

Voices of Main Street

Oregon small business views on public policy

August 2013



The Main Street Alliance of Oregon

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EXECUTIVE SUMMARY

This report is based on a survey of 373 small business owners throughout Oregon. The majority of these “Main Street” businesses were in rural cities from Hood River to Joseph, from Astoria to Brookings, from Monmouth to Ashland and in the Bend/Redmond area; all are businesses with 1-50 employees. Key findings include:

THE ECONOMY AND TAXES

- **Oregon small business owners believe increasing consumer demand is what is needed most to get the economy back on track.** Many small business owners report that more customers will help them to create more jobs, not lower taxes or fewer regulations.
- **Oregon small business owners believe big corporations should pay more taxes, and strongly support closing corporate tax loopholes.** The majority of respondents said big corporations are paying less their fair share of taxes. A strong majority sees closing corporate tax loopholes as an important revenue-raising opportunity.

IMMIGRATION REFORM

- **A strong majority of Oregon small businesses support comprehensive immigration reform that includes a path to citizenship for immigrants.** Respondents see the immigrant workforce that is critical to the development, recovery and expansion of our economy.

HEALTH CARE

- **While most small business owners lack information about the Patient Protection and Affordable Care Act, the Oregon Health Insurance Exchange (Cover Oregon) and the availability of small business health care tax credits, they are eager for more information.** Oregon small business owners want information about the ACA and Cover Oregon, not political commentary.
- **Small business owners in Oregon support further healthcare reforms to guarantee universal health coverage, beyond the Affordable Care Act.** Many are in support of a “single payer” or Medicare for All type of system.

BANKING AND ACCESS TO CREDIT

- **Small business owners across Oregon continue to face challenges with access to credit.** Respondents reported they have been turned down for loans within the past year, decided to not seek bank loans due to being discouraged, and have had lines of credit called in.
- **Small business owners overwhelmingly support local banking and public policy encouraging local lending, like “partnership banks.”** The vast majority of respondents support cities and counties moving public deposits out of Wall Street Banks and depositing them in local community banks and credit unions.

POLITICAL SPENDING AND ELECTORAL REFORM

- **Oregon small business owners are concerned about unlimited political spending in elections.** Asked if the Supreme Court’s *Citizens United* decision freeing corporations to spend unlimited

money in elections was good, bad or has no impact for small businesses, a solid majority of respondents said it was bad for small businesses.

- **Oregon small business owners support electoral reforms to limit the influence of money in politics.** Many support a constitutional amendment declaring that corporations are not people and money is not speech, as well as other reforms to fund elections with small private donations and public matching funds rather than relying on wealthy donors and corporate money.

WORKPLACE BENEFITS

- **A plurality of Oregon small business owners surveyed support a statewide sick leave standard for all employers.** The business community is divided on a paid time off standard, but supporters see it as a public health issue, and the right thing to do.

INTRODUCTION

It is common knowledge that small businesses are the job creators in our economy. Small businesses create jobs and deliver essential goods and services in communities across Oregon and America; they help to bolster development of local economies. And small business owners, in national polls, are seen as one of the most trusted groups of messengers in our society.

As real-life experts on the economy and the challenges and opportunities of running a business, small business owners have important perspectives on how to shape public policies to support strong local economies. This report focuses on the experiences and views of Oregon small business owners as documented in a survey conducted for 12 months between May of 2012 and May of 2013. The survey evaluated small business owners' experiences and views on the economy, taxes, access to credit, banking, health care, workplace benefits and immigration reform.

METHODOLOGY

This report is based on a survey of 370 small business owners from a range of cities and towns, mostly rural and out of the Portland Metro area, across Oregon. Included are "Main Street" businesses from Hood River, The Dalles, Hermiston, Pendleton, La Grande, Baker City, Joseph, Enterprise, Astoria, Tillamook, Lincoln City, Newport, Waldport, Coos Bay, North Bend, Brookings, Monmouth, Independence, Springfield, Roseburg, Grants Pass, Medford, Bend, Redmond and a sprinkling of other cities. Surveys were collected between May 2012 and May 2013, primarily through face-to-face interviews with business owners in their places of business. A small number of surveys were collected through email.

