

Small businesses share views on current issues: vaccine mandates, supply chain disruptions and Build Back Better

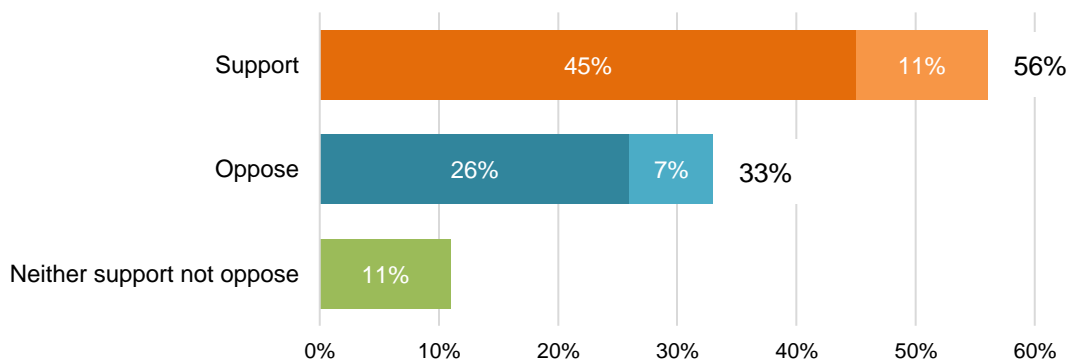
From ongoing supply chain disruptions to new fears surrounding potential impacts stemming from the Omicron variant, small business owners continue to face uncertainty about the future of their businesses. A new survey from Small Business Majority sheds a light on how supply chain disruptions are impacting small business during the crucial fourth quarter, as well as their views on current policy issues such as the Biden administration's vaccine employer mandate for businesses with 100 or more employees and key components in the Build Back Better plan that are being negotiated in the U.S. Senate.

Entrepreneurs support COVID-19 vaccination/testing requirements for employers

The administration recently developed a new rule requiring businesses with more than 100 employees to mandate proof of vaccination or a weekly negative COVID-19 test as a condition of employment. However, the rule, developed by the Occupational Safety and Health Administration (OSHA), is currently on hold due to legal challenges attempting to block the rule's implementation. The survey reveals that small businesses are supportive of this rule, and despite most small businesses not being subject to the order, many small employers have already implemented vaccine policies on their own.

Of those small businesses with employees, **42% require all or some of their workers to be vaccinated, and an additional 21% are considering doing so.** The majority of small businesses support (56% total support, 45% strongly support) the administration's rule that would require businesses with 100 or more employees to require coronavirus vaccines and/or regular testing for their workers, compared to just 1 in 3 (33%) who oppose it.

Figure 1: Small businesses support Biden administration's vaccination order for employers

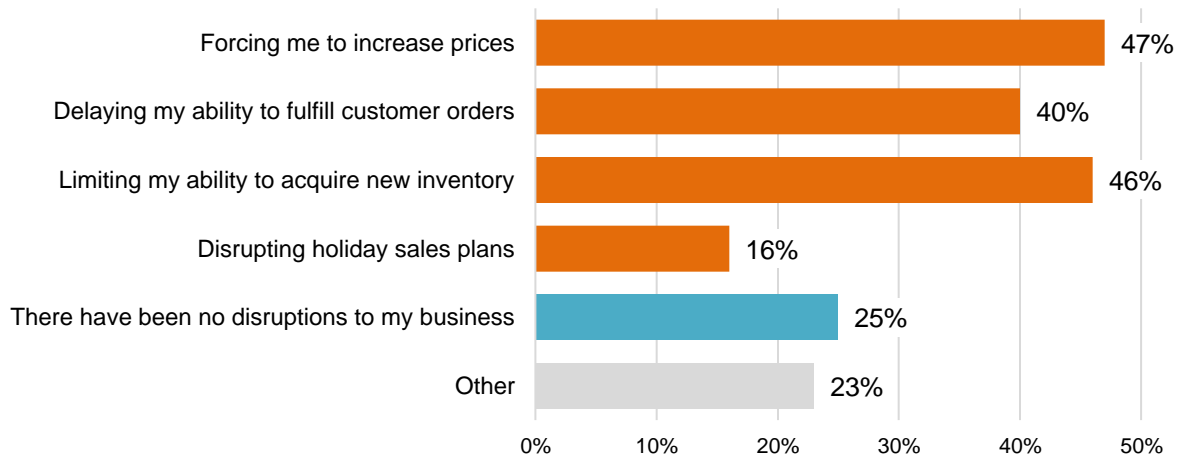


Small businesses hammered by supply chain disruptions

Nearly two years into the pandemic, small businesses are still facing challenges in sustaining their operations. More than 1 in 4 small businesses (26%) may not survive past six months without additional funding or market changes. **Thirty-seven percent say their business is on the decline compared to the previous month**, and 29% say their business is neither improving nor declining.

