



National Small Business Poll

NFIB National

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2008

Small Business Poll

Hiring Immigrants

NFIB National Small Business Poll

The *National Small Business Poll* is a series of regularly published survey reports based on data collected from national samples of small business employers. Eight reports are produced annually with the initial volume published in 2001. The *Poll* is designed to address small business-oriented topics about which little is known but interest is high. Each survey report treats different subject matter.

The survey reports in this series generally contain three sections. The first section is a brief Executive Summary outlining a small number of themes or salient points from the survey. The second is a longer, generally descriptive, exposition of results. This section is not intended to be a thorough analysis of the data collected nor to explore a group of formal hypotheses. Rather, it is intended to textually describe that which appears subsequently in tabular form. The third section consists of a single series of tables. The tables display each question posed in the survey broken-out by employee size of firm.

Current individual reports are publicly accessible on the NFIB Web site (www.nfib.com/research) without charge. They are also available at www.411smallbusinessfacts.com. The 411 site also allows the user to search the entire data base. It searches all of the questions in all of the individual Polls with a user-friendly Google-type, key word, topic, or Poll sort facility.

Published (printed) reports can be obtained at \$15 per copy or by subscription (\$100 annually) by writing the *National Small Business Poll*, NFIB Research Foundation, 1201 "F" Street, NW, Suite 200, Washington, DC 20004. The micro-data and supporting documentation are also available for those wishing to conduct further analysis. Academic researchers using these data for public informational purposes, e.g., published articles or public presentations, and NFIB members can obtain them for \$20 per set. The charge for others is \$1,000 per set.

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Poll



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National Small Business Poll



Hiring Immigrants

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Executive Summary

- Eleven (11) percent of small businesses have immigrants on the payroll. The number is twice as large among those employing 20 or more people as those employing nine or fewer.
- The overwhelming majority of small employers think that they have no need for information or advice about the legal requirements for hiring employees generally or immigrants specifically.
- Though required, just 36 percent of small employers could recall completing an I-9 form in the last three years.
- A driver's license is far and away the most common form that prospective employees use to demonstrate they are who they say they are. Ninety-two (92) percent of small employers who recall completing an I-9 form indicate that a driver's license was the ID most frequently used for identification purposes.
- The most common document prospective employees use to prove they are eligible to work is a Social Security card. However, just 48 percent of small employers report that it is the most common. The remainder cite various other documents. Twenty-seven (27) percent could not identify any document as being the single most common.
- Eighty (80) percent of small employers who recall filling out an I-9 form in the last three years made photocopies of the documents presented by the new hire, though they are not required to do so. Copying the documents is relatively easy as 88 percent have a copy machine in their place of business. Of those who do not, 88 percent have access to one within five minutes distance.
- Nine percent of small employers who recall completing an I-9 form in the last three years think they have been presented false ID to obtain employment.
- Small employers often start their employees soon after hire, making proposals for waiting periods prior to an employee starting work disruptive to small business. Twenty-seven (27) percent typically start their people within 24 hours of hire. Another 25 percent sometimes do. The result is that half of small employers at least sometimes start new employees within 24 hours of hire.
- Eleven (11) percent of small businesses currently employ one or more immigrants. Twenty (20) percent hired "day labor" for their business in the last year.
- Three of four small, employing businesses would not be affected by an increase in H1B visas. Half of the remainder would be helped by an increase in the number of those visas. But the other half would be damaged by it.
- Four of five small, employing businesses would not be affected by an increase in H2B visas. As with H1B visas, half of the remainder would be helped by an increase in the number of those visas. But the other half would be damaged by it.

Hiring Immigrants

Immigration, principally illegal immigration, has become a prominent political issue in the United States. And, it is not just an issue challenging federal authorities where it has traditionally lain. States and even localities are now involved. The stimulus for illegal immigration is principally employment. Non-Americans come to the United States to work. Stemming the tide of illegal immigration is therefore tied to the hiring process. But government-created impediments to hiring can create severe problems for small employers. As a result, this issue of the *National Small Business Poll* focuses on Hiring Immigrants.

Eleven (11) percent of small employers have an immigrant on the payroll (Q#11). The largest, small businesses, those employing 20 or more people, are twice as likely as the smallest, those employing nine or fewer, to have at least one. Therefore, while about one in 10 small employers are currently exposed to immigrants as employees, the overwhelming majority are not.