Survey results reported here are rounded to the nearest percentage point. (In some cases, the combined tallies for a question will not sum to exactly 100 percent due to rounding.)

FINDINGS

RESPONDENT INFORMATION

Among respondents to this survey, 57 percent were business owners with employees and 43 percent were self-employed. Forty-two (42) percent of respondents had one to five employees, 10 percent had six to ten employees, 4 percent had 11 to 25 employees, 1 percent had 26 to 50 employees and none had more than 50 employees.

THE ECONOMY AND TAXES

With the country's financial system still struggling to get back on track and the unemployment rate dangerously high, small business owners across Oregon were surveyed on various issues and policies aimed to bolster economic development locally and nationally.

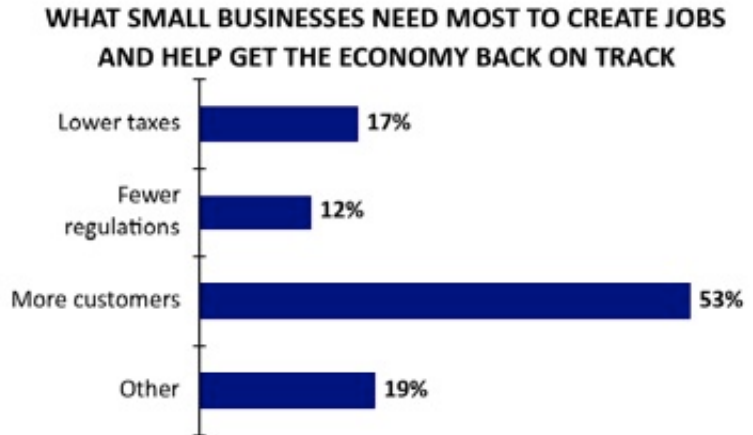
What Small Businesses Need to Create Jobs and Get the Economy Back On Track

The survey queried small business owners about the economy and what small businesses need to create jobs. It posed the following question:

“What do you believe small businesses need most to create jobs and help get the economy back on track?”

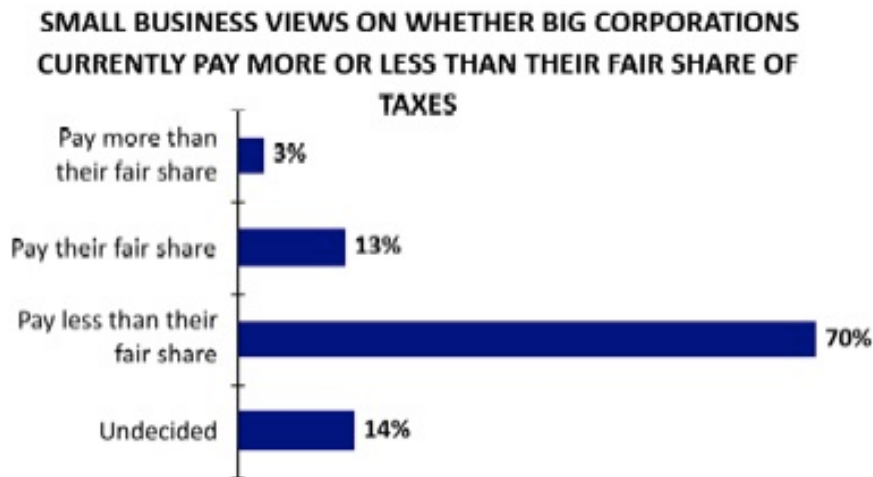
- A. Lower taxes
- B. Fewer regulations
- C. More Customers
- D. Other”

In response, 53 percent of participating small business owners said “more customers.” About 17 percent of respondents chose “lower taxes” and 12 percent chose “fewer regulations.” 19 percent chose “other.”



