



National Small Business Poll

NEIB National

Volume 4, Issue 2
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Small Business Poll

Family and Medical Leave

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. 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. It must be emphasized that these data sets do NOT contain information that reveals the identity of any respondent. Custom cross-tabulations will be conducted at cost only for NFIB members on a time available basis. Individuals wishing to obtain a data set(s) should write the *Poll* at the above address identifying the prospective use of the set and the specific set desired.

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Small Business
Poll



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Executive Summary

- 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.
- The most important reasons for establishing a policy are attracting and retaining employees (42%), legal compulsion (20%), and avoiding potential problems and inconsistencies (17%).
- 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).
- Ninety-three (93) percent granted the last request for family and medical leave. Another 3 percent gave leave, but scaled back the time requested. Two percent allowed the employee to work at home and another 2 percent denied leave, but rearranged the employee's hours or duties. Not one respondent simply refused leave.
- 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).
- The most frequent ways to compensate for an employee's absence are other employees covering (71%), the owner/owner's family covering (62%), and postponing the employee's work (21%). While the increased workload for others is the most common problem caused by an employee on leave (30%), a majority reported that the last employee's absence created no real problems. Those covered by law were notably more likely to report difficulties.
- One in 10 employers who have a family and medical leave experience in the last three years report that they have had an employee quit after a stint on family leave, immediately prior to his/her scheduled return.
- Sixteen (16) percent have a policy governing short periods of leave for important personal matters such as doctor's appointments or parent-teacher conferences. Eighty-one (81) percent handle such requests on a case-by-case basis.
- Ninety-five (95) percent granted the most recent request for short-term leave for important personal matters. One percent declined it and the remainder had not experienced such a request. Small employers classified one-quarter of those requests as emergencies. Half (50%) of non-emergency requests came with less than 72 hours notice, and a non-mutually exclusive half (44%) were taken at relatively inconvenient times for the business.
- A disturbingly large proportion of small employers believe they are covered by the Family and Medical Leave Act of 1993 and/or its state equivalent when they are probably not.

Family and Medical Leave

The Family and Medical Leave Act of 1993 requires those employing 50 or more people to permit employee leave up to three months for a serious family (including personal) illness, or the birth, or adoption of a child. Twenty (20) states also have legislation governing employee leave in the private sector. Some state law codifies a more liberal leave policy than Federal requirements, such as lowering the employer size threshold for coverage. But most state laws are similar. Though employer representatives seek modest changes in existing law, primarily to minimize Federal/state conflicts and to establish a threshold for minimum leave time (to minimize paperwork), advocates seek major changes. Three are of particular concern to small employers. The first reduces the threshold for coverage from 50 employees to something fewer as a handful of smaller states have already done. The second requires that employees on leave be paid. The third requires leave for medical appointments and certain school activities. Small-business owners have traditionally exhibited considerable flexibility dealing with these types of employee needs. However, to provide current data on a subject that may be debated in Washington as well as many state capitals, *The National Small Business Poll* directs the current issue toward family and medical leave.

The survey on which this report is based is structured to initially inquire about small employer policies toward family and medical leave. It then asks about the most recent experience with a family and medical leave request. Since some small employers will have a policy, but no recent request, while others will not have a policy, but a recent request, those with a policy and those with recent experience are not necessarily the same. The latter portion of the survey follows the identical pattern for short periods of personal leave.

Family and Medical Leave Policies

Just 12 percent of all small employers have a policy regarding employees who request time off for a serious family illness, a birth,

or an adoption (Q#1). Eighty-two (82) percent handle requests on a case-by-case basis. One in 20 (5%) appears not to have encountered the issue as group members have not previously even thought about the matter.

The existence of a policy is directly related to size. While those in the smallest group have a policy in only nine percent of cases, those in the largest have a policy one-third (34%) of the time. The Family and Medical Leave Act tacitly forces a policy even if none existed a priori. Thus, the largest small employers (50 or more employees) effectively must have a policy by law.

The most important reason to establish a policy according to a plurality of owners with a policy (42%) is to attract and/or retain employees (Q#2d). Attracting/retaining

employees is the most common reason for instituting virtually any employee benefit, so the response is to be expected. The second most frequent reason cited is legal compulsion (20%). The Federal government and 20 states have legal requirements governing private sector leave policy. Not all of these requirements are the same, but effectively only two percent (12% with a policy X 20% primary reason a legal requirement) claim that they instituted a family leave policy primarily to satisfy legal requirements. The third most frequently cited primary reason to initiate a policy is to avoid potential problems and inconsistencies. Seventeen (17) percent cited this reason.

When a family and medical leave policy exists, it is usually written and available to employees upon request. Eighty-four (84) percent of those with policies have these two characteristics attached to them (Q#2). Among employers with 20 or more people, the proportion who make their written policy available to employees upon request rises to 96 percent. As businesses become larger, the human relations (HR) function typically becomes more formalized as illustrated here.

