



National Small Business Poll

NEIB National

Volume 3, Issue 5
2003

Small Business Poll

Paperwork and Record-keeping

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.

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Paperwork and Record-keeping

Special acknowledgment:

Many of the concepts used in this document were derived directly from the work of Francis Chittenden at the University of Manchester Business School in the U. K.

Volume 3, Issue 5
2003
ISSN - 1534-8326

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Table of Contents

Executive Summary	1
Paperwork and Record-keeping	2
Tables	9
Data Collection Methods.....	31

Executive Summary

- The individual(s) completing and maintaining paperwork and records in a small business is dependent on the subject matter of the paperwork and the size of the firm. Owners most frequently handle paperwork and record-keeping related to licenses and permits (55% of firms), purchases (46%), and clients/customers (46%). They least frequently deal with financial (27%) and tax (12%) records. Three of four have someone (another firm) outside handle their tax paperwork. Paid employees customarily do most of the paperwork and record-keeping in about 25 - 30 percent of firms. Employees are much more likely to do so in larger, small businesses than in the smallest ones regardless of subject matter (except tax). Unpaid family members do the paperwork in less than 10 percent of cases.
- The cost of paperwork also varies by subject matter and firm size. The more paperwork and record-keeping that must be sent outside, the more expensive the paperwork and record-keeping. Owners of larger, small firms pay higher average prices per hour because they are more likely to send their paperwork to outside professionals and because the value of their time on average is higher.
- The estimated average per hour cost of paperwork and record-keeping for small businesses is \$48.72. By subject matter the average per hour cost is: \$74.24 for tax-related, \$62.16 for financial, \$47.96 for licenses and permits, \$43.50 for government information requests, \$42.95 for customers/clients, \$40.75 for personnel, \$39.27 for purchases, and \$36.20 for maintenance (buildings, machines, or vehicles).
- The typical small business employs a blend of electronic and paper record-keeping. Less than 10 percent use paper exclusively and a handful use only electronic means. The type of record most frequently completed and maintained on paper is licenses and permits.
- Increased computerization helps small-business owners cope with their paperwork and record-keeping responsibilities. Ninety-two (92) percent of small-business owners use one or more computers in their business. Fifty-eight (58) percent of users employ the Internet regularly for business purposes, and 57 percent of regular users have a high-speed connection.
- About half hold all types of records seven years or more, but two-thirds to three-quarters hold financial and tax records that long.
- Applicable records are typically destroyed in a manner that protects the privacy of individuals. However, between 15 to 20 percent of owners trash paper records (in contrast to shredding or burning them) and about one in four simply delete electronic records. Owners treat personally sensitive records in virtually the same manner that they treat those sensitive to others.
- No single difficulty creates the government paperwork problem. The most frequently cited problem is unclear and/or confusing instructions (29%). The second most frequently cited difficulty is the volume of paperwork (24%). Duplicate information requests (11%) place third, followed by maintenance of records that ordinarily would not be kept (10%) and requests for inaccessible or non-existent information (9%). Twenty (20) percent could not decide.

Paperwork and Record-keeping

A complex world demands increasing amounts of documentation and record-keeping. But, to small-business owners paperwork remains at best a necessary evil. Properly organized and maintained records often do protect them from misunderstandings — even accusations. They also can help better manage the business by substituting for institutional memory. Yet when generated for no apparent reason, duplicating other information requests, or accompanied by foolish and unproductive complexity, the necessary evil becomes a costly irritant. In fact, little agitates small-business owners more reflexively than the mention of paperwork. Relief from many of the worst excesses has fortunately emerged. The computer has helped small-business owners cope, and will offer increasing assistance over time. However, small-business owners fervently pray that the technology is more than a temporary respite, more than a brief pause in the burden created by the relentless growth in demand for records and documentation. Only time will tell if their prayers have been answered. Meanwhile, this issue of the *National Small Business Poll* addresses paperwork and record-keeping with an emphasis on that demanded by government.

Background

The survey on which this report is based focused on eight types (subjects) of common paperwork and record-keeping: personnel records, financial records, maintenance (equipment, vehicles, and building) records, licenses and permits, records of purchases, government information requests, customer or client records, and tax records. Half of the survey sample addressed four topical areas and the second half addressed the other four.

Most small businesses handle each type of record queried. All prepare and keep tax (Q#9) and financial (Q#3) records. Less than one percent do not keep records of their purchases (Q#6). However, as many as 15 percent do not hold maintenance records of any kind (Q#4); 9 percent do not file or keep (copies of) government requests for information (Q#7), 7 percent, do the same with licenses and permits

(Q#5), 3 percent, have no personnel records (Q#2), and 2 percent, no customer/client records (Q#8).

The People Responsible

The person responsible for filling out paperwork and keeping records varies enormously by the subject matter of paperwork completed and the type of records kept. Owners are most likely to fill out the most routine paperwork needs themselves. For example, they handle the paperwork for licenses and permits 55 percent of the time (Q#5). They also frequently do the paperwork and record-keeping associated with purchases (46%) (Q#6) and customers/clients (46%)(Q#8). But small employers infrequently deal with “the books.” Just 12 percent do their own tax paperwork and record-keeping (Q#9), though 31 percent take care of the firm’s financial records (#Q3).

An employee or employees handle a major, but not dominant share of the paperwork and record-keeping responsibilities. They are most prominent in preparing and keeping maintenance records (56%)(Q#4). More typically, employees prepare and maintain personnel records in 27 percent of small businesses (Q#2) and fill government demands for information in 23 percent of firms (Q#7).

Employee size of firm has a significant association with the people responsible for paperwork. Many of the responsibilities assumed by employers in the smallest firms become the responsibility of employees in larger ones. For example, an employee or employees handle the maintenance paperwork and record-keeping in 17 percent of the businesses employing fewer than 10 people, but in 56 percent of the businesses employing 20 or more. The paperwork and record-keeping for licenses and permits show a similar pattern. In 15 percent of the smallest firms employees handle licenses and permits; in 50 percent of the largest they do.

