

FINAL

Pacific Community Ventures
 800 Small Business Owners in California: 400 with 2-9 employees, 400 with 10-19 employees
 Field dates: February 11-25, 2011
 Survey length: 15 minutes

	<i>Total</i> <i>(n=804)</i>	<i>Smaller</i> <i>biz.</i> <i>(n=403)</i>	<i>Larger</i> <i>biz.</i> <i>(n=401)</i>
Gender of respondent			
Male	78	78	79
Female.....	22	22	21
Region			
LA County.....	26	27	25
Orange.....	9	8	9
Inland Empire.....	8	8	8
San Diego.....	9	8	9
Central Coast.....	8	7	8
Fresno.....	7	6	7
Sacramento	11	10	11
Bay Area.....	22	22	21
North	3	3	3

1. Just to confirm, are you the owner of a for-profit small business in California, who handles operations of the business or manages the employees?

Owner-operator	73	79	68
Owner-manager.....	27	21	32
Neither.....	TERMINATE 0	0	0
(Don't know/Refused).....	TERMINATE 0	0	0

2. What best describes your role regarding employee compensation and benefits?

READ CHOICES

I am solely responsible	69	71	67
I am one of the people responsible	31	29	33
I have no role	TERMINATE 0	0	0
(Don't know/Refused).....	TERMINATE 0	0	0

3. Approximately how many people work 30 or more hours per week at your company, including yourself? Please don't include contractors.

RECORD NUMBER: _____

TERMINATE IF 1 EMPLOYEE (JUST OWNER) OR SELF-EMPLOYED
TERMINATE IF OVER 19 EMPLOYEES OR REFUSED
SEE QUOTAS FOR OVER/UNDER 10 EMPLOYEES

Smaller businesses (2-9 employees)	50	100	0
Larger businesses (10-19 employees).....	50	0	100

	<i>Smaller</i>	<i>Larger</i>
<i>Total</i>	<i>biz.</i>	<i>biz.</i>
(n=804)	(n=403)	(n=401)

4. Do you pay for all or part of the cost of health insurance benefits for ANY of your employees other than yourself?

Yes.....	70	61	78
No	GO TO Q11 30	39	22
(Don't know/Refused)	TERMINATE 0	0	0

IF Q4=1

5. Do you pay for the cost of health insurance benefits for all, most, some, a few, or none of your full-time employees?

	(n=581)	(n=252)	(n=329)
All.....	62	68	58
Most	20	14	24
Some	11	10	13
A few	6	6	5
None	1	1	0
(Don't know/Refused)	TERMINATE 0	0	0
All /most	82	82	82
Some /a few /none	18	18	18

IF Q4=1

6. Thinking about the employees for whom you offer health insurance benefits, about what percentage of health insurance premiums do you cover for those employees?

READ CHOICES:

Less than 25%	2	2	2
25% to 49%	11	7	14
50-74%	28	20	34
75-100%	58	70	49
(Don't know/Refused)	1	0	1

IF Q4=1

7. Which of these is the main reason you currently offer health insurance benefits to your employees? (**IF MORE THAN ONE SELECTED:** Well, which would you say is the main reason you provide health insurance benefits?)

READ AND RANDOMIZE REASONS:

It helps with the recruitment of good employees	11	10	12
It helps to retain good employees.....	31	30	32
It helps employees stay healthy and productive.....	14	14	14
I feel a responsibility to provide this benefit to my employees	32	32	31
This benefit is standard in my industry	9	9	10
(Other)	3	4	2
(Don't know/Refused)	1	1	0

	<i>Smaller</i>	<i>Larger</i>
<i>Total</i>	<i>biz.</i>	<i>biz.</i>
(n=804)	(n=403)	(n=401)

IF Q4=1

8. Do you have an insurance broker who helps you purchase health insurance policies for your business?

Yes.....	75	64	84
No	25	36	16
(Don't know/Refused)	0	0	0

IF Q4=1

9. How much weight do you give the wishes of your employees about health insurance benefits, such as what type of health insurance plan they would like, in deciding which health insurance plan to purchase? A great deal of weight, some weight, a little, or not much at all?

	(n=581)	(n=252)	(n=329)
A great deal	30	31	30
Some	35	34	35
A little.....	10	10	10
Not much	24	23	25
(Don't know/Refused)	0	1	0
A great deal /some weight	65	65	65
Less weight	34	33	35

IF Q4=2

10. Have you ever paid for all or part of the cost of health insurance benefits for ANY of your employees other than yourself?

	(n=223)	(n=151)	(n=72)
Yes.....	31	31	31
No	69	69	69
(Don't know/Refused)	TERMINATE 0	0	0

IF Q4=2

11. Which of these is the main reason you don't currently offer health insurance benefits to your employees? (**IF MORE THAN ONE SELECTED:** Well, which would you say is the main reason you don't provide health insurance benefits?)

