



Opinion Poll

New Mexico small businesses support state-run paid family & medical leave program

January 10, 2024

Executive summary

Small business owners know it makes good business sense to care for their employees as this is crucial to hiring and retaining a skilled workforce. However, many small employers struggle to provide benefits like paid family and medical leave, putting them at a disadvantage when competing for talent with large corporations that can afford to offer robust benefits on their own. As state policymakers consider a number of proposals for the 2024 legislative session, a new opinion poll reveals that small businesses support a state-administered paid family and medical leave insurance program in New Mexico.

The scientific opinion poll, conducted for Small Business Majority by Chesapeake Beach Consulting, found New Mexico small businesses overwhelmingly support (85%) the creation of a state-run paid family and medical leave insurance program. The proposed insurance program would pay their employees a portion of their wages for up to 12 weeks if the employee has a serious illness, needs to care for a seriously ill family member, needs bereavement time for the death of a child or needs to care for a new baby.

Additionally, the survey found two-thirds of New Mexico small businesses support paid family and medical leave because they believe it is the right thing to do, not just as an employer but as someone who cares about the people who work for them. Eight in 10 (80%) offer some form of parental leave to their employees, the majority of whom offer full or partial pay. A state-run paid family and medical leave program would close the gap for small businesses that are unable to offer paid leave or can only offer partial pay to their employees while on leave.

It is also important to note that small businesses support several components that may be included in the legislative proposal. There is especially strong support (91%) for a requirement that the employee provide proof of the need for leave and for a requirement that an employee pays into the fund for at least 6 of the 12 prior months before they are eligible to take leave (89%).

As state policymakers determine their legislative priorities for 2024, it's important for them to understand that small businesses strongly support this proposal and believe it would provide a number of bottom-line benefits to New Mexico's small business community.

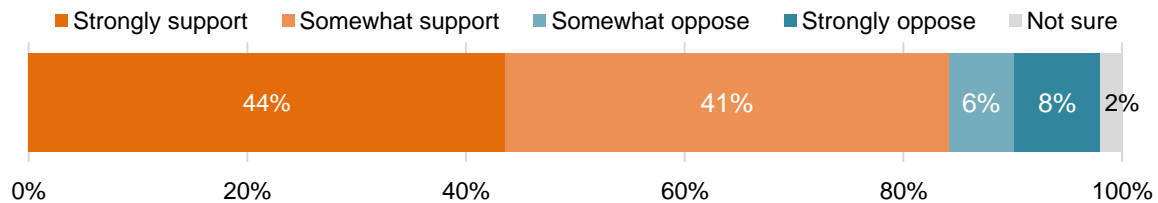
Key findings

- **The vast majority of small employers support the creation of a state-administered paid family and medical leave insurance program in New Mexico:** 85% say they support the creation of a program that would pay their employees a portion of their wages for up to 12 weeks if the employee has a serious illness, needs to care for a seriously ill family member, needs bereavement time for the death of a child or needs to care for a new baby.
- **Many small businesses in New Mexico offer some form of parental and/or family leave:** Eight in 10 small businesses offer some form of parental leave, with 21% offering maternal leave, 8% offering paternal leave and half offering both to their employees. In addition, more than half (52%) have a formal or consistent policy to provide either paid or unpaid family leave, while 38% offer family leave to some employees on a case-per-case basis. A majority of those offering some form of parental leave or family leave policy offer full or partial pay.
- **Small business owners believe a state-administered paid family and medical leave program would allow them to compete with larger companies:** 61% strongly agree a program would better level the playing field with the larger companies that can afford to offer these programs voluntarily and pay for extended leave out-of-pocket. Just 11% strongly disagree with this sentiment.
- **Small business owners believe benefits are crucial to recruiting and retaining their workforce:** 55% strongly agree that job-seekers are increasingly interested in applying to jobs that provide family-friendly benefits and are evaluating employers based on the benefits they offer. Six in 10 say that because paid family and medical leave insurance programs bring certain workers back into the job market, their business would benefit from that additional workforce.