Outside firms and/or individuals are employed from time to time to perform the paperwork and record-keeping function. But these outsiders dominate finance and taxes. Forty-three (43) percent have their financial record-keeping shipped outside the firm and 74 percent send their tax work out. Firm size differences that often characterize the individuals responsible for paperwork and record-keeping are non-existent in the former and modest in the latter. Outside contractors also do paperwork and record-keeping for government information requests in about one of four businesses (26%) and the personnel work in 18 percent of them.

The stereotypical unpaid family member does the paperwork and record-keeping in no more than 6 to 7 percent of firms, and much less often in the areas of finance and tax. They obviously contribute in individual firms. However, unpaid family members no longer are, if they ever were, involved in the firm's paperwork on a broad scale.

About 5 to 10 percent of small businesses use combinations of people and organizations, for example, owners and accounting firms, to handle their paperwork and record-keeping. This number varies little by subject matter.

The Personnel Cost

The cost of paperwork to the small firm is primarily a function of the number of hours spent times the dollar per hour cost of the personnel working on it. Other costs such as equipment or space for records storage are usually smaller. For small-business owners, the number of hours spent completing a particular type of paperwork and maintaining those records is very difficult to estimate. Cost per hour is easier, and so the survey had respondents focus on cost questions. Despite the fact that 20 - 30 percent usually believed that they could not provide a prudent estimate of hourly costs, the remainder provided reasonable and consistent estimates that are useful for several purposes.

The most transparent paperwork costs are the wages and benefits paid employees who complete and maintain records and the fees charged by outside firms that do the same thing. The two are not directly comparable, however, as the outsider fees include everything from equipment and space to supervision and management. Therefore, as expected, the per hour cost varies notably by the people who performed the services and the subject matter of the paperwork involved.

Small-business owners say that the most expensive help is for tax paperwork and records at an average of \$83.69 per hour (Q#9a). The cost rises to an average of more than \$100 per hour for those with firms employing 10 or more people. The second most expensive area is financial records at \$74.20 per hour (Q#3a). The hourly cost drops substantially in all other areas: \$52.43 for license and permits (Q#5a), \$46.18 for government information requests (Q#7a), \$42.75 for customer/client records (Q#8a), \$31.06 personnel (Q#2a), \$30.29 maintenance (Q#4a), and \$25.90 for purchases (Q#6a). Observe that the costs for government requirements tend to be much higher per hour than they are for commercial functions.

Owners and unpaid family members also spend time on paperwork and record-keeping. The survey asked those who use unpaid family help to estimate the cost if they had to purchase those services in the open market. In other words, how much would it cost

if small-business owners had to hire someone to replace the unpaid family help. Since relatively few use them, the number making the estimate is small (n=57) and the results should be used cautiously. Still, the estimate of \$24.87 per hour is reasonable, and is similar to the amount paid employees for doing similar work.

Estimating the hourly cost of the owner was addressed indirectly. The first step asked the policy question whether or not the government should reimburse small-business owners for dealing with the added paperwork and record-keeping it requires of a business. Respondents divided almost equally on the question (47% - 51%) with a few percentage points more in the negative (Q#1). A number of plausible interpretations could explain this rather surprising result. One explanation is that no one should be paid to do something that should not be done in the first place; a second is that record-keeping and information submission is a civic obligation that is just part of being a business owner. Whatever the reason, the question was used as a platform to have small-business owners estimate the cost of their time.

Those who responded that they should be paid to complete government paperwork were subsequently asked how much would be a fair per hour amount to claim for their time and effort. Owner responses were reasonable and consistent. The average per hour amount is \$43.30 (Q#1a). The amount rises as the size of firm owned rises. Owners of businesses employing fewer than 10 people say that they should be reimbursed at \$37.18 per hour, while owners of firms employing 20 people or more say their worth is \$68.36 per hour.

Those who opposed the idea of reimbursement were asked to make a similar estimate assuming the decision was made to provide reimbursement. This group did not play along as well as the first as evidenced by the 12 percent who apparently would refuse to apply for reimbursement (Q#1b). Still, with the exception of those employing 20 or more people, the hourly estimates among those for and against reimbursement are remarkably close. The latter group's estimate is \$40.72, just \$2.48 lower than the former's. If those who responded "nothing" are eliminated, the average

hourly estimate for those believing reimbursement inappropriate is \$48.89, \$5.59 higher than those who believe they should be reimbursed.

Hourly Cost of Paperwork

A weighted average of direct personnel paperwork costs by subject matter can be calculated by multiplying the percent completing a specific type of paperwork with the hourly cost of that person/firm, and totaling them. The problem with this approach is that the figure would include non-personnel costs when outsiders provide the services and only wages and benefits when provided by those associated with the business.

A review of the cost assigned outsiders compared to that assigned employees shows a ratio of about 2.3:1 for the four paperwork types that had enough cases of each to compare. Outsiders therefore cost a little over twice as much in direct outlays. A significant, but non-identifiable, part of that difference can be attributable to overhead costs in one and not the other; part likely can be attributed to outsider expertise; etc. Assuming (arguably) that about one-third of the differential or \$10 per hour can be attributed directly to overhead and the remainder to other factors, and ignoring the often small number of cases in certain cells, calculations were run separating employees from outsiders and adding overhead to employees (effectively increasing the hourly cost of employees by between one-third and one-half), unpaid family, and owners to produce a more representative cost.

The data outlined above yield the average hourly cost for all paperwork and the average hourly paperwork cost for each of the eight topical areas investigated. Small-business owners spend, directly or indirectly, an average of \$48.72 per hour on paperwork. The amount varies substantially by topic. Tax-related paperwork and record-keeping cost \$74.24 per hour; financial, \$62.16 per hour; licenses and permits, \$47.96 per hour; government requests for information, \$43.50 per hour; customer/client records, \$42.95 per hour; personnel, \$40.75 per hour; purchases, \$39.27 per hour; and \$36.20 per hour on maintenance paperwork and record-keeping.

Paper or Electronic

Pencil and paper has given way to keyboard and disk in many small businesses. Still, the old has hardly surrendered to the new. The typical small business today employs a blend of paper and electronic means to create, submit, and record documents and is likely to do so for a long time.

