



Questions and Answers about SMALL BUSINESS AND WORK–FAMILY: A Sloan Work and Family Research Network Fact Sheet

Introduction

The Sloan Work and Family Research Network has prepared Fact Sheets that provide statistical answers to some important questions about work–family and work–life issues. This Fact Sheet includes statistics about Small Business and Work–Family. (Last updated: January 2009)



How many small businesses are there?

- ✔ **Fact 1** Small firms (those with fewer than 500 employees) represent 99.7% of all employers in the country (Kobe, 2007).
- ✔ **Fact 2** According to Small Business Administration Office of Advocacy estimates, there were 27.2 million small businesses (fewer than 500 employees) in the United States in 2007 (U.S. Small Business Administration [n.d.]).



How do small and large businesses compare on workplace benefits?

- ✔ **Fact 1** U.S. small businesses with 50 to 99 employees are more likely (21%) to offer a compensatory time off program than employers with 1,000 or more employees (9%) (Families and Work Institute, 2008).
- ✔ **Fact 2** “There is no statistically significant difference between the proportion of small employers (50 to 99 employees) and large employers (over 1,000 employees) that offer at least 12 weeks of caregiving leaves; that is, they offer full Family and Medical Leave coverage—79 percent and 82 percent, respectively” (Families and Work Institute, 2008).
- ✔ **Fact 3** Small employers are significantly less likely (48%) than large employers (76%) to offer any replacement pay to women during maternity leave: “Of employers providing some pay to women during maternity leave, most (80%) fund this pay through a general temporary disability insurance (TDI) plan....Only 73 percent of small employers, versus 85 percent of large employers offer TDI coverage” (Families and Work Institute, 2008).
- ✔ **Fact 4** Large employers with 1,000 employees or more are more likely (87%) than small employers with 50 to 99 employees (51%) to offer an Employee Assistance Program to help employees deal with problems that may affect their work or personal life (Families and Work Institute, 2008).



- ✔ **Fact 5** “Small employers with 50 to 99 employees are less likely (93%) to offer personal health insurance coverage than large employers (100%), but when they do, small employers are more likely (29%) than large employers (7%) to pay all of the premiums” (Families and Work Institute, 2008).
- ✔ **Fact 6** Small employers with 50 to 99 employees are less likely than large employers with over 1,000 employees to offer benefits that enhance employees’ economic security. For example, 92% of large employers offer a company contribution to a retirement plan compared to 73% of small employers (Families and Work Institute, 2008).
- ✔ **Fact 7** Data from the 1998 and 2008 National Study of Employers show no statistically significant change in caregiving leaves offered by employers with 100 or more employees (Families and Work Institute, 2008).
- ✔ **Fact 8** “Twelve (12) percent of small employers (34% of those with 20 or more employees) have a policy regarding family and medical leave, while 82 percent handle such requests on a case-by-case basis. Those with a policy typically have it written and available to employees upon request. Almost half (49%) of those with a policy offer unlimited leave while the other half (49%) place a time limit on it. The most frequent limit is one to three months (34%), but that policy varies enormously as does whether leave is paid, unpaid or taken as paid vacation or sick leave” (NFIB Research Foundation [n.d.]).



How do small and large businesses compare on creating a supportive culture?

- ✔ **Fact 1** Employees in small firms with 50 to 99 employees are more likely (64%) than employees of large companies with 1,000 or more employees (47%) to report that their “supervisors are encouraged to be supportive of employees with family needs and by finding solutions that work for both employees and the organization” (Families and Work Institute, 2008).
- ✔ **Fact 2** Findings from a 2008 study conducted by the Families and Work Institute indicate that there is no statistically significant difference in the flexibility and supportiveness of small (50 to 99 employees) and large (more than 1,000 employees) employers (Families and Work Institute, 2008).
- ✔ **Fact 3** Large employers are more likely (88%) to train supervisors in managing diversity than small employers (62%) (Families and Work Institute, 2008).



What is the likelihood that employees take time off?