Virtually every small-business owner with a family and medical leave policy has one of two kinds: the first policy is open-ended. The policy allows the employee to come back when he or she is ready. Allowing the employee to return at their discretion does not necessarily imply that leave is unlimited, but that it is flexible and determined by need rather than by a pre-determined deadline. The second policy accommodates leave, but imposes time limits. The identical percentage of small-business owners (49%) identify each policy as the one they use (Q#2a). Larger small employers are more likely to adopt the less flexible policy (64%), likely due to their propensity to be covered by legal requirements and greater need for uniformity.

Two percent report a policy that does not give time off, but rearranges schedules to help the employee. No employer reports a policy that does not allow time off for family and medical leave and makes no other employee accommodation.

The time limits set by those who bound leave varies considerably. Thirty (30) percent allow one month or less, while 34 per-

cent allow from one to three months (Q#2b). Another 2 percent limit time to some period extending beyond three months. Still, 13 percent say that the limit varies and 21 percent don't know or refused to respond. The latter response most likely comes from owners who have not encountered a specific situation, but who know that they do not want to offer open-ended leave.

Paid family and medical leave is a public policy issue for some people. Proponents believe employers should be forced to pay employees for the time that they are out of work on family and medical leave. A large proportion of small employers actually do pay employees on leave as part of their firm's policy. But another large share do not, and much depends on the person and/or circumstances.

The greatest number (38%) of small-business owners with a policy say that pay depends on the person and/or circumstances (Q#2c). Such flexibility implies that pay could range from quite generous to nothing. Factors likely included in pay determination are longevity at the firm and value to it, but the data do not directly address the matter. The second most frequent policy (35%) is to pay people if they take time off as vacation or sick leave. In other words, there are a fixed maximum number of paid working days off and the employee can distribute them as he or she will. Nine percent pay employees as a matter of policy when they are out on family and medical leave; 17 percent have a policy to NOT pay those who are out for such purposes. As a practical matter, both numbers are likely larger as those whose policy varies face real situations. Still, over half of small employers appear to give employees a paid option when taking family and medical leave.

The Most Recent Experience with Family and Medical Leave

The overwhelming majority (82%) of small employers handle requests for family and medical leave on a case-by-case basis. Therefore, a better way to determine how small-business owners respond to requests is to ask about the last request (most recent) rather than prevailing firm policy.

Within the last three years, 34 percent of small-business owners have had one or more requests for family and medical leave (Q#3). The remainder have not. Those with

a policy are somewhat, but not substantially, more likely to have had a request for leave than those without a policy.

Small employers receiving at least one request have typically received just one or two requests during the last three years. Two-thirds (67%) report one or two requests with another 16 percent reporting three (Q#3a). The average number of requests is about three per firm over a three-year period or about one per year. Since two-thirds have not received a request in the last three years, the average per firm is about one request every three years. These requests do not necessarily come from different people. A family illness in particular could be recurring. Thus, it is likely some small employers will receive a disproportionately large number while many will receive none.

Fifty-seven (57) percent of the most recent requests involve a serious family illness (Q#3b). One-third (33%) involve a birth and 1 percent an adoption. The curious response is the volunteered “none of these.” Nine percent gave leave for some reason other than family illness, birth or adoption, possibly related to marital problems, a death in the family or similar personal situations. The survey did not capture the nature of these other circumstances. A second potential explanation is respondent failure to consider a personal illness, a family illness.

a. Virtually All Requests Granted

Virtually all requests for family and medical leave are granted whether required by law or not. Ninety-three (93) percent of small employers say that they granted the last request that they received (Q#3c). Owners of larger firms were marginally more likely to do so, but size of firm is generally not important to a grant of family leave. Another 3 percent report that they gave leave, but scaled back the amount of time requested. Two percent allowed employees to work at home, though it is not clear if action was at the employer or employee’s initiative. Just two percent refused leave, though they rearranged the employee’s schedule or duties. Not one respondent indicated that he or she simply denied the request.

Over two-thirds of owners paid the absent employee directly or indirectly in the most recent instance of family and

medical leave. Forty-three (43) percent provided pay or disability; 24 percent gave paid vacation or sick leave; 31 percent did not pay the person on leave in one form or another (Q#3d). Notably, the proportion paid and unpaid varies little by size of firm. The implication is that the ratio of firms paying to firms not paying translates almost directly into employees on leave being paid and not paid.

Most employees take modest amounts of time while out on family and medical leave. Forty (40) percent take one week or less (Q#3e). Another 17 percent take between one and two weeks. Still, one in four (26%) takes more than one month.