About two-thirds to three-quarters of small employers report that they use some combination of paper and electronic records in nearly every area of paperwork examined. Approximately, three times as many say that they use nothing but paper compared to those who are exclusively (or almost so) electronic. One notable exception to this general rule involves licenses and permits.

Licenses and permits are vastly more paper-oriented than the remainder of subject matter. Fifty-nine (59) percent of small-business owners say that they handle their licenses and permits and keep them exclusively in paper (Q#5b); 38 percent use a combination of paper and electronic and just 2 percent are totally electronic. Licenses and permits are issued by local and state government for the most part. Since this is the paperwork and record-keeping topic where electronic means has penetrated small business far less than any other, the inference is that these governments use computer technology less frequently in dealing with small-business entities than either the Federal government or the private sector.

The subject matter second most dependent on paper is maintenance, in all likelihood because so much of it is completed in the field and away from an office. Still, just 35 percent report that their maintenance paperwork is exclusively in paper (Q#4b); 56 percent is a combination, and 6 percent is electronic only.

The Internal Revenue Service (IRS) at the direction of the Congress is attempting to drive taxpayers, including small-business owners, to file electronically. Nineteen (19) percent of small-business owners report that their tax records are completed and maintained on paper (Q#9b); just 4 percent have them solely in electronic form; the remainder use a combination of paper and electronic. Still, tax records are the paperwork area where the second smallest percentage of small-business owners use paper exclu-

sively. Pressing them to do more therefore appears to be for the convenience of the IRS, not the owners.

The smallest percentage using paper only is found among financial records; just 14 percent complete and keep their financial records on paper exclusively (Q#3b). However, financial records are no more likely to be only in electronic form than are most other types. The record type most frequently all-electronic, though only in 12 percent of firms, is customer/client records (Q#8b).

The use of electronic means to handle paperwork implies the use of computers and the Internet. Over the years, both have increasingly penetrated common practice in smaller firms. Today, 92 percent have one or more computers in their business (Q#13), up from 83 percent in 1999. Another two plus percent who do not have a computer in their business have one in their personal residence that they use for business purposes (Q#13d). Forty-two (42) percent of those who have one or more computers have stand alone PCs, 19 percent have a local area network, and 36 percent have both (Q#13a). Inter-connected computers are more likely to be found in larger, small firms than in smaller, small firms though the difference is less than might have been expected.

Ninety (90) percent of small-business owners with one or more business computers, or more than four in five small employers, are connected to the Internet (Q#13b). More importantly, 58 percent claim to use the Internet regularly though not necessarily to transfer documents and records. The percentage rises to 72 percent in businesses employing 20 or more people. Service is increasingly high-speed. Of those who use the Internet regularly, 57 percent claim to have DSL or cable in contrast to 35 percent who report dial-up (Q#13c). At a minimum, therefore, 25 to 30 percent of all small businesses subscribe to high speed Internet service and the number is undoubtedly somewhat higher.

Maintaining Records

Two major issues in records maintenance are the length of time records are kept (needed) and their accessibility when not in immediate use. A third maintenance issue, destruction of records, will be discussed later.

a. Holding Records

Small-business owners keep their records for long periods on average. About half keep their records on any topic seven years or more. But there is a significant variation both from owner to owner and from subject matter to subject matter. Meaningful averages cannot be calculated because so many either keep their records indefinitely which can also mean a long time or forever, or they could not be specific such as it depends, no schedule for disposal, or they are pitched periodically.

An examination of the way owners treat personnel records is illustrative: just 2 percent dispose of personnel records upon an employee's termination (Q#2c). Another 11 percent get rid of them within two years. But half (49%) keep personnel records seven years or more. Maintenance records offer a similar perspective, though a larger proportion dispose of maintenance records sooner. Ten (10) percent hold them two years or less (Q#4c). Still, half (51%) keep them seven years or longer.

The records most quickly pitched are expired licenses and permits. Twenty-three (23) percent dispose of them within two years (Q#5c). Again, half (51%) keep them seven years or more. Small-business owners also keep customer and client records comparatively briefly.

Tax and financial records are held longest. No one gets rid of tax records in less than two years while 65 percent of small employers retain tax records seven years or more (Q#9c). It is widely believed that old tax records should be kept for a minimum of seven years. But that perception is not necessarily accurate. A shorter period is usually sufficient. Still, small-business owners appear to be playing it safe, consciously or not.

Owners appear to keep financial records even longer than tax records. Yet, the reasonably close relationship between financial and tax records is expected as the two are effectively tied. Seventy-four (74) percent hold their financial records seven or more years (Q#3c). Just two percent say that they dispose of them in two years or less.

b. Accessing Records

Government (or others) can request information and/or records that are faith-

fully retained, but access to those records can make compliance with seemingly simple requests very difficult. Access can be more or less easy depending on how well files are labeled and organized, and where they are stored. The survey probed storage since organization of files could not be assessed.

Records can be housed where they are readily accessible, such as in files or on shelves; they can be stored on-site, such as in a closet, attic, or basement; or they can be stored off-site. About 40 percent of small-business owners believe that their records are immediately accessible for most types of paperwork held - even two years after they are current. Forty-one (41) percent say that a two-year-old financial record is immediately accessible (Q#3d); 37 percent say the same about maintenance records (Q#4d); 40 percent believe licenses and permits are immediately accessible two years after they have expired (Q#5d); 40 percent believe the same about records of purchases (Q#6d); and, tax records are immediately accessible in 43 percent of cases (Q#9d).

Comparatively few small-business owners choose to store their records off-site, the place that seems to offer them least access. Two years after records are current, between 10 and 15 percent of small-business owners house records from all subject matters off-site. An exception is tax records. Twenty (20) percent store their tax records off-site, most likely under the control of the individual or organization preparing the tax filing. Twenty (20) percent also store records of government requests for information off-site, though the reason for such action on this particular type of record is not obvious (Q#7d).

The type of paperwork and record most closely held, at least in the two years after they are current, is customer/client information. Forty-eight (48) percent have old customer/client records immediately accessible while just 12 percent have them off-site (Q#8d). In contrast, personnel records are least accessible. Just 28 percent of small-business owners have them immediately accessible and 15 percent have them stored off-site (Q#2d). These choices reflect both priorities and personal interests.

