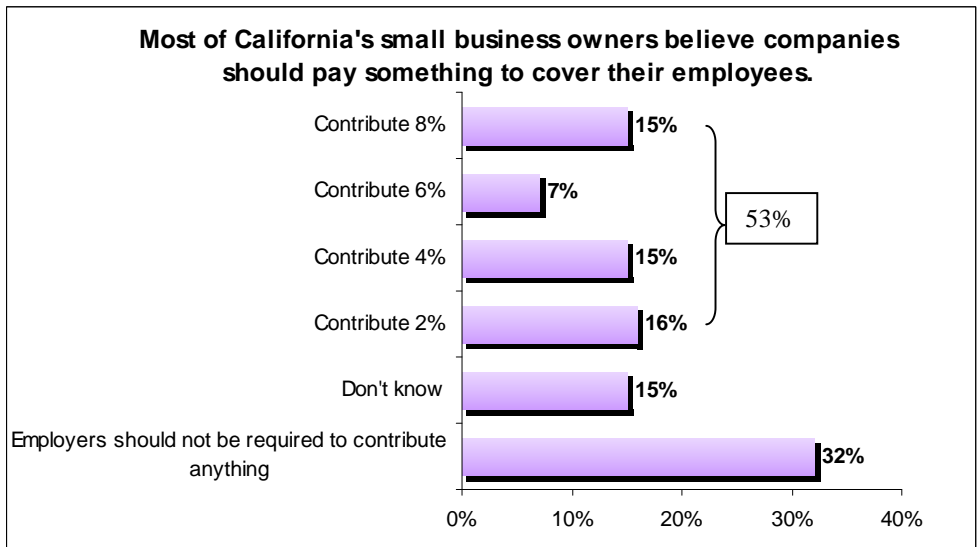
Q: Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the statement: I feel my company has a responsibility to offer health coverage to employees.

Women feel more strongly than men that they have a responsibility to provide employee health coverage, with 68% of women agreeing and 30% disagreeing (38-point margin); 58% of men agree and 39% disagree (19-point margin).

Responding to a related question, more than 5 in 10 (53%) California small business owners believe that employers with more than 15 employees should pay a percentage of their payroll costs to help cover their employees. Only 32% say that employers should not be required to contribute anything. Among those that say a contribution should be required, more than half say it should be less than 4% of their payroll costs.

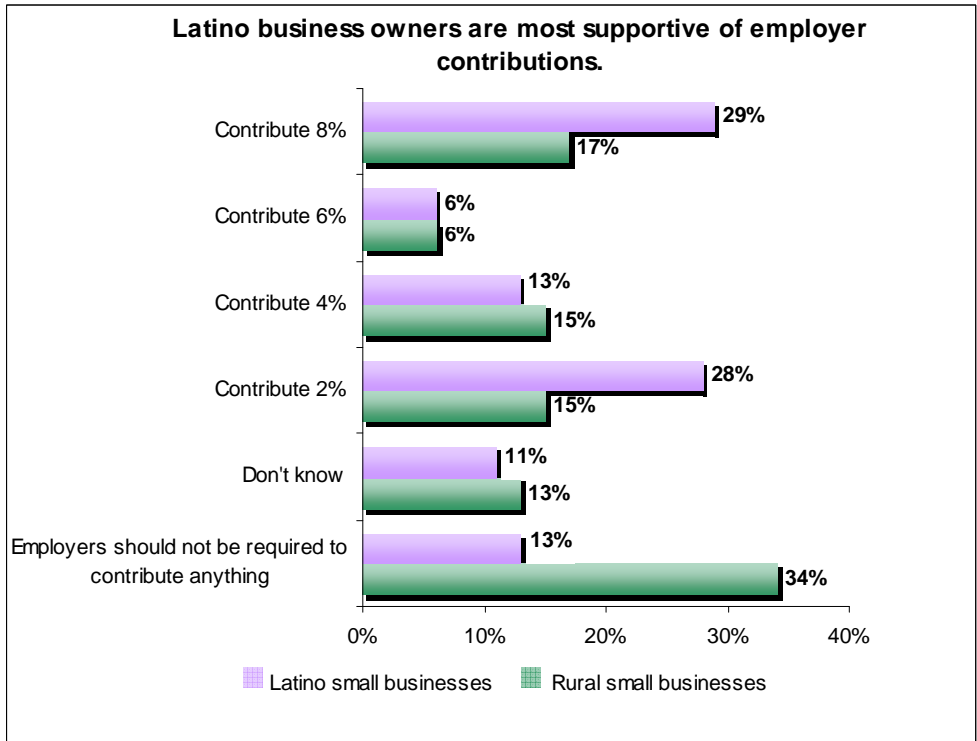
Many are not sure how much companies should contribute, with 15% of small businesses saying they don't know.

