



Opinion Poll

Small businesses, freelancers need novel retirement options

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Executive Summary

Our economy is thriving now more than ever, and entrepreneurs are at the forefront of our economic success. As small employers figure out how to meet their particular needs while keeping costs down to grow their businesses, they are increasingly relying on the growing freelance economy, rather than the traditional workforce. Despite a growing reliance on independent workers, inability to access and provide benefits is still a concern. Costs are a major barrier to their ability to provide benefits, but what small businesses and freelancers need are flexible options that reflect the variable nature of their work. New scientific opinion polling reveals small business owners' views on an array of solutions that could help entrepreneurs, freelancers and small business employees better prepare for the future.

The poll, conducted May 1-7, 2018 for Small Business Majority by Greenberg Quinlan Rosner Research found small employers struggle to access and provide benefits like retirement, healthcare and paid leave, and turn to independent workers to meet their needs. Additionally, they support flexible solutions to make it easier for entrepreneurs and small business employees to save for the future.

Addressing small businesses' needs for more flexible benefits is critical, as the U.S. currently suffers from a retirement savings gap of more than \$6 trillion, and more than 38 million households do not have any retirement savings at all. According to AARP, employees at businesses with fewer than 100 workers are much less likely to have access to a plan than workers in firms with more workers. This equates to about 32 million small business workers without access to a retirement plan, compared with about 23 million in businesses with 100 or more workers.¹

The poll speaks directly to this issue, finding less than one-quarter of small business owners offer any one benefit, such as paid sick days, health insurance, or retirement plans, to **all** of their employees. Forty-three percent of small employers report offering retirement benefits; however, less than 1 in 5 (19%) offer a retirement plan to all of their employees. The biggest reasons cited for not offering a plan are that it's too expensive and that their business lacks the resources to administer a plan.

The poll found small employers are turning to independent workers to help meet their needs and control expenses. More than half of all small business owners (52%) have hired independent contractors or freelancers in the past year, and of those, more than one-third say they will hire more in the next year. While nearly half say they hire independent workers to help keep costs down, the majority are hiring freelancers due to the entrepreneurial nature of the small business community—namely, that small business owners need workers who can address the fluctuating needs of their business.

In addition to hiring more contract workers, small business owners support a wide array of solutions that would make it easier for them to provide benefits to their employees while protecting their bottom lines. Small employers overwhelmingly support (68%) an “auto-IRA” or “Secure Choice” plan in which small business employers that don't currently offer a retirement plan would be automatically enrolled in a state-created IRA that employees can opt out of or adjust their contribution amounts at any time. Small business owners identified other features they would support in an employee retirement plan that would make it more likely for them to be able to offer retirement benefits, such as more transparency in plan fees and costs (66%), a plan that reduces the employer's financial and fiduciary responsibility or that has reduced administrative requirements (65%), increased tax credits for plan administration (63%) and plans that would allow small businesses to join a multi-employer plan (56%).

Small business owners want to provide benefits that will help them attract and retain talent, while also helping their employees protect their futures. But they need options that make sense for their bottom line and that are easy for small business owners to navigate and administer. Implementing more flexible benefit programs will support our nation's job creators and ensure working Americans have the benefits they need to secure their futures.

¹ <https://www.aarp.org/content/dam/aarp/ppi/2014-10/aarp-workplace-retirement-plans-build-economic-security.pdf>

Main Findings

- **Small business owners rely on the freelance economy to keep their businesses running:** More than half of small business owners (52%) have hired independent workers in the past year, and of those, more than one-third (36%) say they plan to hire more in the next year. Small business owners report hiring on-demand workers to provide greater flexibility, assist with specific projects and to help keep costs down.
- **Most small business owners struggle to offer benefits to employees:** Less than 1 in 4 small business owners (23%) offer any one benefit to all of their employees. More than half of small business owners provide paid sick days, but only 23% provide it to all of their employees. The amount provided decreases with other benefits such as retirement plans (19%), health insurance (21%), paid family leave (16%) and more.
- **Small business owners identify obstacles to offering retirement benefits:** When it comes to retirement plans specifically, small business owners say their biggest barriers to providing this benefit to their employees are that it's too expensive (34%) and that their business lacks the resources to administer a plan (23%). This closely mirrors results from a 2017 survey from The Pew Charitable Trusts of small business owners, which found 37% feel a retirement plan would be too expensive to set up and 22% said their organization does not have the resources to administer such a plan.²
- **Vast majority support auto-IRA programs in their state:** Nearly 7 in 10 small employers (68%) support an auto-IRA or Secure Choice program, in which workers of small businesses that don't currently offer a retirement plan would be automatically enrolled in a state-created IRA.
- **Employers strongly support additional proposals to provide flexible retirement options:** Small business owners identified other features they would support in an employee retirement plan that would make it more likely for them to be able to offer a retirement plan to their employees. This includes more transparency in plan fees and costs (66%), a plan that reduces the employer's financial and fiduciary responsibility or that has reduced administrative requirements (65%), increased tax credits for plan administration (63%), and plans that would allow small businesses to join a multi-employer plan (56%), among other features.
- **Methodology:** The poll reflects an Internet survey of 500 small employers with 2-100 employees. Eighty-six percent of respondents have 25 or fewer employees. The poll has a margin of error of +/- 4.4% and was conducted by Greenberg Quinlan Rosner for Small Business Majority from May 1-7, 2018.

² <http://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2017/01/small-business-views-on-retirement-savings-plans>

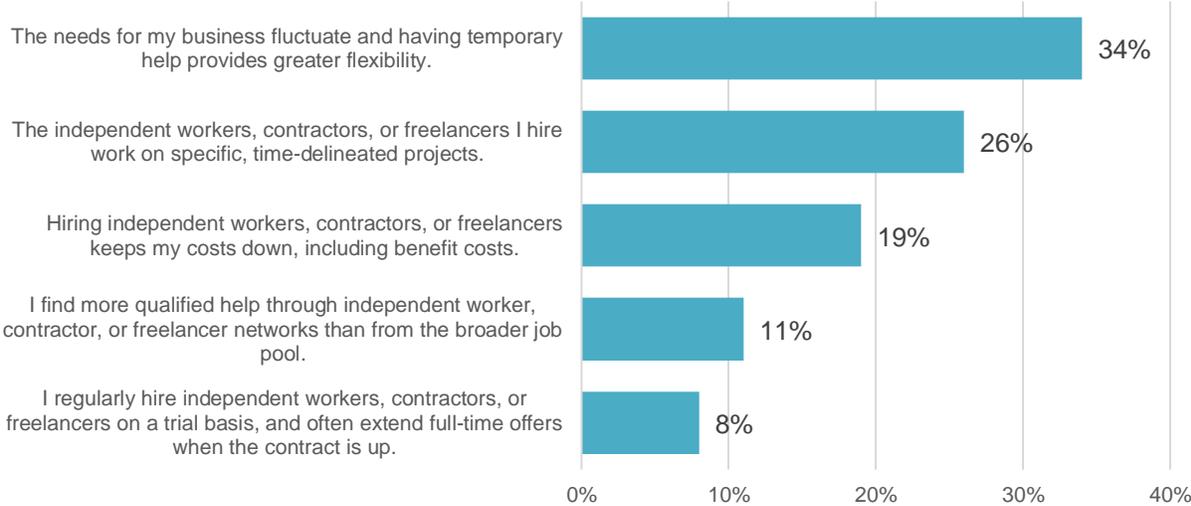
Small business owners need on-demand workers to address their needs

Small business owners frequently depend on flexible work arrangements to help meet their specific needs and keep their costs down. Indeed, half of small business owners report they have hired independent contractors or freelancers in the past year. Of the small business owners that say they have hired independent workers, more than one-third say they will hire more in the next year and nearly half say their hiring amount will stay the same.

