

THE VIEW FROM MAIN STREET
Paid Family and Medical Leave in Oregon
2019 Report



BACKGROUND

INTRODUCTION

Small businesses are the backbone of our Oregon economy; they create jobs, deliver essential goods and services in communities across the country, and bolster the development of local economies. 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.

But for decades, powerful conservative business associations like the have engaged in a form of “political identity theft,” advocating in the name of “small business” policies that often benefit large corporations at the expense of small business owners, their employees and the communities where they live and do business. Many real small business owners, however, don’t feel like these lobby groups represent their values or their direct self-interests.

Main Street Alliance works to reclaim those stolen voices of small business, and create the opportunities for business owners to get their own voices and stories heard by our elected officials, the media and other key decision-makers on the issues that matter most to Main Street business owners.

From 2017-2018, Main Street Alliance surveyed 1,777 small business owners across the country, 356 in Oregon. The survey evaluated small business owners’ experiences and views on a variety of issues ranging from the economy and taxes to workplace issues. This report shares the Oregon results and focuses on questions related to paid family and medical leave, addressing small business owners’ perspectives on funding, coverage, and the support needed to make a paid leave program a success.

METHODOLOGY

This report is based on a survey of 356 small business owners from a range of cities and towns across Oregon. Locations were chosen based on demographic and geographic criteria, with a particular focus on communities of color and underrepresented business owners. Surveys were conducted in respondents’ place of business, with fewer than 2 percent collected through email or over the phone. Survey results reported here are rounded to the nearest percentage point.



With guaranteed paid family and medical leave for everyone in Oregon, we can begin to create a culture that values healthy families as much as hard work. We can alleviate some of the stressors that come along with serious illness, birth or death.

A robust family and medical leave insurance program is equally appropriate in many of these instances and has an even greater power to improve our well-being.

— HOLLY ITAMI SPRINGFELS, KERN PARK FLOWER SHOPPE, PORTLAND

RESPONDENT INFORMATION

Among respondents to this survey, 63 percent had zero to three employees (13 percent sole proprietors), 24 percent had 4 to 10 employees, 9 percent had 11 to 25 employees, 3 percent had 26 to 50 employees and 1 percent had over 50 employees.

Approximately 56 percent of the respondents identified as female, 40 percent identified as male, and 4 percent identified as trans or declined to state.

Of those business owners who provided their racial/ethnic background, 21 percent self-identified as people of color (7 percent self-identified as African-American or Black; 10 percent as Latino/a; 1 percent as Pacific Islander; 1 percent as West Asian or Middle Eastern; fewer than 1 percent as American Indian or Alaskan Native; fewer than 1 percent as South Asian; fewer than 1 percent as East Asian; fewer than 1 percent as Multiracial), 67 percent self-identified as White/Caucasian, 7 percent responded "option not listed." Five percent declined to report their race/ethnicity.



AMBER HALBERT CHILDRESS, HIGH RIDGE ROOFING & CONSTRUCTION LLC, SPRINGFIELD

At 40 years old, I never thought I would find myself pregnant again, but here I am. Like any expectant mother, I have no way to anticipate exactly what the delivery and postpartum recovery will look like. At my age, and with my current health concerns, the anxiety and worry is compounded.

For many working Oregonians, any health complication or unexpected outcome could seriously impact our livelihood. Many of my employees are in the same position. As an employer, I wish I could do more, but it's simply not an option for myself or many other small business owners like me to do it on our own. That's why we need a paid family and medical leave insurance program.

— AMBER HALBERT CHILDRESS,
HIGH RIDGE ROOFING AND CONSTRUCTION LLC, SPRINGFIELD

REPORT FINDINGS

The United States has one of the least generous paid family and medical leave (PFML) policies in the world. Just 17 percent of the workforce has paid family leave through their employer, and fewer than 40 percent has personal medical leave through an employer-provided disability program.¹ The lack of a state or national PFML policy not only harms employees, but also puts small business owners at a considerable disadvantage.

Small businesses often have trouble matching the more generous leave benefits offered by larger employers, which makes it difficult for them to compete. Without paid leave, small business owners themselves have no protection in case of an illness or caregiving need. A single accident or a medical emergency could plunge them into financial free-fall.

