



Opinion Poll

California small business owners support expanding state's paid family and medical leave program

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Small Business Majority

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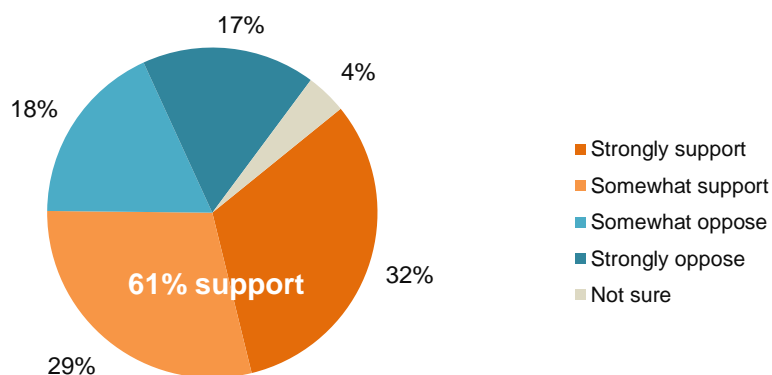
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Executive Summary

For more than a decade, California's Paid Family Leave Program (PFL) has helped level the playing field for small businesses that struggle to offer robust benefits by ensuring their employees have access to partial wage replacement when they need to care for a new child or a seriously ill family member. Now, Governor Newsom and state policymakers are discussing options to further expand the program and ensure more Californians are able to utilize it by increasing wage replacement, extending the amount of leave time available and expanding job protection status for parental leave. As with any discussion of workplace benefits and employment laws, the impact to small business is central to this debate. New scientific opinion polling sheds light on their views on the different proposals and reveals they are in fact supportive of numerous options on the table.

The poll was a survey of 350 California small business owners conducted by Chesapeake Beach Consulting for Small Business Majority with 2 to 99 employees between October 28 and November 6, 2019. Respondents were asked about an array of proposals to expand access to paid leave in California, and the survey reveals that **small employers support increasing both the amount of leave available to employees to bond with a new baby, and the amount of wage replacement available to them.** Starting this year, employees are now eligible to take up to eight weeks of paid leave to bond with a new child. Sixty-one percent of small business owners support extending this leave to nine weeks, with nearly 1 in 3 respondents (32%) strongly supporting this proposal.

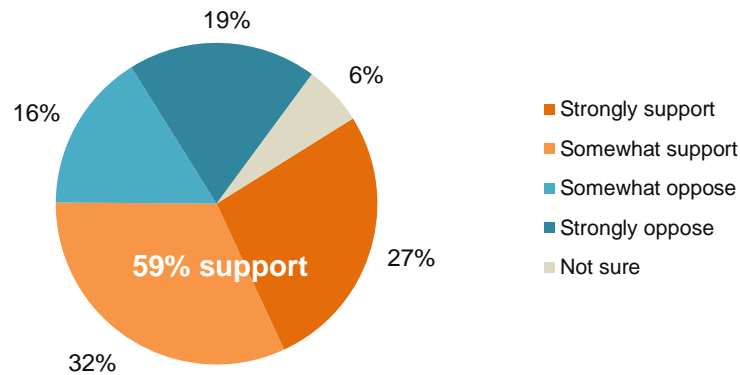
Figure 1: California small employers support increasing the amount of leave available to employees to bond with a new child to nine weeks



Additionally, the survey finds that a majority support increasing wage replacement through PFL for low-wage workers who have been less likely to utilize the program than higher-income earners. Under current California law, workers who take parental leave are eligible to receive up to 70% of their wages. More than 6 in 10 (61%) small business owners say they support a proposal that would increase the wage replacement amount to 90% for low-wage employees (anyone earning about \$45,000 annually) and 75% for everyone else.

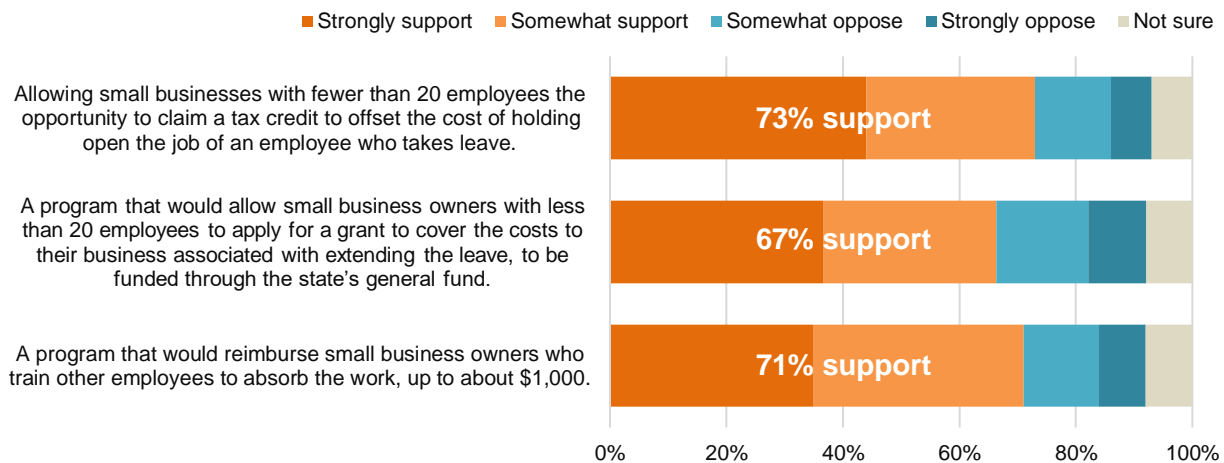
Currently under state law, businesses with 20 or more employees must protect the job of an employee who takes leave to bond with a new child. **Nearly 6 in 10 small business owners (59%) in California support expanding this to require all businesses with one or more employees to offer job-protected parental leave.** This proposal also found strong support among the smallest businesses: 57% of small business owners with 2-5 employees support expanding job protection to all businesses with at least one employee. Small business owners were also asked about expanding job protection to businesses with 15 or more employees, and 64% say they support this proposal.