The need and desire for independent workers is growing, especially with a new generation of small business owners taking advantage of this new sector of our workforce. More than half of Millennial small business owners see themselves hiring more independent workers in the next year, which is a stark difference from small business owners in the Boomer generation.

Independent workers can often tailor to specific needs and are more cost-effective than a full-time or part-time employee. The top reasons why small business owners hire independent workers are connected to the very nature of running a small business: **the fluctuating needs, specific and qualified work and low cost**. Two-thirds of small business owners say that the needs for their business fluctuate and hiring independent workers provides greater flexibility. More than half say that they hire independent workers to work on different tasks and a third of small business owners find the independent workers more qualified for those tasks than the regular employment pool. Nearly half hire independent workers to keep costs down.

Figure 1: Small business owners cite reasons for hiring independent workers

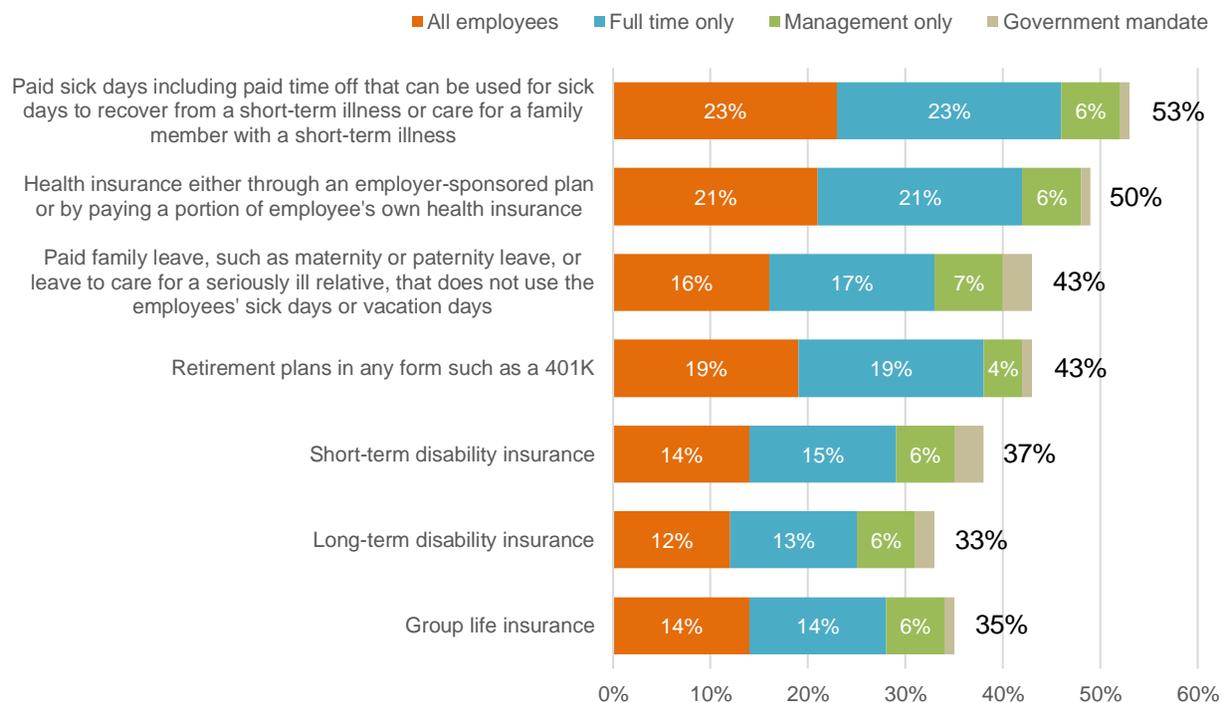


Small business owners struggle to provide benefits to employees

Small business owners are getting creative with their hiring to help their bottom lines, but they're still struggling to offer critical benefits that can help them better attract and retain talent. Indeed, the poll found no more than a quarter of small business owners offer any one benefit to **all** of their employees. More than half of small business owners (53%) report that they provide paid sick days, but only less than a quarter (23%) provide it to all of their employees. The percentage of businesses that provide benefits to their employees decreases with other benefits we surveyed, such as retirement plans, health insurance, paid family leave, disability insurance and more.

Figure 2: Small business owners struggle to provide benefits

Thinking specifically about your business, for each item below, please indicate whether this is something you currently provide to employees or something you do not currently provide to employees, not including those that are mandated by local, state, or federal government.



Not surprisingly, larger, more profitable businesses are better able to provide more benefits. Small business owners that earn \$500,000 or more are more than twice as likely to offer benefits, such as paid sick days, health insurance, retirement plans and paid family leave, than small business owners that earn less than \$500,000. Younger business owners, presumably with newer businesses, are less likely to provide benefits.

Notably, small business owners who hire independent contractors are more likely to provide benefits for any employees than those who don't, largely because they tend to be bigger and more profitable. However, nearly half of those who do hire independent workers do not provide a retirement plan at all.

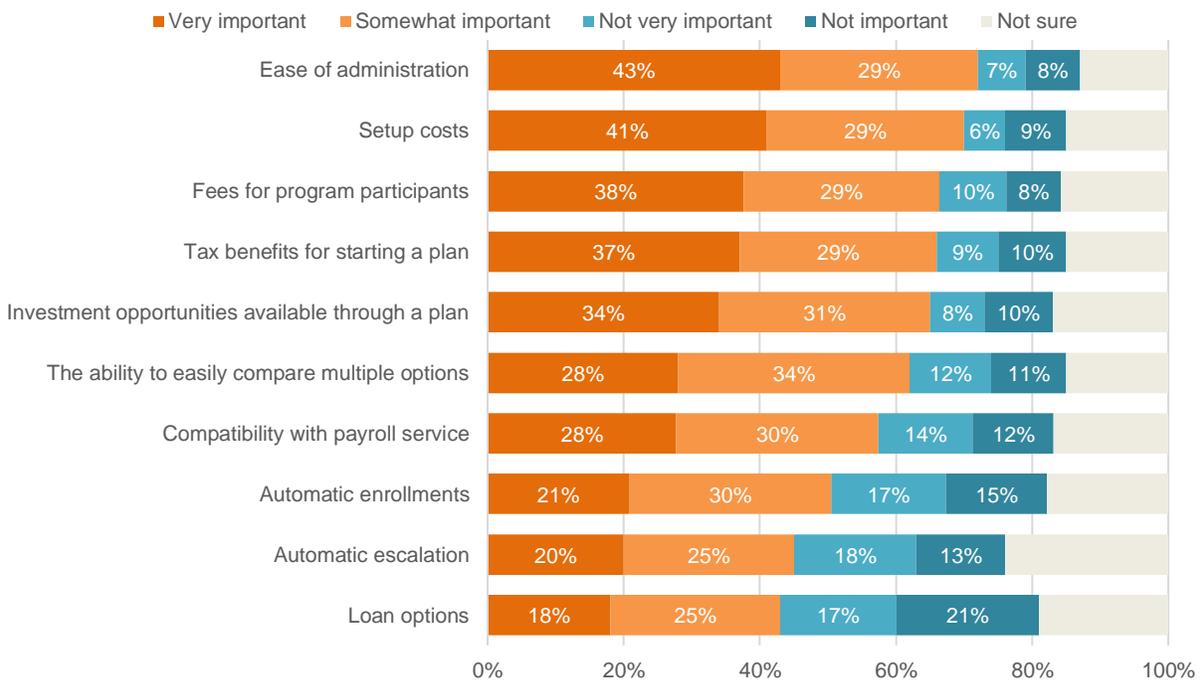
Among reasons why employers do not offer retirement plans, the top reasons cited are that it's too expensive, their business does not have the resources to administer plan and it's too much of an administrative burden. While nearly 6 in 10 (57%) small business owners are unable to offer a retirement plan in any form, those who do offer it say they do so because they wanted to offer their employees an opportunity to build their savings and long-term wealth (48%) and that it provides a competitive advantage when hiring (26%), among other reasons.

