



## Opinion Poll:

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

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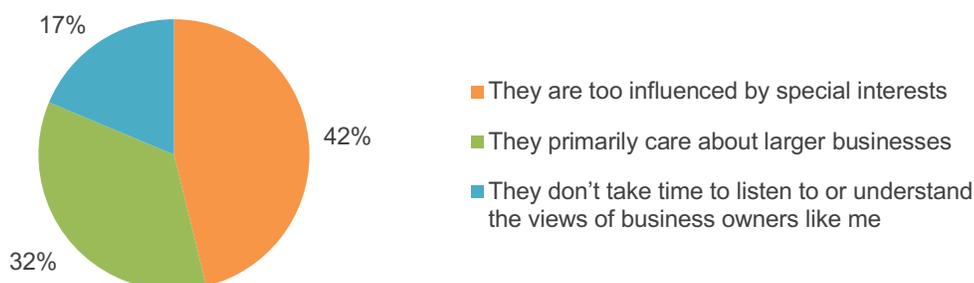
August 14, 2019

## 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 Missouri 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 12% of Missouri small business 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.

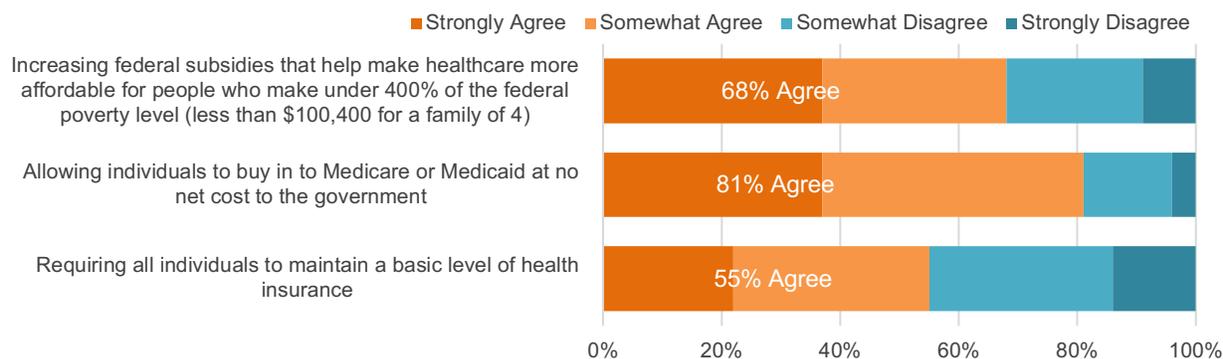
**Figure 1: Top reasons Missouri small business owners give for why they feel government officials don't understand them**



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 37% report it has had a positive impact on their business.

Respondents identified several actions that government could take that would address the needs of small businesses like theirs, and the top priority for Missouri small businesses is for officials to make healthcare more accessible and affordable. This should come as no surprise considering roughly half (48%) cite healthcare costs as a top issue that could harm their business. Small businesses showed strong support for policies that would address healthcare affordability and access, as shown below in Figure 2.

**Figure 2: Healthcare policies that Missouri small business owners support**



Missouri small business owners also expressed support for expanding Medicaid in the state. 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. Many states have expanded Medicaid coverage, while others, including Missouri, have not. Seven in 10 Missouri small business owners support expanded Medicaid coverage.

Additionally, nearly half of respondents (48%) 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. More than 8 in 10 (83%) 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, Missouri 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

- **Missouri small business owners identify the biggest barriers to maintaining or growing their businesses:** The top two barriers are taxes and healthcare costs (58% and 48% respectively), followed by licensing and regulations (37%), a lack of qualified workers (26%), access to capital (24%) and infrastructure (22%), 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, increasing the availability of capital for small businesses, and providing more funding for organizations that provide advice and services to small businesses and entrepreneurs.
- **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 (79%) and extending open enrollment periods and providing federal funding to states to conduct outreach on how to enroll (83%). Additionally, a majority (56%) support banning short-term insurance and association health plans, which do not cover all essential health benefits and may 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 90% 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.
- **Missouri entrepreneurs support policies to address the rising cost of prescription drugs:** 87% believe the federal government should be able to negotiate with drug companies to lower prices on Medicare prescription drugs. An additional 89% say it should be illegal for a drug company to pay another company that makes generic drugs to delay the release of that drug. Eighty-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. Another 88% believe pharmaceutical companies should be prohibited from extending patents on their drugs, which delays less expensive generics from entering the market.
- **Small businesses support policies implementing state-administered retirement programs and paid family and medical leave programs:** 62% support state efforts to enact retirement programs that automatically enroll employees of businesses without their own plan into a state-administered retirement program. Similarly, 67% feel it is important to establish state programs to guarantee access to paid family and medical leave, funded by modest employee and employer contributions.
- **Majority of Missouri small business owners lean conservative** with 54% of respondents identifying as Republican or Republican-leaning independents, 25% as Democrat or Democrat-leaning independents and 21% as pure independent or other.

