



Scientific Opinion Poll

Small businesses struggling to access healthcare during COVID-19 pandemic

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Small Business Majority
1015 15th Street, NW, Suite 450
Washington, DC 20005
(202) 828-8357
www.smallbusinessmajority.org

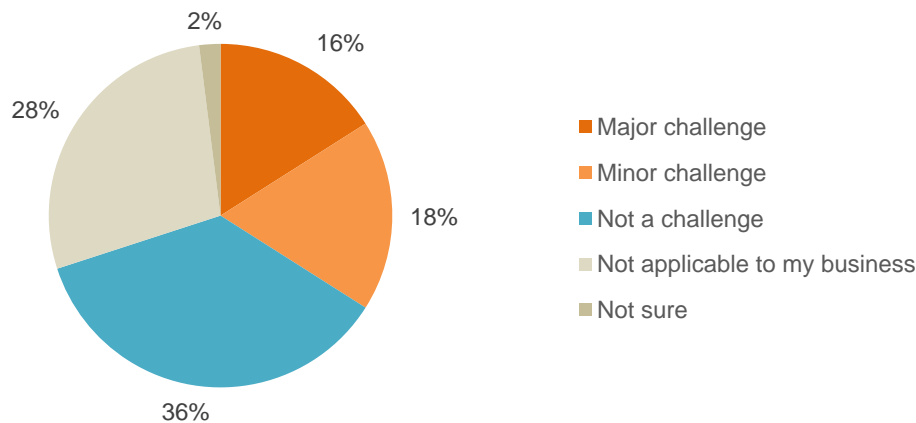
Executive Summary

Historically, small businesses have struggled to access health coverage due to the cost, representing a disproportionate number of the working uninsured prior to the implementation of the Affordable Care Act (ACA).¹ And when they have been able to afford it, small businesses often paid more than their larger counterparts. These barriers are now being exacerbated by the COVID-19 pandemic, as small businesses are forced to lay off or furlough employees and make cuts to benefits in order to survive the ongoing economic crisis. This is an even greater challenge for business owners of color who have faced inequitable access to capital and emergency resources during the course of the pandemic.

The American Rescue Plan, signed into law on March 11, 2021, provided immediate aid to help stabilize the economy, and included robust but temporary support to make insurance more affordable for small business owners and their employees. This relief provides an essential lifeline to help small businesses stay afloat in the next few critical months of the pandemic, but challenges remain. A recent national survey of small business owners sheds light on the ongoing issues facing small businesses, as well as their views on policy solutions that could help them access and afford coverage into the future.

The poll, conducted by Lake Research Partners, surveyed 500 small business owners nationwide, and included oversamples of Black, Latino and Asian American/Pacific Islander (AAPI) entrepreneurs to better understand the disproportionate impacts of the pandemic on small businesses owned by people of color. The survey reveals **more than 1 in 3 (34%) small businesses report it's been a challenge to obtain health insurance coverage** for themselves and their employees during the pandemic. Black, Latino and AAPI small business owners are more likely to list this as a challenge than white small business owners (50% Black, 44% AAPI and 43% Latino small businesses).

Figure 1: Small businesses owners struggling to access health insurance for themselves and their employees



It's important to note that many small businesses continue to make difficult decisions to keep their businesses afloat. This is particularly true for small business owners of color who have faced greater financial setbacks during the pandemic and have struggled to access emergency funding due to systemic barriers in our banking system. Indeed, prior polling released by Small Business Majority of this same sample revealed that entrepreneurs of color were more likely to report they are facing temporary or permanent closure in the next few months than their white counterparts, and they were also more likely to report that they're struggling with their rent or mortgage and current debt repayments.² What's more,

¹ Small Business Majority, "Small businesses see significant gains from the ACA," <https://smallbusinessmajority.org/our-research/healthcare/small-businesses-see-significant-gains-aca>