When proposing employer contributions to cover the uninsured in general as well as their employees, 38% say that employer contributions should not be required.



Q: For companies with more than 15 employees that do not currently offer health insurance, what percentage of their payroll costs do you think they should pay to cover their employees?

Latino small business owners are far more likely than other small business people by a margin of 23 points to support requiring payroll contributions of employers to help cover their employees, with 76% saying this. They are also more likely than other groups to support contributions at higher rates. There are no differences between rural small businesses and business owners in California overall.

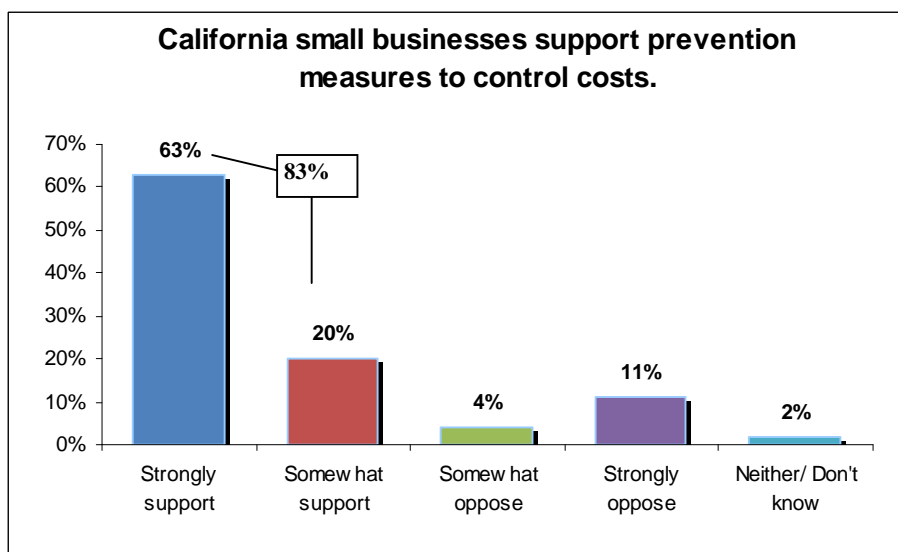


Q: For companies with more than 15 employees that do not currently offer health insurance, what percentage of their payroll costs do you think they should pay to cover their employees?