Economic logic and prior research suggest that paid time off leads to greater amounts of leave time being taken. That relationship does not hold in this data set. The result is potentially a measurement issue. But it could also result from employer flexibility handling leave. Since many decisions regarding paid time off are dependent on the person or circumstances, small employers may structure pay to encourage an early return. For example, an employer may pay an employee for the first two weeks absence, require paid vacation for the second two, and not pay for more.

b. Offsetting an Employee’s Absence

When an employee is absent, particularly for an extended period, his or her work needs to be completed by someone. The question is by whom? Or how? One possibility is hiring a temporary employee. Just 16 percent of small-business owners replaced the employee on family leave with a temporary (Q#3f1). Several reasons explain why this option may not be suitable and hence used comparatively infrequently. Expense and firm-based knowledge requirements are two of the most obvious.

The most frequent response is to have other employees cover for the one who is absent. Seventy-one (71) percent use this option (Q#3f2) with 84 percent of the largest doing so. The second most likely option selected (62%) is for the owner and the owner’s family to work more hours (Q#3f3). More owner hours is particularly important in firms with fewer than 20 people. Thus, people covering for one another is the primary way these absences are offset.

The longer an employee's absence however, the more difficult this option becomes.

Another option is to let the absent employee's work keep. Postponing work or reducing output such as fewer sales calls reduces overall firm profitability, but may be the only realistic course, particularly in the absence of a highly skilled employee who is certain to return. Twenty-one (21) percent used the alternative (Q#3f4), much more frequently in the smallest firms than the largest.

Small-business owners prefer to do almost anything rather than turn down sales. Only one in 10 (10%) decided to temporarily limit sales (Q#3f5).

The most desirable alternative is to increase productivity. Sometimes that does not occur until something like an employee's absence forces the small-business owner to do things more efficiently. Thirteen (13) percent indicated that they were able to make up for the employee's absence at least in part by productivity increases (Q#3f6). Twenty-three (23) percent of those owning businesses employing 20 or more people exploited this option while less than half of that number (10%) were able to do so by those owning businesses employing fewer than 10.

Most small employers were able to cope nicely the last time an employee was out on family and medical leave. The fact that the reference period, the last three years, occurred during an economic downturn may have affected owner evaluations. Nonetheless, when asked about the principal problem caused by the employee's absence, the most frequent response was "no real problems." Fifty-one (51) percent reported no real problems, though the number fell to 30 percent among owners of the largest firms (Q#3h). The latter are also the ones most likely to be covered by family and medical leave rules.

The most serious problem, noted by 30 percent of owners, was the increased workload placed on others. Owners of larger firms appear particularly susceptible. Ten (10) percent noted lost productivity including the disruption of work or customer relations. But comparatively few cited out-of-pocket cost increases or locating a replacement.

Periodically, employees take advantage of an employer's family and medical leave

practice. One of the most serious abuses occurs when an employee quits just before he or she is scheduled to return to work. This is particularly galling when the employee was on paid leave. Ten (10) percent of the one-third who report at least one request say at least one employee in the last three years quit under such circumstances (Q#3i1). Larger small firms experienced such abuse twice as often as the smallest.

Potentially problematic, though certainly more understandable than a quit, are those who stay out longer than originally planned. One in five small employers (20%) report that in the last three years an employee on leave stayed out longer than the employee said he or she would be absent (Q#3i2). No detail was elicited on the situation so it could not be determined if the prolonged absence caused problems or not.

Personal Leave Policies

Family and medical leave implies an extended period out of the business. Yet, employees often want relatively short periods for important personal matters such as doctor's appointments and parent-teacher's conferences. The two types of leave are different, but result in remarkably similar small employer responses.

Sixteen (16) percent of small-business owners have policies governing requests for short periods of time off for important personal business (Q#4). Eighty-one (81) percent handle such requests on a case-by-case basis and 3 percent have never thought about it.

Eighty-one (81) percent say that the policy is written and available to employees upon request. However, that figure rises to 96 percent among those owning businesses with 20 or more employees. As in other areas, larger firms appear to have more structured and formal employee (personal) procedures for short periods of personal time off.

The best description of the way small employers typically handle such requests is that they grant them. Fifty-seven (57) percent report that they grant short periods of leave for personal matters as a matter of policy (Q#5a). Another 35 percent say that they grant this type of leave given adequate notice. An additional 8 percent indicate it is granted if the business is not (relatively)

busy. Just 2 percent refuse short-term leave for important matters barring an emergency.

The policy most frequently makes these short periods of leave subject to vacation time or sick leave for purposes of pay. Thirty-four (34) percent of owners permit paid short-term leave on the proviso that it is taken as vacation time or sick leave (Q#5c). Twenty-nine (29) percent say that the leave is paid and another 13 percent say that pay depends on the circumstances. Twenty-five (25) percent do not pay employees during their short-term leave.

A major issue surrounding short-term leave is record-keeping. Without records, brazen employees can take advantage not only of employers, but also of more conscientious employees. As a result, 60 percent of small employers keep records on short-term leave, larger employers being more inclined to do so than smaller ones (Q#5d). Record-keeping can be an important cost and inconvenience. Obviously, the more importance attached to records and the more detailed the records, the more likely the costs are to be significant.