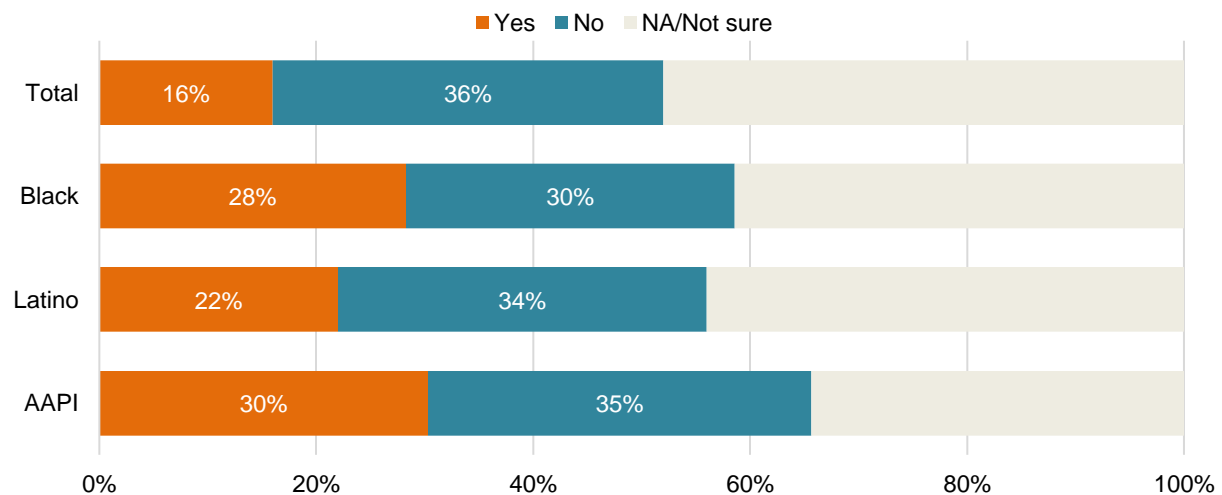
² Small Business Majority, "Small businesses continue to face closures in 2021," <https://smallbusinessmajority.org/sites/default/files/research-reports/COVID-19-national-small-business-poll.pdf>

for those who were able to access a federal Paycheck Protection Program (PPP) loan, only one-third received the full loan amount they requested, and the numbers were even lower for minority-owned businesses (23% of Black and AAPI business owners and 27% of Latino business owners).³

These challenges are affecting the ability of small employers, particularly business owners of color, to keep employees on payroll and maintain healthcare benefits. Sixty percent of all small businesses that reduced their number of employees at the height of the pandemic last year have not yet been able to fully restore their employee headcounts to pre-pandemic levels. Of the small employers who were forced to make cuts to employee health coverage, 36% decreased their employer contribution for healthcare premiums, and 56% moved to a plan with a lower premium. However, more than 1 in 4 maintained healthcare coverage (27%) for temporarily furloughed employees.

What’s more, when the poll was fielded in November 2020, 16% of small business owners said they **plan to make changes or reduce healthcare coverage in the next few months in order to keep their businesses open**. Entrepreneurs of color are more likely to make this change (30% AAPI, 28% Black and 22% Latino).

Figure 2: Small businesses owners plan to make cuts to employee health coverage



More than half of small businesses say that their revenues are still down today compared to a year ago. When asked about a list of issues they may need help with right now to survive and grow during the pandemic and economic crisis, 6 in 10 say they need help maintaining benefits, and Black and Latino small business owners are more likely to report this (66% and 63%, respectively).

As these numbers reveal, many small businesses would benefit from solutions that would make it easier for them and their employees to afford and access health coverage. Respondents were asked about a number of healthcare policy proposals, and the **most popular policy idea is to bring down the price of prescription drugs** (90% total support, with 54% strongly supporting).

