



Opinion Poll

Illinois small business owners say government doesn't understand their concerns, need help with healthcare costs and other challenges

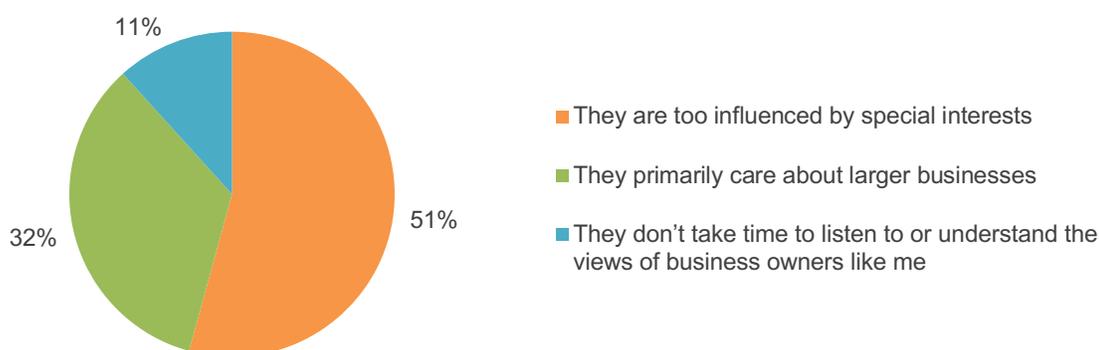
August 14, 2019

Executive Summary

Policymakers at all levels, from town councils to the halls of Capitol Hill, emphasize the challenges of small businesses as a key talking point during political debates. But new opinion polling reveals Illinois small businesses feel their government officials don't actually understand their challenges, and they support a wide array of policies to address their needs, some of which might come as a surprise to their elected officials.

The poll, conducted by Chesapeake Beach Consulting for Small Business Majority, found only 15% of Illinois small businesses feel their state and federal government officials understand the needs and challenges of small businesses like theirs a lot. The top three reasons why they feel government officials don't understand them are: they are too influenced by special interests, they primarily care about larger businesses and they don't take time to listen to or understand the views of business owners like them.

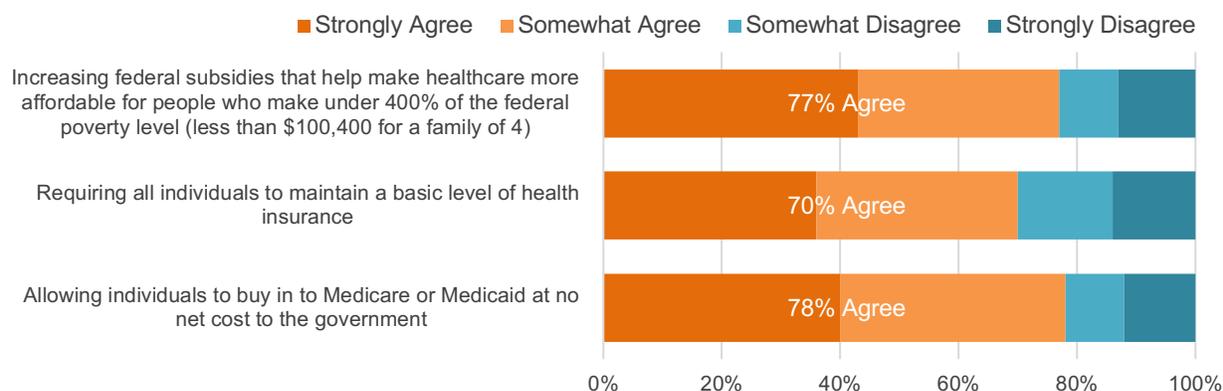
Figure 1: Top reasons Illinois small business owners give for why they feel government officials don't understand them



One example of how government officials may have misunderstood the needs of small businesses is during the debates surrounding the Tax Cuts and Jobs Act of 2017. While the new tax law was billed as a boon for small businesses, only 31% report it has had a positive impact on their business.

Small business owners identified several actions that government could take that would address the needs of small businesses like theirs, and the top priority for Illinois small businesses is for officials to make healthcare more accessible and affordable. This should come as no surprise considering roughly half of respondents (49%) cite healthcare costs as a top issue that could harm their business. Respondents showed strong support for policies that would address healthcare affordability and access, as shown in Figure 2.