Many employers currently without an immigrant employee have hired one or more at some point; the survey did not capture the number. Others currently without an immigrant employee will hire one in the future. The result is a sizeable share of the small employer population concerned over the process of hiring immigrants.

Documents

The overwhelming majority of small employers think they have no need for information or advice about hiring employees generally or hiring immigrant employees specifically. Just 4 percent needed some explanation of a hiring-related issue in the last three years; 94 percent did not (Q#14). The following indicates that more may need information than think they do.

Employers must complete an I-9 form for each new hire. That requirement applies to the employment of citizens and non-citizens alike. However, just 36 percent of small employers could recall completing an I-9 form at some point in the last three years. Fifty-one (51) percent of those employing

20 or more people remember doing so. The lack of familiarity with the form number (I-9) used in the question, delegation of new employee paperwork to others, and no hires made in the last three years are only three possible reasons for a respondent's inability to recall completing the form.

Employers must obtain two forms of identification from a prospective employee in order to hire. The first piece must prove that the person is who he/she says he/she is. That requires a picture ID of some type. The second piece must show that a person is eligible to work in the United States. That ID could be a document showing the individual is a citizen or has permission to work. A passport serves both purposes, but more often than not two separate forms of ID fill the legal requirements. These requirements were explained to respondents.

A driver's license, most frequently state issued, is far and away the most common form of ID new employees use to identify themselves. Ninety-two (92) percent of small employers who recall filling out an I-9 form in the last three years indicate that a driver's license is the most frequent type of ID used for this purpose (Q#2). Moreover, 98 percent of those who indicate that a driver's license is the most common form, think that at least 90 percent of new hires use it (Q#2a). The combined result is that small employers think that driver's licenses are the overwhelming means of employee identification. No other form is even an

identifiable second most common. Thus, a tamper-proof/fool-proof state driver's license appears a high priority if ID for this purpose is important.

Documents used to prove one is eligible to work are notably more varied. The single most common document is the Social Security card. Forty-eight (48) percent of small employers indicate the Social Security card is the most commonly used form of ID to demonstrate eligibility to work (Q#3). Eight percent identify birth certificates, 5 percent passports and 4 percent Permanent Residence Cards, also known as "Green Cards." However, 27 percent could not identify any single document as the most often used. It is not obvious whether that indecision implies common use of various forms or the respondent simply does not recall.

Despite the lack of consensus over the form of ID most commonly used to prove work eligibility, 85 percent of those identifying a document claim that 90 percent or more of the people they hire used it (Q#3a). These data could be compromised by a large number of firms hiring a single employee over the last three years. In those instances, everyone (100%) by definition would use the same document. In any event, the Social Security card remains an important identification document. The idea of a tamper-proof/fool-proof Social Security card is only somewhat less useful for I-9 purposes than a driver's license.

At times, prospective employees will present employers false ID. There are a number of possible reasons why a prospective employee might want to do this. The person could be too young for the job; the person might want to escape a past; or, the person might be an illegal immigrant. Nine percent of small employers completing an I-9 form in the last three years think they have been presented with false ID to obtain employment (Q#6). The survey followed collection of those data with a series of questions to those experiencing false ID. However, not enough small business owners recognized instances of false ID to obtain greater detail about their experience with it. As a result, there were insufficient cases to ascertain the reason(s) the small employer became suspicious, the frequency of such experiences, and similar relevant issues.

Records and Records Maintenance

Eighty (80) percent of small employers who recall completing the I-9 form in the last three years make photocopies of the documents presented them by the new hire (Q#4). Eighteen (18) percent do not. They usually photocopy those documents in-house. Eighty-eight (88) percent have a photocopy machine in their place of business, including 96 percent of those employing 20 or more people (Q#9). But, even if they do not have a copy machine on the premises, 81 percent have one within five minutes of the business (Q#9a). About 2 percent therefore do not have ready access to a copy machine.

One possible means to detect employees who used illegal IDs to get hired is receipt of a "does-not-match" letter from the Social Security Administration. When employers file their withholding taxes with the government, they must submit the employee's name and Social Security number along with other information. When the name and number do not match existing information, the agency generates a "does-not-match" letter and sends it to the employer. Of those who recall completing an I-9 form in the last three years, 6 percent also recall receipt of such a letter from SSA in the last three years (Q#7).