On Taxes and Tax Reform

The survey asked respondents about taxes and corporate tax reform. It posed the question:

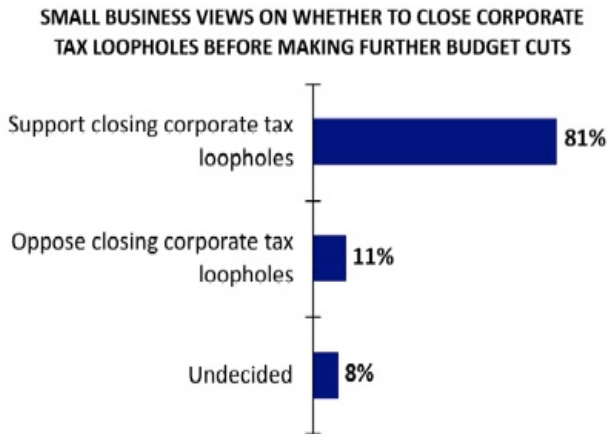


“Thinking about taxes, do you think big corporations currently pay more than their fair share of taxes, pay their fair share, or pay less than their fair share?”

In response, 70 percent of small business owners surveyed said they think large corporations pay less than their fair share. Three percent of surveyed business owners said large corporations pay more than their fair share. Thirteen percent said they pay their fair share. Fourteen percent were undecided.

The survey then asked:

“Would you support or oppose closing corporate tax loopholes to increase revenues before making further budget cuts?”



In response, 81 percent of small business owners surveyed said they support closing corporate tax loopholes to increase revenues before making further budget cuts. Eleven percent said they oppose this approach and 8 percent were undecided.

In a final tax related question, the survey asked about a financial transaction tax:

“A proposal for what’s called a financial transaction tax would institute a small tax- a fraction of a percent- on Wall Street trading of financial instruments (stocks, bonds and derivatives) to raise revenue and discourage financial market speculation. Would you support or oppose this proposal?”

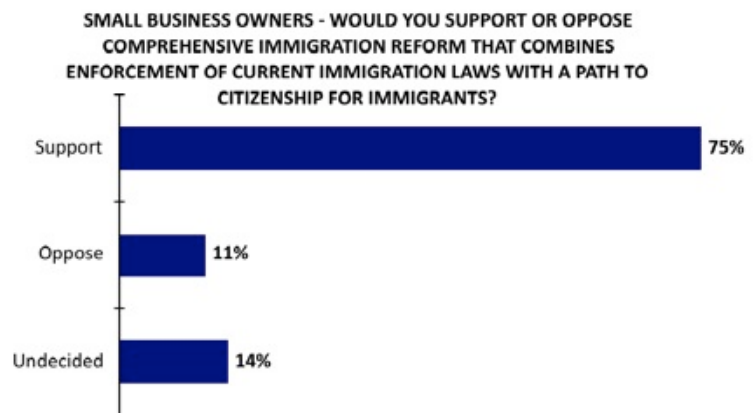
A smaller majority supported this proposal (51 percent). 27 percent opposed and 23% were undecided.

IMMIGRATION REFORM

Immigration policy in the U.S. is a highly contested issue currently, and the debates over what next steps to take dominate the political landscape. The survey gave small business owners in Oregon a chance to weigh in on the issue.

The survey asked small business owners their opinions immigration reform:

“Would you support or oppose a proposal for comprehensive immigration reform that combines enforcement of



immigration laws with a path to citizenship for immigrants?”

A strong majority (75%) of the mostly rural small business owners in the survey also supported comprehensive immigration reform. 12% opposed and 14% were undecided.

HEALTH CARE

Since the passage of the Patient Protection and Affordable Care Act (ACA), health care policy and how the country deals with access to affordable health care has been in the media’s spotlight. Due to this continuing political debate, fact has often been overshadowed by emotion. And, with Cover Oregon, the new Oregon health insurance exchange, beginning to accept applications in October 2013, access to correct, up-to-date information is critical. Small business owners across Oregon were asked to weigh in on issues surrounding the ACA, Cover Oregon and health care reform in general.

The survey asked:

“Do you offer health insurance for your employees?”

Eighty five percent of respondents said they did not provide health insurance for their employees, 15 percent did.

On the same theme, it asked:

“Do you have health insurance for yourself?”