Records Destruction and Privacy

Most records will be destroyed at some point even when small-business owners claim that they intend to keep them indefinitely or for a long time. Destruction of records would be of little interest except that if not disposed of properly, privacy issues could arise. The possibility of mishandling documents during their disposal, and hence revealing private information, may be remote, but the potential for suits and violation of laws remain. All types of records do not possess latent problems however, just those types of records that could reveal private information about employees and customers. Thus, the survey only asked questions about destruction of personnel records and customer/client information to be contrasted with the disposal procedures used for information sensitive only to owners.

The most common way to dispose of paper records is to shred them. Sixty (60) percent who have paper records say that they shred personnel records and 7 percent burn them (Q#2e) while 52 percent say that they shred customer/client records and 7 percent burn them (Q#8e). In contrast, 58 percent say that they shred financial records and 7 percent burn them (Q#3e) while 46 percent shred their tax records and 8 percent burn them (Q#9e). Though about 10 percent more are likely to claim that they never dispose of tax records than other types, small-business owners use the least problematic methods to dispose of records with their privacy interests in the same proportions and same manners as records with privacy interest for their employees and their customers.

The most problematic way to dispose of such records is to trash them. Sixteen (16) to 17 percent trash personnel, financial, and tax records. But 28 percent trash customer/client records. Customer/client records range from such sensitive material as medical and personal financial records to Christmas card lists. All customer/client information, therefore, may not have privacy implications. Regardless, a relatively small, but notable, number of small-business owners may employ questionable records disposal policies.

Increasingly, records are held electronically on disk. Respondents opted from among three choices to describe the way they dispose of electronic records. The most

satisfactory is either to destroy them or to reformat the disk. Twenty-one (21) percent with electronic records use that option with personnel records while 13 percent retain them (Q#2f). But only 13 percent destroy the disk or reformat it with customer/client records on it while 15 percent retain them (Q#8f). Deleting the files and emptying the recycle bin (in Microsoft) is another satisfactory method. This procedure is employed by 28 percent for the former and 25 percent for the latter. That leaves about one in four who merely delete both types of records. While generally sufficient, simply deleting records may be inadequate when pitted against a snooper with considerable computer skills. Thus, records disposed of by just deleting them leaves the small-business owner in potential jeopardy.

Somewhat less than one in ten claim to dispose of their electronic records in another manner, but the manner is unspecified.

Small-business owners appear to treat the records that are sensitive to them in much the same manner as records that are sensitive to employees and customers/clients. Twenty-two (22) percent simply delete their tax records (and don't empty the recycle bin) (Q#9f) while 18 percent do so with financial records (Q#3f). They are also more reluctant to discuss disposal of these records as evidenced by the greater non-response, particularly regarding tax records.

Finally, a question was posed regarding security and access for both personnel and customer/client records. Eighty-six (86) percent of small-business owners, and 98 percent of those employing 20 or more people, say that they secure personnel records and limit access to them (Q#2g). Eighty-nine (89) percent say that they secure and limit access to customer/client records, though no difference appears by size of firm (Q#8g).

The Problem with Government Paperwork

Small-business owners levy a constant barrage of complaints about government paperwork. An appropriate response to those complaints is a request for specifics. What is the problem?

The aspect of government paperwork more difficult for more owners than any other is not even paperwork per se. Rather,

it is the clarity of the instructions and understanding what the public official wants in response. Twenty-nine (29) percent say that the instructions are the most difficult part of the government paperwork problem (Q#12). Those owning the smallest firms are most likely to register this criticism.

The second most frequent complaint is the volume of paperwork to be completed and submitted. Twenty-four (24) percent identify the volume problem which increases to 36 percent for those employing 20 people or more. Eleven (11) percent point out duplicate requests for the same information as their prime concern. Another 10 percent report maintenance of records that they ordinarily would not keep as theirs. Fewest (7%) cite requests for information that they do not have or is not accessible. Almost 20 percent have another paperwork problem or cannot decide among them.

The broad distribution across various possible answers suggests that there is no single paperwork problem. There are many problems and that implies the need for many solutions.

Final Comments

Computerization has had a positive impact on the paperwork burden of small-business owners and will continue to do so. Unfortunately, the paperwork burden is not a burden that can be entirely alleviated by this technology. Paperwork and record-keeping involve considerably more than filing information request (demand) forms and storing copies. It involves understanding the information needed and the form in which it is required, acquiring the necessary information and organizing it in a useful way, determining what to keep and for how long, etc. And, then there is the cost. Even with the most efficient computer equipment, documentation is not cheap. It requires people to organize and input the necessary data, and people are expensive.

The result is that paperwork and record-keeping continue to represent a major aggravation for small-business owners. But it is also a place where they can use sweat equity to save cash. When asked how much they would be willing to pay to have someone take over all the paperwork they must complete, 17 percent said nothing and 5 percent indicated less than \$10

per hour (Q#11). Still, it is better to neither pay someone to handle paperwork nor to put in this type of sweat equity. That situation would occur if the demands for records were not made in the first place. Paperwork, therefore, becomes particularly burdensome for those who do not have the resources to hire someone to do the paperwork for them. Among that group are people just starting businesses, those who could use the greatest asset they have, themselves, for higher purposes than completing and maintaining forms.

