



Long Beach Small Business Monitor

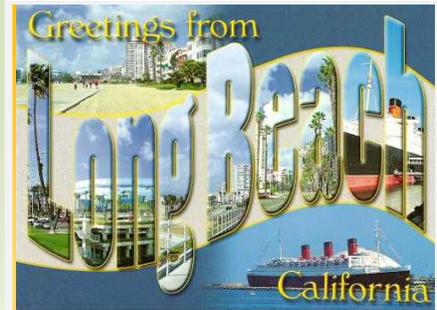
Small Business & Affordable Care Act

Long Beach Small Business Less Concerned About Effects of Affordable Care Act (ACA) or Obamacare

The Affordable Care Act (ACA) or Obamacare is being implemented. Some argue small business will be adversely affected by new costs and regulations imposed by the ACA. Others say small business will benefit greatly from the ACA because they can now offer a range of lower cost health insurance options to satisfy the insurance needs of current employees and as benefits to recruit skilled workers. Still others suggest the ACA will have a negligible effect on small business given that any new costs will be offset by new business adjustments.

National surveys have shown a majority of small business owners are worried about the ACA going into effect. A recent Gallup poll (see below) shows half of all small business owners nationally believe the law is bad for their business and will add to their health costs.

How are Long Beach Small Businesses responding to the Affordable Care Act? Our recent survey shows a large majority is much less distressed about the effect of the ACA on their business than their national counterparts (see table below). In our January survey, 65% of Long Beach Small Business owners said the ACA would have no impact at all on their business. Nine percent of Long Beach Small Business owners said it would have a positive impact. Twenty-six percent of Long Beach small business owners believe the ACA will be bad for their business, half of what was found in the national survey.



2014 Survey

In this issue are the results of our survey of small business' attitudes toward the Affordable Care Act (ACE). Results are compared to a Gallup National Small Business Survey from May 2013.

The purpose of the Long Beach Small Business Monitor is to provide the greater Long Beach community with an understanding of the expectations and desires of small business owners.

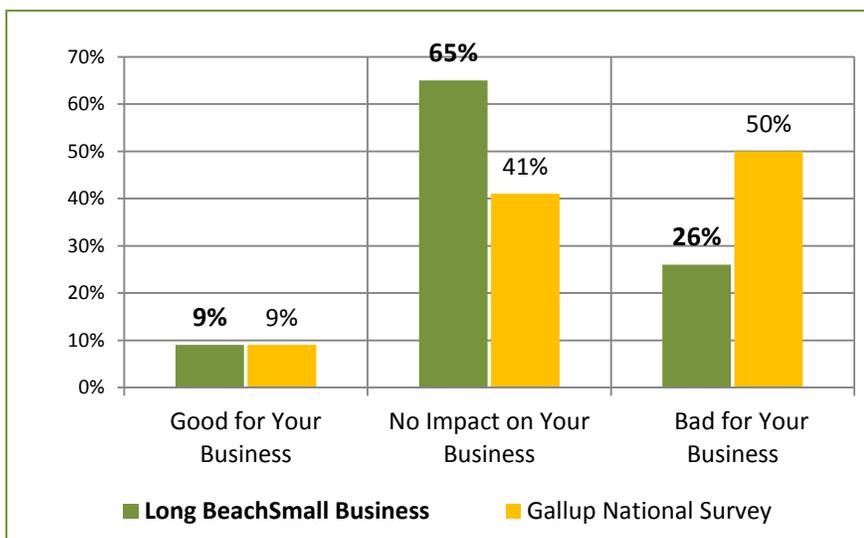
The results are based on surveys of small business owners in Long Beach with 50 employees or less – the average business size in this survey is 9 employees.

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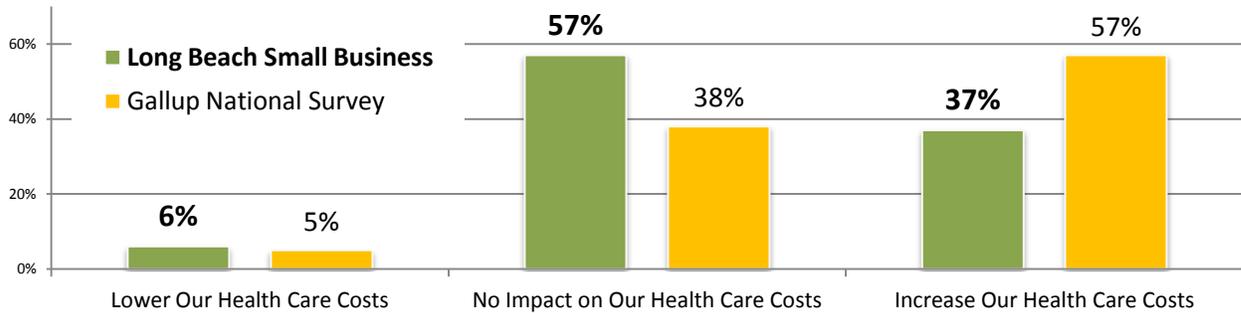
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LB Small Business, ACA and Health Care Costs