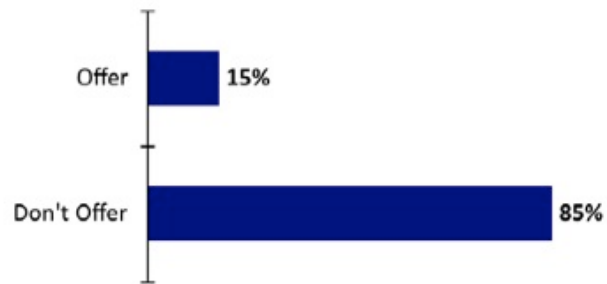
On this question sixty three percent of respondents said they did have health insurance for themselves, thirty seven percent did not. Of those who did, some had health insurance through their spouses’ policies, some purchased individual policies and some were on Medicare or other publicly funded programs.

The survey then asked about the employer’s knowledge about new health insurance options under the Affordable Care Act:

“Did you know that small businesses (under 25 employees) may qualify for a tax credit to help cover the costs of employee health coverage?”

Of those responding with employees, half were aware of this tax credit, and half were

SMALL BUSINESS OWNERS WHO OFFER HEALTH INSURANCE FOR THEIR EMPLOYEES

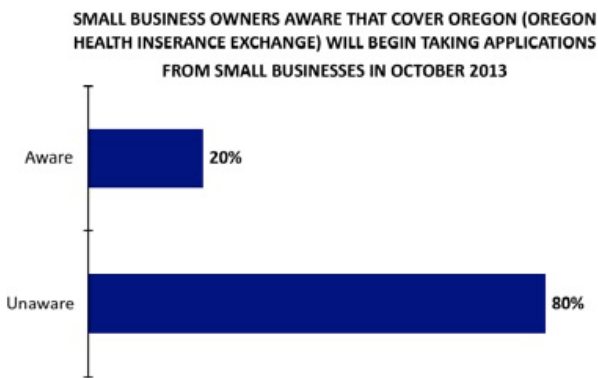


SMALL BUSINESS OWNERS - DID YOU KNOW SMALL BUSINESSES (<25 EMPLOYEES) MAY QUALIFY FOR A TAX CREDIT TO HELP COVER THE COSTS OF EMPLOYEE HEALTH COVERAGE?



not. Of those, 51 percent wanted more information, and 49 percent did not.

Then the survey asked about knowledge on the new Oregon Health Insurance Exchange, Cover Oregon:



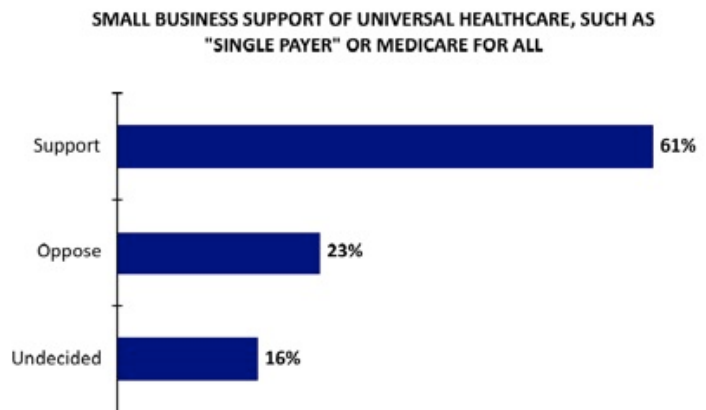
“Are you aware that the Oregon Health Insurance Exchange (now called Cover Oregon) will begin taking applications from small businesses in...2013?”

A larger percentage of respondents (80 percent) were unaware that the health insurance exchange was rolling out in 2013. Many were interested in the new exchange and 69% wanted information on it.

A final question on health care queried support for a universal health care model:

“Would you support or oppose a universal health care system, where employers are not solely responsible for health care costs, such as a “single payer” or Medicare for All model?”

A majority (61 percent) of small business owners also supported this idea. 23 percent were opposed and 16 percent were undecided.



BANKING AND ACCESS TO CREDIT

Access to capital is essential to small business growth and development across the U.S. and the story is no different in here in Oregon. This survey offered an opportunity to small business owners across the state to discuss their issues with access to credit, comment on Wall Street banks, and give their opinions about capital access in general.