Paperwork and Record-keeping

(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 think government should compensate you for dealing with the added paperwork and record-keeping it requires of your business?				
1. Yes	45.1%	53.5%	52.6%	46.7%
2. No	52.7	46.5	46.2	51.4
3. (DK/Refuse)	1.2	—	1.3	0.4
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757
Ia. What do you think would be a fair per hour amount to claim for your time and efforts? (If “Yes” in Q#1.)				
1. <\$10 per hour	7.1%	4.4%	4.9%	6.5%
2. \$10 - 19 per hour	21.9	17.8	22.0	21.4
3. \$20 - 29 per hour	23.0	24.4	19.5	22.8
4. \$30 - 49 per hour	11.3	4.4	7.3	10.0
5. \$50 - 99 per hour	11.3	15.6	19.5	12.7
6. \$100 per hour or more	7.8	15.6	14.6	9.5
7. (DK/Refuse)	17.7	17.8	12.2	17.1
Total	100.0%	100.0%	100.0%	100.0%
N	180	164	175	383
Ave.	\$37.18	\$57.71	\$68.36	\$43.30
Ib. If the decision were made to reimburse you, what do you think would be a fair per hour amount to claim for your time and effort? (If “No” in Q#1.)				
1. Nothing	12.6%	10.0%	13.2%	12.4%
2. <\$10 per hour	2.9	2.5	2.6	2.8
3. \$10 - 19 per hour	17.4	15.0	15.8	17.1
4. \$20 - 29 per hour	13.7	22.5	18.4	15.0
5. \$30 - 49 per hour	6.0	12.5	2.6	6.3
6. \$50 - 99 per hour	14.6	7.5	13.2	8.2
7. \$100 per hour or more	7.1	12.5	13.2	8.2
8. (DK/Refuse)	25.7	17.5	21.1	24.5
Total	100.0%	100.0%	100.0%	100.0%
N	163	105	105	373
Ave.	\$38.54	\$55.20	\$43.92	\$40.72

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

2. Who does your business’s personnel paperwork and record-keeping? Is it:

1. You	42.9%	28.6%	21.4%	39.3%
2. An unpaid family member	8.1	2.4	—	6.7
3. An employee or employees	20.4	45.2	57.1	26.6
4. An outside firm or individuals	18.9	11.9	11.9	17.5
5. (Combinations of people/firms)	5.4	11.9	9.5	6.5
6. (Do not keep that kind of record)	3.6	—	—	2.9
7. (DK/Refuse)	0.6	—	—	0.5
Total	100.0%	100.0%	100.0%	100.0%
N	186	101	107	394

2a. What is the approximate hourly cost of such a person, including benefits, or of the firm hired? (If employee, individual or outside firm in Q#2.)

1. <\$10 per hour	10.2%	5.3%	—%	8.2%
2. \$10 - 19 per hour	30.7	31.6	32.0	31.0
3. \$20 - 29 per hour	11.8	36.9	28.0	17.0
4. \$30 - 49 per hour	7.9	10.5	12.0	8.8
5. \$50 - 99 per hour	15.0	—	8.0	12.3
6. \$100 or more per hour	1.6	5.3	4.0	2.3
7. (DK/Refuse)	22.8	10.3	16.0	10.5
Total	100.0%	100.0%	100.0%	100.0%
N	65	54	72	190
Ave.	\$28.07	\$27.64	\$46.45	\$31.06

2b. Are the business’s personnel records kept on paper, electronically, or both? (If keep personnel records in Q#2.)

1. Paper	25.5%	19.0%	16.3%	23.9%
2. Electronically	9.7	7.1	4.7	8.9
3. Both	64.2	73.8	79.1	66.7
4. (DK/Refuse)	0.6	—	—	0.5
Total	100.0%	100.0%	100.0%	100.0%
N	178	100	106	384

Employee Size of Firm

	1-9 emp	10-19 emp	20-249 emp	All Firms
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2c. After an employee leaves, how long do you keep those records before getting rid of them?

1. Upon termination	2.8%	—%	—%	2.3%
2. 2 years or less	11.5	7.1	12.2	11.1
3. 3 - 6 years	23.2	24.7	31.2	24.3
4. 7 years or more	21.6	32.4	24.9	23.0
5. Indefinitely	25.5	31.0	26.8	26.2
6. (Other, depends, periodically toss, etc.)	2.2	2.4	—	2.0
7. (DK/Refuse)	13.1	2.4	4.9	11.1
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	178	100	106	384

2d. Two years after an employee leaves, how accessible are their records? Are they?: (If kept 2 years or more in Q#2c.)

1. Immediately accessible	27.9%	32.5%	20.5%	27.6%
2. Stored on-site	50.0	55.0	59.0	51.5
3. Stored off-site	15.3	12.5	17.9	15.3
4. (Gone, disposed off)	0.7	—	—	0.5
5. (DK/Refuse)	6.1	—	2.6	5.1
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	163	98	97	358

2e. How do you dispose of personnel records that are on paper? Do you?: (If “Paper” or “Both” in Q#2b.)

1. Trash them	14.9%	18.4%	17.5%	15.6%
2. Burn them	7.3	10.5	5.0	7.4
3. Shred them	61.1	50.0	62.5	60.1
4. (Other)	1.7	10.5	2.5	2.7
5. (Don't dispose of)	5.6	—	2.5	4.6
6. (DK/Refuse)	9.4	10.5	10.0	9.6
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Total	100.0%	100.0%	100.0%	100.0%
N	161	93	102	356

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

2f. How do you dispose of electronic personnel records? Do you?: (If “Electronically” or “Both” in Q#2b.)

1. Delete them	24.5%	18.8%	22.2%	23.6%
2. Delete them and empty the recycle bin	28.3	28.1	25.0	27.9
3. Destroy or reformat the disk	19.4	21.9	27.8	20.7
4. (Other)	3.8	12.5	—	4.3
5. (Don't Dispose of)	11.8	12.5	16.7	12.5
6. (DK/Refuse)	12.2	6.3	8.3	11.1
Total	100.0%	100.0%	100.0%	100.0%
N	132	80	89	301

2g. Do you secure and limit access to personnel records?

1. Yes	83.8%	92.9%	97.6%	86.2%
2. No	13.7	7.1	2.4	11.9
3. (DK/Refuse)	2.5	—	—	1.9
Total	100.0%	100.0%	100.0%	100.0%
N	178	100	106	384

3. Who does your business's financial paperwork and record-keeping? Is it:

1. You	29.3%	21.4%	9.8%	26.6%
2. An unpaid family member	3.6	—	—	2.9
3. An employee or employees	12.0	19.0	34.1	14.9
4. An outside firm or individuals	43.4	42.9	39.0	42.9
5. (Combinations of people/firms)	11.7	16.7	17.1	12.7
6. (Do not keep that kind of record)	—	—	—	—
7. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	186	101	107	394

3a. What is the approximate hourly cost of such a person, including benefits, or of the firm hired? (If employee, individual or outside firm in Q#3.)