Figure 2: Illinois small businesses strongly support wide range of healthcare policies



Additionally, more than half of respondents (53%) feel access to capital is a problem for small businesses, and they support legislation that would address predatory lending practices in small business lending. Currently there is no law or standard governing how rates and fees for small business lending products

are disclosed to borrowers. Nearly 8 in 10 (79%) support a law that would address this by requiring certain disclosures for small business loan products, including Annual Percentage Rate (APR), total cost of capital and all fees and prepayment penalties.

As these results make clear, Illinois small business owners want their policymakers to listen to them and understand their concerns, and then act on them. If government officials want to support the state's primary job creators, they must address barriers to entrepreneurship and enact policies that will level the playing field for small enterprises.

Additional Poll Findings

- **Illinois entrepreneurs identify external factors that could impact their ability to maintain or grow their businesses:** When it comes to operating their businesses, the top two barriers are taxes and healthcare costs (56% and 49% respectively), followed by licensing and regulations (38%), a lack of access to business support services (29%), access to capital (20%) and infrastructure (17%), among other issues.
- **Small business owners identify key issues policymakers should tackle:** Ranking in order of priority, small business owners identified several actions that government could take to help small businesses like theirs, including making healthcare more accessible and affordable, providing more tax incentives for small businesses, easing licensing and regulatory requirements for small businesses, making retirement plans more accessible, providing more funding for organizations that provide advice and services to small businesses and entrepreneurs, and increasing the availability of capital for small businesses.
- **Illinois small business owners support additional policy solutions to address their healthcare costs:** This includes creating a reinsurance program to create more stability in the market (73%) and extending open enrollment periods and providing federal funding to states to conduct outreach on how to enroll (81%). Additionally, nearly 6 in 10 (59%) support banning short-term insurance and association health plans, which may not cover all essential health benefits and can exclude those with pre-existing conditions. Respondents were also asked to weigh in on surprise billing (also known as balance billing), the practice in which a healthcare provider charges more money above what insurance covers, often as a result of receiving care from an out-of-network provider while at an in-network facility. A vast 85% agree services at an in-network facility like a hospital should be billed at in-network rates, even if the specific provider at the facility is out-of-network.
- **Entrepreneurs support policies to address the rising cost of prescription drugs:** 88% believe the federal government should be able to negotiate with drug companies to lower prices on Medicare prescription drugs. An additional 87% say it should be illegal for a drug company to pay another company that makes generic drugs to delay the release of that drug. Seventy-eight percent agree drug companies should be required to justify their prices by disclosing how much they spend on research, manufacturing and marketing and how much they are making in profits. Eighty-eight percent believe pharmaceutical companies should be prohibited from extending patents on their drugs, which delays less expensive generics from entering the market.
- **Entrepreneurs support policies implementing state paid family and medical leave programs and retirement programs:** 78% feel it is important to establish state programs to guarantee access to paid family and medical leave, funded by modest employee and employer contributions. Similarly, 68% support state efforts to enact retirement programs that automatically enroll employees of businesses without their own plan into a state-administered retirement program, such as the Secure Choice program in Illinois.
- **Illinois small business owners are politically diverse:** 47% of respondents identify as Republican or Republican-leaning independents, 28% are Democrat or Democrat-leaning independents and 25% are pure independent or other.

Methodology

This poll reflects an Internet survey of 100 small business owners with 1-100 employees in Illinois, as part of a larger sample of 400 small business owners in four states (Missouri, Virginia, Wisconsin and Illinois). The poll was conducted by Chesapeake Beach Consulting for Small Business Majority between June 13-19, 2019. The margin of error for the Illinois survey is 10%.

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100 Illinois small business owners

- 1. Please indicate your gender
 - Male.....53%
 - Female.....47%

- 2. What state is your business located in?
 - Illinois100%

- 3. Do you own your own for-profit business?
 - Yes100%

- 4. How many people do you employ including yourself?
 - One25%
 - 2 to 5.....33%
 - 6 to 10.....13%
 - 11 to 25.....10%
 - 26 to 5013%
 - 51 to 1006%

- 5. On a scale of one to ten, with one meaning very poor and ten meaning very good, how would you rank the economic conditions in your state?
 - One14%
 - Two6%
 - Three9%
 - Four10%
 - Five22%
 - Six17%
 - Seven13%
 - Eight6%
 - Nine2%
 - Ten.....1%
 - One to Four39%
 - Five to Seven52%
 - Eight to Ten.....9%

6. Would you say that state and federal government officials understand the needs and challenges faced by small businesses like yours?