What's more, small businesses have been overwhelmingly impacted by supply chain disruptions, with only 1 in 4 respondents reporting they have not experienced supply chain issues. Nearly half (47%) report that supply chain issues have forced them to increase prices, 46% report this has limited their ability to acquire new inventory, 40% have been delayed in fulfilling customer orders, and 16% say it has disrupted their holiday sales plans. It's important to note that these are businesses operating on tight profit margins: 36% of respondents report their household income is less than \$50,000.

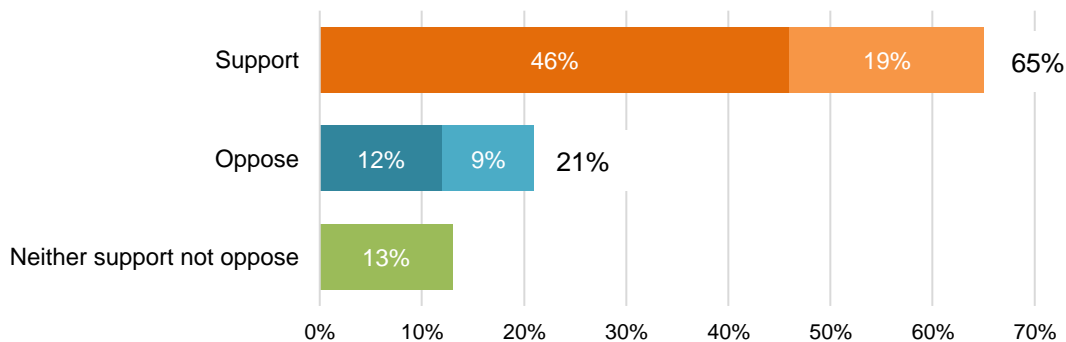
Figure 2: Small businesses overwhelmingly impacted by supply chain disruptions



Small businesses share views on Build Back Better provisions

As the U.S. Senate continues to debate the Build Back Better plan, small businesses express strong support for a key measure that has been central to these discussions: paid family and medical leave. Sixty-five percent of small businesses support a proposal to offer four weeks of paid family and medical leave to anyone to care for a new child or to care for a loved one’s serious illness, or other covered medical leave issues.

Figure 3: Small businesses express strong support for proposal to offer four weeks of paid family and medical leave



Additionally, **the vast majority (85%) support a provision to expand the U.S. Small Business Administration’s ability to directly lend to small business owners**, something that would facilitate loans to businesses without a strong current banking relationship.

And while retirement benefits were not included in the final Build Back Better plan that passed the U.S. House of Representatives, the survey finds this issue has broad support among small businesses. Only 1 in 4 respondents currently offers a retirement plan, and a majority (w Business owners would receive a tax credit for establishing these plans.

Conclusion

As this survey reveals, small businesses are still facing significant setbacks from the pandemic, and they need more certainty in order to keep their businesses open effectively and safely. They want government officials to take action to keep the pandemic under control, and they support the administration’s COVID-19 vaccination and testing policies that will do just that. Additionally, they want Congress to include paid family and medical leave benefits in Build Back Better that would help them attract and retain talented employees.

Methodology

The survey reflects the opinions of 481 small business owners in Small Business Majority’s network fielded between October 22 through November 27.

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1. What is your race?

Black or African American	24%
American Indian or Alaska Native	2%
Asian or Asian American.....	5%
Hispanic or Latino.....	10%
Native Hawaiian or other Pacific Islander	0%
White or Caucasian	55%
Another race.....	4%

2. What is your gender?

Male.....	30%
Female.....	67%
Non conforming	1%
Prefer not to say	2%

3. In what industry do you operate your business?

Agriculture and Mining.....	1%
Consulting and Business Services	10%
Education and Youth Services.....	5%
Energy and Utilities	1%
Engineering.....	1%
Food and Beverage.....	8%
Healthcare, Pharmaceuticals and Biotech	4%
Insurance and Financial Services.....	5%
Manufacturing.....	4%
Media and Entertainment.....	1%
Nonprofit.....	2%
Real Estate and Construction.....	8%
Retail	15%
Service and Consumer Services.....	15%
Software and Internet	0%
Technology, Computers and Electronics.....	1%
Telecommunications	0%
Transportation and Storage	3%
Travel, Recreation and Leisure	3%
Wholesale and Distributors.....	2%
Other	10%