Small employers identify solutions to help them provide benefits

While costs are obviously a primary driver for small businesses, many employers lack the information needed to properly shop for and set up a retirement plan and other benefits. Other obstacles for small business owners include administrative burdens, lack of awareness of tax benefits and compatibility with payroll services. In short, there are steps that can be taken to increase access to benefits for small business employees by lowering the burden on the business owners and introducing more flexible options.

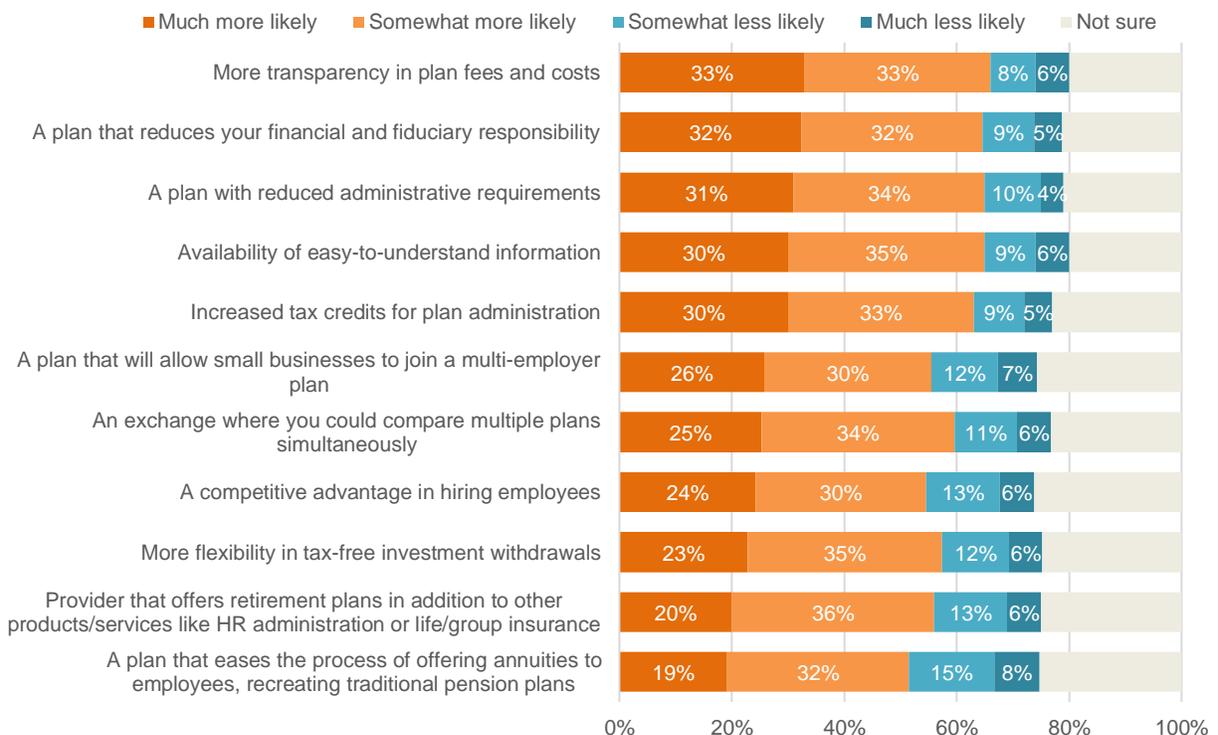
Notably, small business owners rank “**ease of administration**” as a more important factor in deciding on an employee retirement plan than setup costs.

Figure 3: Small business owners rank most important factors in deciding on a retirement plan



Similarly, plans that are accessible, easy to understand, reduce an owner’s fiduciary responsibility, reduce administration requirements and allow small businesses to join other small businesses in sharing the costs and administration requirements are all potentially attractive features of an employee retirement plan. Small business owners also like features such as increased tax credits and an online marketplace to compare plans.

Figure 4: Retirement plan features that are most attractive to small business owners



Important factors for those who hire independent workers when shopping for plans include setup costs, administrative ease, and program fees. Transparency in plan fees and costs is the most attractive feature for a potential plan for this particular group. Other leading features relate to cost, including a plan that reduces fiduciary responsibility, reduces administrative requirements and increases tax credits.

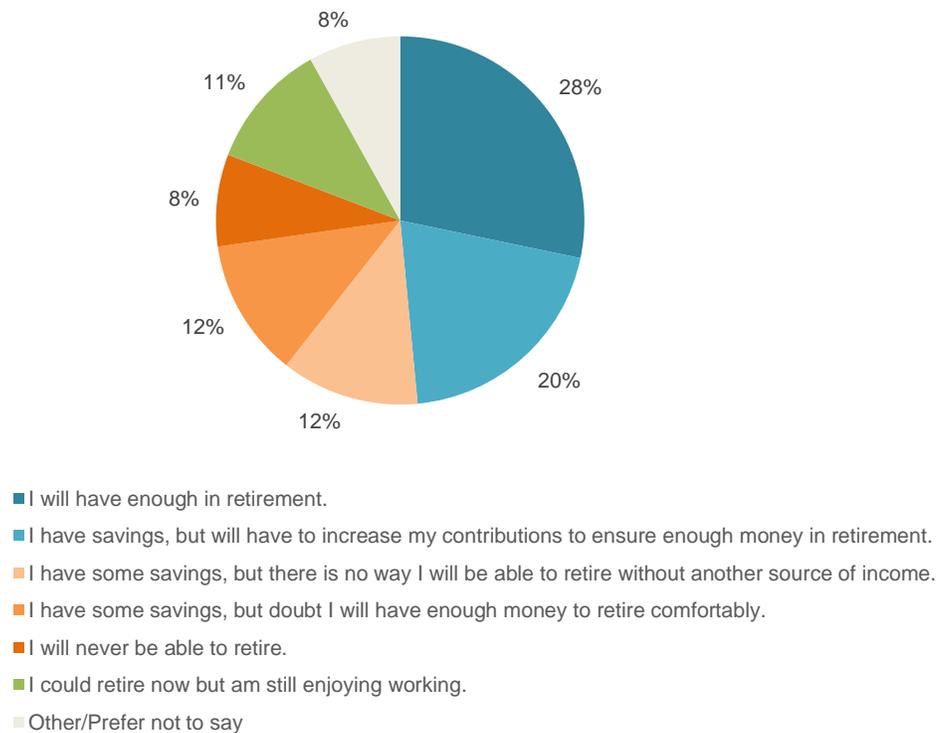
Small business owners struggle to save for retirement

