

## Survey: Small businesses support bold investments in child care and paid leave, share views on mask and vaccine requirements

### Introduction

As Congress debates a bipartisan infrastructure plan and a larger \$3.5 trillion investment in “human infrastructure,” Small Business Majority surveyed its network to understand their views on key issues being considered such as child care and paid family and medical leave. The survey also examined how small businesses are navigating mask and vaccination requirements, as an increase in coronavirus cases becomes a concern for employers and local economies.

The survey reflects the opinions of 548 small business owners from Small Business Majority’s network. Approximately 78% of respondents are self-employed, or owners of businesses with 10 or fewer employees. The sample also consists of a large portion of women-owned businesses (62%) and minority-owned businesses (52%).

In addition to gauging small businesses’ views on current topics, the survey also examined the state of small business recovery. While business conditions are improving for some, a significant number of small businesses are enduring a long road to recovery. The survey found nearly 1 in 5 businesses (19%) say their business conditions are on the decline compared to the previous month, while 28% say they are neither improving nor declining. This is holding steady compared to our [May survey](#), in which 22% of small businesses said their business operations were on the decline, and 30% were unable to grow.<sup>1</sup>

Additionally, 27% of businesses reported they may not survive past the next six months without additional funding or market changes. This is an improvement from our last survey, which found 41% may not survive past six months. This month’s survey also found 48% of business owners felt they would survive until the end of the pandemic, which is an 18% improvement from our May survey.

These findings highlight a need for ongoing support for hard-hit small businesses, and current policies being debated by Congress may help support the recovery of owners and their employees.

### Small businesses support key provisions of the “human infrastructure” plan

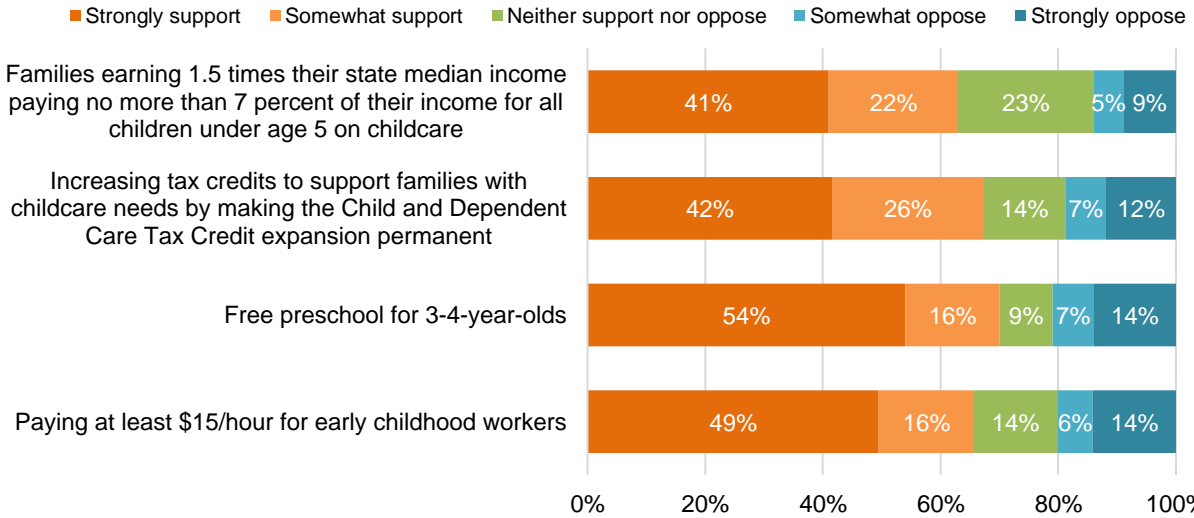
The United States is severely lagging behind other countries in when it comes to child care affordability and access to paid family and medical. The American Families Plan was proposed by the White House to change that—as an investment in our nation’s children and families. However, the expansive proposal is a major topic of divide on Capitol Hill as Congress debates a \$3.5 trillion package to invest in “human infrastructure,” such as child care, healthcare, paid leave and other issues.