## Methodology

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

## Toplines

100 Missouri small business owners

1. Please indicate your gender

|             |     |
|-------------|-----|
| Male.....   | 46% |
| Female..... | 54% |

2. What state is your business located in?

|                |      |
|----------------|------|
| Missouri ..... | 100% |
|----------------|------|

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

|           |      |
|-----------|------|
| Yes ..... | 100% |
|-----------|------|

4. How many people do you employ including yourself?

|                 |     |
|-----------------|-----|
| One .....       | 22% |
| 2 to 5.....     | 42% |
| 6 to 10.....    | 15% |
| 11 to 25.....   | 9%  |
| 26 to 50 .....  | 7%  |
| 51 to 100 ..... | 4%  |

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?

|                     |     |
|---------------------|-----|
| One .....           | 2%  |
| Two .....           | 0%  |
| Three .....         | 9%  |
| Four .....          | 12% |
| Five .....          | 16% |
| Six.....            | 15% |
| Seven .....         | 19% |
| Eight .....         | 19% |
| Nine.....           | 5%  |
| Ten.....            | 3%  |
| One to Four .....   | 23% |
| Five to Seven ..... | 50% |
| Eight to Ten.....   | 27% |

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

- A lot ..... 12%
- A moderate amount ..... 30%
- A little ..... 34%
- Not at all ..... 24%

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. (88 respondents)

- They are too influenced by special interests ..... 42%
- They primarily care about larger businesses ..... 32%
- They don't take time to listen to or understand the views of business owners like me ..... 17%
- There are no organizations I've found that do a good job representing small business needs to government ..... 9%

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 ..... 8%
- Two ..... 13%
- Three ..... 28%
- Four ..... 30%
- Five ..... 21%

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

- One ..... 8%
- Two ..... 21%
- Three ..... 33%
- Four ..... 21%
- Five ..... 17%

10. Easing licensing and regulatory requirements for businesses

- One ..... 14%
- Two ..... 11%
- Three ..... 21%
- Four ..... 26%
- Five ..... 28%

11. Providing more tax incentives for small businesses

|             |     |
|-------------|-----|
| One .....   | 8%  |
| Two .....   | 9%  |
| Three ..... | 17% |
| Four .....  | 28% |
| Five .....  | 38% |

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

|             |     |
|-------------|-----|
| One .....   | 7%  |
| Two .....   | 16% |
| Three ..... | 24% |
| Four .....  | 28% |
| Five .....  | 25% |

13. Making healthcare more accessible and affordable

|             |     |
|-------------|-----|
| One .....   | 12% |
| Two .....   | 10% |
| Three ..... | 16% |
| Four .....  | 21% |
| Five .....  | 41% |

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 .....   | 39% |
| A robust market for my goods or services .....                            | 52% |
| Access to loans and capital .....   | 23% |
| Access to business support services .....                                 | 20% |
| A state and local government that fosters a strong regional economy ..... | 49% |
| A robust talent pool of employees .....                                   | 22% |
| Support from family and friends .....                                     | 26% |
| Not sure .....  | 4%  |

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 .....  | 24% |
| Health care costs .....  | 48% |
| Lack of qualified, skilled workers .....   | 26% |
| Taxes .....  | 58% |
| Infrastructure i.e. broadband, well-maintained local roads, bridges and highways ..... | 22% |
| Licensing and regulations .....  | 37% |
| Lack of access to business support services .....                                      | 13% |
| Not sure .....   | 7%  |

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.....      | 13%        |
| Somewhat positive effect ..... | 24%        |
| Somewhat negative effect ..... | 17%        |
| Very negative effect.....      | 7%         |
| No effect .....                | 28%        |
| Don't know .....               | 11%        |
| <b>TOTAL POSITIVE.....</b>     | <b>37%</b> |
| <b>NO EFFECT .....</b>         | <b>28%</b> |
| <b>TOTAL NEGAVITE.....</b>     | <b>24%</b> |