Considering their barriers to providing benefits, it's not surprising that some small business owners are struggling themselves to access crucial benefits like retirement plans. More than 1 in 5 (21%) do not have any retirement plan for themselves. For those who do not have a retirement plan, the top reasons cited for not having one are that it's too expensive (31%), and that they want to maximize investments back into their business (27%). Only 28% of respondents say that based on their current savings, they will have enough saved for retirement outside of Social Security. While 11% say they could retire now, the majority say they will need to increase their savings, will need to supplement their income or that they doubt they will have enough to retire comfortably.

Additionally, a vast majority (65%) say when they were starting their business, they struggled to access necessary benefits for themselves and their employees, such as healthcare, retirement and paid leave.

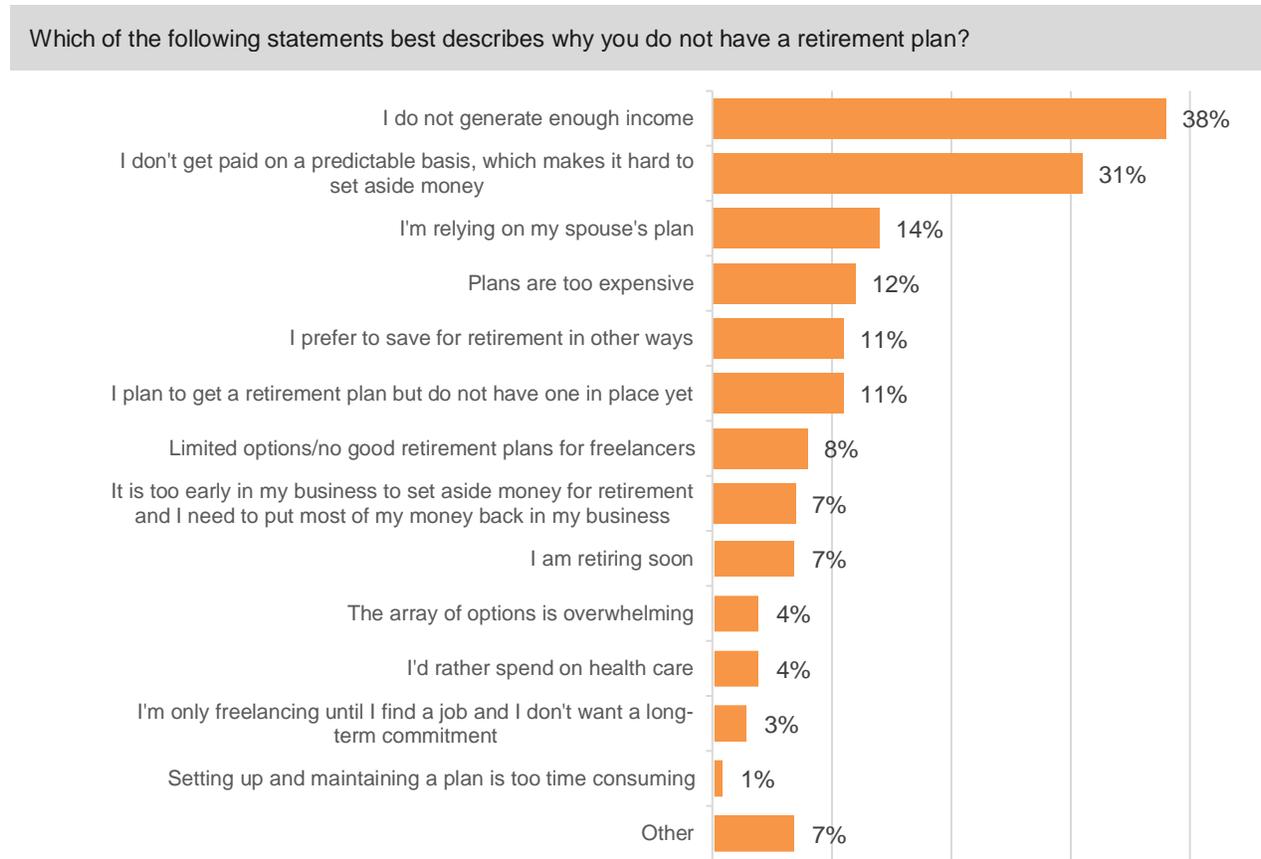
Figure 5: Majority of small business owners unprepared for retirement

Which of the following statements best describes your current retirement savings outside of Social Security?



This echoes our previous polling conducted on freelance entrepreneurs and their state of retirement planning, which found 40% of freelancers do not have a formal retirement plan, and 52% describe the lack of an employer-sponsored retirement plan as a major concern for them when considering freelancing.

Figure 6: Freelancers cite barriers to saving for retirement

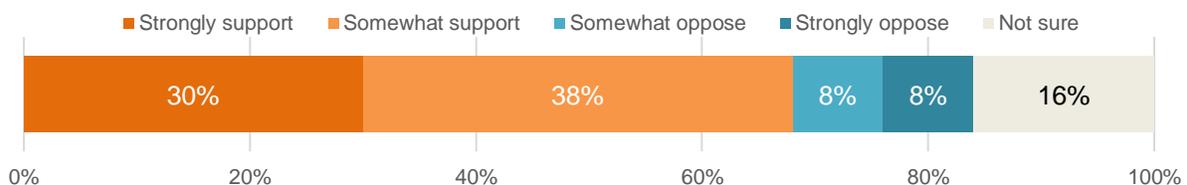


Small business owners support portable and flexible retirement programs

Small employers demonstrate strong support for policies that would make it easier for them to access and offer retirement benefits. Seventy-six percent believe the government should expand the tax benefits for small businesses implementing a work-based retirement plan and 74% believe there should be a system in which small businesses can band together to buy retirement plans for their employees and have one common administrator.

One popular idea among all small business owners is an “auto-IRA” or “Secure Choice” plan in which small employers that don’t currently offer a retirement plan would be automatically enrolled in a state-created IRA that employees can opt out of or adjust their contribution amounts at any time. Support for this plan is very high, with more than two-thirds of small business owners (68%) in support for this type of plan and nearly one-third showing strong support. Support is strong across all demographics, including age, race, political ID and income. This echoes previous polling conducted by Small Business Majority and The Pew Charitable Trusts that found strong support for auto-IRA programs.