The survey found broad support for provisions that are being included as part of this legislative package that would help families cover basic expenses by lowering the cost of early education and investing in child care. This includes the following measures:

- Ensuring that families earning 1.5 times their state median income pay no more than 7% of their income on child care for all children under the age of 5 (63% support, 41% strong support)
- Increasing tax credits to support families with child care needs by making the Child and Dependent Care Tax Credit expansion permanent (68% support, 42% strong support)
- Providing free preschool for 3-4 year olds (70% support, 54% strong support)
- Making sure child care workers are paid at least \$15/hour (65% support, 50% strong support)

<sup>1</sup> Survey: Small Businesses Support Tax Reforms to Pay for Robust Infrastructure Investments, Small Business Majority, June 8, 2021, <https://smallbusinessmajority.org/our-research/infrastructure/survey-small-businesses-support-tax-reforms-pay-robust-infrastructure-investments>

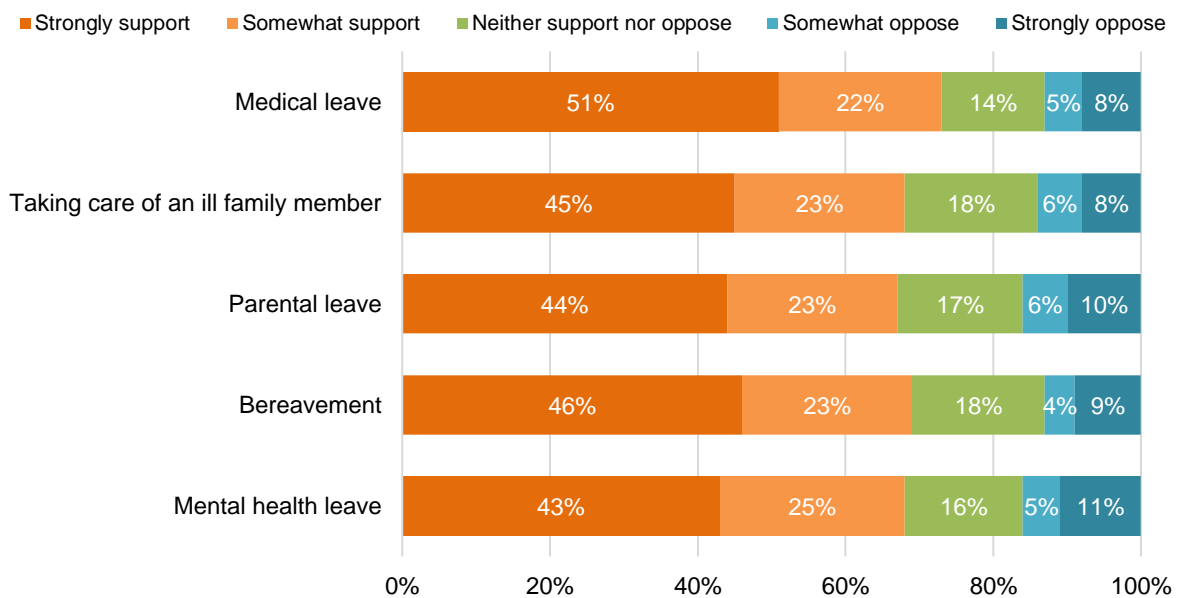
**Figure 1: Small business support key provisions of the American Families Plan**



The survey also examined small businesses' views on a number of investments in paid family and medical leave, and found strong support for policies that would provide partial wage replacement for various family and medical situations, including the following:

- Medical leave (73% support)
- Time off to care for an ill family member (68% support)
- Parental leave (67% support)
- Bereavement (69% support)
- Mental health leave (68% support)