For the most part, small employers with a policy covering short-term leave feel comfortable with what they are doing. Just 2 percent report serious problems with one or more employees abusing short-periods of time off for personal matters (Q#5b). Another 28 percent have occasional problems, but 70 percent report no problems.

The Most Recent Experience with Personal Leave

As with family and medical leave, almost all requests for short-term leave for important personal matters are granted. Ninety-five (95) percent allowed the last request that they received for personal leave (Q#6). One percent rejected the request and 4 percent could not remember receiving such a request.

Almost one-quarter (24%) of these requests were classified as emergencies by small employers leaving 74 percent that were not (Q#6a). Of those non-emergency requests, somewhat less than half (44%) did not provide the small employer more than 72 hours advance notice (Q#6b). Half did. The employer couldn't recall in the remaining 6 percent of cases.

Another factor that may make short-term personal leave more or less convenient for

the business owner is the time of the day or week when leave is taken. Most businesses have busier and less busy times. It is obviously helpful if leave is taken during a relatively less busy period. But only 52 percent report that the most recent instance of short-term leave was taken during hours relatively convenient for the business (excluding emergencies) (Q#6c). Almost the same number (45%) say that the leave was taken at a relatively inconvenient time (excluding emergencies) (Q#6d).

Most employers will be more sympathetic to requests for short-term leave if the requests are occasional rather than regular. While "occasional" and "regular" in this context are arbitrary, the survey question was framed around three months – had the employee made a similar request for leave within the prior three months. Forty-six (46) percent had made a similar request within the prior three months and 47 percent had not (Q#6d). Those numbers argue that a huge proportion of the requests for short-term leave occur within a small number of businesses. While not conclusive, they also suggest that a relatively small number of employees are responsible for a substantial share of the requests.

Coverage by Existing Law

Notable confusion surrounds who is covered by Federal and/or state requirements governing family and medical leave and who is not. Twenty-four (24) percent of small employers believe that they are covered by some Federal, state or local law/regulation that governs requests for time off for family-related or health matters (Q#7). Fifty-one (51) percent believe that they are not covered and one in four (25%) is not certain. If all businesses with 50 employees or more are assumed to be covered as are all businesses in states that have lower employee size limits than the Federal government, approximately 6-7 percent of the small employer population should be directly impacted. Local ordinances (outside the District of Columbia) are not included, but probably do not add substantially to the total. A simple calculation suggests that at least three times as many think they are covered and are not, as actually are. But closer examination shows the number is much greater.

Of those who think they are covered, just 12 percent probably are and 88 percent probably are not. Of those who do not think they are covered, 97 percent are likely correct and 3 percent likely incorrect. Finally, of those who do not know, a substantial 25 percent of the population, are probably not covered and 8 percent probably are. A slightly different perspective yields the same results. Of those who claim that they instituted a family and medical leave policy because of legal requirements (n=20), 85 percent probably are not covered.

This confusion is obviously not satisfactory. More needs to be done to explain to small employers their freedoms as well as their legal responsibilities. But, perhaps more important, the confusion over family and medical leave leads to an entire series of related questions involving not only the Act, but the massive number of other laws and regulations which may or may not impact them.

Final Comments

Small-business owners exhibit remarkable flexibility when it comes to employee leave for health, family or personal reasons. They allow such leave in almost all instances, often with the lack of prior notice and at less than convenient times. When owners believe they cannot or should not grant leave as happens on rare occasions, they accommodate employees in other ways. Moreover, small employers appear flexible about the duration of leave and pay for time off. It is particularly noteworthy that the actual frequency of pay while on leave is considerably greater than articulated formal policies would lead one to expect.

Such practices are broadly implemented despite the reality that relatively few small employers are legally required to do so. It is unfortunately true that many believe they are legally compelled to offer these benefits when they are not. Presumably, though not assuredly, mis-impressions increase the amount and generosity of the terms of leave given. The extraordinarily tight labor markets of the late 1990s unquestionably influenced small employers to be increasingly flexible in their relationships with employees as well. Flexibility is an important competitive advantage to smaller firms in recruiting and retaining qualified employees. That leave is now rou-

tinely given, even by those who know they are not legally bound to allow it, testifies to the fact that market pressures assure leave will continue to be commonly given regardless of legislative fiat.

The existing condition seems to work reasonably well for most small employers. They can tighten policy when an employee (among a small minority) abuses the benefit and grow the benefit when employees need or merit special consideration. But that can only be done when small employers have flexibility. Typically, new laws restrict flexibility and create uniformity. That minimizes the very flexibility that allows small employers to be generous. The existing condition does not seem to work nearly as well for those likely covered by Federal and/or state family and medical leave law and who thereby have had their flexibility curbed.