Small business support for state-administered program

Many small businesses operate on tight profit margins, and as a result they struggle to administer robust benefits on their own. The survey found that small business owners overwhelmingly support (85% total support/44% strongly support) the creation of a state-administered paid family and medical leave insurance program in New Mexico. The proposed insurance program would take the burden of a paid family and medical leave policy off of employers by paying their employees a portion of their wages for up to 12 weeks if the employee has a serious illness, needs to care for a seriously ill family member, needs bereavement time for the death of a child or needs to care for a new baby. Specifically, the current proposal would be funded through insurance premiums paid from modest payroll contributions shared by employees and employers: Employers with 5 or more employees would contribute 0.4% of employee wages to the fund, while employees would contribute 0.5% of their wages.

Figure 1: Vast majority of New Mexico small businesses support a state-administered paid family and medical leave insurance program

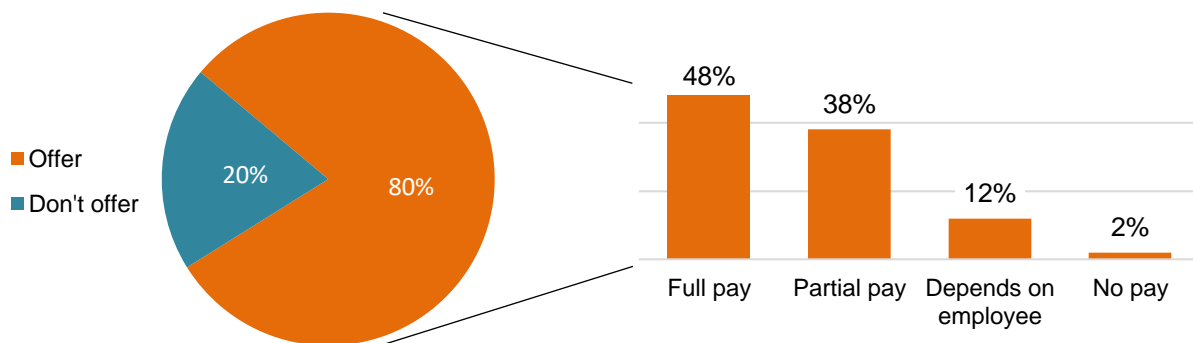


Furthermore, a vast majority of small businesses in New Mexico most small businesses believe it's important for employees to be able to take leave when they have a serious illness (96%), need to take care of a seriously ill family member (95%), need bereavement time for the death of a child (96%) or need parental leave (91%).

What's more, two-thirds (67%) of small business owners support paid family and medical leave because it's the right thing to do—not just as an employer but because they care about the people who work for them. The majority of small businesses in New Mexico offer some form of parental leave to their employees: 21% offer maternity leave, 8% offer paternity leave and 50% provide both. Of those offering parental leave, the majority offer full or partial pay to their employees while on leave.

Additionally, more than half (52%) have a formal or consistent policy to provide either paid or unpaid family leave, while 38% offer family leave to some employees on a case-per-case basis. Similarly, the majority of these businesses offer some form of pay to their employees while taking family leave.

Figure 2: A majority of New Mexico small businesses offer parental leave



*Breakdown of responses from small business owners who offer parental leave to employees.

Small employers say paid family and medical leave programs offer bottom-line benefits