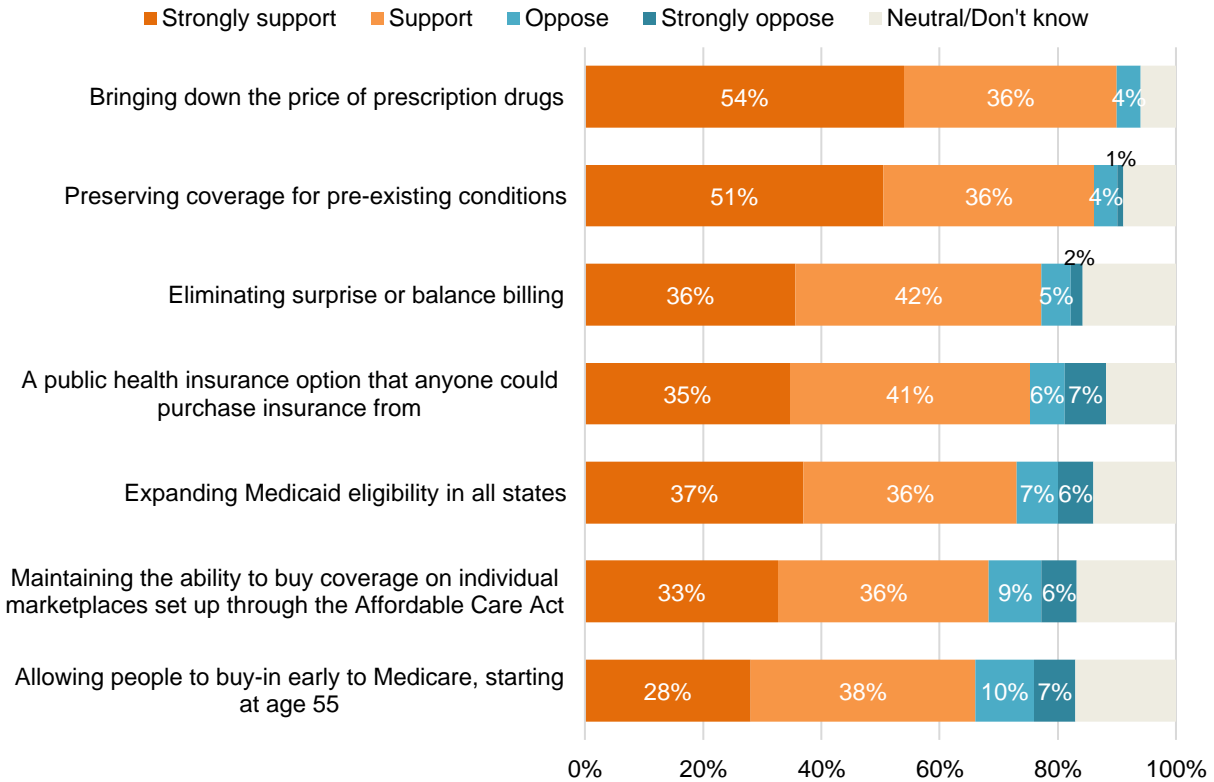
Additional healthcare policy priorities found strong support among respondents:

- 75% support a public health insurance option that anyone could purchase from
- 73% support expanding Medicaid eligibility in all states
- 66% support allowing individuals to buy-in early to Medicare, starting at age 55

³ Small Business Majority, “Small businesses struggling to access capital, harming their financial recovery,” <https://smallbusinessmajority.org/sites/default/files/research-reports/National-small-business-poll-access-to-capital-and-COVID-19.pdf>

While Congress has taken steps to eliminate surprise billing (or balance billing) and to protect coverage for those with pre-existing conditions, these issues continue to find very strong support among small business owners, indicating further action would be welcome.

Figure 3: Small businesses' views on healthcare policy proposals



Taken in total, the survey reveals the extent to which the economic crisis caused by the COVID-19 pandemic has pushed small businesses to the brink, and many entrepreneurs and small business employees are struggling to access health coverage as a result. As policymakers continue to address ways to make healthcare more affordable and accessible during this critical time, it's important that they keep these issues front and center.