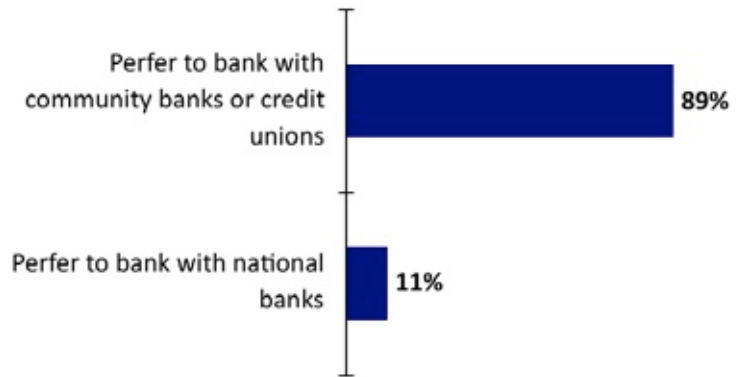
Banking

On the question:

“Do you prefer banking with local community banks and credit unions rather than large national banks?”

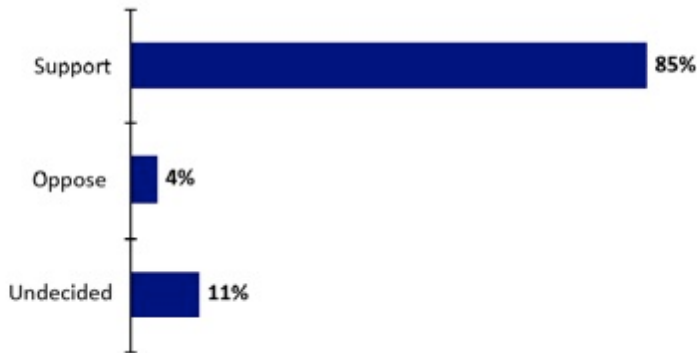
A strong majority of respondents (89 percent) replied yes, they prefer banking local.

SMALL BUSINESS VIEWS ON BANKING WITH LOCAL BANKS & CREDIT UNIONS VS. WITH NATIONAL BANKS



On a related question,

SMALL BUSINESS VIEWS ON MOVING PUBLIC DEPOSITS OUT OF WALL STREET BANKS AND INTO LOCAL BANKS AND CREDIT UNIONS



“Some cities and counties have policies to move public deposits out of Wall Street banks and deposit them in local community banks and credit unions. Would you support or oppose this idea?”

Another strong majority (85 percent) support local banking by their city and county governments.

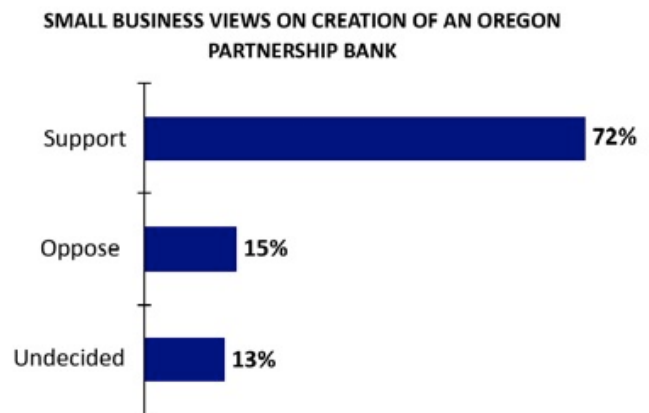
Experiences with Access to Credit

The survey asked respondents to if they had experienced problems with access to credit in the past year.

In response, 16 percent of respondents reported being turned down for a bank loan in the past year. Additionally, 18 percent of respondents reported that they had decided not to seek a bank loan because they were discouraged. Eight percent reported having a line of credit called in and four percent reported being unable to obtain sufficient trade credit or a vendor loan. Many of those not reporting challenges in access to credit acknowledged that they had not tried to obtain or had no need for credit.

On a related question,

“Some states are considering establishing “partnership banks” or initiatives like the Oregon Investment Act that would take deposits from state money (and possible private and grant funds) and be able to partner with community banks to bolster their small business lending. Would you support or oppose the creation of a partnership bank or other mechanism to provide partnership loans for small businesses in Oregon?”



A majority of respondents (72 percent) would support the creation of a partnership bank, 16 percent would oppose and 13% were undecided.

