



# Sage Small Business Sentiment Study

August 2012

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Summary Report

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### Introduction:

Sage serves more than 6 million small and mid-sized organizations worldwide, regularly surveying them and other organizations for their opinions on a variety of business topics. The most recent Sage Small Business Sentiment survey, the results of which are summarized here, focuses on U.S. small businesses' opinions on the issues they find most pressing as we head into the general election cycle this fall.

### Key Findings:

- 96% plan to vote in November.
- 55% are aligned with a party; 27% are independent.
- 61% plan to follow both conventions; 21% don't plan to follow the conventions because the conventions will not affect how they vote.
- 70% say that taxes will have a significant effect on the way they vote in November. The next most important issues to small business owners are healthcare (68%), the national deficit/debt (63%), and unemployment/jobs (55%).
- 46% are putting off business decisions until after the election. Among owners putting off decisions, 75% said one of those decisions is hiring.
- 34% have fewer employees than they did in 2008. Of those, 39% said technology has been at least some help in compensating for the loss of staff.
- 54% of responding business with employees offer health insurance to those employees.
- 51% believe the Affordable Care Act has increased or will increase their costs, 25% see no effect on costs, 4% see increased costs, and 21% are unsure.
- 21% have or will discontinue offering health insurance as a result of the ACA vs. only 3% that have or will begin offering health insurance; 35% are unsure.
- 71% believe the ACA should be repealed by Congress.
- 48% of respondents who qualify for the healthcare tax credit for small businesses under 25 employees were unaware they qualified; 33% thought they did not qualify.

## Detailed Findings:

### 1. Will you vote in the upcoming November elections?

Answer		Response	%
Yes		293	96%
Maybe		10	3%
No		3	1%
Total		306	100%

### 2. Do you consider yourself . . .

Answer		Response	%
Aligned with a party (Democrat/Republican)		168	55%
Independent		82	27%
None of the above		21	7%
Rather not say		35	11%
Total		306	100%

### 3. Are you likely to view or read about at least one of the upcoming political conventions?

Answer		Response	%
Yes, just one convention		40	13%
Yes, both conventions		186	61%
No, mainly because I am unlikely to vote		1	0%
No, mainly because it will have no effect on how I vote		64	21%
No, mainly for another reason		15	5%
Total		306	100%

**4. Please rate each of the following in terms of how much of an effect it will likely have on how you vote in the upcoming election.**

Question	No effect at all 1	2	3	4	Significant effect 5	Responses
Taxes	3%	2%	12%	13%	70%	306
Healthcare	4%	2%	10%	16%	68%	306
National deficit/debt	4%	5%	13%	15%	63%	306
Unemployment/jobs	4%	5%	15%	21%	55%	306
Employment laws (minimum wage, hiring, worker’s comp, unions, and so on)	8%	5%	18%	20%	50%	306
Immigration policy	8%	10%	20%	19%	42%	306
Energy policy	7%	6%	24%	29%	35%	306
Retirement programs	10%	9%	26%	21%	34%	306
Assistance programs for small businesses	14%	11%	25%	19%	32%	306
Environmental policy	11%	9%	30%	24%	26%	306
Access to credit/loans	15%	12%	31%	18%	24%	306

**5. Are you putting off any business decisions until after the election to see how the outcome might impact your business?**

Answer	Response	%
Yes	140	46%
No	166	54%
Total	306	100%

**6. Is hiring more employees one of the business decisions that will depend on the election outcome?**

Answer		Response	%
Yes		104	75%
No		34	25%
Total		138	100%

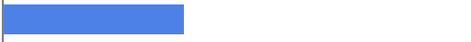
**7. How does the number of employees your company has now compare to 2008?**

Answer		Response	%
More now		65	21%
Same		147	48%
Fewer now		94	31%
Total		306	100%

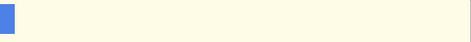
**8. To what extent has technology helped your company make up for having fewer employees?**

Answer		Response	%
Significant help		11	12%
Some help		25	27%
No help		56	61%
Total		92	100%

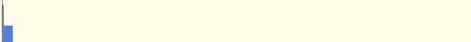
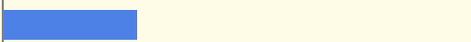
### 9. Do you currently offer health insurance to your full-time employees?