**Figure 2: Support for partial wage replacement for various family and medical situations**



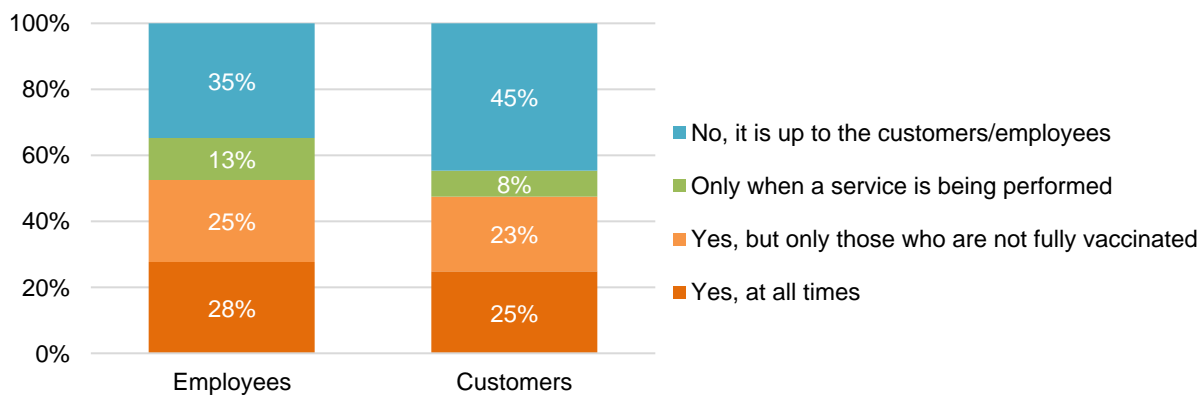
Small businesses understand the importance of supporting and retaining their employees; however, lack of access to important benefits like affordable child care and paid family and medical leave makes that challenging. Thus, it is not surprising that the majority of respondents support a bill designed to provide relief to working families by helping them cover basic expenses.

## Small businesses navigating mask and vaccination requirements

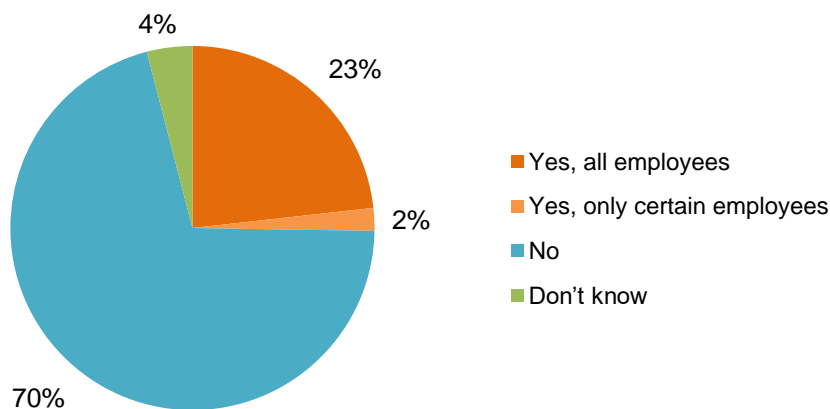
Meanwhile, as mask mandates are shifting in parts of the country due to a rise in COVID-19 cases, small businesses have been balancing safety concerns with resuming normal business activities. Our survey examined how small businesses are navigating vaccination requirements for their staff and customers, as well as their views on mask mandates.

The survey found 1 in 4 small business owners are requiring all or some of their employees to get vaccinated, while nearly the same amount (28%) are requiring all their employees to continue wearing masks. An additional 1 in 4 small businesses are requiring customers to wear a mask at all times, even when there is no mask mandate in their state or municipality, and 23% are requiring it for unvaccinated customers.

**Figure 3: Many small businesses still require masks for both employees and customers**



**Figure 4: Some small businesses require employees to be vaccinated**



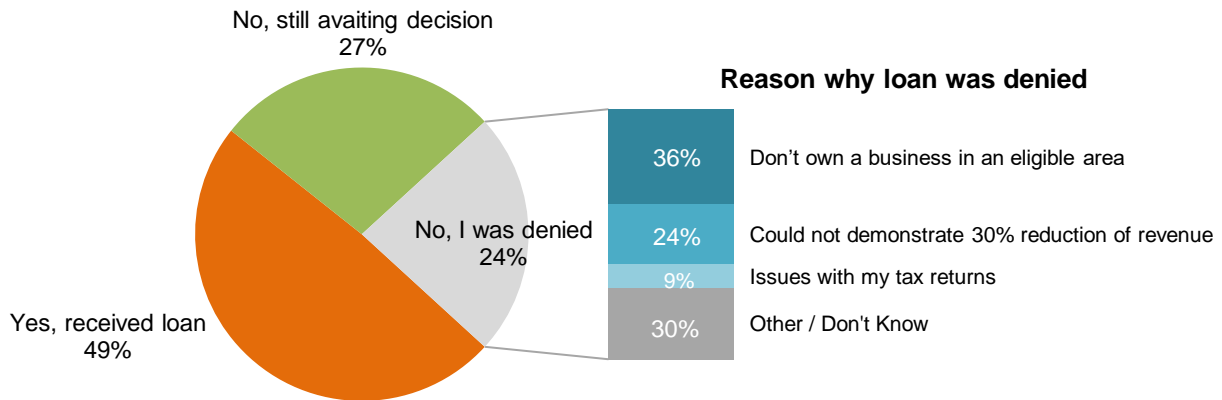
The survey also asked small businesses about the COVID-19 Paid Family Leave Tax Credit, which provides a tax credit for employers that provide full pay for employees who take time off to receive and recover from a COVID-19 vaccination. More than 1 in 3 small businesses (37%) were unaware of this tax credit, indicating more outreach to the small business community on this benefit may be needed.