1. <\$10 per hour	2.2%	—%	—%	1.7%
2. \$10 - 19 per hour	9.7	8.3	6.7	9.2
3. \$20 - 29 per hour	7.6	12.5	20.0	9.6
4. \$30 - 49 per hour	14.6	8.3	13.3	13.8
5. \$50 - 99 per hour	21.1	20.8	13.3	20.1
6. \$100 or more per hour	13.5	20.8	23.3	15.5
7. (DK/Refuse)	31.4	29.2	23.3	30.1
Total	100.0%	100.0%	100.0%	100.0%
N	96	59	76	231
Ave.	\$75.28	\$68.52	\$72.83	\$74.20

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

3b. Are the business’s financial records kept on paper, electronically, or both?

1. Paper	14.2%	11.9%	9.5%	13.5%
2. Electronically	9.9	4.8	9.5	9.4
3. Both	75.0	83.3	81.0	76.4
4. (DK/Refuse)	0.9	—	—	0.7
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	186	101	107	394

3c. How long do you keep those records before getting rid of them?

1. 2 years or less	1.8%	—%	2.4%	1.7%
2. 3 - 6 years	18.7	12.8	22.0	18.4
3. 7 years or more	37.6	38.5	36.6	37.6
4. Indefinitely	35.8	43.6	31.7	36.2
5. (Other, depends, periodically toss, etc.)	3.3	2.6	—	2.9
6. (DK/Refuse)	2.7	2.6	7.3	3.2
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	186	101	107	394

3d. If you need a financial record that is two years old, how accessible is it? Is it:?

1. Immediately accessible	39.3%	47.6%	50.0%	41.2%
2. Stored on-site	45.9	35.7	31.0	43.4
3. Stored off-site	12.9	16.7	13.7	13.7
4. (Gone, disposed off)	—	—	—	—
5. (DK/Refuse)	1.8	—	2.4	1.6
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	186	101	107	394

**3e. How do you dispose of financial records that are on paper? Do you?:
(If “Paper” or “Both” in Q#3b.)**

1. Trash them	15.9%	25.0%	15.8%	16.8%
2. Burn them	7.1	10.0	5.3	7.2
3. Shred them	57.4	52.5	65.8	57.8
4. (Other)	4.4	2.5	—	3.7
5. (Don’t dispose of)	10.8	7.5	10.5	10.4
6. (DK/Refuse)	4.4	2.5	2.6	4.0
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Total	100.0%	100.0%	100.0%	100.0%
N	166	95	96	357

	Employee Size of Firm			
	1-9 emp	10-19 emp	20-249 emp	All Firms
3f. How do you dispose of electronic financial records? Do you? (If “Electronically” or “Both” in Q#3b.)				
1. Delete them	17.8%	13.9%	24.3%	18.1%
2. Delete them and empty the recycle bin	28.1	30.6	24.3	28.0
3. Destroy or reformat the disk	18.1	16.7	24.3	18.6
4. (Other)	10.3	13.9	—	9.6
5. (Don't Dispose of)	13.2	8.3	10.8	12.4
6. (DK/Refuse)	12.5	16.7	16.2	13.3
Total	100.0%	100.0%	100.0%	100.0%
N	157	90	95	342

4. Who does your business's maintenance paperwork and record-keeping? Is it:				
1. You	44.0%	31.0%	18.6%	40.1%
2. An unpaid family member	9.3	2.4	—	7.6
3. An employee or employees	17.1	45.2	55.8	23.8
4. An outside firm or individuals	6.9	7.1	4.7	6.7
5. (Combinations of people/firms)	3.9	7.1	4.7	4.3
6. (Do not keep that kind of record)	17.4	2.4	11.6	15.3
7. (DK/Refuse)	1.5	4.8	4.6	2.2
Total	100.0%	100.0%	100.0%	100.0%
N	186	101	107	394

4a. What is the approximate hourly cost of such a person, including benefits, or of the firm hired? (If employee, individual or outside firm in Q#4.)				
1. <\$10 per hour	—%	—%	—%	0.8%
2. \$10 - 19 per hour	—	40.9	30.8	41.7
3. \$20 - 29 per hour	—	31.8	30.8	22.0
4. \$30 - 49 per hour	—	9.1	15.4	13.4
5. \$50 - 99 per hour	—	9.1	7.7	5.5
6. \$100 or more per hour	—	—	3.8	5.5
7. (DK/Refuse)	—	9.1	11.5	11.0
Total	100.0%	100.0%	100.0%	100.0%
N	40	51	66	157
Ave.	\$33.05	\$22.92	\$28.11	\$30.29

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

4b. Are the business's maintenance records kept on paper, electronically, or both? (If keep maintenance records in Q#4.)

1. Paper	35.4%	30.0%	37.8%	35.0%
2. Electronically	6.6	2.5	2.7	5.7
3. Both	54.7	62.5	54.1	55.6
4. (DK/Refuse)	3.3	5.0	5.4	3.7
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	152	97	96	345

4c. How long do you keep those records before getting rid of them?

1. 2 years or less	8.1%	12.5%	16.2%	9.5%
2. 3 - 6 years	28.5	24.6	32.0	28.4
3. 7 years or more	23.4	27.9	19.3	23.4
4. Indefinitely	28.7	27.5	21.6	27.8
5. (Other, depends, periodically toss, etc.)	5.9	—	2.7	4.9
6. (DK/Refuse)	5.5	7.5	8.1	6.0
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Total	100.0%	100.0%	100.0%	100.0%
N	152	97	96	345

4d. If you need a maintenance record that is two years old, how accessible is it? Is it? (If 2 years or more in Q#4c.)