## California small businesses strongly support prevention measures to control costs.

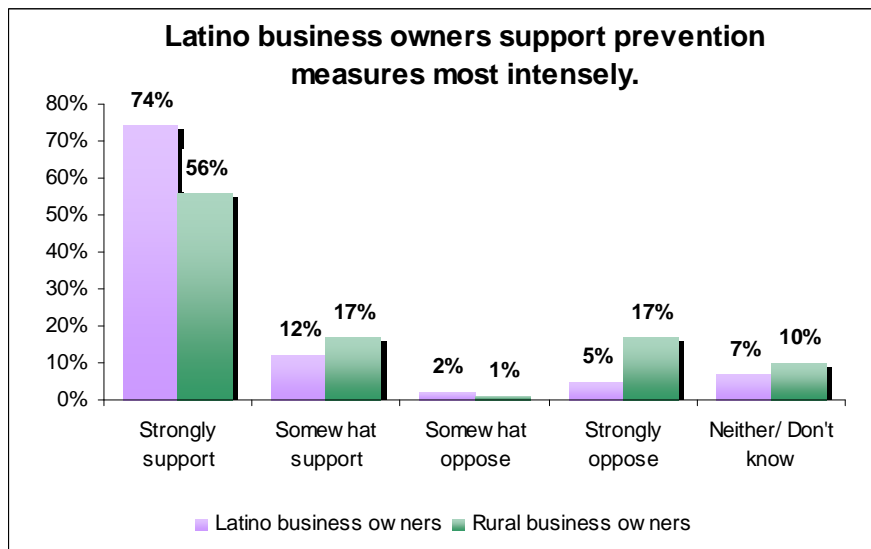
More than 8 in 10 (83%) small business owners in California support prevention measures as a way to control skyrocketing healthcare costs and promote a healthier society. They support a proposal to provide incentives for people to actively manage their health before they get sick or engage in behaviors that may adversely affect their health. For example, people who eat healthily, get regular exercise and avoid smoking would get discounts on the cost of their health coverage.

Support for this proposal is high across the board, with few differences by gender or age of business owner, business size, or revenue category.



Q: In order to control skyrocketing healthcare costs and promote a healthier society, we should provide incentives for people to actively manage their health before they get sick or engage in behaviors that may adversely affect their health. For example, people who eat healthy, get regular exercise and avoid smoking would get discounts on the costs of their health coverage. Do you strongly support, somewhat support, somewhat oppose or strongly oppose this proposal?

Latino business owners are most supportive and feel most strongly about providing incentives for people to take prevention measures to actively manage their health, with 86% (74% strongly) supporting this proposal, compared with 83% (63% strongly) among small business owners in California overall. Among rural small business owners, 73% (56% strongly) support this proposal.



Q: In order to control skyrocketing healthcare costs and promote a healthier society, we should provide incentives for people to actively manage their health before they get sick or engage in behaviors that may adversely affect their health. For example, people who eat healthy, get regular exercise and avoid smoking would get discounts on the costs of their health coverage. Do you strongly support, somewhat support, somewhat oppose or strongly oppose this proposal?

## Conclusion

California's small business owners are concerned about the cost of health coverage; controlling costs and covering everyone are their top priorities for reform. Many California small businesses lack access to affordable coverage, as well as access to a choice of primary care doctors, specialists, and emergency care services. Lack of access to affordable coverage and to a variety of services is especially acute for Latino and rural small business owners.

California small business owners believe healthcare reform is necessary for getting the economy back on track and are willing to participate as part of the solution. Small business owners feel a responsibility to provide coverage for their employees, but struggle with the cost. Most believe that in order to make healthcare more affordable, it's important to share the responsibility for financing among government, individuals, insurers, providers and employers. Latino small business owners are more likely than other businesses to support a stronger role for the federal government; rural small business owners less so.

A plurality of California's small business owners support a role for the federal government in healthcare reform in general, and a majority support government action to increase access to high-quality, affordable care. Latino small business owners are more likely to strongly support government action. The state's small business owners support a variety of reform proposals, including eliminating preexisting condition rules and creating an insurance exchange in which businesses and individuals choose their coverage.

## Demographics

The survey reached 500 small business owners in California as well as 100 Latino small business owners and 100 rural small business owners in the state. The samples have the following demographic characteristics:

	<b>Base Sample</b>	<b>Latino Oversample</b>	<b>Rural Oversample</b>
• Offer insurance:			
○ offer:	45%	34%	41%
○ do not offer:	55%	66%	59%
• Self-employed with coverage for themselves:	45%	34%	41%
• Gender:			
○ men:	61%	76%	61%
○ women:	39%	24%	39%
• Party identification:			
○ Democrat:	30%	41%	31%
○ Republican:	36%	25%	29%
○ Independent:	22%	30%	26%
• Business size:			
○ employ 9 or fewer employees:	85%	90%	90%
○ self-employed	25%	25%	25%
○ 1 employee	13%	14%	16%
○ 2–3 employees	24%	30%	23%
○ 4–9 employees	23%	21%	26%
○ 10–14 employees	6%	2%	2%
○ 15–19 employees	3%	1%	2%
○ 20–24 employees	3%	3%	1%
○ 25–29 employees	1%	0%	1%
○ 30–34 employees	0%	2%	1%
○ 35–39 employees	0%	0%	0%
○ 40–44 employees	0%	0%	0%
○ 45–50 employees	1%	2%	2%
○ 51–100 employees	0%	0%	1%
• Business sector:			
○ retail/wholesale:	24%	17%	24%
○ construction/building:	11%	10%	15%
○ services:	24%	25%	21%
○ other:	40%	47%	38%
• Revenue levels:			
○ under \$250,000	48%	63%	59%
○ \$250,000–\$500,000	20%	14%	11%
○ over \$500,000 to \$1 million	9%	8%	17%
○ over \$1 million	12%	5%	8%
○ don't know or refused to state	11%	10%	5%

• Minority and women ownership			
○ minority-owned business	16%	70%	8%
○ woman-owned business	25%	0%	24%
○ both minority- and woman-owned	6%	30%	2%
○ none of the above	53%	0%	67%
• Urban/rural:			
○ urban:	91%	97%	0%
○ suburban:	4%	2%	0%
○ rural:	5%	1%	100%

For more information, visit [www.smallbusinessmajority.org](http://www.smallbusinessmajority.org)

## **Organization & Contact Information**

### **SMALL BUSINESS MAJORITY**

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# Questionnaire

Small Business Majority  
500 small business owners in CA  
100 Latino small business owners in CA  
100 rural small business owners in CA  
Current length: 11 minutes small business owners

Hello, may I please speak with

## **CHOOSE ONE**

- NAME FROM LIST— Name Listed as CEO/President/or Owner of Company
- The owner or president of company
- The person at your company who is responsible for making decisions about employee healthcare and compensation

***IF NONE OF THE ABOVE AVAILABLE, ARRANGE TIME FOR CALL BACK***

## **FIRST CONTACT WITH ACTUAL INTERVIEWEE:**

Hello, My name is \_\_\_\_\_ of McGuire Research. I am calling on behalf of Small Business Majority. We are conducting a confidential brief survey among California small business owners on the topic of healthcare. Your responses will be kept strictly confidential and no material that identifies your response will be distributed. This survey is for research purposes only. We are not attempting to sell anything, nor will your participation result in any calls in the future to sell you anything. **(DO NOT PAUSE)**

### **Prompt if respondent asks who is Small Business Majority:**

Small Business Majority is a group of business entrepreneurs in the U.S. who have joined together to speak out on healthcare changes needed by small businesses to ensure our competitiveness and economic survival.

### **Prompt if respondent asks why Small Business Majority is conducting the survey:**

Small Business Majority is conducting this survey to understand the views of small businesses on healthcare.

1. Just to confirm, are you directly responsible for or directly involved in the decision making process for determining the healthcare benefits that will be offered at your company?

- Yes ..... 1
- No.....**TERMINATE**
- (Don't know).....**TERMINATE**

2. And how many employees, not including contractors, does your company have?

- Self-Employed..... 1
- 1, not yourself ..... 2
- 2 or 3 ..... 3
- 4-9 ..... 4
- 10-14 ..... 5
- 15-19 ..... 6
- 20-24 ..... 7
- 25-29 ..... 8
- 30-34 ..... 9
- 35-39 ..... 10
- 40-44 ..... 11
- 45-50 ..... 12
- 51-100 ..... 13
- 101 or more.....**TERMINATE**
- (Don't Know/Refused) .....**TERMINATE**

**ASK ONLY IF Q2=1**

3. Are you personally covered by health insurance?

- Yes ..... 1
- No..... 2
- (don't know) ..... 3

**ASK ONLY IF Q2=2 through 13**

4. Does your company pay for all or part of the cost of health insurance benefits for ANY of its employees other than yourself?