Methodology

This poll reflects a national survey of 500 small business owners with up to 100 employees, in addition to oversamples of 300 Black, 300 Latino and 150 AAPI small business owners. The poll was an online survey conducted by Lake Research Partners between Nov. 10-23, 2020. The margin of error is +/-4.4%.

Survey toplines

Unless otherwise noted, the toplines below show the % of responses.

	TOTAL	BLACK	LATINO	AAPI
Weighted N=	500	30	52	45
Unweighted N=	1250	342	362	198

1. Approximately how many people were on your company's payroll a year ago, including yourself?

1	26	27	25	26
2 - 4	28	23	23	22
5 - 9	16	9	16	14
10 - 19	13	17	14	13
20 - 49	9	14	15	17
50 - 100	8	9	6	9

2. What is your gender?

Male	63	55	34	48
Female	36	42	65	50
Prefer to self-identify	1	3	1	2

3. To make sure we have a representative sample, please choose one or more of these racial or ethnic groups that you identify with.

White or Caucasian	73	0	0	0
Black or African American	6	100	16	7
Latino/Latina or Hispanic	10	27	100	9
Asian American or Pacific Islander	9	10	8	100
Native American	4	11	10	7
Middle Eastern	1	5	4	4
None of these/Other	2	1	0	1

4. Now thinking about the COVID-19 pandemic, how has your business been affected overall by the pandemic?

Negative effect – strong	28	27	29	28
Negative effect – not so strong	32	25	28	36
Not affected negatively or positively	25	19	22	21
Positive effect – not so strong	6	16	8	12
Positive effect – strong	8	13	11	4
Not sure	1	1	1	0

5. Thinking about the height of the pandemic and economic shutdown this year, would you say that your revenue during that period declined, stayed the same, or increased compared to the same time last year?

Declined	59	53	58	66
Stayed the same	29	24	26	25
Increased	11	22	14	9
Not sure	1	1	2	0

6. Now thinking about today, would you say that your revenue at this point in the year has declined, stayed the same, or increased compared to the same time last year?

Declined	52	46	51	52
Stayed the same	33	31	29	30
Increased	14	20	19	15

7. During the pandemic and economic downturn, have you done any of the following? Check all that apply

Cut employee hours	32	27	34	35
Experienced supply chain disruptions	25	29	30	27
Closed my business temporarily	24	28	35	32
Changed my business model dramatically	21	30	29	30
Reduced wages or compensation	21	25	26	30
Temporarily furloughed employees	18	16	18	22
Laid off employees permanently	10	14	15	18
Closed an office or location of my business	8	16	16	17
Closed my business permanently	4	5	6	8
None of the above	28	20	13	16

8. What percentage of staff did you furlough or lay off during the height of the pandemic and economic downturn? (Asked of those who said they furloughed or laid off staff.)

	<u>Weighted N=</u>	<u>117</u>	<u>7</u>	<u>15</u>	<u>15</u>
Less than 10%	12	18	12	16	
11-25%	24	23	24	22	
26-50%	20	31	18	29	
51-75%	19	8	18	11	
76-90%.....	7	8	9	15	
More than 90%	16	12	19	8	
Not sure	2	1	0	0	

9. Have you restored your employee headcount to pre-pandemic levels? (Asked of those who said they furloughed or laid off staff.)

	<u>Weighted N=</u>	<u>117</u>	<u>7</u>	<u>15</u>	<u>15</u>
Yes	40	42	40	44	
No	60	54	60	55	
Not sure	0	4	0	1	

10. Please indicate whether each of the following has been a major challenge, minor challenge, or not a challenge for your business during the pandemic and economic downturn.