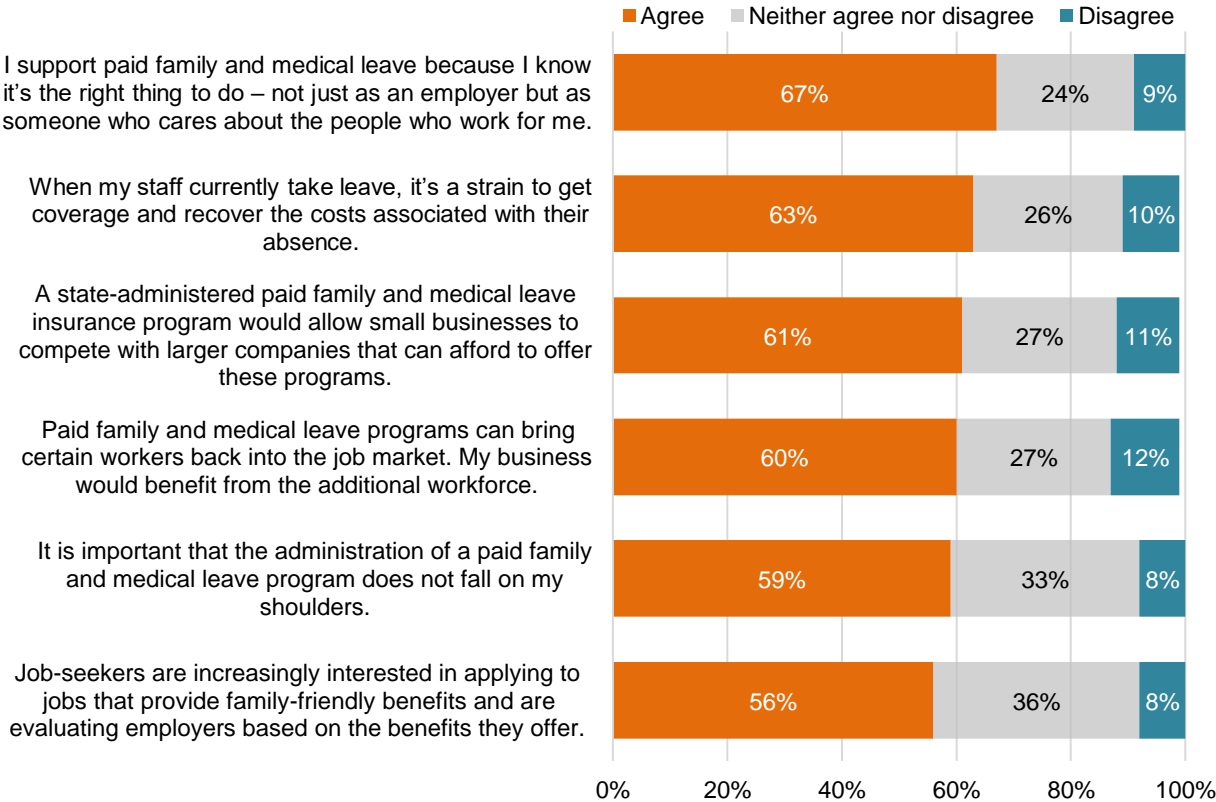
Entrepreneurs believe that paid family and medical leave programs offer numerous benefits for businesses. A majority (61%) strongly agree that a state state-administered paid family and medical leave insurance program would allow small businesses to compete with larger companies that can afford to offer these programs voluntarily and pay for extended leave out-of-pocket. Just 11% strongly disagree with this sentiment.

What’s more, the ability to offer robust benefits like paid family and medical leave is crucial for attracting talented employees. In fact, 55% of New Mexico small employers strongly believe that job-seekers are increasingly interested in applying to jobs that provide family-friendly benefits, compared to 8% who strongly disagree with the statement.

Once small employers obtain a talented workforce, they want to retain their employees. Sixty percent strongly agree that a paid family and medical leave insurance program would bring certain workers back into the job market, such as people who have recently had a child and people who care-give. Their businesses would benefit from having additional people in the workforce.

