

May 10, 2013

Half of U.S. Small Businesses Think Health Law Bad for Them

Forty-one percent are holding off on hiring because of the Affordable Care Act

by Dennis Jacobe, Chief Economist

PRINCETON, NJ -- Forty-eight percent of U.S. small-business owners say the 2010 Affordable Care Act (ACA) is going to be bad for their business, compared with 9% who say it is going to be good, and 39% who expect no impact.

Small-Business Owners' Perceptions of the Affordable Care Act

Overall, do you think the Affordable Care Act, or Obamacare, is going to be good for your business, bad for your business, or have no impact on your business?

	Good for your business	Bad for your business	Have no impact on your business
Apr 1-5, 2013	9%	48%	39%

GALLUP®

These findings are from a Gallup survey of 603 small-business owners, conducted April 1-5.

Similarly, 52% of owners say the ACA is going to reduce the quality of healthcare they and their employees receive. This contrasts with 13% who feel it will improve the quality of care their employees get, and 30% who see no impact.

Small-Business Owners' Perceptions of the Affordable Care Act's Impact on Healthcare Quality

Overall, do you think the Affordable Care Act, or Obamacare, will improve the quality of healthcare received by you and your employees, reduce the quality of healthcare received by you and your employees, or have no impact on the quality of healthcare received by you and your employees?

	Improve quality of healthcare	Reduce quality of healthcare	Have no impact on quality of healthcare
Apr 1-5, 2013	13%	52%	30%

GALLUP®

In a separate question, 55% of small-business owners expect the money they pay for healthcare to increase. Five percent expect their healthcare costs to decline, while 37% say the health law will have no impact on what they pay for healthcare.

Small-Business Owners' Perceptions of the Affordable Care Act's Impact on Their Healthcare Costs

Overall, do you think the Affordable Care Act, or Obamacare, will lower the amount of money your business pays for healthcare, raise the amount of money your business pays for healthcare, or have no impact on the amount of money your business pays for healthcare?

	Lower the amount of money	Raise the amount of money	Have no impact on the amount of money
Apr 1-5, 2013	5%	55%	37%

GALLUP®

Owners Already Responding to Healthcare Law

When asked if they had taken any of five specific actions in response to the ACA, 41% of small-business owners say they have held off on hiring new employees and 38% have pulled back on plans to grow their business. One in five (19%) have reduced their number of employees and essentially the same number (18%) have cut employee hours in response to the healthcare law. One in four owners (24%) have thought about eliminating healthcare coverage for their employees.

Small-Business Owners' Self-Stated Actions in Response to the Affordable Care Act

Have you done any of the following as a specific result of the Affordable Care Act, or Obamacare, or not?

	% Yes
Held off on plans to hire new employees	41%
Pulled back on plans to grow your business	38%
Considered dropping health insurance coverage for your employees	24%
Reduced the number of employees you have in your business	19%
Reduced the hours of employees to part time	18%

April 1-5, 2013

GALLUP®

Implications

Small-business owners are worried about the way the Affordable Care Act is going to affect their business, with about half believing the law is going to be bad for business, add to their healthcare costs, and simultaneously reduce the quality of care they and their employees receive. This overall impression of the ACA is consistent with owners' tendency to be more Republican than Democratic, higher income, more against big government, more conservative, and less optimistic than Americans overall.

However, more important for the U.S. economy in the short term is what small-business owners say they are already doing in anticipation of the new law's continuing implementation. About four in 10 say they are holding off on hiring and new growth plans. About one in five say they are letting people go or cutting employees' hours. Even after discounting small-business owners' political views, these actions suggest the ACA could be a significant drag on the U.S. economy -- at least in the short term.

Survey Methods

Results for the total dataset are based on telephone interviews with 603 small-business owners, conducted April 1-5, 2013. For results based on the total sample of small-business owners, one can say with 95% confidence that the maximum margin of

sampling error is ±4 percentage points.

Sampling is done on a random-digit-dial basis using Dun & Bradstreet sampling of small businesses having \$20 million or less of sales or revenues. The data are weighted to be representative of U.S. small businesses within this size range nationwide.

In addition to sampling error, question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of public opinion polls.

For more details on Gallup's polling methodology, visit www.gallup.com.

[Back to Top](#)

Copyright © 2013 Gallup, Inc. All rights reserved.

Gallup, Inc. maintains several registered and unregistered trademarks that include but may not be limited to: A8, Accountability Index, Business Impact Analysis, BE10, CE11, CE11 Accelerator, Clifton StrengthsExplorer, Clifton StrengthsFinder, Customer Engagement Index, Customer Engagement Management, Dr. Gallup Portrait, Employee Engagement Index, Enetrix, Engagement Creation Index, Follow This Path, Gallup, Gallup Brain, Gallup Business Journal, GBJ, Gallup Consulting, Gallup-Healthways Well-Being Index, Gallup Management Journal, GMJ, Gallup Panel, Gallup Press, Gallup Tuesday Briefing, Gallup University, Gallup World News, HumanSigma, HumanSigma Accelerator, ICE11, I10, L3, ME25, NurseInsight, NurseStrengths, Patient Quality System, Performance Optimization, Power of 2, PrincipalInsight, Q12, Q12 Accelerator, Q12 Advantage, Selection Research, Inc., SE25, SF34, SRI, Soul of the City, Strengths Spotlight, Strengths-Based Selling, StatShot, StrengthsCoach, StrengthsExplorer, StrengthsFinder, StrengthsInsight, StrengthsQuest, SupportInsight, TX(R+E+R)=P3, TeacherInsight, The Gallup Path, The Gallup Poll, The Gallup School, VantagePoint, Varsity Management, Wellbeing Finder, Achiever, Activator, Adaptability, Analytical, Arranger, Belief, Command, Communication, Competition, Connectedness, Consistency, Context, Deliberative, Developer, Discipline, Empathy, Fairness, Focus, Futuristic, Harmony, Ideation, Includer, Individualization, Input, Intellection, Learner, Maximizer, Positivity, Relator, Responsibility, Restorative, Self-Assurance, Significance, Strategic, and Woo. All other trademarks are the property of their respective owners. These materials are provided for noncommercial, personal use only. Reproduction prohibited without the express permission of Gallup, Inc.