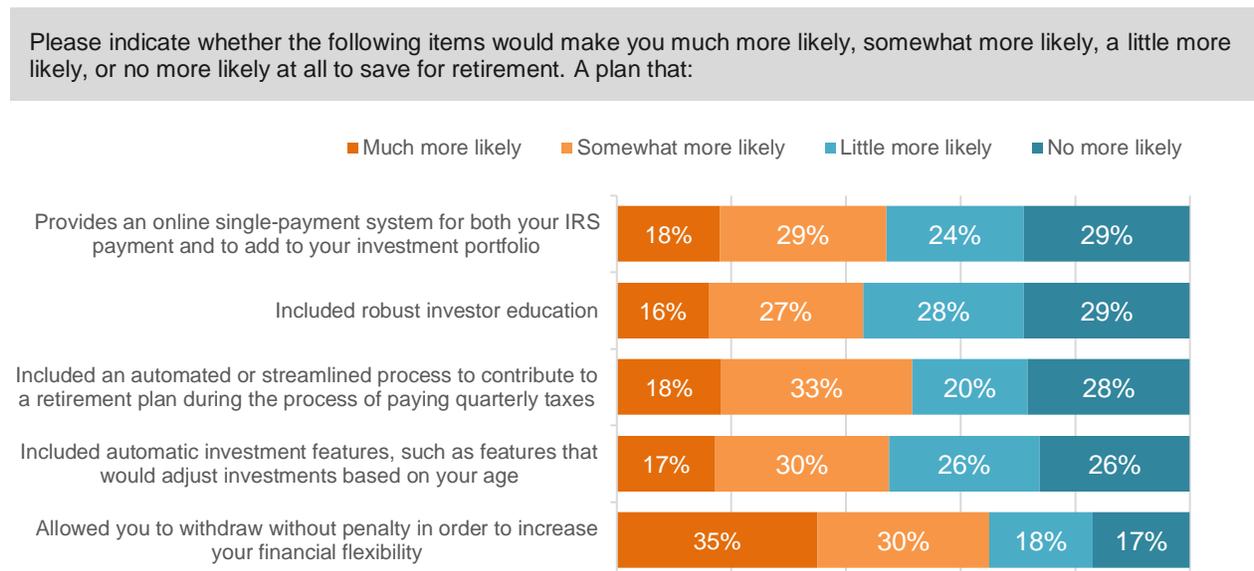
Figure 7: Small businesses strongly support auto-IRA programs



Indeed, Small Business Majority polled freelancers and solo-entrepreneurs last year and found freelancers strongly support portable retirement savings plans.³ One key to the appeal of such a vehicle is the flexibility this offers. Nearly 8 in 10 (79%) freelancers say they are interested in a flexible retirement savings plan that is portable across employers and can accommodate intermittent contributions. This interest jumps to 91% for younger freelancers and to 87% for those who derive more than half of their income from retirement work.

When it comes to proposed programs, 83% say a plan that allows you to withdraw without penalty in order to increase your financial flexibility would make them more likely to save for retirement. Other plans that would make them more likely to save for retirement include automatic investment features, such as the ability to adjust investments based on your age (74% support) and a plan that includes an automated streamlined process to contribute to a retirement plan during the process of paying quarterly taxes (72% support), among others.

Figure 8: Freelancers support variety of portable retirement options



Small businesses want policies to support the freelance economy

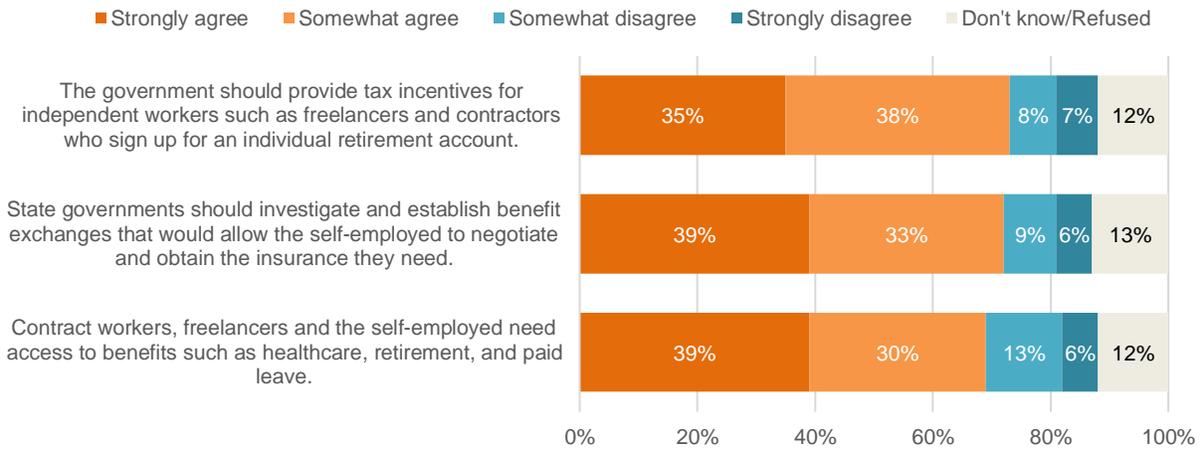
As stated above, small businesses are tapping into the freelance economy to keep their businesses running. While they are proving to be a great resource for small employers, it's important to note that freelancers do not always know how much—if anything—they will earn on a month-to-month basis. This explains why they struggle to plan ahead and access crucial benefits like retirement plans, and why they need flexible options that accommodate their unpredictable income.

As small employers rely more and more on independent workers, they understand the barriers this workforce faces due to the often-unpredictable nature of their work. It should come as no surprise then that they support policies that would help independent contractors and freelancers participate in the workforce while accessing the benefits they need to thrive.

Nearly 3 in 4 (73%) believe the government should provide tax incentives for independent workers, like freelancers and contractors, who sign up for an individual retirement account. An additional 69% believe state governments should investigate and establish benefit exchanges that would allow the self-employed to negotiate and obtain the insurance they need. And a majority believe contract workers, freelancers and the self-employed need access to benefits like healthcare, retirement and paid leave.

³ <http://www.smallbusinessmajority.org/our-research/workforce/freelancers-need-flexible-retirement-options>

Figure 9: Small business owners support incentives for freelancers to access retirement plans



Conclusion

There is no doubt that the relationship between employer and employee has changed fundamentally with the growing freelance economy, and benefits that were once considered the norm in employer-employee relationships have changed due to costs and other factors. As this survey reveals, efforts to implement more flexible options by easing the administrative burden and sharing costs across multiple small businesses, or by simply just educating small business owners about different ways to expand employee benefits will mitigate this trend.

These survey results, among previous polling conducted by Small Business Majority and other organizations, make it clear that small employers are hungry for a retirement vehicle that can address their needs for flexibility and less administrative burden, while supporting their employees and the growing freelance workforce. To support this changing economy, we must consider portable retirement options that would give both small businesses and freelancers access to the benefits they need to secure their futures.

Methodology

This poll reflects an Internet survey of 500 small businesses with employees (2-100 employees). The poll was conducted by Greenberg Quinlan Rosner for Small Business Majority from May 1-7, 2018 and has a margin of error of +/-4.4%.