Within the last decade, several states have passed laws to address the gap in coverage. New Jersey, California, Washington, Rhode Island, New York, Massachusetts, and Washington D.C. currently have PFML policies. A range of other states, including Vermont, Oregon, Tennessee, Connecticut, Ohio, Montana, and Hawaii, are considering legislation or serious leave proposals.

This state-level activity has, in large part, spurred growing momentum for a national solution.

To better understand small business perspectives on this issue and identify key concerns, Main Street Alliance posed a series of questions related to Paid Family and Medical Leave.

PAID FAMILY AND MEDICAL LEAVE

In this survey, respondents were first asked if they currently offer any paid family leave to their employees. Eighty-five percent of respondents do not offer paid family leave, compared to 15 percent who do, a 2 percentage point increase from our 2015 survey (Figure 1).²

Business owners who do not currently offer PFML to their employees were then asked: "What is limiting you from offering PFML to your employees?"

Respondents could select as many responses as were applicable from: administrative responsibilities, availability of plans, complexity of market, cost, or other.



In response, 46 percent cited administrative responsibilities, 26 percent included availability of plans, 13 percent noted the complexity of the market, 6 percent mentioned cost, and 9 percent included an additional "other" response (Figure 2).

Small Businesses Surveyed Currently Offering Paid Family & Medical Leave

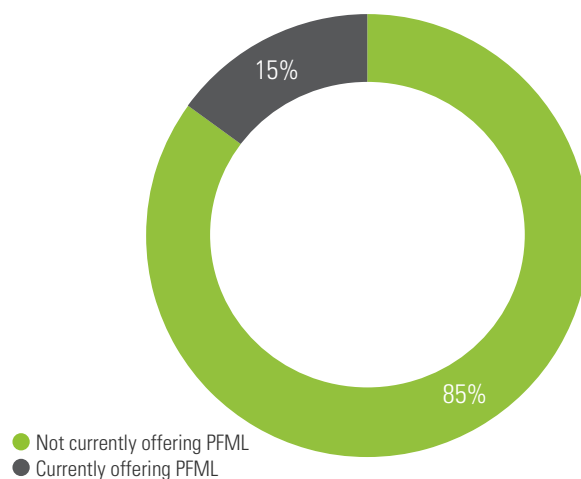


Figure 1. Data from 2017 Main Street Alliance survey

Offering PFML: Limiting Factors

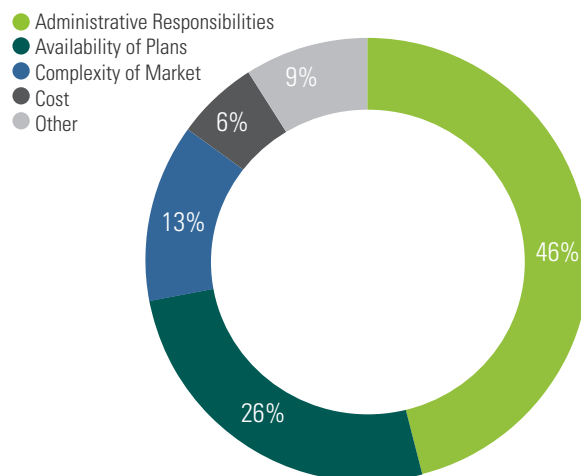


Figure 2. Data from 2017 Main Street Alliance survey

Most Helpful for Small Business Owners to Offer PFML

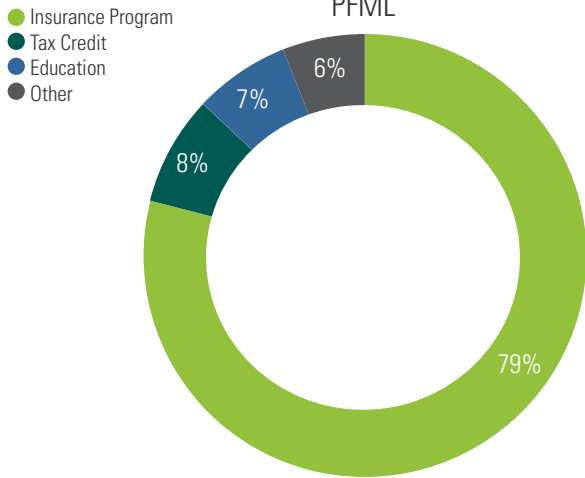


Figure 3. Data from 2017 Main Street Alliance survey

Business owners who do not currently offer PFML were then asked: “What is the number one thing that would help you to offer PFML to your employees?”