## Small business access to emergency grant program

Our survey also sheds a light on how business owners are accessing the U.S. Small Business Administration's Targeted Economic Injury Disaster Loan (EIDL) Advance program, which provides small-dollar grants to eligible small businesses in low to moderate-income communities. More than two-thirds of small businesses in our network (67%) reported they received an email from the SBA inviting them to apply for the advance, and 62% of those applied for the program. Of those who applied, 49% received an advance, 28% were awaiting a decision from the SBA, and 23% were denied. The majority of

those who were declined said that they were denied the advance due to the fact that they are not located in an eligible low-to-moderate income area or that they could not demonstrate a 30% reduction in revenue to qualify for the grant.

**Figure 5: Half of survey respondents received the Targeted EIDL Advance**



## Methodology

The survey reflects the opinions of 548 small business owners from Small Business Majority’s network between June 18 through July 12, 2021. Approximately 78% of respondents are self-employed, or owners of businesses with 10 or fewer employees. The sample also consists of a large portion of women-owned businesses (62%) and minority-owned businesses (52%).

## Toplines

### 1. Race:

African or African American .....	18%
Asian, Asian American or Pacific Islander .....	4%
Latinx, Hispanic or Spanish Origin.....	14%
Middle Eastern or North African .....	1%
Native American or Alaska Native .....	1%
Prefer not to answer .....	13%
Some other race, ethnicity or origin.....	3%
White or Caucasian .....	48%

### 2. Gender:

Female .....	62%
Male.....	31%
Non-binary/non-conforming.....	1%
Prefer not to say .....	7%

### 3. Industry:

Agriculture and Mining.....	1%
Consulting and Management .....	13%
Education and Youth Services.....	9%
Energy and Utilities .....	1%
Engineering.....	2%

Food and Beverage .....	9%
Healthcare, Pharmaceuticals and Biotech .....	6%
Insurance and Financial Services .....	5%
Manufacturing.....	4%
Media and Entertainment .....	4%
Non-profit .....	2%
Real Estate and Construction.....	7%
Retail .....	11%
Service and Consumer Services.....	15%
Technology, Computers and Electronics.....	2%
Telecommunications .....	1%
Transportation and Storage .....	1%
Travel, Recreation and Leisure .....	5%
Wholesale and Distributors.....	2%

**4. Are you currently operating your business?**

Yes .....	95%
No.....	5%

**5. Does your state currently have a mask mandate? (N=459)**

Yes .....	34%
No.....	61%
Don't Know .....	6%

**6. Do you or your employees interact with customers on a regular basis? (N=457)**

Yes .....	77%
No.....	23%

**7. Do you require customers to wear a mask? (N=358)**

Yes, at all times.....	25%
Yes, but only those who are not fully vaccinated.....	23%
No, it is up to the customers.....	45%
Only when a service is being performed .....	8%

**8. Will you continue to ask your customers to wear masks even if there is no mask mandate in your state? (N=360)**

Yes .....	34%
No.....	48%
Don't Know .....	19%

**9. How many employees do you have? (N=451)**

1 (self-employed).....	27%
Small Business, fewer than 10 employees .....	51%
Small Business, 10-24 employees .....	15%
Small Business, 25-49 employees .....	5%
Small Business, 50-100 employees .....	1%
Small Business, more than 100 employees .....	1%

- 10. Do you require employees to wear a mask? (N=324)**
- Yes, at all times.....28%
  - Yes, but only those who are not fully vaccinated.....25%
  - No, it is up to the employees .....35%
  - Only when a service is being performed .....13%