Family and Medical Leave

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

	Employee Size of Firm			
	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Do you have a policy regarding employees who request time off for a serious family illness, the birth or adoption of a child or do you handle such requests on a case-by-case basis?				
1. Policy	9.1%	15.9%	34.2%	12.2%
2. Case-by-case	83.9	81.8	64.5	81.9
3. Never thought about it	6.0	1.1	1.3	5.1
4. (DK/Refuse)	1.0	1.1	—	0.9
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	202	753
2. Is the policy written and available to employees upon request? (If “Policy” in Q#1.)				
1. Yes	—%	—%	96.2%	83.7%
2. No	—	—	3.8	16.3
3. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	29	31	70	130
2a. Which best describes your policy on such matters?				
1. Let the employee come back to work when he or she is ready	—%	—%	32.0%	48.5%
2. Give time off, but limit the amount of time	—	—	64.0	48.5
3. Let the employee work from home for awhile	—	—	—	—
4. Don't give time off, but try to rearrange employee's schedule	—	—	—	2.1
5. Do not give time off	—	—	—	—
6. (DK/Refuse)	—	—	4.0	1.0
Total	100.0%	100.0%	100.0%	100.0%
N	29	31	70	130

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

2b. What is the typical time limit you impose? (If limit time off in Q#2a.)

1. Two weeks or less	—%	—%	—%	22.3%
2. Three to four weeks (incl. one month)	—	—	—	8.9
3. Over one to three months	—	—	—	31.4
4. More than three months	—	—	—	2.4
5. (Varies)	—	—	—	13.4
6. (DK/Refuse)	—	—	—	21.5
Total	100.0%	100.0%	100.0%	100.0%
N	12	17	41	70

2c. Is the time an employee spends on family leave:?

1. Without pay	—%	—%	20.8%	17.4%
2. With pay and/or disability	—	—	12.5	8.7
3. With pay if taken as vacation or sick leave	—	—	37.5	34.8
4. Depends on the person or circumstances	—	—	25.0	38.0
5. (DK/Refused)	—	—	4.2	1.1
Total	100.0%	100.0%	100.0%	100.0%
N	29	31	70	130

2d. Why did you establish a family leave policy? Was it:?

1. To use as a benefit to attract or retain employees	—%	—%	40.7%	41.8%
2. Because you had so many requests for leave that needed a policy	—	—	7.4	5.1
3. Because a law or regulation required you to have one	—	—	25.9	20.4
4. To avoid potential problems and inconsistencies	—	—	14.8	17.3
5. Part of a union contract or labor negotiation	—	—	3.7	1.0
6. (DK/Refused)	—	—	7.4	14.1
Total	100.0%	100.0%	100.0%	100.0%
N	29	31	70	130

3. Within the last three years, have you had an employee request time off for a serious illness in the family or for a birth or adoption?

1. Yes	28.5%	48.8%	58.4%	33.5%
2. No	71.2	51.2	41.6	66.2
3. (DK/Refuse)	0.3	—	—	0.2
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	202	753

3a. About how many times has it happened in the last three years? (If “Yes” in Q#3.)

1. Once	41.3%	30.0%	17.1%	35.8%
2. Twice	29.9	37.5	29.3	30.9
3. Three times	13.6	20.0	19.5	15.5
4. 4 - 5 times	8.1	10.0	14.7	9.4
5. > 5 times	5.4	2.5	14.6	5.5
6. (A few)	1.6	—	—	1.0
7. (DK/Refuse)	—	—	4.9	1.9
Total	100.0%	100.0%	100.0%	100.0%
N	99	98	117	314
Ave.	2.6	2.7	3.9	2.8

3b. Think of the most recent request for family leave? Did it involve a serious family illness, a birth, or an adoption?

1. Serious family illness	60.3%	54.8%	42.2%	56.5%
2. Birth	29.3	35.7	44.4	32.8
3. Adoption	1.1	—	2.2	1.1
4. (None of these)	9.2	9.5	8.9	8.9
5. (DK/Refuse)	—	—	2.2	0.4
Total	100.0%	100.0%	100.0%	100.0%
N	99	98	117	314

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

3c. Which BEST describes how you handled the most recent request for family leave? Did you?:

1. Grant the request	91.8%	92.9%	95.5%	92.6%
2. Give leave, but scale back the amount of time requested	2.7	2.4	4.5	3.0
3. Let the employee work from home	1.6	2.4	—	1.5
4. Not give leave, but rearrange the employee's schedule or duties	2.7	2.4	—	2.2
5. Deny leave	—	—	—	—
6. (DK/Refuse)	1.1	—	—	0.7
Total	100.0%	100.0%	100.0%	100.0%
N	99	98	117	314

3d. Did the employee not get paid, got paid or received disability, or took paid vacation time or sick leave? (If leave granted in Q#3c.)