Though again the number of cases is small, it appears that about two-thirds have received just one such letter in the last three years (Q#7a). Many of the mismatches are simply clerical errors, but others are not. Those which are not could involve the use of false ID. One-third of small employers claim that their experience(s) always involve a clerical error of some type (Q#7b). Still, 23 percent think some are and some are not, and 28 percent think they never are. Sixteen (16) percent did not answer. Resolving the problem reflected in the "does-not-match" letter varies substantially. Thirty-six (36) percent typically resolve the outstanding issue in less than a week, but 48 percent take more than two weeks to do so (Q#7c).

Starting Work

Proposals to help stem illegal immigration often involve checking the status of new hires prior to their actual start. If these were implemented, they would be highly disruptive to small employers unless they could be completed almost instantaneously, like a

credit card transaction. Twenty-seven (27) percent of small employers report that the most common time frame between a new employee hire and start is within 24 hours (Q#8). Another 36 percent report the time frame is most often about one week. That means five of eight small firms most commonly start their people within a week of hire.

The most difficult problems encountered in any pre-employment status check would come among small employers who expect people to begin within 24 hours. Twenty-seven (27) percent typically start their people in that time frame. What about the others who most frequently start them at some other time interval? Just 5 percent of that group commonly starts people within the next 24 hours (Q#8a). But 25 percent do sometimes. Thus, if pre-employment status checks took 24 hours or longer about half of all small employers would be disrupted at some point.

A second perspective comes with day labor rather than permanent employees. A 24-hour requirement, let alone longer, could be fatal to many day labor markets. The survey defined day labor for the respondent as someone who usually does manual labor for a day or two knowing the work is just for that brief period. By that definition, 20 percent hired day labor for their business on one or more occasions in the last year (Q#10).

More/Less Work Visas

Representatives of larger businesses, in particular, strongly argue that Washington should increase the number of work visas due to a skilled labor shortage; representatives of others, often in agriculture and tourism, strongly argue that Washington should increase the number of temporary work visas that will increase their supply of labor. Less vocal are those who claim these additional workers will damage their businesses due to greater competition, cheap labor, etc.

Seventy-four (74) percent of small employers think that increasing the number of H1B visas (for skilled employees) will not directly affect their businesses (Q#12). The remainder is split. Four percent believe their business will directly benefit a lot from an increase in H1B visas and another 6 percent believe they will benefit a little. In contrast,

4 percent believe their business will directly be damaged a lot by an increase and another 4 percent believe they will be directly damaged a little. The benefit/damage split is even for all intents and purposes with three of four unaffected.

The assessment of increases in H2B visas is little different. Eighty-one (81) percent do not think they will be directly impacted (Q#13). Yet, 3 percent believe they would directly benefit a lot and another 4 percent believe they will directly benefit a little. The same percentages hold the opposite view. Four percent think they will be directly damaged a lot and 3 percent think they will be directly damaged a little.

Final Comments

If government intends to use the hiring process to reduce illegal immigration, it is critical that any required screening occurs in a very short period of time, or after-the-fact. Small business owners simply cannot function in an environment where hiring is delayed a day or two, let alone a week, for administrative reasons. Many need people immediately, but the types of jobs requiring immediate placement often draw from labor pools most likely to have illegal immigrants. This presents government a dilemma which has yet to be successfully resolved.

State driver's licenses, and to a lesser extent Social Security cards, are the primary forms of identification used by prospective employees. Small employers are not and cannot be expected to be ID experts; they are not law enforcement officials. If they accept either or both of these documents in good faith and can document it, they should be held harmless. The same is true of other government-issued ID. That means if government is serious about screening illegal immigrants through the hiring process, they have a responsibility to create tamper-proof ID, an ID that small employers can verify quickly.

It should be noted that as many businesses directly benefit from increased work visas as are directly damaged by increasing them. Those benefiting tend to be slightly larger, suggesting greater economic impact from increases. Still, the fact there are small business owners who see direct business damage from increases focuses on a dimension to the immigration debate that is not often heard.