Figure 2: Small business owners support expanding job protection to all employers in California, regardless of size



State policymakers are considering a number of proposals to offset the burden on small businesses if job protection is expanded to include the smallest employers and the length of leave time is extended. Survey results reveal the following proposals are strongly supported by employers:

Figure 3: Small employers strongly support proposals to help business owners whose employees take leave



California small business owners are addressing their employees' need to take extended family leave on a day-to-day basis, and as this survey reveals, they are broadly supportive of ensuring those workers are better positioned to participate in the state's paid leave program by expanding it and ensuring more employees are eligible for the program. As state policymakers consider ways to ensure more Californians are utilizing PFL, it's essential that small businesses are included in these conversations.

Additional poll findings

- **Nearly half (49%) of California small businesses have had employees take leave under the PFL program, and they're covering that employee's work through a variety of measures.** Fifty-four percent say they assign the work temporarily to other employees, 19% hire an outside temporary replacement and 12% put the work on hold until the employee returns from leave.
- **A majority (55%) support increasing employees' payroll deduction for the state's paid leave program from 1% up to 1.5%.** Currently, eligible employees pay 1% of their pre-tax wages to the California State Disability Insurance Program, which funds the PFL program.
- **More than half (51%) support increasing the cap on wages that are subject to the paid family leave program from \$125,000 to \$175,000,** compared to 40% who oppose the proposal.
- **An additional 51% support reducing the number of hours an employee must work to be eligible for the paid leave program,** which is currently applicable to employees who have worked 1,250 hours in the prior year, or 24 hours per week.

Methodology

This poll reflects a survey of 350 small business owners in California with between 2 and 99 employees. The poll was an online survey conducted by Chesapeake Beach Consulting for Small Business Majority between October 28 and November 6, 2019. The margin of error is +/-5.3%.

Survey Toplines

350 Small Business Owners in California
 2-99 Employees

1. Please indicate your gender.
 - Male59%
 - Female41%

2. Just to confirm, are you the owner of a for-profit small business?
 - Yes.....100%

3. Approximately how many people work 30 or more hours per week at your company, including yourself? Please don't include contractors.
 - Two to Five.....39%
 - Six to Ten17%
 - Eleven to Twenty16%
 - Twenty-one to Fifty.....21%
 - Fifty-one to Ninety-nine8%

4. Do you pay your employees through a salary or by the hour?
 - Hourly35%
 - Salary27%
 - Both, depends on the employee37%
 - Don't know.....1%

5. What is the zip code of your business?
 - California100%

6. Which of the following categories best describes your business?
 - Construction12%
 - Manufacturing7%
 - Information Technology9%
 - Real Estate10%
 - Restaurant/Food Service7%
 - Retail.....14%
 - Medical or legal services9%
 - Other non-retail services9%
 - Other22%
 - Not sure1%

7. The Paid Family Leave Program in California is currently administered by the state Employment Development Department and funded solely by employee contributions to the State Disability Insurance program. It allows an employee to take leave and receive some of their wage for reasons such as bonding with a new baby or caring for a family member who was ill. Have you had any employees take leave under the Paid Family Leave Program?
 - Yes.....49%
 - No51%

8. When an employee takes an extended leave, you may have to get the work covered in different ways. As a business do you typically (if more than one, choose the approach you have used most often):

Assign work temporarily to other employees	54%
Hire an outside temporary replacement	19%
Hire a permanent replacement	6%
Put the work on hold until the employee returns from leave	12%
Have the employee perform some work while on leave.....	6%
Other	4%

9. Under current California law, workers who take parental leave are eligible to receive up to 70% of their wage. Do you support or oppose a proposal to increase the wage replacement amount to 90% for low-wage workers (anyone earning under about \$45,000 annually) and 75% for everyone else?

Strongly support	24%
Somewhat support	37%
Somewhat oppose	17%
Strongly oppose	17%
Not sure	6%
Total support	61%
Total oppose	33%

10. Under current California law, starting in 2020, workers are eligible to take eight weeks of paid leave to bond with a new baby. Would you support or oppose a law that would increase this time from eight weeks to nine weeks?