1. Did not get paid	34.7%	22.0%	27.3%	31.4%
2. Got paid or disability	44.9	48.8	29.5	42.9
3. Paid vacation or sick leave	20.5	26.8	36.4	24.1
4. (DK/Refuse)	—	2.4	6.8	1.5
Total	100.0%	100.0%	100.0%	100.0%
N	95	95	116	306

3e. How long was the employee on leave?

1. One week or less	45.1%	35.0%	22.7%	39.8%
2. Up to two weeks (& > than one week)	17.7	17.5	11.4	16.6
3. Up to one month (& > than two weeks)	8.6	17.5	13.6	10.8
4. Up to three months (& > than one month)	21.1	22.5	29.5	22.8
5. Up to six months (& > three months)	4.0	2.5	4.5	3.9
6. Six months or more	2.3	—	4.5	2.3
7. Still on leave	—	2.5	2.3	0.8
8. (DK/Refuse)	1.1	2.5	11.4	3.1
Total	100.0%	100.0%	100.0%	100.0%
N	95	95	116	306

3f. How did you make up for the employee's absence? Did you?:

1. Hire a temporary employee

1. Yes	16.4%	12.2%	20.0%	16.3%
2. No	83.6	87.8	77.8	83.3
3. (DK/Refuse)	—	—	2.2	0.4
Total	100.0%	100.0%	100.0%	100.0%
N	95	95	116	306

2. Have other employees cover or work more hours

1. Yes	65.5%	82.9%	84.1%	71.4%
2. No	33.3	17.1	15.9	27.9
3. (DK/Refuse)	1.1	—	—	0.8
Total	100.0%	100.0%	100.0%	100.0%
N	95	95	116	306

3. You or a family member of yours worked more hours

1. Yes	69.5%	61.0%	31.8%	61.8%
2. No	30.5	39.0	68.2	38.2
3. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	95	95	116	306

4. Postpone work or reduce business output, such as fewer sales calls, less customer service, etc.

1. Yes	23.7%	19.5%	11.1%	20.9%
2. No	76.3	80.5	88.9	79.1
3. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	95	95	116	306

5. Limit the amount of business accepted for awhile

1. Yes	10.8%	9.8%	4.4%	9.5%
2. No	89.2	90.2	95.6	90.5
3. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	95	95	116	306

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

6. Increase productivity, such as adding machines or rearranging work to get more for less

1. Yes	10.2%	12.5%	22.7%	12.7%
2. No	89.8	87.5	77.3	87.3
3. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	95	95	116	306

3g. What was the principal problem caused by the employee's absence?

1. Finding and training a temporary replacement	2.8%	2.4%	8.7%	3.8%
2. Increased workload for others	25.4	36.6	41.3	29.9
3. Lost productivity, including the disruption of work or customer relations	9.6	7.3	10.9	9.5
4. Greater direct out-of-pocket costs	5.1	7.3	6.5	5.7
5. No real problems	57.1	46.3	30.4	50.8
6. (DK/Refuse)	—	—	2.2	0.4
Total	100.0%	100.0%	100.0%	100.0%
N	95	95	116	306

3h. When you have given employees time off for a serious family illness, a birth, or adoption in the last three years, did an employee on family leave ever:?

1. Quit just before he or she was supposed to return

1. Yes	7.3%	9.8%	18.2%	9.5%
2. No	91.5	90.2	79.5	89.3
3. (DK/Refuse)	1.1	—	2.3	1.1
Total	100.0%	100.0%	100.0%	100.0%
N	95	95	116	306

2. Stay out longer than he or she originally told you

1. Yes	17.5%	14.6%	33.3%	19.8%
2. No	81.9	85.4	64.4	79.5
3. (DK/Refuse)	0.6	—	2.2	0.8
Total	100.0%	100.0%	100.0%	100.0%
N	95	95	116	306

4. Do you have a policy regarding employees who request short periods of time off for personal matters such as doctor’s appointments or parent-teacher conferences, or is it on a case-by-case basis?

1. Policy	12.4%	26.4%	30.3%	15.6%
2. Case-by-case	83.6	71.3	68.4	80.8
3. Never thought about it	3.1	2.3	—	2.7
4. (DK/Refuse)	0.9	—	1.3	0.8
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	202	753

5. Is the policy written and available to employees upon request? (If “Policy” in Q#4.)

1. Yes	—%	86.4%	95.7%	80.8%
2. No	—	13.6	4.3	19.2
3. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	44	54	61	159

5a. Which BEST describes the way you typically handle such requests for short periods of leave on personal matters? Do you typically:?

1. Grant it	—%	52.2%	47.8%	55.6%
2. Grant it given adequate prior notice	—	39.1	43.5	34.9
3. Grant it if the business is not too busy	—	8.7	8.7	7.9
4. Not grant it unless there is an emergency	—	—	—	1.6
5. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	44	54	61	159

5b. Over the last three years have you had serious problems, occasional problems or no problems with one or more employees abusing short periods of time off for personal matters?