Hiring Immigrants

(Please review notes at the table's end.)

Employee Size of Firm
 1-9 emp 10-19 emp 20-249 emp All Firms

I. Do you recall filling out an I-9 form in the last three years, that is a federal form associated with hiring new employees?

1. Yes	32.1%	46.4%	50.6%	35.5%
2. No	60.0	46.4	36.4	56.2
3. DK/Refuse	7.9	7.1	13.0	8.3
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

READ: Employers must prepare an I-9 form for every new person they hire, citizen or not. Before an employer can prepare an I-9, the new employee must show he/she is the person he/she says they are and is legally eligible to work in the United States.

2. What type of picture ID do new employees most often provide you to show that they are the person they say they are?

1. Driver's license	91.4%	100.0%	87.2%	92.0%
2. Passport	1.0	—	2.6	1.1
3. Other	3.5	—	7.8	3.7
4. Not applicable/Haven't hired recently	3.0	—	—	2.2
5. DK/Refuse	1.0	—	2.6	1.1
Total	100.0%	100.0%	100.0%	100.0%
N	114	90	104	308

2a. Would you estimate that at least 90 percent of the new employees use a (response in Q#2) for picture ID?

1. Yes	98.9%	97.4%	97.2%	98.4%
2. No	1.1	2.6	2.8	1.6
3. DK/Refuse	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	106	89	99	294

3. What type of ID do new employees most often provide you to show that they are eligible to work in the United States?

1. Social Security card	45.2%	59.5%	52.5%	48.2%
2. Birth certificate	8.5	2.7	7.5	7.6
3. Passport	4.5	5.4	5.0	4.7
4. "Green Card"	5.5	—	2.5	4.3
5. Other	27.6	27.0	24.0	27.1
6. (Not applicable/Haven't hired recently)	7.5	—	2.5	5.8
7. DK/Refuse	1.0	5.4	5.0	2.2
Total	100.0%	100.0%	100.0%	100.0%
N	114	90	104	308

3a. Would you estimate that at least 90 percent of the new employees use a (response in Q#3) for picture ID?

1. Yes	83.3%	84.6%	92.6%	84.9%
2. No	13.5	15.4	7.4	12.8
3. (Not applicable/Haven't hired recently)	1.6	—	—	1.1
4. DK/Refuse	1.6	—	—	1.1
Total	100.0%	100.0%	100.0%	100.0%
N	74	85	74	213

4. Do you make photocopies of those documents and retain them?

1. Yes	78.8%	84.2%	84.2%	80.3%
2. No	19.7	15.8	13.2	18.2
3. DK/Refuse	1.5	—	2.6	1.5
Total	100.0%	100.0%	100.0%	100.0%
N	114	90	104	308

5. How long do you retain the actual I-9 form? Do you retain the I-9 for as long as the person works for you, for a longer period than that, or for a shorter period than that?

1. As long as the person works here	78.8%	84.2%	84.2%	80.3%
2. Longer period	19.7	15.8	13.2	18.2
3. Shorter period	1.5	—	2.6	1.5
4. DK/Refuse	1.5	—	2.6	1.5
Total	100.0%	100.0%	100.0%	100.0%
N	114	90	104	308

Employee Size of Firm
 1-9 emp 10-19 emp 20-249 emp All Firms

6. In the last three years, have you experienced or strongly suspected anyone of attempting to give you false or counterfeit ID for purposes of getting hired?

1. Yes	7.6%	5.3%	17.5%	8.7%
2. No	92.4	94.7	77.5	90.6
3. DK/Refuse	—	—	5.0	0.8
Total	100.0%	100.0%	100.0%	100.0%
N	114	90	104	308

7. A non-match letter is a letter telling you that a Social Security number you submitted with an employee's name either does not exist or is not associated with that employee? In the last three years, has the Social Security Administration sent you a non-match letter?

1. Yes	4.2%	10.7%	11.8%	5.7%
2. No	91.7	82.1	78.9	89.4
3. DK/Refuse	4.0	7.1	9.2	4.9
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

7a. About how many times has that occurred in the last three years?