- A lot 15%
- A moderate amount 30%
- A little 28%
- Not at all 27%

7. Here are some reasons that others have given as to why government officials don't understand small business needs and challenges. Of these, please indicate which is the top reason why they don't understand your needs. (85 respondents)

- They are too influenced by special interests 51%
- They primarily care about larger businesses..... 32%
- They don't take time to listen to or understand the views of business owners like me 11%
- There are no organizations I've found that do a good job representing small business needs to government 7%

Below are some actions that others have suggested as ways that government could do more to help small businesses like yours. On a scale of one to five, with one meaning it is a low priority and five meaning it is a high priority, please tell me how much of a priority each of these actions should be.

8. Increasing the availability of capital for small businesses

- One 12%
- Two 14%
- Three 23%
- Four 30%
- Five 21%

9. Providing more funding for organizations that provide advice and services to small businesses and entrepreneurs

- One 14%
- Two 19%
- Three 20%
- Four 25%
- Five 22%

10. Easing licensing and regulatory requirements for businesses

- One 12%
- Two 20%
- Three 22%
- Four 19%
- Five 27%

11. Providing more tax incentives for small businesses

One	11%
Two	7%
Three	22%
Four	24%
Five	36%

12. Making retirement plans more accessible for small business owners, employees and independent entrepreneurs

One	9%
Two	14%
Three	29%
Four	23%
Five	25%

13. Making healthcare more accessible and affordable

One	10%
Two	8%
Three	14%
Four	21%
Five	47%

14. Below are some external factors that could help you maintain or grow your business. Which three of these factors are most important you?

Support from my community	32%
A robust market for my goods or services	53%
Access to loans and capital	24%
Access to business support services	29%
A state and local government that fosters a strong regional economy	51%
A robust talent pool of employees	17%
Support from family and friends	22%
Not sure	7%

15. Below are some external factors that could hurt your ability to maintain or grow your business. Which three of these factors are the largest barriers for you to maintain or grow your business?

Access to capital	20%
Health care costs	49%
Lack of qualified, skilled workers	10%
Taxes	56%
Infrastructure i.e. broadband, well-maintained local roads, bridges and highways	17%
Licensing and regulations	38%
Lack of access to business support services	29%
Not sure	8%

16. In 2017, Congress enacted the Tax Cuts and Jobs Act. Would you say the Act has had a positive effect, negative effect or no effect on your business?

Very positive effect.....	14%
Somewhat positive effect	17%
Somewhat negative effect	15%
Very negative effect.....	10%
No effect	36%
Don't know	8%
TOTAL POSITIVE.....	31%
NO EFFECT	36%
TOTAL NEGAVITE.....	25%

Now you will see some questions about healthcare.

Surprise billing, sometimes known as balance billing, is the practice in which a healthcare provider charges more money above what your insurance will cover, usually as a result of receiving care from an out-of-network provider while at an in-network facility. The following solutions have been suggested as ways to address the issue of balance billing. For each, indicate if you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the solution.

17. Services provided at an in-network facility like a hospital should be billed at in-network rates, even if the specific provider at the facility is out-of-network.

Strongly agree	54%
Somewhat agree	31%
Somewhat disagree	10%
Strongly disagree	5%
TOTAL AGREE	85%
TOTAL DISAGREE	15%

18. State insurance commissioners should set a payment standard regarding what insurers owe providers in out-of-network care situations.

Strongly agree	38%
Somewhat agree	42%
Somewhat disagree	14%
Strongly disagree	6%
TOTAL AGREE	80%
TOTAL DISAGREE	20%

Thinking now about prescription drugs.

Below are a series of proposals for addressing the rising cost of prescription drugs. For each, please indicate if you strongly agree, somewhat agree, somewhat disagree or strongly disagree with each proposal.

19. The federal government should be able to negotiate with drug companies to get lower prices on prescription drugs for people on Medicare.