Poll Toplines

Small Business Majority

Small business benefits poll, 500 Small business owners (2-100 employees) nationwide

Q. 1 Do you own your own business?

| | Total |
|----------------|--------------|
| Yes..... | 100 |
| No..... | - |
| Not sure | - |

Q. 2 How many people are directly employed by your business or company, including yourself?

| | Total |
|---------------------------|--------------|
| 1..... | - |
| 2-5..... | 55 |
| 6-10..... | 14 |
| 11-25..... | 14 |
| 26-50..... | 8 |
| 51-100..... | 9 |
| More than 100..... | - |
| Not sure | - |
| 25 and under | 83 |
| 26 or more..... | 17 |

Q. 3 How many full time employees are directly employed by your business or company?

| | Total |
|---------------------------|--------------|
| 1..... | 11 |
| 2-5..... | 49 |
| 6-10..... | 13 |
| 11-25..... | 14 |
| 26-50..... | 8 |
| 51-100..... | 5 |
| Not sure | - |
| 25 and under | 86 |
| 26 or more..... | 14 |

Q. 4 How many part time employees are directly employed by your business or company?

| | Total |
|---------------------------|--------------|
| 1..... | 46 |
| 2-5..... | 32 |
| 6-10..... | 7 |
| 11-25..... | 7 |
| 26-50..... | 6 |
| 51-100..... | 1 |
| Not sure | 1 |
| 25 and under | 92 |
| 26 or more..... | 7 |

Q. 5 In the next year do you plan to increase, decrease, or keep the same number of employees?

| | Total |
|--|--------------|
| Increase the number of employees | 32 |
| Decrease the number of employees | 5 |
| Stay the same | 58 |
| Not sure | 5 |

Q. 6 Do you pay your employees through a salary or by the hour?

| | Total |
|-------------------------------------|--------------|
| Salary | 32 |
| Hourly | 32 |
| Both, depends on the employee | 35 |
| Something else | 0 |
| Not sure | - |

Q. 7 [338 Respondents] (IF PAYS SALARY) On average, how much do you pay each employee per year?

| | Total |
|-------------------------------------|--------------|
| Under \$10,000 per year..... | 13 |
| \$10,000 to \$24,999 per year | 16 |
| \$25,000 to \$29,999 per year | 10 |
| \$30,000 to \$39,999 per year | 11 |
| \$40,000 to \$49,999 per year..... | 12 |
| \$50,000 to \$59,999 per year | 12 |
| \$60,000 to \$69,999 per year..... | 6 |
| \$70,000 to \$79,999 per year | 5 |
| \$80,000 to \$89,999 per year | 4 |
| \$90,000 to \$99,999 per year..... | 3 |
| More than \$100,000 per year..... | 7 |
| Prefer not to say | 0 |
| Under \$50K..... | 62 |
| \$50K or more | 38 |

Q. 8 [338 Respondents] (IF PAYS HOURLY) On average, how much do you pay each employee per hour?

| | Total |
|-------------------------------|--------------|
| Under \$10 per hour | 9 |
| \$10 to \$15 per hour | 35 |
| \$16 to \$20 per hour | 22 |
| \$21 to \$24 per hour | 14 |
| \$25 to \$29 per hour | 6 |
| \$30 to \$34 per hour | 3 |
| \$35 to \$39 per hour | 3 |
| \$40 to \$44 per hour..... | 2 |
| \$45 to \$49 per hour | 2 |
| More than \$50 per hour | 2 |
| Prefer not to say | 0 |
| Under \$20 | 66 |
| \$20-39 | 26 |
| \$40 or more..... | 7 |

Q. 9 In the past year, how many independent workers, contractors, or freelancers have you hired who are not on your pay roll?

| | Total |
|----------------------------|--------------|
| 0 | 46 |
| 1..... | 14 |
| 2-3..... | 22 |
| 4-5..... | 10 |
| More than 5..... | 6 |
| Not sure | 2 |
| Have Hired | 52 |
| Have 4 or more..... | 16 |

Q. 10 [261 Respondents] (IF 1 OR MORE INDEPENDENT WORKER) In the next year, do you plan to hire more independent workers, contractors, or freelancers, or use fewer?

| | Total |
|---------------------------|--------------|
| More..... | 36 |
| Fewer | 11 |
| About the same | 46 |
| Don't know..... | 7 |
| More - Fewer | 25 |

Q. 11 Please indicate the primary reason your business uses independent workers, freelancers, or contractors.

| | Total |
|--|--------------|
| The needs for my business fluctuate and having temporary help provides greater flexibility. | 34 |
| The independent workers, contractors, or freelancers I hire work on specific, time-delineated projects. | 26 |
| Hiring independent workers, contractors, or freelancers keeps my costs down, including benefit costs..... | 19 |
| I find more qualified help through independent worker, contractor, or freelancer networks than from the broader job pool. | 11 |
| I regularly hire independent workers, contractors, or freelancers on a trial basis, and often extend full-time offers when the contract is up..... | 8 |
| Not sure | 1 |

Q. 12 Again, below are a list of other reasons that you might use independent workers, contractors, and freelancers. Please indicate which other reasons you use independent workers, contractors, and freelancers for your business. Please select all that apply.

| | Total |
|--|--------------|
| The needs for my business fluctuate and having temporary help provides greater flexibility. | 28 |
| The independent workers, contractors, or freelancers I hire work on specific, time-delineated projects. | 27 |
| Hiring independent workers, contractors, or freelancers keeps my costs down, including benefit costs..... | 26 |
| I find more qualified help through independent worker, contractor, or freelancer networks than from the broader job pool. | 20 |
| I regularly hire independent workers, contractors, or freelancers on a trial basis, and often extend full-time offers when the contract is up..... | 10 |
| Not sure | 2 |

Q. 13 Which of the following financial services or programs, if any, do you offer to your employees? Please select all that apply.

| | Total |
|---|--------------|
| Direct deposit..... | 40 |
| The ability to split direct deposit among multiple accounts | 14 |
| Short-term loans paid back through paycheck deductions..... | 13 |
| Additional savings vehicles besides a retirement plan | 10 |
| Financial counseling services through an employee assistance program | 9 |
| Financial literacy education via a work-based online human resources platform or handouts | 8 |
| None of the above | 43 |

Q. 14 Please indicate where you turn to for your primary source of financial advice.

| | Total |
|-------------------------------------|--------------|
| Financial advisor..... | 22 |
| Lawyer or accountant | 20 |
| Self-directed research online | 17 |
| Other small business owners | 10 |
| Peers, friends, or family | 8 |
| Online classes or workshops..... | 5 |
| Magazines or newspapers | 2 |
| No one..... | 15 |

Q. 15 Again, below are a list of other sources that you might use for financial advice. Please indicate which other sources you use for financial advice. Please select all that apply.

| | Total |
|-------------------------------------|--------------|
| Self-directed research online | 26 |
| Peers, friends, or family | 23 |
| Other small business owners | 23 |
| Lawyer or accountant | 20 |
| Financial advisor..... | 17 |
| Online classes or workshops..... | 12 |
| Magazines or newspapers | 10 |
| No one..... | 7 |