1. Once	—%	—%	—%	68.2%
2. Twice	—	—	—	11.4
3. Three times	—	—	—	13.6
4. More than three	—	—	—	4.5
5. DK/Refuse	—	—	—	2.3
Total	100.0%	100.0%	100.0%	100.0%
N	14	19	24	57

7b. A mismatch can occur due to a clerical error or an employee not having a valid Social Security number. Is a clerical error always, sometimes or never the reason for your Social Security number mismatches?

1. Always	—%	—%	—%	32.6%
2. Sometimes	—	—	—	23.3
3. Never	—	—	—	27.9
4. DK/Refuse	—	—	—	16.3
Total	100.0%	100.0%	100.0%	100.0%
N	14	19	24	57

7c. Does it typically take less than a week, one to two weeks, or longer than two weeks to resolve mismatch problems?

1. < one week	—%	—%	—%	36.4%
2. One to two weeks	—	—	—	15.9
3. > two weeks	—	—	—	36.4
4. DK/Refuse	—	—	—	11.4
Total	100.0%	100.0%	100.0%	100.0%
N	14	19	24	57

8. When you hire someone, is the most common time frame between the actual hire and when the person starts to work?:

1. Immediately or the next day	26.8%	32.5%	21.1%	26.8%
2. About a week	35.1	37.3	43.4	36.1
3. About two weeks	18.2	20.5	26.3	19.2
4. About a month, or	4.5	6.0	3.9	4.6
5. > one month	0.3	2.4	2.6	0.8
6. (Other)	6.0	—	1.3	4.9
7. DK/Refuse	9.1	1.2	2.6	7.4
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

8a. Do you commonly, sometimes, or never start a new employee the day he or she was hired or the day immediately following? (If NOT “Immediately or the next day in Q#8.)

1. Commonly	5.5%	8.8%	1.7%	5.4%
2. Sometimes	23.1	29.8	31.7	24.7
3. Never	57.7	59.6	63.3	58.5
4. DK/Refused	13.7	1.8	3.4	11.4
Total	100.0%	100.0%	100.0%	100.0%
N	258	134	155	547

9. Do you have a photocopy machine in your place of business?

1. Yes	86.1%	94.0%	96.1%	87.9%
2. No	13.9	6.0	3.9	12.1
3. DK/Refuse	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

Employee Size of Firm
 1-9 emp 10-19 emp 20-249 emp All Firms

9a. Is there a photocopy machine you can use within five minutes of your business? (If “No” in Q#9.)

1. Yes	81.4%	—%	—%	81.1%
2. No	16.3	—	—	16.8
3. DK/Refuse	2.3	—	—	2.1
Total	100.0%	100.0%	100.0%	100.0%
N	51	13	10	74

10. In the last year, have you hired any “day labor” for the business, that is, a person or persons to do usually manual labor for a day or two knowing the work is just for that brief period.

1. Yes	22.2%	10.7%	10.5%	19.8%
2. No	77.1	88.1	89.5	79.5
3. DK/Refuse	0.6	1.2	—	0.6
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

11. Does your business employ an immigrant worker or workers of any kind?

1. Yes	9.2%	15.5%	18.2%	10.8%
2. No	89.3	82.1	79.2	87.5
3. DK/Refuse	1.4	2.4	2.6	1.7
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

12. Would your business directly benefit a lot, directly benefit a little, be damaged a little, or be damaged a lot by increasing the number of immigrant work visas available for highly skilled people, known as H1B visas. Or, would your business not be affected by a change in the number of H1B visas?

1. Benefit a lot	3.9%	4.8%	7.7%	4.4%
2. Benefit a little	4.9	8.4	10.3	5.8
3. Not be affected	75.2	72.3	70.5	74.4
4. Damaged a little	3.6	4.8	2.6	3.6
5. Damaged a lot	4.7	1.2	3.8	4.2
6. DK/Refuse	7.7	8.4	5.1	7.6
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

13. Would your business directly benefit a lot, directly benefit a little, be damaged a little, or be damaged a lot by increasing the number of immigrant work visas available for seasonal workers, known as H2B visas. Or, would your business not be affected by a change in the number of H2B visas?

1. Benefit a lot	2.4%	3.6%	5.1%	2.8%
2. Benefit a little	4.0	6.0	5.1	4.4
3. Not be affected	80.4	82.1	80.8	80.6
4. Damaged a little	3.4	2.4	1.3	3.1
5. Damaged a lot	4.9	1.2	3.8	4.4
6. DK/Refuse	4.8	4.8	3.9	4.8
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

14. In the last three years, have you needed an explanation of the law or legal requirements with respect to hiring immigrants or to complete I-9 forms for the people you hire?