Establishing or growing my e-commerce business

Major challenge	21	31	24	25
Minor challenge	26	25	26	24
Not a challenge	22	24	25	24
Not applicable to my business	30	17	21	24
Not sure	2	3	4	2

Acquiring Personal Protective Equipment to protect myself and/or my employees

Major challenge	15	19	17	18
Minor challenge	29	27	33	33
Not a challenge	37	34	31	30
Not applicable to my business	19	18	16	18
Not sure	2	2	3	1

Retrofitting my commercial space to ensure customer and employee safety

Major challenge	14	19	16	22
Minor challenge	22	23	24	27
Not a challenge	26	24	28	24
Not applicable to my business	36	33	28	24
Not sure	2	2	4	2

Understanding government regulations regarding reopening and safety

Major challenge	16	19	20	19
Minor challenge	28	28	29	37
Not a challenge	36	38	35	20
Not applicable to my business	18	13	13	22
Not sure	2	1	3	3

Getting health insurance coverage for myself and/or my employees

Major challenge	16	24	22	18
Minor challenge	18	26	21	25
Not a challenge	36	27	26	28
Not applicable to my business	28	19	26	24
Not sure	2	3	5	3

Understanding federal, state, and local relief programs for small businesses

Major challenge	22	27	27	24
Minor challenge	33	33	28	35
Not a challenge	29	29	27	22
Not applicable to my business	14	7	12	17
Not sure	2	4	5	3

Switching to a remote work environment

Major challenge	15	20	18	16
Minor challenge	21	22	19	28
Not a challenge	32	38	35	28
Not applicable to my business	31	18	24	27
Not sure	1	2	4	2

Availability of employees able to work

Major challenge	14	23	17	13
Minor challenge	23	23	26	30
Not a challenge	38	30	33	34
Not applicable to my business	23	21	21	21
Not sure	2	2	3	2

11. Since the pandemic started in March 2020, please indicate if you have maintained, eliminated, reduced, or expanded the following benefits for yourself and/or your employees. If you have taken different actions for different employees (ie: maintained for some and reduced for others), please mark the option that applies to the greatest number of employees.

Health insurance

Maintained	39	43	39	34
Eliminated	5	7	6	11
Reduced	8	9	9	18
Expanded	5	6	6	8
Did not offer before the pandemic	43	35	40	30

Retirement plan

Maintained	30	31	26	31
Eliminated	6	10	9	12
Reduced	9	12	12	14
Expanded	3	5	3	7
Did not offer before the pandemic	52	42	50	36

Sick days

Maintained	35	38	37	31
Eliminated	8	10	9	18
Reduced	10	13	12	15
Expanded	7	7	9	8
Did not offer before the pandemic	40	31	33	27

Family leave

Maintained	32	36	36	28
Eliminated	8	12	11	15
Reduced	7	12	7	18
Expanded	5	8	7	6
Did not offer before the pandemic	48	32	39	33

Workers' compensation

Maintained	39	32	35	37
Eliminated	5	8	7	13
Reduced	11	15	15	21
Expanded	4	7	4	5
Did not offer before the pandemic	40	38	40	24

Disability insurance

Maintained	27	31	30	21
Eliminated	6	11	9	15
Reduced	9	12	8	14
Expanded	3	4	5	8
Did not offer before the pandemic	55	42	48	43

12. Have you decreased employer contribution to healthcare coverage or moved to a plan with a lower premium? (Asked of those who reduced their healthcare benefits)

	Weighted N=	41	3	5	8
	Unweighted N=	141	39	34	42
Decreased employer contribution	36	47	28	19	
Moved to plan with lower premium	56	50	62	73	
Other	4	0	6	4	
Not sure	4	2	4	4	

13. Have you maintained healthcare coverage for furloughed employees?

Yes	27	38	30	43
No	13	18	19	16
N/A	59	43	49	40
Not sure	1	1	2	1

14. Do you plan to make any changes or reductions in healthcare coverage for employees in the next few months?

Yes	16	28	22	30
No	36	30	34	35
N/A	40	32	36	27
Not sure	8	9	8	7

15. Now you are going to see some things that businesses might need help with right now to survive and grow during the pandemic and economic crisis. On a scale of 0-10 where 0 is not at all useful and 10 is extremely useful, how useful would you find help in the following areas?