A majority (57%) of Long Beach Small Business owners feel the ACA will not impact their health care costs in the coming year compared to 38% of their national small business counterparts. Thirty-one percent of Long Beach Small Business owners feel their health care costs will rise as a result of the ACA compared to 57% of small business owners nationally.



Few Long Beach Small Businesses Consider Changes Due to the ACA

A large majority of Long Beach small businesses are not changing their hiring practices or cutting back on growth plans as a result of the ACA. Less than one in five Long Beach small business owners say they will hold off on hiring, reduce employee hours, let employees go, or drop employee health insurance as a result of the ACA. This is far fewer than that reported by small business owners nationally as noted in the table below.

Will Do or Have Done Any of the Following In Response to Affordable Care Act?	Long Beach Small Business	Gallup National Survey
Hold off plans to hire new employees	20%	41%
Pull back on plans to grow your business	17%	38%
Consider dropping health plans for workers	18%	24%
Reduce hours for workers to part-time	16%	18%
Reduce number of workers at your business	17%	17%

Size of Business Does Not Matter When Considering Impact of ACA

Our survey findings indicate that implementation of the ACA will not be a significant drag on local small business in 2014 regardless of business size. The same percentage (65%) of smaller, micro sized business and those with 5-50 employees have neutral attitudes toward the ACA. Negative attitudes toward the ACA are statistically the same, at 23% for micro-sized small business and 28% for small businesses with 5-50 employees.

Expectations of the Affordable Care Act	All Small Business	Fewer Than 5 Employees	5 to 50 Employees
Good For My Business	9%	12%	7%
No Impact On My Business	65%	65%	65%
Bad For My Business	26%	23%	28%



Small Business and the Affordable Care Act (ACA)

The ACA has certain key provisions that will impact small businesses with fewer than 50 employees including:

- Open for enrollment year-round, small employers with generally up to 50 full-time equivalent (FTE) employees have access to the new Health Insurance Marketplace through the [Small Business Health Options Program \(SHOP\)](#). The SHOP Marketplace offers small employers increased purchasing power to obtain a better choice of high-quality coverage at a lower cost. Costs are lowered because small employers can pool their risk. Employers that have fewer than 25 full-time equivalent employees (FTEs), pay average annual wages below \$50,000, and that contribute 50% or more toward employees' self-only premiums may qualify for a [small business tax credit](#) of up to 35% (25% for tax-exempt employers) to help offset the costs of insurance. In 2014, this tax credit goes up to 50% (35% for tax-exempt) and is available to qualified small employers that participate in the Health Insurance Marketplace for small employers known as [Small Business Health Options Program \(SHOP\)](#).
- Under the Affordable Care Act, employers covered by the Fair Labor Standards Act (generally, those firms that have at least one employee and at least \$500,000 in annual dollar volume of business), must provide notification to their employees about the new Health Insurance Marketplace; inform employees that they may be eligible for a premium tax credit if they purchase coverage through the Marketplace; and advise employees that if an employee purchases a plan through the Marketplace, they may lose the employer contribution (if any) to any health benefits plan offered by the employer.
- Employers are required to provide employees with a standard "Summary of Benefits and Coverage" form explaining what their plan covers and what it costs. ACA coverage penalties do not apply to small businesses with less than 50 employees.
- Click here for more information: <http://www.sba.gov/content/employers-with-up-to-50-employees>

Group Presentations & Sponsorship Information

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Thank You to Our Respondents!

"THANK YOU!" To the more than 100 Long Beach small business owners, managers and supervisors that completed the 2014 survey of small business.

Methodology

Results are based on a probability sampling of small businesses in Long Beach, CA (50 employees or less). Under the direction of Dr. Flexo, Marketing Systems Group (www.m-s-g.com) generated a random sample from their frame of all small businesses with addresses in Long Beach. The sample was sent to Opinion Access Corporation a professional data collection facility (www.opinionaccess.com). Each record was called by a professionally trained interviewer at OAC. A final sample of 100 interviews with small business was collected using this industry standard procedure.

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