- Yes ..... 1
- No..... 2
- (Don't know).....**TERMINATE**

**RESUME ASKING ALL**

5. How would you describe your access to a choice of doctors and hospitals—excellent, good, just fair, or poor?

- Excellent ..... 1
- Good..... 2
- Just fair ..... 3
- Poor ..... 4
- (Don't know)..... 5

6. How would you describe your access to primary care physicians and general practitioners—excellent, good, just fair, or poor?

Excellent ..... 1  
Good.....2  
Just fair .....3  
Poor .....4  
(Don't know).....5

7. How would you describe your access to specialist providers such as cardiologists, gynecologists, and dermatologists—excellent, good, just fair, or poor?

Excellent ..... 1  
Good.....2  
Just fair .....3  
Poor .....4  
(Don't know).....5

8. How would you describe your access to emergency care services such as emergency rooms in hospitals—excellent, good, just fair, or poor?

Excellent ..... 1  
Good.....2  
Just fair .....3  
Poor .....4  
(Don't know).....5

9. How would you describe your access to affordable health insurance coverage—excellent, good, just fair, or poor?

Excellent ..... 1  
Good.....2  
Just fair .....3  
Poor .....4  
(Don't know).....5

10. How would you describe your access to a choice of health insurance plans—excellent, good, just fair, or poor?

Excellent ..... 1  
Good.....2  
Just fair .....3  
Poor .....4  
(Don't know).....5

11. Which one of the following statements is closest to your view of the role the federal government should play in improving the country's healthcare system?  
**(ROTATE, WITH OPTION 2 ANCHORED)**

- \_Replace the current system with one under which all Americans have health insurance coverage provided through the government ..... 1
- \_Reform the current health insurance system by making healthcare more affordable with shared responsibility by employers, the government and individuals..... 2
- \_ Rely on the insurance industry, providers, and consumers to improve the healthcare system with no involvement from the federal government ..... 3
- (None) ..... 4
- (Don't know) ..... 5

12. Which of the following three approaches to healthcare reform do you prefer: one, everyone getting health insurance through private health insurance plans; two, everyone getting health insurance through a public health insurance plan administered by the federal government; or three, everyone having a choice of either private health insurance plans or a public health insurance plan administered by the federal government?

- private only..... 1
- public only ..... 2
- choice of private or public ..... 3
- (Don't know) ..... 4

Now I am going to read you some statements about healthcare. For each one, please tell me whether you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with the statement.

**[READ FIRST ITEM.]** Do you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with that statement?

**ROTATE Q13-20**

str    smwt    smwt    str    (neither)(DK/ref)  
 agree    agree    disag    disag

ASK ONLY IF Q4=2

13. \_My business cannot afford to provide health coverage.  
 ..... 1            2            3            4            5            6

ASK ONLY IF Q4=1

14. \_My business is really struggling to afford the cost of health coverage.  
 ..... 1            2            3            4            5            6

**RESUME ASKING ALL**

15. \_In order to get our economy back on track we need healthcare reform now.  
 ..... 1            2            3            4            5            6

**ASK ONLY IF Q2= 2 through 13**

16. \_I feel my company has a responsibility to offer health coverage to employees.  
 ..... 1            2            3            4            5            6

**RESUME ASKING ALL**



23. Would you support or oppose the following proposal: In order to control skyrocketing healthcare costs and promote a healthier society, we should provide incentives for people to actively manage their health before they get sick or engage in behaviors that may adversely affect their health. For example, people who eat healthy, get regular exercise, and avoid smoking would get discounts on the costs of their health coverage.

Do you strongly support, somewhat support, somewhat oppose, or strongly oppose this proposal?