Pivoting my business to offer a new product and/or service

Mean (On a scale of 0-10).....	5.9	7.3	6.6	6.7
10 – Extremely useful	15	30	25	12
8 - 9	22	22	20	32
6 - 7	20	19	16	25
5 - Neutral.....	8	10	8	9
1 - 4	14	11	12	13
0 – Not at all useful	14	4	10	5
Not sure	6	5	9	4

Accessing capital

Mean (On a scale of 0-10).....	6.5	7.4	7.3	6.9
10 – Extremely useful	22	33	30	15
8 - 9	22	23	22	30
6 - 7	19	13	14	22
5 - Neutral.....	9	8	9	10
1 - 4	13	13	11	15
0 – Not at all useful	9	3	3	1
Not sure	7	7	11	7

Building my online presence

Mean (On a scale of 0-10).....	6.9	7.9	7.7	7.3
10 – Extremely useful	26	41	39	21
8 - 9	28	23	23	29
6 - 7	16	18	13	26
5 - Neutral.....	7	7	8	6
1 - 4	8	5	7	10
0 – Not at all useful	10	4	6	2
Not sure	5	2	5	5

Selling my products/services online

Mean (On a scale of 0-10).....	6.4	7.7	7.3	7.2
10 – Extremely useful	24	44	40	26
8 - 9	24	18	18	28
6 - 7	15	15	13	17
5 - Neutral.....	6	5	6	8
1 - 4	10	8	9	15
0 – Not at all useful	14	7	9	2
Not sure	6	3	6	4

Attracting customers

Mean (On a scale of 0-10).....	7.9	8.3	8.2	7.6
10 – Extremely useful	37	50	45	27
8 - 9	30	21	24	32
6 - 7	12	13	13	23
5 - Neutral.....	7	6	5	4
1 - 4	6	7	6	9
0 – Not at all useful	3	1	2	2
Not sure	5	2	5	2

Maintaining benefits

Mean (On a scale of 0-10).....	6.2	7.0	6.8	6.7
10 – Extremely useful	20	32	26	13
8 - 9	22	22	23	29
6 - 7	17	12	15	22
5 - Neutral.....	9	4	7	10
1 - 4	10	12	10	13
0 – Not at all useful	13	9	10	4
Not sure	9	8	10	8

Debt relief

Mean (On a scale of 0-10).....	6.3	7.0	7.1	6.9
10 – Extremely useful	27	34	32	28
8 - 9	20	22	21	25
6 - 7	14	13	17	19
5 - Neutral.....	8	5	6	5
1 - 4	11	11	9	13
0 – Not at all useful	15	10	9	7
Not sure	5	5	7	2

Improving health and safety

Mean (On a scale of 0-10).....	6.8	7.4	7.5	7.3
10 – Extremely useful	24	39	36	17
8 - 9	24	18	22	40
6 - 7	17	16	17	18
5 - Neutral.....	10	7	7	8
1 - 4	9	11	7	9
0 – Not at all useful	9	6	6	4
Not sure	7	3	5	5

Accessing new supply chains

Mean (On a scale of 0-10).....	5.9	7.0	6.7	6.5
10 – Extremely useful	16	29	26	11
8 - 9	21	21	20	30
6 - 7	18	19	19	21
5 - Neutral.....	8	7	7	10
1 - 4	14	11	10	14
0 – Not at all useful	13	7	9	5
Not sure	10	5	9	9

16. Now you are going to see some policy ideas specifically related to healthcare. For each of the following please indicate if you support or oppose that idea on a scale of 0 to 10 where 0 means you strongly oppose and 10 means you strongly support.