1. Immediately accessible	37.6%	32.5%	41.2%	37.4%
2. Stored on-site	48.9	52.5	44.1	48.8
3. Stored off-site	7.9	10.0	11.8	8.5
4. (Gone, disposed off)	—	—	—	—
5. (DK/Refuse)	5.7	5.0	2.9	5.3
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	147	96	88	331

5. Who does your business's license and permit paperwork and record-keeping? Is it:

1. You	59.6%	45.2%	28.6%	55.0%
2. An unpaid family member	5.4	2.4	—	4.6
3. An employee or employees	15.1	31.0	50.0	20.2
4. An outside firm or individuals	8.7	7.1	9.5	8.7
5. (Combinations of people/firms)	4.2	7.1	4.8	4.6
6. (Do not keep that kind of record)	6.6	7.1	7.1	6.7
7. (DK/Refuse)	0.3	—	—	0.2
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	186	101	107	394

Employee Size of Firm

	1-9 emp	10-19 emp	20-249 emp	All Firms
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5a. What is the approximate hourly cost of such a person, including benefits, or of the firm hired? (If employee, individual or outside firm in Q#5.)

1. <\$10 per hour	—%	—%	—%	4.2%
2. \$10 - 19 per hour	—	—	25.0	33.6
3. \$20 - 29 per hour	—	—	29.2	10.9
4. \$30 - 49 per hour	—	—	8.3	11.8
5. \$50 - 99 per hour	—	—	8.3	13.4
6. \$100 or more per hour	—	—	12.5	13.4
7. (DK/Refuse)	—	—	16.7	12.6
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	43	39	63	145
Ave.	\$49.31	\$71.41	\$49.38	\$52.43

5b. Are the business's license and permit records kept on paper, electronically, or both? (If keep license and permit records in Q#5.)

1. Paper	58.4%	64.1%	56.4%	58.8%
2. Electronically	1.9	—	2.6	1.8
3. Both	38.4	35.9	41.0	38.4
4. (DK/Refuse)	1.3	—	—	1.1
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	173	95	100	368

5c. After they expire, how long do you keep those records before getting rid of them?

1. 2 years or less	22.1%	28.9%	20.5%	22.6%
2. 3 - 6 years	19.2	15.4	20.0	18.8
3. 7 years or more	20.6	18.8	18.5	20.3
4. Indefinitely	31.1	28.9	28.2	30.6
5. (Other, depends, periodically toss, etc.)	3.5	5.3	5.1	3.9
6. (DK/Refuse)	3.5	2.6	7.7	3.9
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	173	95	100	368

5d. If you wanted to retrieve a license or permit that expired two years ago, how accessible is it? Is it?: (If kept 2 years or more in Q#5c.)

1. Immediately accessible	40.5%	43.8%	36.4%	40.4%
2. Stored on-site	46.4	46.9	48.5	46.6
3. Stored off-site	6.9	6.3	12.1	7.4
4. (Gone, disposed off)	4.2	3.1	3.0	4.0
5. (DK/Refuse)	1.9	—	—	1.5
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Total	100.0%	100.0%	100.0%	100.0%
N	146	79	84	309

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

6. Who does your business's purchase paperwork and record-keeping? Is it:

1. You	50.7%	31.0%	25.7%	46.2%
2. An unpaid family member	7.6	2.4	—	6.3
3. An employee or employees	21.4	57.1	62.9	29.1
4. An outside firm or individuals	8.6	2.4	5.7	7.6
5. (Combinations of people/firms)	10.9	7.1	5.7	10.0
6. (Do not keep that kind of record)	0.9	—	—	0.8
7. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	169	99	95	363

6a. What is the approximate hourly cost of such a person, including benefits, or of the firm hired? (If employee, individual or outside firm in Q#6.)

1. <\$10 per hour	—%	—%	4.2%	2.2%
2. \$10 - 19 per hour	—	34.6	41.7	33.8
3. \$20 - 29 per hour	—	34.6	16.7	22.3
4. \$30 - 49 per hour	—	7.7	12.5	10.8
5. \$50 - 99 per hour	—	3.8	12.5	9.4
6. \$100 or more per hour	—	—	—	1.4
7. (DK/Refuse)	—	19.2	12.5	20.1
Total	100.0%	100.0%	100.0%	100.0%
N	48	55	63	166
Ave.	\$26.90	\$22.69	\$25.62	\$25.90

6b. Are records of your purchases kept on paper, electronically, or both? (If keep purchase records in Q#6.)

1. Paper	25.2%	16.3%	16.7%	23.4%
2. Electronically	10.3	7.0	5.6	9.5
3. Both	64.5	76.7	77.8	67.1
4. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	167	99	94	360

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

6c. How long do you keep those records before getting rid of them?

1. 2 years or less	4.3%	7.0%	8.6%	5.0%
2. 3 - 6 years	32.6	33.1	32.3	32.4
3. 7 years or more	37.7	41.3	42.0	38.7
4. Indefinitely	22.0	14.0	11.4	20.1
5. (Other, depends, periodically toss, etc.)	1.3	2.3	—	1.3
6. (DK/Refuse)	2.0	2.3	5.7	2.4
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	167	99	94	360

6d. If you wanted to retrieve a purchase record that expired two years ago, how accessible is it? Is it?: (If 2 years or more in Q#6c.)

1. Immediately accessible	36.6%	27.8%	35.5%	35.4%
2. Stored on-site	48.9	55.6	48.4	49.7
3. Stored off-site	14.5	16.7	16.1	14.9
4. (Gone, disposed off)	—	—	—	—
5. (DK/Refuse)	—	—	—	—
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	131	85	81	297

7. Who does your business's paperwork and record-keeping for government information requests? Is it:

1. You	34.1%	18.6%	19.4%	31.0%
2. An unpaid family member	3.9	—	—	3.1
3. An employee or employees	19.3	32.6	47.2	23.4
4. An outside firm or individuals	25.6	27.9	22.2	25.5
5. (Combinations of people/firms)	8.2	18.6	5.6	9.1
6. (Do not keep that kind of record)	8.9	2.3	5.6	7.8
7. (DK/Refuse)	—	—	—	—
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	169	99	95	363

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

7a. What is the approximate hourly cost of such a person, including benefits, or of the firm hired? (If employee, individual or outside firm in Q#7.)