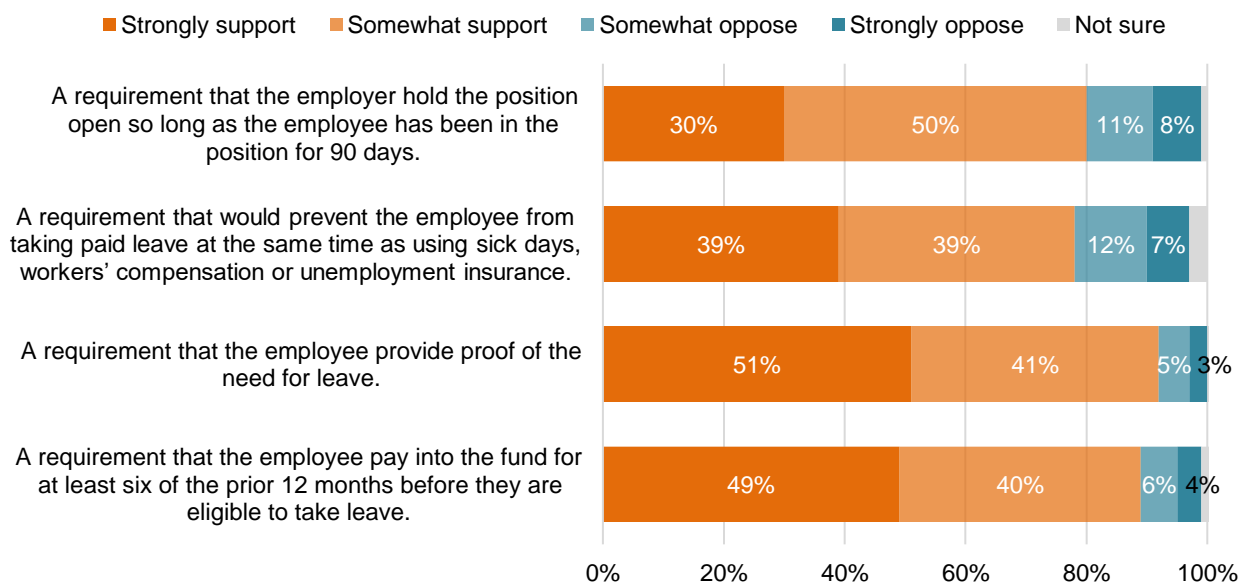
With the current lack of a state-administered family and medical leave insurance program, small businesses often struggle to address their employees’ need to take leave. The majority of entrepreneurs (63%) report that when their staff currently take leave, it’s a strain to get coverage and recover the costs associated with their absence. Furthermore, many small employers lack the capacity to implement a program on their own. In fact, 59% believe that it’s important that the administration of a paid family and medical leave program does not fall on their shoulders. A state program would alleviate these concerns by removing the administrative burden and allowing small businesses to put money back into their businesses to cover an employee’s work while they are on leave.

Figure 3: Entrepreneurs see the business benefits of paid family and medical leave policies



It's important to note that small business owners are in favor of several potential provisions in New Mexico's paid family and medical leave insurance program proposal. They support a requirement that the employee provide proof of the need for leave (92%) and a requirement that the employee pay into the fund for at least six of the 12 prior months before they are eligible to take leave (89%). Additionally, 80% of entrepreneurs support a requirement that the employer hold the position open so long as the employee has been in the position for at least 90 days, and 78% support a requirement that would prevent the employee from taking paid leave at the same time as using sick days, workers' compensation or unemployment insurance.

Figure 4: Small business owners support potential provisions in New Mexico's paid family and medical leave insurance program proposal



Conclusion

New Mexico small businesses want to take care of their employees because it makes good business sense and because they feel it's the right thing to do. The legislature's proposed legislation would support small employers in their efforts to provide robust benefits by offering uniform access to paid family and medical leave for employees in New Mexico. The program would also provide cost savings to small businesses that already offer paid leave on their own. As state policymakers consider this proposal, it's essential that small businesses' views are included in these conversations.

Methodology

This poll reflects a survey of 305 small business owners in the state of New Mexico. The poll was an online and phone survey conducted Nov. 14-28, 2023 by Chesapeake Beach Consulting for Small Business Majority. The margin of error is +/- 5.8% at 95% confidence level.

Download full topline from our website: <https://smallbusinessmajority.org/our-research/workforce/new-mexico-small-businesses-support-state-run-paid-family-medical-leave-program>