A public health insurance option that anyone could purchase insurance from

Mean (On a scale of 0-10).....	7.5	8.3	8.2	8.0
10 – Strongly support	35	48	48	31
8 - 9	27	18	19	36
6 - 7	14	21	15	13
5 – Neutral.....	7	3	5	10
1 - 4	6	6	4	8
0 – Strongly oppose	7	1	4	0
Not sure	5	3	5	1

Allowing people to buy-in early to Medicare, starting at age 55

Mean (On a scale of 0-10).....	7.1	8.0	7.9	7.6
10 – Strongly support	28	37	39	25
8 - 9	23	26	22	32
6 - 7	15	13	14	16
5 – Neutral.....	8	8	7	9
1 - 4	10	8	7	12
0 – Strongly oppose	7	1	2	1
Not sure	9	6	10	6

Bringing down the price of prescription drugs

Mean (On a scale of 0-10).....	8.8	8.4	8.6	8.2
10 – Strongly support	54	51	53	41
8 - 9	23	22	19	30
6 - 7	13	13	13	15
5 – Neutral.....	2	6	3	4
1 - 4	4	5	6	8
0 – Strongly oppose	0	1	1	0
Not sure	4	2	5	1

Expanding Medicaid eligibility in all states

Mean (On a scale of 0-10).....	7.5	8.1	8.1	7.8
10 – Strongly support	37	49	46	28
8 - 9	22	19	20	33
6 - 7.....	14	12	11	19
5 – Neutral.....	7	6	6	7
1 - 4	7	8	6	9
0 – Strongly oppose	6	2	3	1
Not sure	7	4	8	4

Maintaining the ability to buy coverage on individual marketplaces set up through the Affordable Care Act

Mean (On a scale of 0-10).....	7.3	8.0	7.8	7.9
10 – Strongly support	33	41	42	35
8 - 9	23	25	21	29
6 - 7	13	15	12	16
5 – Neutral.....	8	5	6	7
1 - 4	9	6	6	8
0 – Strongly oppose	6	3	5	1
Not sure	9	5	8	4

Preserving coverage for pre-existing conditions

Mean (On a scale of 0-10).....	8.6	8.2	8.5	8.2
10 – Strongly support	51	46	52	36
8 – 9.....	24	22	22	36
6 - 7	12	13	8	12
5 – Neutral.....	5	6	6	6
1 - 4	4	8	7	7
0 – Strongly oppose	1	2	1	0
Not sure	4	3	5	3

Eliminating surprise or balance billing (usually in which an out-of-network provider provides services at an in-network facility)

Mean (On a scale of 0-10).....	8.1	7.9	8.3	7.9
10 – Strongly support	36	39	44	26
8 - 9	25	21	22	35
6 - 7	17	17	12	17
5 – Neutral.....	5	8	6	8
1 - 4	5	8	5	6
0 – Strongly oppose	2	1	0	0
Not sure	12	6	11	8

The remaining questions are for statistical purposes only.

17. Just to make sure we have a representative sample, could you please identify which of the following descriptions best fit your company? Select all that apply.

Minority-Owned Business	29	74	64	64
Woman-Owned Business	34	40	59	45
Veteran-Owned Business	14	16	9	19
None of the above	35	4	6	5

18. Would you best describe the area in which you do business as urban, suburban, or rural?

Urban	30	47	39	41
Suburban	48	41	46	50
Rural	21	11	12	7
Not sure	1	2	4	2

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

Strong Democrat	21	34	22	32
Not-so-strong Democrat	9	18	16	17
Independent - lean Democrat	7	12	8	10
Democrat	37	64	46	59
Independent	12	10	10	7
Republican	44	17	34	22
Independent - lean Republican	10	4	8	3
Not-so-strong Republican	12	4	9	6
Strong Republican	22	10	17	13
Other.....	2	1	1	2
Not sure	2	4	2	7
Prefer not to answer.....	3	4	6	3