- ✔ **Fact 1** “Within the last three years, 34 percent of small employers have had one or more requests for family and medical leave. Two-thirds of that number report one or two requests, though the average number of requests is three per firm (or one per firm per year)” (NFIB Research Foundation [n.d.]).
- ✔ **Fact 2** “Most employees take modest amounts of time off. Forty (40) percent take a week or less, though 26 percent take more than one month. Over two-thirds of owners paid the absent employee directly or



indirectly. Contrary to economic logic, no relationship appeared between the amount of time off and the likelihood of being paid (including paid sick leave and vacation)” (NFIB Research Foundation [n.d.]).

How do small businesses respond to government mandates?

✔ **Fact 1** According to the 2008 Families and Work Institute’s National Study of Employers, “...between 18 to 21 percent of employers (small and large) appear to be out of compliance with FMLA” (Families and Work Institute, 2008).

✔ **Fact 2** Small businesses with fewer than 20 employees annually spend 45% more per employee than larger companies to comply with government regulations (Crain, 2005).

The Network has additional resources related to this topic.

1. Visit a topic page on Small Business and Work–Family at: <http://wfnetwork.bc.edu/topic.php?id=43>
Topic pages provide resources and information, including statistics, definitions, overviews & briefs, bills & statutes, interviews, teaching resources, audio/video, suggested readings, and links.
2. Our database of academic literature contains the citations and annotations of literature related to the issue of Small Business and Work–Family. You can connect to this database at:
http://library.bc.edu/F?func=find-b-0&local_base=BCL_WF



References

Crain, W. M. (2005). *The impact of regulatory costs on small firms*. U.S. Small Business Administration, Office of Advocacy. Retrieved from www.sba.gov/advo/research/rs264tot.pdf.

“The report divides federal regulations into four categories: economic, workplace, environmental, and tax compliance. The two main components of economic regulation are estimated separately; the estimated costs of economic regulations affecting international trade are mainly derived from the report issued by the U.S. International Trade Commission in 2004. The costs of domestic economic regulations, in a significant shift from previous estimates, are first estimated by running a cross–country regression analysis based on data from the Organization for Economic Cooperation and Development. Secondly, gaps in the baseline are filled with Office of Management and Budget (OMB) estimates. The costs of workplace regulations are based on the updated estimates from the study by Joseph Johnson (Office of Advocacy, 2005). Environmental regulations estimates are mainly based on OMB reports. Tax compliance costs, finally, are based on the 2002 report from the Tax Foundation. The allocation of costs across employment classes was made possible by use of Census data published by the Office of Advocacy.”



Galinsky, E., Bond, J. T., & Sakai, K., with Kim, S. S., & Giuntoli, N. (2008). *2008 National Study of Employers*. Retrieved from <http://www.familiesandwork.org/site/research/reports/2008nse.pdf>

"The 2008 NSE sample includes 1,100 employers with 50 or more employees—77 percent are for profit employers and 23 percent are nonprofit organizations; 40 percent operate at only one location, while 60 percent have operations at more than one location(Families and Work Institute, 2008)."

Kobe, K. (2007). *The small business share of GDP, 1998–2004*. U.S. Small Business Administration, Office of Advocacy. Retrieved from <http://www.sba.gov/advo/research/rs299tot.pdf>

This study by the Small Business Administration Office of Advocacy examined small businesses' contribution to gross domestic product.

NFIB Research Foundation. [n.d.]. *Family and medical leave*. Retrieved from <http://www.411sbfacts.com/sbpoll.php?POLLID=0001>

Data for this survey report were collected for the NFIB Research Foundation by The Gallup Organization. Interviews were conducted between April 23–May 22, 2004 from a sample of small employers (1–249 employees).

U.S. Small Business Administration. [n.d.]. *FAQs: Advocacy small business statistics and research*. Retrieved from <http://web.sba.gov/faqs/faqIndexAll.cfm?areaid=24>

Office of Advocacy estimates based on data from the U.S. Department of Commerce, Bureau of the Census, and the U.S. Dept of Labor, Employment and Training Administration.