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 .....        | 57%        |
| Somewhat agree .....        | 33%        |
| Somewhat disagree .....     | 7%         |
| Strongly disagree .....     | 3%         |
| <b>TOTAL AGREE .....</b>    | <b>90%</b> |
| <b>TOTAL DISAGREE .....</b> | <b>10%</b> |

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 .....        | 43%        |
| Somewhat disagree .....     | 12%        |
| Strongly disagree .....     | 7%         |
| <b>TOTAL AGREE .....</b>    | <b>81%</b> |
| <b>TOTAL DISAGREE .....</b> | <b>19%</b> |

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 .....    | 61% |
| Somewhat agree .....    | 26% |
| Somewhat disagree ..... | 7%  |
| Strongly disagree ..... | 6%  |
| TOTAL AGREE .....       | 87% |
| TOTAL DISAGREE .....    | 13% |

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 .....    | 54% |
| Somewhat agree .....    | 34% |
| Somewhat disagree ..... | 4%  |
| Strongly disagree ..... | 8%  |
| TOTAL AGREE .....       | 88% |
| TOTAL DISAGREE .....    | 12% |

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 .....    | 74% |
| Somewhat agree .....    | 15% |
| Somewhat disagree ..... | 6%  |
| Strongly disagree ..... | 5%  |
| TOTAL AGREE .....       | 89% |
| TOTAL DISAGREE .....    | 11% |

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

|                         |     |
|-------------------------|-----|
| Strongly agree .....    | 46% |
| Somewhat agree .....    | 42% |
| Somewhat disagree ..... | 9%  |
| Strongly disagree ..... | 3%  |
| 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 .....    | 26% |
| Somewhat agree .....    | 53% |
| Somewhat disagree ..... | 13% |
| Strongly disagree ..... | 8%  |
| TOTAL AGREE .....       | 79% |
| TOTAL DISAGREE .....    | 21% |

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 .....    | 43% |
| Somewhat agree .....    | 40% |
| Somewhat disagree ..... | 10% |
| Strongly disagree ..... | 7%  |
| TOTAL AGREE .....       | 83% |
| TOTAL DISAGREE .....    | 17% |

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 .....    | 37% |
| Somewhat agree .....    | 44% |
| Somewhat disagree ..... | 15% |
| Strongly disagree ..... | 4%  |
| TOTAL AGREE .....       | 81% |
| TOTAL DISAGREE .....    | 19% |

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 .....    | 37% |
| Somewhat agree .....    | 31% |
| Somewhat disagree ..... | 23% |
| Strongly disagree ..... | 9%  |
| TOTAL AGREE .....       | 68% |
| TOTAL DISAGREE .....    | 32% |

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 .....        | 22%        |
| Somewhat agree .....        | 33%        |
| Somewhat disagree .....     | 31%        |
| Strongly disagree .....     | 14%        |
| <b>TOTAL AGREE .....</b>    | <b>55%</b> |
| <b>TOTAL DISAGREE .....</b> | <b>45%</b> |

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 have expanded Medicaid coverage, while others including Missouri have not. Do you strongly support, somewhat support, somewhat oppose or strongly oppose expanded Medicaid coverage?

|                            |            |
|----------------------------|------------|
| Strongly support .....     | 37%        |
| Somewhat support .....     | 33%        |
| Somewhat oppose .....      | 17%        |
| Strongly oppose .....      | 13%        |
| <b>TOTAL SUPPORT .....</b> | <b>70%</b> |
| <b>TOTAL OPPOSE .....</b>  | <b>30%</b> |

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 ..... | 26%        |
| Somewhat oppose a ban .....  | 28%        |
| Strongly oppose a ban.....   | 16%        |
| <b>TOTAL SUPPORT .....</b>   | <b>56%</b> |
| <b>TOTAL OPPOSE .....</b>    | <b>44%</b> |

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 .....              | 13%        |
| Somewhat of a problem .....        | 35%        |
| A minor problem.....               | 22%        |
| Not a problem at all .....         | 22%        |
| Don't know .....                   | 8%         |
| <b>MAJOR/SOMEWHAT PROBLEM.....</b> | <b>48%</b> |
| <b>MINOR/NOT A PROBLEM.....</b>    | <b>44%</b> |