Respondents could select one answer from: a social insurance program, a tax credit, education or something else. The vast majority, 79 percent, said a social insurance program would help them the most to offer PFML to their employees. Eight percent said a tax credit, 7 percent called for more education, and 6 percent responded “other,” filling in their own answer (Figure 3).

These small business owners were then asked about their biggest concerns about offering PFML in their businesses. Respondents could select as many responses as were applicable from: cost, wage replacement, enforcement, work coverage, the relationship between state and federal policies, incorporating PFML with other new job quality standards, and other.

Small Business Concerns with Offering PFML

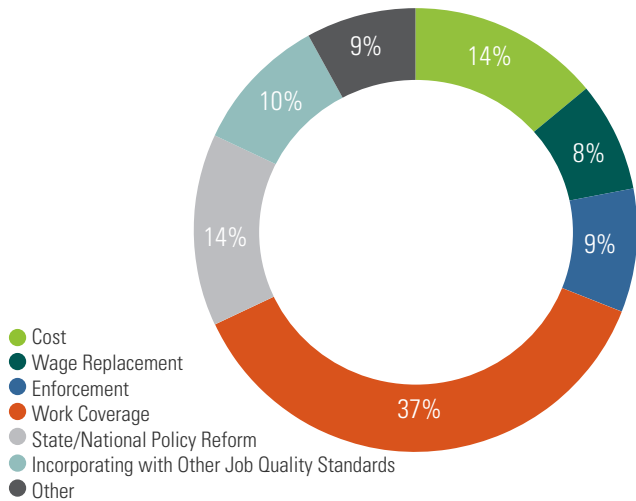
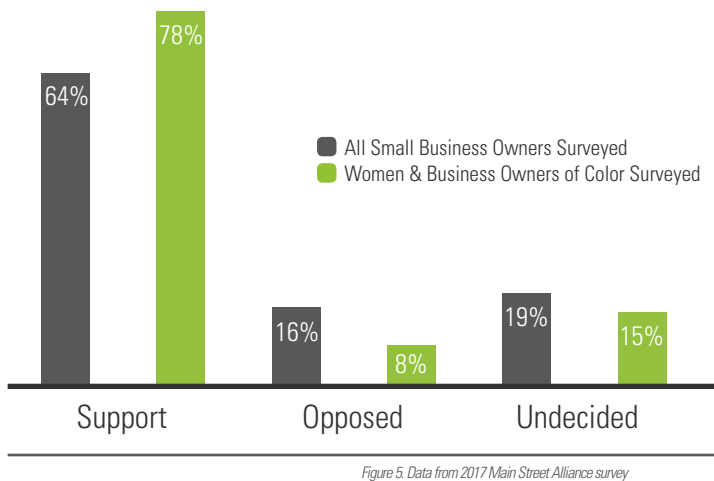


Figure 4. Data from 2017 Main Street Alliance survey

Of those who responded, 37 percent were concerned about work coverage; that is, how to cover the job duties performed by the employee out on leave. Fourteen percent were concerned about the relationship between state and federal policies, 14 percent included cost, 10 percent noted incorporating PFML with other job quality standards, 9 percent cited enforcement, 8 percent were concerned about wage replacement, and 9 percent had an additional concern not listed (Figure 4).



Small Business Support of PFML Policy like the FAMILI Equity Act



All respondents were then asked:

“Would you support or oppose a paid family leave policy?”

Among respondents, 64 percent were in support of such a policy, 16 percent were opposed, and 19 percent were undecided. Women and business owners of color were more likely to be supportive, with 78 percent favoring a paid family leave policy. Only 8 percent were opposed and 15 percent undecided (Figure 5).