Q. 16 Thinking specifically about your business, for each item below, please indicate whether this is something you currently provide to employees or something you do not currently provide to employees, not including those that are mandated by local, state, or federal government.

| | All Emp lyes | Full Time Only | Mang mnt Only | Don't Pro vide | Govt Man date | Not Sure | Prov To All | Total Prov | Total Not Prov |
|--|-----------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|---------------------|----------------------------|-----------------------|-------------------------------|
| a. Paid sick days including paid time off that can be used for sick days to recover from a short-term illness or care for a family member with a short-term illness. | 23 | 23 | 6 | 47 | 1 | - | 23 | 53 | 47 |
| b. Health insurance either through an employer-sponsored plan or by paying a portion of employee's own health insurance..... | 21 | 21 | 6 | 50 | 1 | - | 21 | 50 | 50 |
| c. Paid family leave, such as maternity or paternity leave, or leave to care for a seriously ill relative, that does not use the employees' sick days or vacation days. | 16 | 17 | 7 | 57 | 3 | - | 16 | 43 | 57 |
| d. Retirement plans in any form such as a 401K..... | 19 | 19 | 4 | 57 | 1 | - | 19 | 43 | 57 |
| e. Short-term disability insurance..... | 14 | 15 | 6 | 63 | 3 | - | 14 | 37 | 63 |
| f. Long-term disability insurance..... | 12 | 13 | 6 | 67 | 2 | - | 12 | 33 | 67 |
| g. Group life insurance | 14 | 14 | 6 | 65 | 1 | - | 14 | 35 | 65 |

Q. 17 How many, if any, retirement plans do you have for yourself?

| | Total |
|--------------------|--------------|
| One..... | 42 |
| More than one..... | 33 |
| None..... | 21 |
| Not sure | 4 |

Q. 18 [375 Respondents] (IF ONE OR MORE RETIREMENT PLAN) What kind of retirement plan do you have?

| | Total |
|--|--------------|
| Individual retirement account | 48 |
| Roth IRA..... | 35 |
| Work-based retirement plan set up through my business..... | 26 |
| A previous work-based plan..... | 17 |
| Annuity | 17 |
| Pension | 17 |
| A work-based plan through my spouse..... | 11 |
| Other, please | 3 |
| Not sure | 1 |

Q. 19 [106 Respondents] (IF NO RETIREMENT PLAN) Which of the following best explains why you do not have a retirement plan for yourself?

| | Total |
|--|--------------|
| Too expensive | 31 |
| I want to maximize the investment back in my business..... | 27 |
| I have other investments besides my business | 21 |
| I haven't thought about it..... | 17 |
| Other | 3 |
| None of these | 11 |

Q. 20 Which of the following statements best describes your current retirement savings outside of Social Security?

| | Total |
|---|--------------|
| I will have enough in retirement..... | 28 |
| I have savings, but will have to increase my contributions to ensure I have enough money in retirement. | 20 |
| I have some savings, but there is no way I will be able to retire without having another source of income. | 12 |
| I have some savings, but doubt I will have enough money to retire comfortably. | 12 |
| I will never be able to retire | 8 |
| I could retire now but am still enjoying working. | 11 |
| Other, please record..... | 2 |
| Prefer not to say | 6 |

Q. 21 [215 Respondents] (IF YES FOR RETIREMENT PLANS IN BENEBAAT) Which reason below best explains why you offer a retirement plan to your employees?

| | Total |
|---|--------------|
| I wanted to offer my employees an opportunity to build their savings and long-term wealth | 48 |
| It provides a competitive advantage when hiring..... | 26 |
| It allowed me to maximize my tax deferred investments | 21 |
| Other, please record..... | 1 |
| Not sure | 3 |

Q. 22 [285 Respondents] (IF NO FOR RETIREMENT PLANS IN BENEBAAT) Which reason below best explains why you do not offer a retirement plan to your employees?

| | Total |
|---|--------------|
| Too expensive | 34 |
| My business does not have the resources to administer the plan | 23 |
| Employees not interested | 14 |
| I just started my business and it is too new to implement a retirement plan | 10 |
| I want to maximize my investment in my business | 6 |
| Too much administrative burden | 1 |
| My business is concerned about how to choose a plan provider | 1 |
| Not sure | 11 |

Q. 23 [256 Respondents] (IF NO FOR RETIREMENT PLANS IN BENEBAAT) Again, here are other reasons why you do not offer a retirement plan to your employees. Please indicate which reasons also best explain why you do not offer a retirement plan to your employees.

| | Total |
|---|--------------|
| Too expensive | 26 |
| My business does not have the resources to administer the plan | 25 |
| I want to maximize my investment in my business | 14 |
| Too much administrative burden | 13 |
| Employees not interested | 11 |
| I just started my business and it is too new to implement a retirement plan | 5 |
| My business is concerned about how to choose a plan provider | 3 |
| Not sure | 14 |

Q. 24 Have you had an employee ask for an advance on their pay to address a financial need?

| | Total |
|-----------------------|--------------|
| Yes..... | 32 |
| No..... | 65 |
| Not sure | 3 |
| Yes - No | -34 |

Q. 25 Below are a list of factors some business owners use to decide on a retirement plan for their employees. Please indicate how important each factor is to you if you were looking at retirement plans for your employees.

| | | Not | | | | Total Impt | | | |
|--|----|-------------|-------------|-------------|-------------|-------------------|--------------|-------------|------------|
| | | Very | Smwt | Very | Not | Not | Total | Not | - |
| | | Impt | Impt | Impt | Impt | Sure | Impt | Impt | Not |
| a. Ease of administration..... | 43 | 29 | 7 | 8 | 13 | 72 | 15 | 57 | |
| b. Setup costs | 41 | 29 | 6 | 9 | 15 | 70 | 15 | 55 | |
| c. Fees for program participants..... | 38 | 29 | 10 | 8 | 16 | 67 | 17 | 49 | |
| d. Tax benefits for starting a plan | 37 | 29 | 9 | 10 | 15 | 66 | 19 | 47 | |
| e. Investment opportunities available through a plan..... | 34 | 31 | 8 | 10 | 17 | 64 | 19 | 45 | |
| f. The ability to easily compare multiple options..... | 28 | 34 | 12 | 11 | 15 | 62 | 23 | 39 | |
| g. Compatibility with payroll service | 28 | 30 | 14 | 12 | 17 | 58 | 25 | 32 | |
| h. Automatic enrollments | 21 | 30 | 17 | 15 | 18 | 50 | 32 | 18 | |
| i. Automatic escalation..... | 20 | 25 | 18 | 13 | 24 | 45 | 31 | 14 | |
| j. Loan options | 18 | 25 | 17 | 21 | 19 | 43 | 38 | 5 | |

Q. 26 Here are some features that may be offered in an employee retirement plan. For each one below, please indicate how much more likely you would be to offer a retirement plan to your employees if it included this feature.