1. Yes	3.4%	4.8%	10.5%	4.3%
2. No	94.6	94.0	88.2	93.9
3. DK/Refuse	1.9	1.2	1.3	1.8
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

Demographics

D1. Which best describes your position in the business?

1. Owner/Manager	87.9%	81.0%	84.2%	86.8%
2. Owner, but not manager	3.9	7.1	5.3	4.4
3. Manager, but not owner	8.3	11.9	10.5	8.9
4. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

D2. Is your primary business activity: (NAICs code)

1. Agriculture, forestry, fishing	3.1%	1.2%	2.6%	2.8%
2. Construction	12.8	12.3	7.8	12.3
3. Manufacturing, mining	11.4	12.3	9.0	11.4
4. Wholesale trade	6.6	7.4	11.7	7.2
5. Retail trade	14.7	14.9	11.7	14.5
6. Transportation and warehousing	1.9	3.7	3.9	2.4
7. Information	2.3	3.7	1.3	2.3
8. Finance and insurance	5.2	2.5	2.6	4.6
9. Real estate and rental/leasing	5.5	1.2	3.9	4.9
10. Professional/scientific/ technical services	13.8	13.6	11.7	13.5
11. Admin. support/waste management services	6.0	3.7	6.5	5.8
12. Educational services	0.3	—	—	0.3
13. Health care and social assistance	3.1	7.4	5.2	3.7
14. Arts, entertainment or recreation	2.3	1.2	2.6	2.2
15. Accommodations or food service	3.4	9.9	11.7	4.9
16. Other service, incl. repair, personal service	7.5	4.9	6.5	7.1
17. Other	—	—	1.3	0.1
18. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

D3. Over the last two years, have your real volume sales:?

1. Increased by 30 percent or more	10.7%	13.1%	11.5%	11.0%
2. Increased by 20 to 29 percent	10.2	8.3	14.1	10.4
3. Increased by 10 to 19 percent	20.4	28.6	26.9	21.9
4. Increased by < 10 percent	19.6	21.4	26.9	20.5
5. Decreased by < 10 percent	9.2	10.7	6.4	9.1
6. Decreased by 10 percent or more	21.5	11.9	10.3	19.4
7. (DK/Refuse)	8.4	6.0	3.9	7.6
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

D4. Is this business operated primarily from the home, including any associated structures such as a garage or barn?

1. Yes	27.8%	4.8%	5.3%	23.2%
2. No	70.7	95.2	94.7	75.7
3. (DK/Refuse)	1.5	—	—	1.2
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

D5. How long have you operated this business?

1. < 6 years	18.8%	13.3%	15.8%	17.9%
2. 6 – 10 years	19.7	18.1	19.7	19.6
3. 11 – 20 years	31.6	28.9	25.0	30.7
4. 21 – 30 years	18.3	20.5	21.1	18.8
5. 31+ years	9.6	19.3	18.4	11.5
6. (DK/Refuse)	2.0	—	—	1.6
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

Employee Size of Firm
1-9 emp 10-19 emp 20-249 emp All Firms

D6. What is your highest level of formal education?

1. < H.S.	2.8%	2.4%	1.3%	2.6%
2. H.S. diploma/GED	19.7	17.9	10.5	18.6
3. Some college or associate's degree	19.6	19.0	14.5	19.0
4. Vocational or technical school degree	6.6	3.6	5.3	6.2
5. College diploma	31.7	38.1	42.1	33.4
6. Advanced or professional degree	17.5	19.0	25.0	18.4
7. (DK/Refuse)	2.1	—	1.3	1.8
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

D7. Please tell me your age

1. < 25 years	0.5%	—%	—%	0.4%
2. 25 – 34 years	3.4	3.6	7.9	3.9
3. 35 – 44 years	15.7	17.9	15.8	16.0
4. 45 – 54 years	31.3	34.5	28.9	31.4
5. 55 – 64 years	31.0	29.8	28.9	30.6
6. 65+ years	15.1	14.3	15.8	15.1
7. (Refuse)	3.1	—	2.6	2.7
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

D8. What is the zip code of your business?