CATHERINE & CHERYL REINHART, OWNERS, SWEETLIFE PATISSERIE, EUGENE

We know that life happens. Whether a serious illness strikes, or you need time off to welcome a new child to your family, everyone should have the ability to take care of themselves or their families — whatever their family looks like — and not have to miss much-needed pay. And for small businesses like us, an insurance program like these policies would create makes common sense. It allows for a shared responsibility between business owners and our employees, and means that we’re able to plan for the future, knowing that when one of our team really needs to take time away from work to care for themselves or their families, the support is there.

— CATHERINE & CHERYL REINHART, SWEETLIFE PATISSERIE, EUGENE



TINA LYONS, DOUBLE RIVER FORWARDING, PORTLAND

My employees are the MOST important part of my business, as we are all about customer service. That’s what we do all day long, is help our customers. So they mean a lot to me. A PFML plan that allows both the employee and employer to pay into a social insurance for these kinds of situations makes a lot of sense and will allow me to compete with the bigger companies that have all the fancy benefits. Paying just a tiny amount to make sure my employees have time to care for themselves and their loved ones in a time of need is the least I can do.

— TINA LYONS, DOUBLE RIVER FORWARDING, PORTLAND

Small Business Owners: Funding PFML is a Shared Responsibility

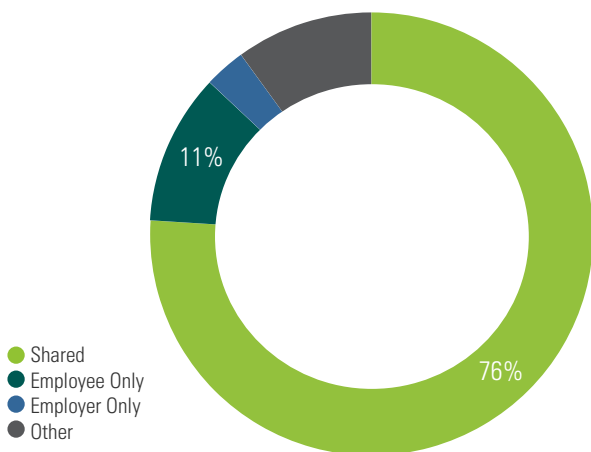


Figure 6. Data from 2017 Main Street Alliance survey

Respondents were then asked about how best to pay for a PFML social insurance program.

The overwhelming majority of respondents, 76 percent, view the funding of such a program as a shared responsibility, with a joint employer and employee contribution. Eleven percent thought the program should be an employee-only contribution. Three percent believed just the employer should contribute, and 10 percent noted another source of funding for the program (Figure 6).

Small Business Owners Support for Broad Family Definition

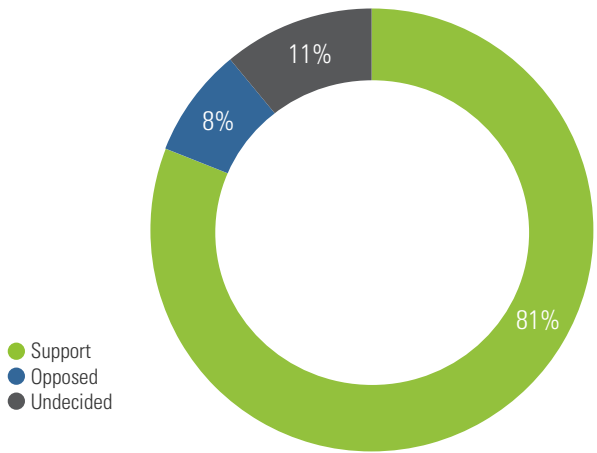


Figure 7. Data from 2017 Main Street Alliance survey

Respondents were then asked about who should be covered by a PFML policy, specifically, how broad or narrow a policy should define “family.” The vast majority of respondents, 81 percent, suggested an inclusive family definition be used to cover the range of family configurations and care responsibilities that business owners and their employees face (Figure 7). For business owners and employees alike, caregiving responsibilities often extend outside of the nuclear or residential family. Small business owners in this survey felt a sound PFML program that meets the needs of today’s workforce must reflect the diversity of individuals’ lives. At the minimum, any proposal should include a definition of “family” that should cover care for elders, siblings, same-sex families, domestic partners, grandparents, grandchildren, and adult children.³