1. Serious problems	—%	—%	—%	2.4%
2. Occasional problems	—	50.0	39.1	28.0
3. No problems	—	50.0	60.9	69.6
4. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	44	54	61	159

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

5c. Is the employee typically paid while out for these short periods, not paid, or takes vacation or sick leave?

1. Paid	—%	30.0%	8.3%	28.8%
2. Not paid	—	30.0	25.0	24.8
3. Vacation or sick leave	—	30.0	50.0	33.6
4. (Depends on the circumstances)	—	10.0	16.7	12.8
5. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	44	54	61	159

5d. Do you keep any type of records on the time employees spend out for doctor's appointments, parent-teacher conferences, and similar short periods of absence?

1. Yes	—%	68.2%	66.7%	60.3%
2. No	—	31.8	33.3	39.7
3. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	44	54	61	159

6. Think of the last time an employee requested a short period of time off for a personal matter. Did you grant it?

1. Yes	94.1%	97.7%	98.7%	94.9%
2. No	1.4	—	—	1.1
3. (No such request)	4.5	2.3	1.3	4.0
4. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	202	753

6a. Was it an emergency situation? (If "Yes" in Q#6.)

1. Yes	22.9%	27.1%	27.6%	23.8%
2. No	75.0	69.4	68.4	73.8
3. (DK/Refuse)	2.1	3.5	3.9	2.4
Total	100.0%	100.0%	100.0%	100.0%
N	334	196	198	728

6b. Did the employee ask at least 72 hours before the time was needed? (If “No” or “DK/Refuse in Q#6a.)

1. Yes	43.2%	43.5%	54.5%	44.3%
2. No	50.7	53.2	40.0	50.0
3. (DK/Refuse)	6.1	3.2	5.5	5.7
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	254	145	144	543

6c. Was the time taken during hours that were RELATIVELY convenient for you and the business?

1. Yes	53.2%	41.9%	49.1%	51.6%
2. No	43.7	53.2	45.5	44.9
3. (DK/Refuse)	3.1	4.8	5.5	3.5
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	254	145	144	543

6d. Had the employee asked for time off during the three months prior to the most recent request?

1. Yes	46.4%	45.2%	41.8%	45.9%
2. No	47.3	50.0	43.6	47.2
3. (DK/Refuse)	6.3	4.8	14.5	6.9
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	254	145	144	543

7. To the best of your knowledge, is your business covered or not covered by any Federal, state, or local law or regulation that governs employee requests for time off for family-related or health matters?

1. Yes, covered	21.4%	27.6%	46.8%	24.4%
2. No, not covered	53.3	47.1	33.8	50.7
3. Not sure or don't know	25.1	25.3	19.5	24.6
4. (Refuse)	0.3	—	—	0.2
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	202	753

Demographics

D1. Which best describes your position in the business?

1. Owner/manager	85.4%	82.8%	71.4%	83.8%
2. Owner but NOT manager	7.1	5.7	10.4	7.3
3. Manager but NOT owner	7.4	11.5	18.2	8.9
4. (DK/Refuse)	—	—	—	—
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	202	753

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

1. Agriculture, forestry, fishing	3.0%	2.4%	1.3%	2.7%
2. Construction	9.3	10.7	14.3	9.9
3. Manufacturing, mining	8.5	15.5	18.2	10.2
4. Wholesale trade	5.3	3.6	7.8	5.3
5. Retail trade	17.2	17.9	16.9	17.3
6. Transportation and warehousing	3.0	3.6	2.6	3.0
7. Information	1.7	1.2	1.3	1.6
8. Finance and insurance	2.6	3.6	1.3	2.6
9. Real estate and rental leasing	5.3	2.4	1.3	4.6
10. Professional/scientific/ technical services	19.6	15.5	6.5	17.9
11. Adm. support/waste management services	2.0	—	2.6	1.9
12. Educational services	0.9	1.2	—	0.9
13. Health care and social assistance	3.1	2.4	5.2	3.2
14. Arts, entertainment, or recreation	2.2	2.4	2.6	2.2
15. Accommodations or food service	4.7	10.7	13.0	6.1
16. Other service, incl. repair, personal care	8.5	6.0	5.2	8.0
17. (Other)	2.5	1.2	—	2.1
18. (DK/Refuse)	0.6	—	—	0.4
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	202	753

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

1. Increased by 30 percent or more	14.7%	11.5%	11.5%	14.1%
2. Increased by 20 to 29 percent	9.0	14.9	12.8	10.0
3. Increased by 10 to 19 percent	22.5	26.4	24.4	23.1
4. Changed less than 10 percent one way or the other	26.4	27.6	30.8	26.9
5. Decreased by 10 percent or more	23.9	16.1	16.7	22.3
6. (DK/Refuse)	3.5	3.4	3.9	3.6
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	202	753

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

1. Yes	23.1%	8.0%	2.6%	19.5%
2. No	76.6	92.0	97.4	80.2
3. (DK/Refuse)	0.3	—	—	0.2
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	202	753

D5. How long have you owned or operated this business?