- Strongly support ..... 1
- Somewhat support ..... 2
- Somewhat oppose ..... 3
- Strongly oppose ..... 4
- (Neither/Don't know) ..... 5
- (Refused) ..... 6

24. Would you support or oppose the following proposal: Establish a health insurance pool to create a marketplace where small businesses, those who are self-employed, and individuals choose their coverage from competing health plans.

Do you strongly support, somewhat support, somewhat oppose, or strongly oppose this proposal?

- Strongly support ..... 1
- Somewhat support ..... 2
- Somewhat oppose ..... 3
- Strongly oppose ..... 4
- (Neither/Don't know) ..... 5
- (Refused) ..... 6

25. Now, thinking about healthcare reform, which of these goals would be the **most** important to you in healthcare reform? That it...**[READ CHOICES]**

**(ROTATE)**

- \_ offers an option of a public health insurance plan, administered by the federal government ..... 1
- \_ controls costs ..... 2
- \_ is guaranteed and can't be taken away ..... 3
- \_ covers everybody ..... 4
- \_ ensures high-quality standard benefits ..... 5
- (other) ..... 6
- (none) ..... 7
- (don't know) ..... 8

**IF CHOICE MADE IN Q25:**

26. And which of these goals would be the **second** most important to you in healthcare reform?  
That it... **[READ CHOICES, ELIMINATING FIRST CHOICE]**

**(ROTATE)**

- offers an option of a public health insurance plan, administered by the federal government ..... 1
- controls costs..... 2
- is guaranteed and can't be taken away..... 3
- covers everybody..... 4
- ensures high-quality standard benefits ..... 5
- (other)..... 6
- (none)..... 7
- (don't know) ..... 8

**The few remaining questions are for statistical purposes only.**

27. Which of the following categories best describes your business?

**READ LIST**

- Industry/manufacturing ..... 1
- Retail/wholesale ..... 2
- Education/non-profit organization ..... 3
- Healthcare..... 4
- Financial services..... 5
- Construction/building ..... 6
- Transportation/utility/communications ..... 7
- Computer/Computer software ..... 8
- Real estate/Property management ..... 9
- Law ..... 10
- Labor union/multi-employer trust..... 11
- Farming/agriculture ..... 12
- Other service industry..... 13
- Other..... 14
- (don't know) ..... 15

28. Generally speaking, do you think of yourself as a Republican, a Democrat, an independent, or something else?

**IF INDEPENDENT:** Would you say that you lean more toward the Republicans or more toward the Democrats?

- Republican ..... 1
- independent - lean Republican ..... 2
- independent ..... 3
- independent - lean Democratic..... 4
- Democrat ..... 5
- (don't know/other)..... 6

29. What is your age?

**CODE ACTUAL AGE:** \_\_\_\_\_

**IF REFUSED:** I am going to read you some categories. Stop me when we get to your category:

**READ CATEGORIES:**

18-24 .....	1
25-29 .....	2
30-34 .....	3
35-39 .....	4
40-44 .....	5
45-49 .....	6
50-54 .....	7
55-59 .....	8
60-64 .....	9
65-69 .....	10
70-74 .....	11
Over 75 .....	12
(Refused/don't know).....	13

30. For statistical purposes only, which of these categories best describes the gross revenue of your company in 2008?

**READ CATEGORIES:**

Under \$250,000 .....	1
\$250,000 to \$500,000 .....	2
Over \$500,000 to \$1 million .....	3
Over \$1 million .....	4
(Don't know).....	5
(Refused) .....	6

31. And just to make sure we have a representative sample, could you please identify which of the following descriptions best fit your company:

Minority-Owned Business .....	1
Woman-Owned Business .....	2
(Both Woman/Minority-Owned).....	3
None of the Above.....	4

32. What is the zip code of your business? \_\_\_\_\_

\_\_\_And finally, strictly for verification purposes, can I have just your first name?

\_\_\_\_\_

**THIS COMPLETES OUR SURVEY. THANK YOU VERY MUCH FOR YOUR TIME, AND HAVE A PLEASANT (DAY/EVENING)!!**