- 11. Are you requiring that all employees get vaccinated? (N=327)**
- Yes, all employees .....23%
  - Yes, only certain employees .....2%
  - No.....70%
  - Don't know .....4%

- 12. Did you know that the federal law allows for paid tax credit for employers that provide full pay for employees who take time off to get and recover from a COVID-19 vaccination? (N=327)**
- Yes .....63%
  - No.....37%

- 13. Do you offer paid leave at your business? (N=327)**
- Yes .....43%
  - No.....30%
  - Under some circumstances .....28%

**The American Families Plan will help families cover basic expenses by lowering the costs of education, health care, and child care. For each of the following provisions of the American Families Plan, do you support or oppose it? (N=412)**

- 14. Families earning 1.5 times their state median income paying no more than 7 percent of their income for all children under age 5 on child care. (For example, in California families earning under 1.5 times \$31,960 will pay no more than 7% of their income)**
- Strongly support.....41%
  - Somewhat support .....22%
  - Neither support nor oppose .....23%
  - Somewhat oppose .....5%
  - Strongly oppose.....9%

- 15. Increasing tax credits to support families with childcare needs by making the Child and Dependent Care Tax Credit expansion permanent.**
- Strongly support.....42%
  - Somewhat support .....26%
  - Neither support nor oppose .....14%
  - Somewhat oppose .....7%
  - Strongly oppose.....12%

- 16. Free preschool for 3-4-year-olds**
- Strongly support.....54%
  - Somewhat support .....16%
  - Neither support nor oppose .....9%
  - Somewhat oppose .....7%
  - Strongly oppose.....14%

**17. Paying at least \$15/hour for early childhood workers**

Strongly support.....	49%
Somewhat support .....	16%
Neither support nor oppose .....	14%
Somewhat oppose .....	6%
Strongly oppose.....	14%

**Another provision of the American family plan is partial wage replacement for various family and medical situations. For the following reasons, please indicate whether you support wage replacement? (N=411)**

**18. Parental leave**

Strongly support.....	44%
Somewhat support .....	23%
Neither support nor oppose .....	17%
Somewhat oppose .....	6%
Strongly oppose.....	10%

**19. Taking care of an ill family member**

Strongly support.....	45%
Somewhat support .....	23%
Neither support nor oppose .....	18%
Somewhat oppose .....	6%
Strongly oppose.....	8%

**20. Medical leave**

Strongly support.....	51%
Somewhat support .....	22%
Neither support nor oppose .....	14%
Somewhat oppose .....	5%
Strongly oppose.....	8%

**21. Bereavement**

Strongly support.....	46%
Somewhat support .....	23%
Neither support nor oppose .....	18%
Somewhat oppose .....	4%
Strongly oppose.....	9%

**22. Mental health leave**

Strongly support.....	43%
Somewhat support .....	25%
Neither support nor oppose .....	16%
Somewhat oppose .....	5%
Strongly oppose.....	11%

**23. Did you receive an email from the Small Business Administration asking you to apply for the Targeted Economic Injury Disaster Loan (EIDL) Program? (N=414)**

Yes ..... 67%  
No ..... 22%  
Don't know ..... 11%

**24. Did you apply for the Target EIDL? (N=278)**

Yes ..... 62%  
No ..... 38%

**25. Did you receive a Targeted EIDL? (N=175)**

Yes ..... 49%  
No, I was denied ..... 23%  
No, still awaiting a decision ..... 28%

**26. Why were you denied the Targeted EIDL? (N=44)**

Could not demonstrate 30% reduction of revenue ..... 24%  
Don't own a business in an eligible area ..... 36%  
Issues with my tax returns ..... 9%  
Don't Know ..... 15%  
Other ..... 15%

**27. Without additional funding or other market changes, how much longer do you think you can stay in business?**

Less than 1 month ..... 4%  
1 to 3 months ..... 12%  
4 to 6 months ..... 11%  
6 months to a year ..... 8%  
I already have closed my business permanently ..... 1%  
I will survive through the pandemic ..... 48%  
I don't know ..... 16%

**28. Compared to a month ago, is your business improving or declining?**

Greatly improving ..... 12%  
Somewhat improving ..... 39%  
Neither improving nor declining ..... 28%  
Somewhat declining ..... 13%  
Greatly declining ..... 6%  
Not sure ..... 2%