POLITICAL SPENDING AND ELECTORAL REFORM

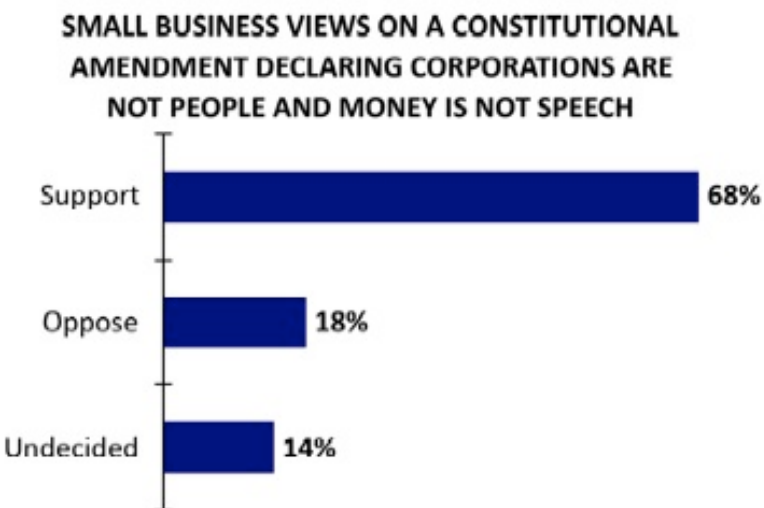
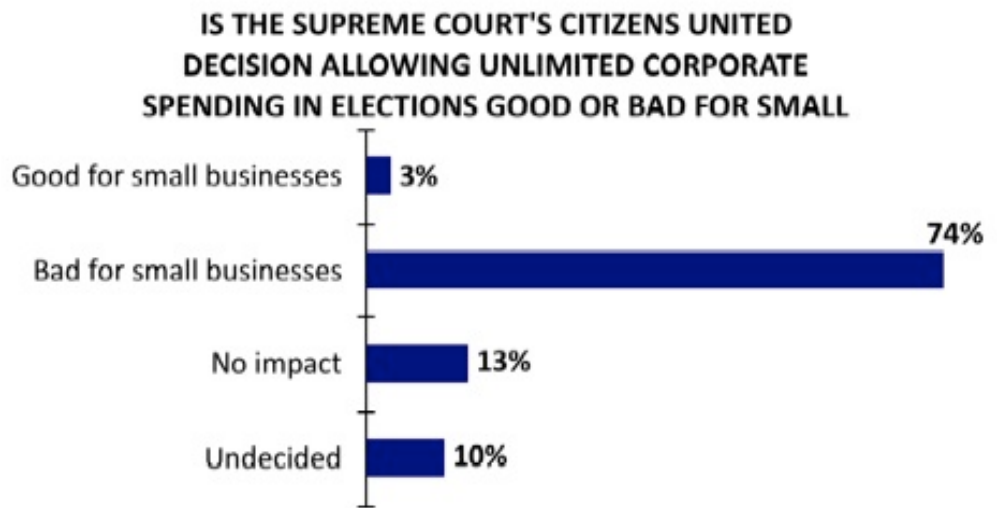
With the 2012 election season still fresh in many minds, and the 2014 election season right around the corner, issues surrounding political spending and electoral finance continue to be a current topic of political discussion. This survey asked questions surrounding *Citizens United's* impact on small business, different methods of electoral finance reform and money in politics.

The *Citizens United* Decision

The survey asked respondents the following question about the Supreme Court's *Citizens United* decision:

"In January 2010, the U.S. Supreme Court ruled in its Citizens United decision that corporations are free to spend unlimited sums of money in elections. Do you believe this change is good for small businesses, bad for small businesses, or has no impact?"

In response, 74 percent of participating business owners said they believe the *Citizens United* decision is bad for small businesses. Three percent said they believe the decision is good for small businesses, 13 percent said it has no impact and 10 percent were undecided.



Constitutional Amendment

The survey then asked:

"Would you support or oppose a constitutional amendment declaring that corporations are not people and money is not speech?"