READ AND RANDOMIZE REASONS:

My business can't currently afford it	71	69	75
Choosing the right insurance plan is too complicated.....	3	2	5
My employees don't want or need it.....	9	11	6
It's not my responsibility to provide this benefit.....	8	7	8
(Other)	8	11	2
(Don't know/Refused)	2	1	3

IF Q4=2

12. Do you ever consult with your employees about health insurance benefits, such as if they would like to receive health insurance, or not?

Yes.....	48	47	49
No	52	53	51
(Don't know/Refused)	0	0	0

	Total (n=804)	Smaller biz. (n=403)	Larger biz. (n=401)
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RESUME ASKING ALL

13. Do you have or use a tax accountant or CPA on a consistent basis?

	(n=804)	(n=403)	(n=401)
Yes.....	87	86	88
No	12	13	12
(Don't know/Refused)	0	1	0

14. What is your general impression of the health care reform law that was passed by Congress last year—generally positive or generally negative?

IF POSITIVE OR NEGATIVE: Would you say you feel very [positive/negative], or somewhat [positive/negative] about the health care reform law?

	(n=804)	(n=403)	(n=401)
Very positive	14	13	14
Somewhat positive	21	18	23
Somewhat negative	13	13	14
Strongly negative.....	36	40	32
(Neutral/Not sure)	16	14	17
(Refused)	1	2	0
Positive	34	32	37
Negative.....	49	53	46

15. Are you aware of any provisions of the health care law to help small business owners provide health insurance benefits to employees, or not?

Aware.....	52	46	57
Not aware	48	53	42
(Don't know/Refused)	1	0	1

16. One provision of the health care reform law sets up an insurance pool, or exchange, in each state for small business owners and individuals to compare and purchase health insurance. How familiar are you with this provision—very, somewhat, a little, or not at all?

Very	9	8	10
Somewhat.....	29	26	32
A little	27	24	29
Not at all.....	35	41	29
(Don't know/Refused)	0	0	0
Very /somewhat	38	34	42
A little /not at all.....	62	65	58

	<i>Smaller</i>	<i>Larger</i>
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<i>(n=804)</i>	<i>(n=403)</i>	<i>(n=401)</i>

17. Now, let me tell you a little more about this provision, the exchange. The health care reform law sets up an insurance pool, or exchange, in each state for small business owners with 50 or fewer employees and individuals to participate in, on a voluntary basis. These exchanges will be established by 2014 and will allow small businesses to pool together and purchase health insurance at group rates normally reserved for larger businesses who have greater purchasing power due to their size. There will be different levels of plans offered, with each level having standard features, with the goal of making it easier to compare the plans. There will be multiple private insurance plans offered by different companies at each level.

Based on what you've heard, do you think that as a small business employer, you will: **[ROTATE OPTIONS]** definitely participate in such an exchange, probably participate, probably not participate, or definitely not participate in such an exchange?

Definitely participate	6	7	5
Probably participate	48	47	50
Probably not participate.....	21	24	19
Definitely not participate	15	15	14
(Don't know/Refused)	9	7	11
Participate	55	54	55
Not participate	36	39	33

IF Q4=1

18. How will the exchange affect whether you continue to provide health benefits in the future—will it make you more likely to continue providing benefits, will it make you less likely to continue providing benefits, or will it not affect whether you provide benefits or not in the future? **IF CHOICE:** Would you say you would be much more/less likely or somewhat more/less likely?

	<i>(n=581)</i>	<i>(n=252)</i>	<i>(n=329)</i>
Much more likely.....	11	11	11
Somewhat more likely	24	20	27
Somewhat less likely	5	6	4
Much less likely	4	6	2
Not affect	47	46	47
(Depends)	7	8	5
(Don't know/Refused)	3	3	3
More likely	35	31	38
Less likely	9	12	7

Smaller Larger
Total biz. biz.
(n=804) (n=403) (n=401)

IF Q4=2

19. How will the exchange affect whether you decide to provide health benefits in the future—will it make you more likely to provide benefits, will it make you less likely to provide benefits, or will it not affect whether you provide benefits or not in the future? **IF CHOICE:** Would you say you would be much more/less likely or somewhat more/less likely?

	<i>(n=223)</i>	<i>(n=151)</i>	<i>(n=72)</i>
Much more likely.....	10	12	6
Somewhat more likely	22	21	24
Somewhat less likely	3	3	2
Much less likely	4	6	1
Not affect	45	42	50
(Depends).....	11	10	11
(Don't know/Refused).....	6	6	6
More likely	32	33	30
Less likely.....	7	8	4

RESUME ASKING ALL

20. If the exchange has an option that allows employees to pick a health plan that best suits them, with the employee paying the difference if it's a higher-cost plan, would that make the exchange more attractive to you, less attractive, or about the same?

	<i>(n=804)</i>	<i>(n=403)</i>	<i>(n=401)</i>
More attractive.....	29	26	31
Less attractive.....	13	13	14
About the same	54	57	52
(Don't know/Refused).....	4	4	3

21. Another component of the health care reform law sets up tax credits for small business owners who provide health insurance benefits to employees. How familiar are you with this component—very, somewhat, a little, or not at all?