Answer		Response	%
Yes		132	44%
No		113	38%
Have no full-time employees		52	18%
Total		297	100%

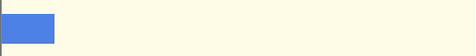
### 10. Most of the provisions of the Affordable Care Act healthcare law were recently upheld by the Supreme Court. What effect has the Affordable Care Act had, or will it have, on your costs?

Answer		Response	%
Higher costs		150	51%
No effect		74	25%
Lower costs		12	4%
Don't know		61	21%
Total		297	100%

### 11. What effect has the Affordable Care Act had, or will it have, on the number of full-time employees you have?

Answer		Response	%
More full-time employees		6	2%
No effect		140	47%
Fewer full-time employees		84	28%
Don't know		67	23%
Total		297	100%

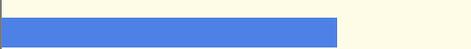
**12. What effect has the Affordable Care Act had, or will it have, on the quality of full-time employees you are able to retain or attract?**

Answer		Response	%
Retain/attract higher quality employees		21	7%
No effect		148	50%
Retain/attract lower quality employees		33	11%
Don't know		95	32%
Total		297	100%

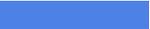
**13. What effect has the Affordable Care Act had, or will it have, on whether or not you offer health insurance? (Base: Have Employees)**

Answer		Response	%
Have discontinued/will discontinue offering health insurance		47	21%
No effect		93	42%
Have begun/will begin offering health insurance		6	3%
Don't know		77	35%
Total		223	100%

### 14. How do you feel about a possible repeal of the Affordable Care Act?

Answer		Response	%
Should be repealed by Congress		210	71%
Should not be repealed by Congress		56	19%
No opinion on the repeal		31	10%
Total		297	100%

### 15. Do you qualify for the healthcare tax credit that is part of the Affordable Care Act? (Base: Currently Offer Health Insurance and Have Less Than 25 Employees)

Answer		Response	%
Yes		19	19%
No		32	33%
Don't know		47	48%
Total		98	100%

**16. To help us classify your responses, please indicate in which region of the country you are located.**

Answer		Response	%
Northeast (Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, New Jersey)		44	15%
Midwest (Wisconsin, Michigan, Illinois, Indiana, Ohio, Missouri, North Dakota, South Dakota, Nebraska, Kansas, Minnesota, Iowa)		87	30%
South Atlantic (Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida)		50	17%
South Central (Kentucky, Tennessee, Mississippi, Alabama, Oklahoma, Texas, Arkansas, Louisiana)		59	20%
West (Idaho, Montana, Wyoming, Nevada, Utah, Colorado, Arizona, New Mexico, Alaska, Washington, Oregon, California, Hawaii)		53	18%
Total		293	100%

## 17. In what industry does your company operate?

Answer		Response	%
Manufacturing		42	14%
Accounting/Bookkeeping/Tax Services		38	13%
Other		32	11%
Construction/Contracting		30	10%
Retail		29	10%
Wholesale/Distribution		22	7%
Health Services/Medical/Dental		11	4%
Consulting		12	4%
Computer/Software/Technology/Telecom		12	4%
Automotive		8	3%
Nonprofit/Religious		5	2%
Real Estate		7	2%
Restaurant		7	2%
Transportation		7	2%
HVAC/Plumbing		5	2%
Architecture/Design/Engineering/Printing/Publishing		6	2%
Advertising/PR/Marketing		7	2%
Educational Services		3	1%
Finance/Insurance		4	1%
Government		2	1%
Legal Services		3	1%
Landscaping/Lawn Care		2	1%
Utilities/Energy		0	0%
Total		294	100%

### About the survey:

An online survey was conducted in August 2012 among 306 small business owners within the Sage customer base. The margin of error on the overall sample is +/- 5% percent (greater for subsamples) at a 95% percent confidence level.