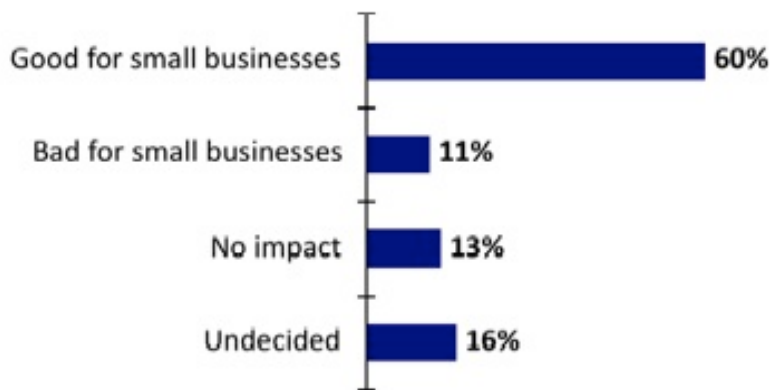
On this question, 68 percent

responded that they would support a constitutional amendment, 18 percent opposed and 14 percent were undecided.

Electoral Reform: Alternative Funding System

“Some states have set up systems to fund election campaigns without relying on wealthy donors and corporate money. Do you believe such systems are good for small businesses, bad for small businesses, or have no impact?”

SMALL BUSINESS VIEWS ON SYSTEMS TO FUND ELECTIONS WITHOUT RELYING ON WEALTHY DONORS OR CORPORATE MONEY

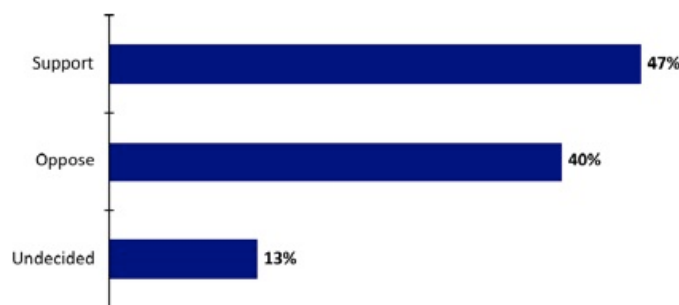


In response, 60 percent of participating small business owners said such systems are good for small businesses, 11 percent said they’re bad, 13 percent said they have no impact and 16 percent were undecided.

WORKPLACE BENEFITS

Another popular topic of debate is around workplace benefits; there have been discussions about paid time off, paid sick days, and family leave. This survey asked Oregon small business owners about a paid sick leave standard for all employers in the state.

SMALL BUSINESS OWNERS - WOULD YOU SUPPORT OR OPPOSE A STATEWIDE SICK LEAVE STANDARD FOR ALL EMPLOYERS?



When asked *“Would you support or oppose a sick leave standard for all employers?”* a larger group (47 percent) would support a standard for all employers than 40 percent who would oppose such a standard.

Conclusion

Small business owners are often perceived as anti-tax, anti-government programs and regulations, and against initiatives like healthcare reform. This survey of 373 small business owners challenges these perceptions Oregon small business owners.

With the Legislature working to balance the budget, both here in Oregon and nationally, they are examining various ways to raise revenue to avoid more budget cuts. As Congress embarks on a mission to investigate the corporate tax code and improve the way our country works, they have a clear opinions coming from small business. Small business owners feel corporations and the wealthy should pay more taxes, believe they and their local governments should support local banks and credit unions as opposed to Wall Street, feel our electoral system was damaged and small business were hurt by the *Citizens United* Supreme Court decision and would support an amendment to the constitution declaring corporations are not people and money is not speech.

As the debates continue over immigration policy in the U.S., small business owners believe Congress should act. In Oregon, they *strongly* support comprehensive immigration reform with a clear pathway to citizenship.

When it comes to health care, small business owners are eager for more information but are lacking it right now. Here in Oregon, they support further healthcare reforms to guarantee universal health coverage, beyond the Affordable Care Act. Many are in support of a “single payer” or Medicare for All type of system.

Main Street Alliance of Oregon hopes lawmakers, the media and other decision makers will look closely at the results of this survey in planning public policy. We encourage them to listen and respond to the true voices of Main Street.

the
MAIN STREET
alliance of oregon



a big vision for small business

The Main Street Alliance of Oregon creates opportunities for Oregon small business owners to speak for themselves to advance policies that are good for small businesses and the communities we serve.

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