Strongly support	32%
Somewhat support	29%
Somewhat oppose	18%
Strongly oppose	17%
Not sure	4%
Total support	61%
Total oppose	35%

11. Under California law, paid leave to bond with a new baby is applicable to employees who have worked 1,250 hours in the prior year, or 24 hours per week. Would you support or oppose reducing the number of hours an employee must work to be eligible?

Strongly support	23%
Somewhat support	28%
Somewhat oppose	24%
Strongly oppose	20%
Not sure	5%
Total support	51%
Total oppose	44%

12. Currently, California law requires that employers with 20 or more employees protect the job of an employee who takes leave to bond with a new child, holding that position for the employee when they return. Would you support or oppose requiring businesses with at least 1 other employee to offer job-protected parental leave?

Strongly support	27%
Somewhat support	32%
Somewhat oppose	16%
Strongly oppose	19%
Not sure	6%

Total support 59%
Total oppose 35%

13. Currently, California law requires that employers with 20 or more employees protect the job of an employee who takes leave to bond with a new child, holding that position for the employee when they return. Would you support or oppose requiring businesses with 15 or more employees to offer job-protected parental leave?

Strongly support30%
Somewhat support34%
Somewhat oppose5%
Strongly oppose17%
Not sure4%
Total support 64%
Total oppose 32%

There are a number of proposals to help small businesses if job-protection requirements were expanded to smaller employers and the length of time extended. For each of the following proposals, tell me whether you support or oppose the proposal:

14. A program that would reimburse small business owners who train other employees to absorb the work, up to about \$1,000.

Strongly support35%
Somewhat support36%
Somewhat oppose13%
Strongly oppose8%
Not sure8%
Total support 71%
Total oppose 22%

15. A program that would allow small business owners with less than 20 employees to apply for a grant to cover the costs to their business associated with extending the leave, to be funded through the state's general fund.

Strongly support37%
Somewhat support30%
Somewhat oppose16%
Strongly oppose10%
Not sure8%
Total support 67%
Total oppose 25%

16. Allowing small businesses with fewer than 20 employees the opportunity to claim a tax credit to offset the cost of holding open the job of an employee who takes leave.

Strongly support44%
Somewhat support29%
Somewhat oppose13%
Strongly oppose7%
Not sure7%
Total support 73%
Total oppose 20%

There are a number of proposals being considered to support the extension of the state’s paid leave program that may affect small businesses. For each proposal, tell me whether you strongly support, somewhat support, somewhat oppose or strongly oppose:

17. Increasing employees’ payroll deduction for the state’s paid family leave program from 1% to up to 1.5%

Strongly support	19%
Somewhat support	36%
Somewhat oppose	20%
Strongly oppose	17%
Not sure	8%
Total support	55%
Total oppose	37%

18. Adding a 0.5% employer contribution to the state’s paid family leave program, while the employee continues to pay 1%

Strongly support	15%
Somewhat support	31%
Somewhat oppose	20%
Strongly oppose	27%
Not sure	7%
Total support	46%
Total oppose	47%

19. Increasing the cap on wages that are subject to the paid family leave program from \$125,000 to \$175,000

Strongly support	21%
Somewhat support	30%
Somewhat oppose	20%
Strongly oppose	20%
Not sure	9%
Total support	51%
Total oppose	40%

These few remaining questions are for statistical purposes only.

20. Generally speaking, do you think of yourself as a Republican, a Democrat, an Independent or something else? If Republican/Democrat: Do you consider yourself a strong or a not-so-strong (Republican/Democrat)? If independent: Do you lean more toward the Republicans or more toward the Democrats?

Strong Democrat	22%
Not-so-strong Democrat	13%
Independent - lean Democrat	11%
Independent	17%
Independent - lean Republican	8%
Not-so-strong Republican	11%
Strong Republican	15%
Other	1%
Not sure	3%
Total Democrat	46%
Total Independent	17%
Total Republican	33%

21. What is your age?

18-24	8%
25-29	10%
30-34	8%
35-39	11%
40-44	9%
45-49	8%
50-54	10%
55-59	12%
60-64	9%
65-69	6%
70-74	4%
75 and over	4%

22. For statistical purposes only, which of these categories best describes the gross revenue of your business in 2018?

Less than \$50,000	9%
\$50,000 to \$100,000	15%
\$100,000 to under \$250,000	13%
\$250,000 to under \$500,000	15%
\$500,000 to under \$1 million	15%
\$1 million to under \$2 million	13%
\$2 million or more	16%
Refused	3%

23. For how many years have you been the owner or business manager of your current business?

Less than 1 year	3%
1-2 years	12%
3-5 years	22%
6-10 years	21%
11-20 years	20%
More than 20 years	22%

24. With which race do you identify - White, Black/African American, Latino/Hispanic, Asian/Pacific Islander, Native American, or some other race?

White/Caucasian	65%
Black/African American	8%
Latino/Hispanic	13%
Asian/Pacific Islander	8%
Native American	1%
Other	<1%
Mixed race	2%
Decline to say	2%