Over the last year, three of our twelve employees welcomed new babies into their families. Many large companies know the value of paid family leave, and their employee recruiting and retention stats demonstrate that. So it seems to me it is time to level the playing field for small businesses who want to recruit and retain the best employees. A statewide, and eventually nation-wide, paid family leave standard, applicable to all businesses, would provide the benefits necessary for a healthy, productive, loyal workforce and would enable those of us with small businesses to compete more equitably with the large companies in this tight labor market.

— JIM HOUSER, HAWTHORNE AUTO CLINIC, PORTLAND



JIM HOUSER, CO-OWNER, HAWTHORNE AUTO CLINIC, PORTLAND

CONCLUSION

Main Street Alliance surveyed business owners about best practices to better support their workforce, improve the economy and reduce inequality. The results showed overwhelming support for family-friendly workplace policies. The widespread support for a solution to the lack of access to paid family and medical leave in Oregon and nationally, particularly among those that do not currently offer these policies, indicates an important role for public policy. These findings suggest that, with the successful adoption of thoughtful paid family and medical leave policies, the number of businesses able to implement these programs would greatly expand.

Insights from these surveys and additional follow up conversations, coupled with evidence and lessons learned from existing programs, have highlighted six key points to be considered as a part of a paid family and medical plan in Oregon:

- 1. Equal Access:** PFML should be available in all businesses, regardless of size or sector, and to all individuals, whether they work part-time, full-time, or are self-employed. Furthermore, the amount of leave time should not be determined by gender; everyone should be able to access the same amount of leave time.
- 2. Affordable Insurance System:** A PFML policy must be financed in a way that is affordable and cost effective for small business owners and their employees. Any PFML proposal must provide a financially viable way for even the smallest business owner to offer this leave while providing a high enough wage replacement rate to enable workers to take time off and meet their basic expenses. Policymakers should consider a social insurance system, a model widely used internationally and in existing state PFML plans.
- 3. Comprehensive:** A PFML policy must be comprehensive and specific in addressing serious family and medical needs. The policy must be both broad enough to include the key reasons people need time away from their jobs and sufficient in length to meet their medical/caregiving needs. At the same time, specific language that details the range of well-established reasons people need time away from work is important to reduce ambiguity about coverage eligibility and limit the potential for confusion or, in the rare cases, fraud.
- 4. Inclusive:** An inclusive family definition should be used to cover the range of family configurations and care responsibilities that business owners and their employees face. For business owners and employees alike, caregiving responsibilities often extend outside of the nuclear family. A sound PFML program that meets the needs of today's workforce must reflect the diversity of individuals' lives.
- 5. Streamlined Implementation:** The PFML implementation process should be simple and minimize the administrative responsibilities of small business owners. It should include a dedicated funding stream for employer outreach and education, and the government should partner with small business owners to perform targeted outreach. Furthermore, the employee, not the employer, should be responsible for filing a leave claim and for providing the verifying materials to the government (such as the medical documentation).
- 6. Solution-Oriented Support:** Educational and technical support should be provided to business to help them understand how the program works and how comply with the law. For small business owners, micro-business and mom and pop shops in particular, in-depth training, technical resources and direct outreach will help them understand the law and how to help their employees access the benefit when a need arises. Small business owners should be included in development of additional solutions and support to alleviate these issues.

ENDNOTES

1. National Compensation Survey: Employee Benefits in the United States, March 2018. U.S. Bureau of Labor Statistics & U.S. Department of Labor, Mar. 2018, www.bls.gov/ncs/ebs/benefits/2018/employee-benefits-in-the-united-states-march-2018.pdf.
2. [Voices of Main Street \(October 2015\)](#). Main Street Alliance.
3. [National Paid Family and Medical Leave: A Proposal for Small Business Success \(February 2017\)](#). Main Street Alliance.