| | Much More Likly | Smwt More Likly | Smwt Less Likly | Much Less Likly | Not Sure | Total More | Total Less | - Less |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------|-----------------------|-----------------------|-------------------|
| a. More transparency in plan fees and costs | 33 | 33 | 8 | 6 | 20 | 66 | 14 | 52 |
| b. A plan that reduces your financial and fiduciary responsibility | 32 | 32 | 9 | 5 | 21 | 65 | 14 | 50 |
| c. A plan with reduced administrative requirements..... | 31 | 34 | 10 | 4 | 21 | 65 | 14 | 51 |
| d. Availability of easy-to-understand information..... | 30 | 35 | 9 | 6 | 20 | 65 | 15 | 50 |
| e. Increased tax credits for plan administration | 30 | 33 | 9 | 5 | 23 | 63 | 14 | 49 |
| f. A plan that will allow small businesses to join a multi-employer plan | 26 | 30 | 12 | 7 | 26 | 56 | 19 | 37 |
| g. An exchange where you could compare multiple plans simultaneously..... | 25 | 34 | 11 | 6 | 23 | 59 | 18 | 42 |
| h. A competitive advantage in hiring employees | 24 | 30 | 13 | 6 | 26 | 54 | 20 | 35 |
| i. More flexibility in tax-free investment withdrawals..... | 23 | 35 | 12 | 6 | 25 | 57 | 18 | 40 |
| j. Working with a provider that offered a retirement plan in addition to other products and services, such as human resources administration, life insurance and group insurance | 20 | 36 | 13 | 6 | 25 | 56 | 19 | 37 |
| k. A plan that eases the process of offering annuities to employees, recreating traditional pension plans..... | 19 | 32 | 15 | 8 | 25 | 51 | 23 | 28 |

Q. 27 For each of the following statements, please indicate whether you agree or disagree.

| | Strng | Smwt | Smwt | Strng | DK/ | Total | Total | Agree |
|---|-------|-------|------|-------|-----|-----------|-----------|-----------|
| | Agree | Agree | Dis | Dis | Ref | Agree | Dis | - |
| a. The government should expand the tax benefits for small businesses implementing a work-based retirement plan, including additional credits for startup costs | 42 | 34 | 7 | 4 | 13 | 76 | 11 | 65 |
| b. State governments should investigate and establish benefit exchanges that would allow the self-employed to negotiate and obtain the insurance they need..... | 39 | 33 | 9 | 6 | 13 | 72 | 15 | 57 |
| c. Contract workers, freelancers and the self-employed need access to benefits such as healthcare, retirement, and paid leave. | 39 | 30 | 13 | 6 | 12 | 69 | 19 | 50 |
| d. There should be a system in which small businesses could band together to buy retirement plans for their employees and have one common administrator | 37 | 37 | 9 | 5 | 12 | 74 | 14 | 60 |
| e. The government should provide tax incentives for independent workers such as freelancers and contractors who sign up for an individual retirement account | 35 | 38 | 8 | 7 | 12 | 73 | 14 | 59 |
| f. When starting my business, I struggled to access necessary benefits for me and my employees, such as healthcare, retirement, and paid leave. | 33 | 32 | 15 | 9 | 11 | 65 | 24 | 41 |

Q. 28 Some states have implemented or are considering Auto-IRA or Secure Choice plans, in which workers of small businesses that don't currently offer a retirement plan would be automatically enrolled in a state-created IRA. Workers would be able opt out or adjust contribution amounts at any time, while employers would be responsible for ensuring appropriate payroll deductions are made. Employers would not administer the plans themselves. Would you support or oppose such a plan in (YOUR STATE)?

| | Total |
|------------------------------|-----------|
| Strongly support | 30 |
| Somewhat support..... | 38 |
| Somewhat oppose | 8 |
| Strongly oppose | 8 |
| Not sure | 16 |
| Total Support | 68 |
| Total Oppose | 16 |
| Support - Oppose..... | 52 |

Q. 29 How familiar are you with the federal tax benefits available to offset startup costs for establishing a retirement plan at your business?

| | Total |
|--------------------------------|--------------|
| Very familiar | 17 |
| Somewhat familiar..... | 26 |
| Not very familiar..... | 29 |
| Not at all familiar..... | 27 |
| Not sure | - |
| Total Familiar..... | 44 |
| Total Not Familiar..... | 56 |
| Familiar - Not..... | -13 |

Q. 30 How is your business organized?

| | Total |
|---|--------------|
| Sole proprietorship | 35 |
| LLC..... | 28 |
| S-Corp..... | 20 |
| Partnership | 9 |
| C-Corp (i.e. you do not pass your business income to yourself personally) | 7 |
| Other..... | 1 |
| Not sure | - |

Q. 31 Here are some questions solely for statistical purposes. In what year were you born?

| | Total |
|-------------------|--------------|
| 18 - 24 | 1 |
| 25 - 29 | 5 |
| 30 - 34..... | 12 |
| 35 - 39..... | 7 |
| 40 - 44..... | 9 |
| 45 - 49..... | 10 |
| 50 - 54..... | 9 |
| 55 - 59 | 15 |
| 60 - 64..... | 15 |
| 65 and over | 17 |
| (No answer) | - |

Q. 32 Generally speaking, do you think of yourself as a Republican, a Democrat, or what?

| | Total |
|-----------------------------------|--------------|
| Strong Democrat..... | 22 |
| Weak Democrat | 9 |
| Independent-lean Democrat..... | 10 |
| Independent..... | 12 |
| Independent-lean Republican | 10 |
| Weak Republican | 15 |
| Strong Republican | 23 |
| (Don't know/Refused) | - |

Q. 33 For statistical purposes only, what was the gross revenue of your business in 2017?

| | Total |
|--|--------------|
| Less than \$100,000 | 24 |
| \$100,000 to under \$250,000..... | 17 |
| \$250,000 to under \$500,000 | 21 |
| \$500,000 to under \$1 million | 13 |
| \$1 million to under \$2 million | 11 |
| \$2 million or under \$5 million | 8 |
| \$5 million or more | 5 |
| Prefer not to say | 0 |
| Under \$500K..... | 63 |
| \$500K or more | 37 |
| \$1M or more | 23 |

Q. 34 Thinking about you and your family, which of these categories best describes your total household income last year, that is in 2017?

| | Total |
|------------------------------|--------------|
| Less than \$10,000 | 1 |
| \$10,000 to \$19,999..... | 2 |
| \$20,000 to \$29,999..... | 3 |
| \$30,000 to \$49,999..... | 6 |
| \$50,000 to \$74,999..... | 22 |
| \$75,000 to \$99,999 | 18 |
| \$100,000 to \$149,999 | 21 |
| \$150,000 to \$199,999..... | 11 |
| \$200,000 or more | 10 |
| Prefer not to say | 6 |
| Under \$50K..... | 12 |
| \$50K or more | 82 |
| \$100K or more | 43 |

Q. 35 What is your race?

| | Total |
|---------------------------------------|--------------|
| White..... | 78 |
| African American or Black..... | 6 |
| Hispanic or Chicano..... | 7 |
| Asian or Pacific Islander | 6 |
| American Indian or Alaska Native..... | 1 |
| Other | 0 |
| Biracial or multiracial | 0 |
| Not sure | 0 |

Q. 36 Before you begin, please answer a few questions about yourself to ensure that the survey has a representative sample. What is your gender?

| | Total |
|-------------|--------------|
| Male | 60 |
| Female..... | 40 |