1. East (zips 010-219)	21.1%	17.9%	21.1%	20.7%
2. South (zips 220-427)	20.6	19.0	22.4	20.6
3. Mid-West (zips 430-567, 600-658)	24.4	23.8	23.7	24.3
4. Central (zips 570-599, 660-898)	18.9	25.0	21.1	19.8
5. West (zips 900-999)	13.1	14.3	10.5	13.0
6. (DK/Refuse)	1.9	—	1.3	1.7
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

D9. Urbanization (Derived from zip code.)

1. Highly Urban	10.2%	13.3%	13.0%	10.8%
2. Urban	18.8	20.5	19.5	19.0
3. Fringe Urban	19.3	19.3	18.2	19.2
4. Small Cities/Towns	20.1	19.3	18.2	19.8
5. Rural	26.5	25.3	23.4	26.1
6. (Not Known)	5.2	2.4	7.8	5.1
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

D10. Compared to your competitors over the last three years, do you think the overall performance of your business in terms of sales and net profits makes it a?:

1. High performer	21.4%	26.5%	32.5%	23.0%
2. Somewhat high performer	20.6	24.1	28.6	21.8
3. Moderate performer	37.9	41.0	29.9	37.5
4. Somewhat low performer	2.9	1.2	1.3	2.6
5. Low performer	11.8	4.8	3.9	10.3
6. (Haven't been in business three years)	0.3	—	—	0.3
7. (DK/Refuse)	5.0	2.4	3.9	4.7
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

D11. Sex

1. Male	78.8%	81.0%	84.4%	79.6%
2. Female	21.1	19.0	15.6	20.4
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

Table Notes

1. All percentages appearing are based on **weighted** data.
2. All "Ns" appearing are based on **unweighted** data.
3. Data are not presented where there are fewer than 50 unweighted cases.
4. ()s around an answer indicate a volunteered response.

WARNING – When reviewing the table, care should be taken to distinguish between the percentage of the population and the percentage of those asked a particular question. Not every respondent was asked every question. All percentages appearing on the table use the number asked the question as the denominator.

Data Collection Methods

The data for this survey report were collected for the NFIB Research Foundation by the executive interviewing group of The Gallup Organization. The interviews for this edition of the *Poll* were conducted between March 5 to April 3, 2008 from a sample of small employers. “Small employer” was defined for purposes of this survey as a business owner employing no fewer than one individual in addition to the owner(s) and no more than 249.

The sampling frame used for the survey was drawn at the Foundation’s direction from the files of the Dun & Bradstreet Corporation, an imperfect file but the best currently available for public use. A random stratified sample design is typically employed to compensate

for the highly skewed distribution of small business owners by employee size of firm (Table A1). Almost 60 percent of employers in the United States employ just one to four people meaning that a random sample would yield comparatively few larger, small employers to interview. Since size within the small business population is often an important differentiating variable, it is important that an adequate number of interviews be conducted among those employing more than 10 people. The interview quotas established to achieve these added interviews from larger, small business owners are arbitrary but adequate to allow independent examination of the 10-19 and 20-249 employee size classes as well as the 1-9 employee size group.

Table A1

Sample Composition Under Varying Scenarios

Employee Size of Firm	Expected from Random Sample*		Obtained from Stratified Random Sample			
	Interviews Expected	Percent Distribution	Interview Quotas	Percent Distribution	Completed Interviews	Percent Distribution
1-9	593	79	350	47	350	46
10-19	82	11	200	27	200	27
20-249	75	10	200	27	200	27
All Firms	750	100	750	101	750	100

* Sample universe developed from the Bureau of the Census (2002 data) and published by the Office of Advocacy at the Small Business Administration.

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The **NFIB Research Foundation** is a small business-oriented research and information organization affiliated with the National Federation of Independent Business, the nation's largest small and independent business advocacy organization. Located in Washington, DC, the Foundation's primary purpose is to explore the policy-related problems small business owners encounter. Its periodic reports include *Small Business Economic Trends*, *Small Business Problems and Priorities*, and now the *National Small Business Poll*. The Foundation also publishes ad hoc reports on issues of concern to small business owners.



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