Strongly agree	55%
Somewhat agree	33%
Somewhat disagree	7%
Strongly disagree	5%
TOTAL AGREE	88%
TOTAL DISAGREE	12%

20. Drug companies should be required to justify their prices by disclosing how much they spend on research, manufacturing, and marketing and how much they are making in profits.

Strongly agree	50%
Somewhat agree	28%
Somewhat disagree	16%
Strongly disagree	6%
TOTAL AGREE	78%
TOTAL DISAGREE	22%

21. It should be illegal for a drug company to pay another company that makes generic drugs to delay the release of a generic drug.

Strongly agree	63%
Somewhat agree	24%
Somewhat disagree	9%
Strongly disagree	4%
TOTAL AGREE	87%
TOTAL DISAGREE	13%

22. Pharmaceutical companies should be prohibited from extending patents on their drugs, which delays less expensive generics from entering the market.

Strongly agree	51%
Somewhat agree	37%
Somewhat disagree	8%
Strongly disagree	4%
TOTAL AGREE	88%
TOTAL DISAGREE	12%

Below are some solutions that have been suggested to strengthen and enhance our healthcare system. For each, please indicate whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with each solution.

23. Create a reinsurance program, which is a fund that creates stability in the market by providing financial support for insurers that incur losses from covering older and less healthy people.

Strongly agree	34%
Somewhat agree	39%
Somewhat disagree	17%
Strongly disagree	10%
TOTAL AGREE	73%
TOTAL DISAGREE	27%

24. Extend open enrollment periods to allow as many people as possible to purchase insurance coverage, and provide federal funding to states to conduct outreach on how to enroll.

Strongly agree	48%
Somewhat agree	33%
Somewhat disagree	9%
Strongly disagree	10%
TOTAL AGREE	81%
TOTAL DISAGREE	19%

25. Allow any individual to buy a Medicare or Medicaid plan with no net cost to the government. Individuals could still choose to buy their own private insurance.

Strongly agree	40%
Somewhat agree	38%
Somewhat disagree	10%
Strongly disagree	12%
TOTAL AGREE	78%
TOTAL DISAGREE	22%

26. Strengthen the current system of subsidies that has helped make healthcare more affordable by increasing the existing federal subsidies that provide financial assistance for people who make under 400% of the federal poverty limit (for example, a family of four earning less than \$100,400).

Strongly agree	43%
Somewhat agree	34%
Somewhat disagree	10%
Strongly disagree	13%
TOTAL AGREE	77%
TOTAL DISAGREE	23%

27. Require all individuals to maintain a basic level of health insurance. Proponents say this reduces healthcare costs by ensuring emergency care is covered and by insurers having large pools of both healthy and less healthy individuals to spread risk.

Strongly agree	36%
Somewhat agree	34%
Somewhat disagree	16%
Strongly disagree	14%
TOTAL AGREE	70%
TOTAL DISAGREE	30%

28. States have the option to expand Medicaid coverage to individuals whose incomes fall between current Medicaid levels and the minimum level for federal subsidies, with states only having to cover a maximum of 10% of the cost. Some states including Illinois have expanded Medicaid coverage, while others have not. Do you strongly support, somewhat support, somewhat oppose or strongly oppose expanded Medicaid coverage?

Strongly support	48%
Somewhat support	35%
Somewhat oppose	5%
Strongly oppose	12%
TOTAL SUPPORT	83%
TOTAL OPPOSE	17%

29. Short-term insurance are types of insurance that don't have to cover all essential health benefits and can exclude those with pre-existing conditions. Similarly, association health plans, allow small businesses and self-employed individuals to join together and purchase health coverage that also don't have to cover all essential health benefits and can exclude those with pre-existing conditions. Proponents say these plans provide a cheaper insurance alternative, while opponents say the plans often do not cover adequate care, and siphon off healthy people from regular plans, making insurance more expensive for everyone else. Would you support or oppose a ban on types of plans?

Strongly support a ban.....	34%
Somewhat support a ban	25%
Somewhat oppose a ban	26%
Strongly oppose a ban.....	15%
TOTAL SUPPORT	59%
TOTAL OPPOSE	41%

Now you will see some questions about your ability to access capital for your business.