4. How is your business organized?

Sole proprietor or single-member LLC	35%
Limited liability corporation (LLC).....	28%
S corporation.....	23%
Partnership.....	1%
C corporation	10%
Cooperative	0%
Other	2%

5. What is your household income?

Under \$15,000	8%
Between \$15,000 and \$29,999	14%
Between \$30,000 and \$49,999	14%
Between \$50,000 and \$74,999.....	20%
Between \$75,000 and \$99,999	15%
Between \$100,000 and \$150,000.....	16%
Over \$150,000	13%

6. Are you currently operating your business?

Yes	96%
No.....	4%

7. Given the lingering effects of the global pandemic, without additional funding or other market changes, how much longer do you think you can stay in business?

Less than 1 month	3%
1 to 3 months.....	13%
4 to 6 months	10%
6 months to a year.....	12%
I already have closed my business permanently	0%
I will survive through the pandemic	40%
I don't know	23%

8. Compared to last month, is your business improving or declining?

Greatly improving	5%
Somewhat improving.....	30%
Neither improving or declining.....	29%
Somewhat declining.....	26%
Greatly declining.....	11%

9. How many people do you employ including yourself? Please include full-time and part-time employees, but do not include independent contractors.

Self-Employed.....	33%
Small Business, fewer than 10 employees	48%
Small Business, 10-24 employees	11%
Small Business, 25-49 employees	6%
Small Business, 50-100 employees	2%
Small Business, more than 100 employees	1%

- 10. Do you require employees to be vaccinated against coronavirus?** (307 responses)
- Yes, all employees 40%
 - Yes, certain employees 2%
 - No, but I am considering doing so 21%
 - No, and I don't plan to 38%
- 11. The federal government is implementing a rule that would require businesses with 100 or more employees to mandate coronavirus vaccines and/or regular testing for their workers. Do you support or oppose this rule?**
- Strongly support..... 45%
 - Somewhat support 11%
 - Neither support not oppose 11%
 - Somewhat oppose 7%
 - Strongly oppose..... 25%
- 12. Do you support or oppose a proposal to offer four weeks of paid leave to anyone to care for a newborn, adopted or foster child; to care for a loved one's serious illness; to deal with the effects of a family member's military deployment or service-related injury; survivors of domestic violence or sexual assault; and bereavement?**
- Strongly support..... 46%
 - Somewhat support 19%
 - Neither support nor oppose 13%
 - Somewhat oppose 9%
 - Strongly oppose..... 12%
- 13. Do you offer a retirement plan to your employees?**
- Yes 25%
 - No..... 75%
- 14. There is a proposal that would require businesses with five or more employees to offer a retirement plan for their employees. A variety of different plans would meet the requirement, including those in which the employee would be solely responsible for contributions. Business owners would receive a tax credit for establishing these plans. Do you support or oppose this proposal?**
- Strongly support..... 30%
 - Somewhat support 27%
 - Neither support nor oppose 22%
 - Somewhat oppose 8%
 - Strongly oppose..... 13%
- 15. How do you currently handle payroll?**
- Online tool (i.e. Quickbooks or Gusto)..... 30%
 - Third-party vendor (i.e. ADP or bank)..... 42%
 - Cash or check 15%
 - Cash-based online tool (i.e. PayPal or Venmo) 3%
 - Other (please specify)..... 10%
- 16. Have you ever received a Small Business Administration loan, such as a 7(a) loan, a 504 loan or an Economic Injury Disaster Loan?**
- Yes 47%
 - No..... 50%
 - Not sure..... 3%

17. Currently, most SBA loans, such as the 7(a) and 504, are done through banks. There is a proposal to expand the SBAs ability to directly lend to small business owners, something that would facilitate loans to businesses without a strong current banking relationship. Do you support or oppose allowing the SBA to do more direct lending to small businesses?

- Strongly support..... 66%
- Somewhat support19%
- Neither support nor oppose13%
- Somewhat oppose 2%
- Strongly oppose.....1%

18. Which of the following impacts, if any, are global supply chain disruptions having on your business? Select all that apply.

- Forcing me to increase prices..... 47%
- Delaying my ability to fulfill customer orders40%
- Limiting my ability to acquire new inventory 46%
- Disrupting holiday sales plans16%
- There have been no disruptions to my business 25%
- Please note any other significant impacts (open ended)..... 23%