1. < 6 years	28.2%	22.1%	18.2%	26.6%
2. 6-10 years	21.4	18.6	22.1	21.2
3. 11-20 years	26.7	26.7	26.0	26.6
4. 21-30 years	14.7	20.9	20.8	16.0
5. 31 years+	8.7	11.6	13.0	9.4
6. (DK/Refuse)	0.3	—	—	0.2
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	202	753

D6. What is your highest level of formal education?

1. Did not complete high school	1.1%	2.3%	—%	1.1%
2. High school diploma/GED	20.0	12.8	17.9	19.1
3. Some college or an associates degree	24.2	29.1	21.8	24.5
4. Vocational or technical school degree	3.9	3.5	2.6	3.7
5. College diploma	33.4	34.9	44.9	34.7
6. Advanced or professional degree	16.8	17.4	12.8	16.5
7. (DK/Refuse)	0.6	—	—	0.4
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	202	753

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

D7. Please tell me your age.

1. <25	0.6%	—%	—%	0.5%
2. 25-34	5.4	5.8	7.8	5.7
3. 35-44	21.1	22.1	15.6	20.7
4. 45-54	37.2	37.2	39.0	37.4
5. 55-64	25.7	23.3	28.6	25.7
6. 65+	8.1	10.5	6.5	8.2
7. (DK/Refuse)	1.9	1.2	2.6	1.9
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	202	753

D8. What is the zip code of your business?

1. East (zips 010-219)	15.5%	15.1%	16.7%	15.6%
2. South (zips 220-427)	20.9	14.0	21.8	20.2
3. Mid-West (zips 430-567, 600-658)	23.2	27.9	29.5	24.3
4. Central (zips 570-599, 660-898)	22.0	26.7	15.4	21.9
5. West (zips 900-999)	18.1	16.3	16.7	17.8
6. (DK/Refuse)	0.3	—	—	0.2
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	202	753

D9. Urbanization/Population density (derived from the zip code)

1. Highly urban	11.0%	11.9%	11.7%	11.1%
2. Urban	21.3	16.7	19.5	20.7
3. Fringe Urban	16.1	14.3	23.4	16.6
4. Small Cities/Towns	17.9	26.2	20.8	19.1
5. Rural	27.7	27.4	18.2	26.7
6. (DK/Refuse)	6.0	3.6	6.5	5.8
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	202	753

D10. Sex

Male	83.7%	85.1%	84.4%	83.9%
Female	16.3	14.9	15.6	16.1
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	202	753

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 April 23 - May 22, 2004 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 was 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 were 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	351	47
10-19	82	11	200	27	200	27
20-249	75	10	200	27	202	27
All Firms	750	100	750	101	753	101

*Sample universe developed from special runs supplied to the NFIB Research Foundation by the Bureau of the Census (1997 data).

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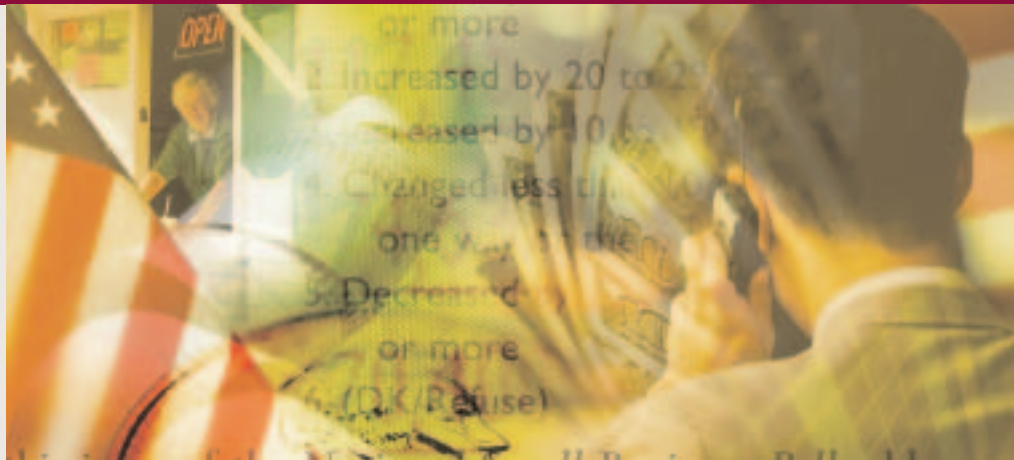
Table Notes

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.

The Sponsor

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. Included are analyses of selected proposed regulations using its Regulatory Impact Model (RIM). The Foundation's functions were recently transferred from the NFIB Education Foundation.



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