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 ....          | 11% |
| Yes, completed at least one application<br>and did not receive loan.....  | 8%  |
| Started credit search or application process but<br>didn't complete ..... | 10% |
| Did not pursue an online loan .....                                       | 69% |
| Unsure.....   | 2%  |

If yes to either or started above (29 respondents)

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

|                             |     |
|-----------------------------|-----|
| Very satisfied.....         | 24% |
| Somewhat satisfied .....    | 38% |
| Neutral .....               | 21% |
| Somewhat dissatisfied ..... | 7%  |
| Very dissatisfied.....      | 10% |
| TOTAL SATISFIED.....        | 62% |
| NEUTRAL.....                | 21% |
| TOTAL DISSATISFIED .....    | 17% |

If dissatisfied above (5 respondents)

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

|  |     |
|--|-----|
| High interest rate .....                       | 40% |
| Unfavorable repayment terms .....              | 80% |
| Long wait for credit decision or funding ..... | 40% |
| Difficult application process .....            | 60% |
| Lack of transparency around loan terms.....    | 40% |
| Other challenges. Please specify: .....        | 20% |
| 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 ..... | 53% |
| Somewhat support.....  | 30% |
| Somewhat oppose .....  | 9%  |
| Strongly oppose.....   | 3%  |
| Don't know.....        | 5%  |
| TOTAL SUPPORT.....     | 83% |
| TOTAL OPPOSE .....     | 12% |

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 ..... | 24% |
| Somewhat support ..... | 38% |
| Somewhat oppose .....  | 19% |
| Strongly oppose.....   | 8%  |
| Don't know .....       | 11% |
| TOTAL SUPPORT .....    | 62% |
| 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.....                      | 26% |
| Somewhat important .....                 | 41% |
| Not very important .....                 | 13% |
| Not important at all .....               | 14% |
| Don't know .....                         | 6%  |
| TOTAL IMPORTANT .....                    | 67% |
| TOTAL NOT VERY/NOT IMPORTANT AT ALL..... | 27% |

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

37. Which of the following best characterizes your business?

|   |     |
|---|-----|
| Agriculture .....                           | 8%  |
| Construction.....                           | 7%  |
| Financial, insurance or legal services..... | 11% |
| Information technology .....                | 8%  |
| Manufacturing .....                         | 6%  |
| Medical or dental .....                     | 2%  |
| Real estate .....                           | 6%  |
| Restaurant or food service.....             | 2%  |
| Retail .....                                | 11% |
| Other non-retail services .....             | 33% |
| Wholesale trade .....                       | 2%  |
| Not sure/Refused to answer .....            | 4%  |

38. In what year were you born?

|             |     |
|-------------|-----|
| 18-34.....  | 22% |
| 35-44 ..... | 13% |
| 45-54 ..... | 15% |
| 55-64 ..... | 29% |
| 65+ .....   | 21% |

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

|                  |     |
|------------------|-----|
| Democrat.....    | 19% |
| Independent..... | 29% |
| Republican ..... | 42% |
| Other .....      | 3%  |
| Don't know.....  | 2%  |
| Refused.....     | 5%  |

40. If independent, other or don't know: Do you think of yourself as closer to the Republican or Democratic Party? (34 respondents)

|                             |     |
|-----------------------------|-----|
| Closer to Democrats.....    | 18% |
| Closer to Republicans ..... | 35% |
| Neither .....               | 38% |
| Don't know .....            | 9%  |
| Refused.....                | 0%  |

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

|   |     |
|---|-----|
| Less than \$50,000 .....                  | 27% |
| Between \$50,000 and \$100,000 .....      | 19% |
| Between \$100,000 and \$250,000 .....     | 14% |
| Between \$250,001 and \$500,000.....      | 7%  |
| Between \$500,001 and \$1 million.....    | 9%  |
| Between \$1 million and \$2 million ..... | 7%  |
| Between \$2 million and \$5 million ..... | 6%  |
| More than \$5 million .....               | 2%  |
| Don't know.....                           | 1%  |
| Refused.....                              | 8%  |

42. What racial characterization do you most closely identify?

|                                 |     |
|---------------------------------|-----|
| White.....                      | 87% |
| African-American or Black ..... | 6%  |
| Hispanic or Latino .....        | 3%  |
| Asian or Pacific Islander ..... | 1%  |
| Native American .....           | 0%  |
| Other .....                     | 0%  |
| Biracial or multiracial .....   | 1%  |
| Don't know.....                 | 0%  |
| Refused.....                    | 2%  |