30. How big a problem is access to capital for small business?

A major problem	21%
Somewhat of a problem	32%
A minor problem.....	17%
Not a problem at all	25%
Don't know	5%
MAJOR/SOMEWHAT PROBLEM.....	53%
MINOR/NOT A PROBLEM.....	42%

31. Have you ever sought or obtained a loan from an online small business loan company?

Yes, completed at least one application and received a loan	12%
Yes, completed at least one application and did not receive loan.....	11%
Started credit search or application process but didn't complete	13%
Did not pursue an online loan	63%
Unsure.....	1%

If yes to either or started above (36 respondents):

32. Overall, were you satisfied or unsatisfied with the online credit lending experience

Very satisfied.....	36%
Somewhat satisfied	25%
Neutral	28%
Somewhat dissatisfied	11%
Very dissatisfied	0%
TOTAL SATISFIED.....	61%
NEUTRAL	28%
TOTAL DISSATISFIED	11%

If dissatisfied above (4 respondents):

33. Why were you dissatisfied (select all that apply)?

High interest rate	75%
Unfavorable repayment terms	25%
Long wait for credit decision or funding	100%
Difficult application process	25%
Lack of transparency around loan terms.....	25%
Other challenges. Please specify:	0%
Experienced no challenges	0%

34. While there are a variety of commercial lending products available for small businesses, there is no law or standard governing how the rates and fees for these products are disclosed to borrowers. Would you support or oppose a law to require certain disclosures for small business loan products, including Annual Percentage Rate (APR), total cost of capital, and all fees and prepayment penalties, in a uniform standard?

Strongly support	42%
Somewhat support.....	37%
Somewhat oppose	11%
Strongly oppose.....	5%
Don't know	5%
TOTAL SUPPORT	79%
TOTAL OPPOSE	16%

Now, just a few more questions about other small business issues.

35. Some states have enacted retirement programs that automatically enroll employees of businesses without their own retirement plans into a state-administered retirement plan. Employees can opt out at any time. Generally, do you support or oppose state efforts to establish these retirement programs?

Strongly support	30%
Somewhat support	38%
Somewhat oppose	18%
Strongly oppose.....	9%
Don't know	5%
TOTAL SUPPORT	68%
TOTAL OPPOSE	27%

36. Some states have established insurance programs to provide workers with pay during family leave, funded by modest employer and employee contributions into the program. How important is it to establish a program to guarantee access to paid family and medical leave – very important, somewhat important, not very important, or not important at all?

Very important.....	44%
Somewhat important	34%
Not very important	7%
Not important at all	12%
Don't know	3%
TOTAL IMPORTANT	78%
TOTAL NOT VERY/NOT IMPORTANT AT ALL.....	19%

Now, I have just a few questions for statistical purposes...

37. Which of the following best characterizes your business?

Agriculture	2%
Construction.....	4%
Financial, insurance or legal services.....	17%
Information technology	7%
Manufacturing	1%
Medical or dental	6%
Real estate	5%
Restaurant or food service.....	2%
Retail	11%
Other non-retail services	33%
Wholesale trade	5%
Not sure/Refused to answer	7%

38. In what year were you born?

18-34.....	19%
35-44	16%
45-54	13%
55-64	24%
65+	28%

39. Generally speaking, do you think of yourself as a Republican, a Democrat, or an Independent?

Democrat.....	37%
Independent.....	36%
Republican	20%
Other	4%
Don't know.....	1%
Refused.....	2%

40. If independent, other or don't know: Do you think of yourself as closer to the Republican or Democratic Party? (41 respondents)

Closer to Democrats.....	24%
Closer to Republicans	20%
Neither	51%
Don't know.....	2%
Refused.....	2%

41. Again, just for statistical purposes what was the gross revenue of your business in 2018?

Less than \$50,000	26%
Between \$50,000 and \$100,000	24%
Between \$100,000 and \$250,000	17%
Between \$250,001 and \$500,000.....	9%
Between \$500,001 and \$1 million.....	6%
Between \$1 million and \$2 million	6%
Between \$2 million and \$5 million	8%
More than \$5 million.....	1%
Don't know.....	0%
Refused.....	3%

42. What racial characterization do you most closely identify?

White	76%
African-American or Black	13%
Hispanic or Latino	2%
Asian or Pacific Islander.....	6%
Native American	0%
Other	2%
Biracial or multiracial	1%
Don't know.....	0%
Refused.....	0%