Very	10	10	9
Somewhat.....	32	29	36
A little	28	26	31
Not at all.....	29	34	23
(Don't know/Refused).....	1	1	1
Very /somewhat	42	39	45
A little /not at all.....	57	60	53

	<i>Smaller</i>	<i>Larger</i>
<i>Total</i>	<i>biz.</i>	<i>biz.</i>
(n=804)	(n=403)	(n=401)

22. Now, let me tell you a little more about this component, the small business tax credits. These tax credits are already in effect, and are available to small employers with 25 or fewer full-time equivalent employees with average wages of less than \$50,000 dollars who pay at least half the cost of single coverage for their employees. These tax credits will apply on a sliding scale basis, based on the size of business and average wages. The maximum benefit can be as high as 35% of premiums by 2013, and up to 50% of premiums starting in 2014. Eligible businesses can claim the credit starting with their 2010 income tax returns they file this year.

IF Q4=1

If you qualified for a tax credit like this, how would it affect whether you continue to provide health benefits in the future—would it make you more likely to continue providing benefits, would it make you less likely to continue providing benefits, or would it not affect whether you provide benefits or not in the future? **IF CHOICE:** Would you say you would be much more/less likely or somewhat more/less likely?

	(n=581)	(n=252)	(n=329)
Much more likely.....	27	27	26
Somewhat more likely	25	24	25
Somewhat less likely	4	5	3
Much less likely	2	3	2
Not affect	39	37	41
(Depends).....	3	4	2
(Don't know/Refused).....	0	0	0
More likely	52	51	52
Less likely.....	6	8	5

IF Q4=2

If you qualified for a tax credit like this, how would it affect whether you decide to provide health benefits in the future—would it make you more likely to provide benefits, would it make you less likely to provide benefits, or would it not affect whether you provide benefits or not in the future? **IF CHOICE:** Would you say you would be much more/less likely or somewhat more/less likely?

	(n=223)	(n=151)	(n=72)
Much more likely.....	13	16	8
Somewhat more likely	30	31	28
Somewhat less likely	3	2	5
Much less likely	4	3	6
Not affect	45	44	48
(Depends).....	5	4	6
(Don't know/Refused).....	0	0	0
More likely	43	47	35
Less likely.....	7	5	11

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The few remaining questions are for statistical purposes only.

23. Which of the following categories best describes your business?

[IF "OTHER," READ OPTIONS AGAIN AND ASK RESPONDENT TO PICK ONE]

READ LIST

Industry/manufacturing	29	28	31
Retail/restaurant	21	23	18
Non-retail services	44	43	46
Other	5	6	4
(Don't know).....	1	1	1

24. Do the majority of your employees have college degrees?

Yes.....	32	36	28
No	67	63	71
(Don't know/refused)	1	1	1

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

IF INDEPENDENT: Would you say that you lean more toward the Republicans or more toward the Democrats?

Republican.....	39	36	42
Independent - lean Republican	6	6	6
Republican	45	42	48
Independent	21	24	19
Democratic	26	24	27
Independent - lean Democratic	5	5	5
Democrat	21	20	22
(don't know/other)	8	10	5

26. For statistical purposes only, which of these categories best describes the gross revenue of your company in 2010?

READ CATEGORIES:

Under \$250,000	16	22	9
\$250,000 to \$500,000.....	21	25	18
Over \$500,000 to \$1 million	24	26	22
Over \$1 million.....	35	21	48
(Don't know).....	1	1	0
(Refused).....	3	5	2

<i>Total</i>	<i>Smaller</i>	<i>Larger</i>
<i>(n=804)</i>	<i>biz. (n=403)</i>	<i>biz. (n=401)</i>

27. What is your age? I am going to read you some categories. Stop me when we get to your category:

READ CATEGORIES:

18-24.....	0	0	0
25-29.....	2	2	2
30-34.....	2	2	2
35-39.....	6	6	6
40-44.....	9	9	10
45-49.....	18	16	20
50-54.....	19	18	19
55-59.....	18	18	19
60-64.....	10	13	7
65-69.....	7	7	8
70-74.....	3	4	3
Over 75.....	2	2	2
(Refused/don't know).....	3	3	2

28. And just to make sure we have a representative sample, could you please identify which of the following descriptions best fit your company:

Minority-Owned Business	15	16	13
Woman-Owned Business	14	14	14
(Both Woman/Minority-Owned)	4	7	2
None of the Above	66	62	70
(Don't know/refused)	1	0	1

29. What is the zip code of your business?

.....

30. And finally, strictly for verification purposes, can I have just your first name?

.....

THIS COMPLETES OUR SURVEY. THANK YOU VERY MUCH FOR YOUR TIME, AND HAVE A PLEASANT (DAY/EVENING)!!