1. <\$10 per hour	—%	—%	—%	—%
2. \$10 - 19 per hour	23.4	24.0	28.0	24.1
3. \$20 - 29 per hour	9.5	20.0	8.0	10.7
4. \$30 - 49 per hour	10.9	8.0	16.0	11.2
5. \$50 - 99 per hour	12.4	16.0	20.0	13.9
6. \$100 or more per hour	8.8	12.0	8.0	9.1
7. (DK/Refuse)	35.0	20.0	20.0	13.0
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Total	100.0%	100.0%	100.0%	100.0%
N	74	56	64	194
Ave.	\$45.21	\$50.94	\$45.59	\$46.18

7b. Are copies of those information requests kept on paper, electronically, or both? (If keep government information requests in Q#7.)

1. Paper	30.9%	17.5%	20.0%	28.3%
2. Electronically	8.6	5.0	2.9	7.6
3. Both	59.7	77.5	77.1	63.5
4. (DK/Refuse)	0.7	—	—	0.6
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	153	95	89	337

7c. How long do you keep those records before getting rid of them?

1. 2 years or more	4.0%	—%	3.0%	3.4%
2. 3 - 6 years	27.1	28.0	31.2	27.6
3. 7 years or more	39.9	47.0	47.6	41.4
4. Indefinitely	22.5	17.5	15.2	21.2
5. (Other, depends, periodically toss, etc.)	0.7	2.5	—	0.9
6. (DK/Refuse)	5.8	5.0	3.0	5.4
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	153	95	89	337

7d. If you wanted to retrieve a government information request that was two years ago, how accessible is it? Is it? (If 2 years or more in Q#7c.)

1. Immediately accessible	38.2%	30.0%	26.5%	36.1%
2. Stored on-site	41.8	45.0	50.0	43.0
3. Stored off-site	18.5	22.5	23.5	19.5
4. (Gone, disposed off)	—	—	—	—
5. (DK/Refuse)	1.5	2.5	—	1.4
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	152	95	88	335

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

8. Who does your business's customer or client paperwork and record-keeping? Is it:

1. You	51.5%	23.8%	21.6%	45.5%
2. An unpaid family member	6.3	—	—	5.0
3. An employee or employees	19.8	54.8	67.6	28.3
4. An outside firm or individuals	5.0	4.8	2.7	4.7
5. (Combinations of people/firms)	15.5	14.3	5.4	14.4
6. (Do not keep that kind of record)	2.0	2.4	2.7	2.1
7. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	169	99	95	363

8a. What is the approximate hourly cost of such a person, including benefits, or of the firm hired? (If employee, individual or outside firm in Q#8.)

1. <\$10 per hour	—%	—%	3.8%	2.4%
2. \$10 - 19 per hour	—	34.8	46.2	36.6
3. \$20 - 29 per hour	—	30.4	15.4	18.7
4. \$30 - 49 per hour	—	17.4	11.5	11.4
5. \$50 - 99 per hour	—	8.7	7.7	8.1
6. \$100 or more per hour	—	—	—	3.3
7. (DK/Refuse)	—	8.7	15.4	19.5
Total	100.0%	100.0%	100.0%	100.0%
N	40	54	67	161
Ave.	\$57.38	\$25.90	\$23.05	\$42.75

8b. Do you keep copies of your customer or client records on paper, electronically, or both? (If keep customer or client records in Q#8.)

1. Paper	23.8%	15.0%	13.9%	21.9%
2. Electronically	11.1	12.5	13.9	11.5
3. Both	65.1	72.5	72.2	66.6
4. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	164	96	92	352

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

8c. How long after someone stops being a customer or client do you keep those records before getting rid of them?

1. 2 years or less	11.8%	12.2%	17.6%	12.4%
2. 3 - 6 years	34.1	36.0	31.7	34.1
3. 7 years or more	23.7	25.0	33.0	24.6
4. Indefinitely	27.7	22.0	14.7	25.9
5. (Other, depends, periodically toss, etc.)	0.3	2.4	—	0.5
6. (DK/Refuse)	2.4	2.4	2.9	2.4
Total	100.0%	100.0%	100.0%	100.0%
N	164	96	92	352

8d. If you wanted to retrieve a customer or client record that was two years ago, how accessible is it? Is it?: (If 2 years or more in Q#8c.)

1. Immediately accessible	48.6%	45.9%	43.8%	47.9%
2. Stored on-site	39.6	43.2	37.5	39.8
3. Stored off-site	10.7	10.8	18.8	11.5
4. (Gone, disposed off)	—	—	—	—
5. (DK/Refuse)	1.1	—	—	0.9
Total	100.0%	100.0%	100.0%	100.0%
N	154	89	85	328

8e. How do you dispose of customer or client records that are on paper? Do you?: (If “Paper” or “Both” in Q#8b.)

1. Trash them	28.8%	27.8%	26.7%	28.5%
2. Burn them	7.2	5.6	10.0	7.3
3. Shred them	51.9	50.0	56.7	52.1
4. (Other)	4.5	8.3	—	4.5
5. (Don't dispose of)	5.7	5.6	6.7	5.8
6. (DK/Refuse)	1.9	2.8	—	1.8
Total	100.0%	100.0%	100.0%	100.0%
N	146	84	80	310

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

**8f. How do you dispose of electronic customer or client records? Do you?:
 (If “Electronically” or “Both” in Q#8b.)**

1. Delete them	22.9%	35.3%	35.5%	25.7%
2. Delete them and empty the recycle bin	26.9	23.5	16.1	25.3
3. Destroy or reformat the disk	10.6	17.6	22.6	12.7
4. (Other)	9.3	5.9	3.2	8.2
5. (Don't Dispose of)	17.2	8.8	9.7	15.4
6. (DK/Refuse)	13.2	8.8	12.9	12.7
Total	100.0%	100.0%	100.0%	100.0%
N	124	80	78	282

8g. Do you secure and limit access to customer or client records?

1. Yes	89.3%	90.2%	82.9%	88.8%
2. No	10.1	9.8	14.3	10.4
3. (DK/Refuse)	0.7	—	2.9	0.8
Total	100.0%	100.0%	100.0%	100.0%
N	164	96	92	352

9. Who does your business's tax records? Is it:

1. You	13.9%	2.4%	2.8%	11.5%
2. An unpaid family member	2.3	—	—	1.8
3. An employee or employees	5.6	4.8	11.1	6.0
4. An outside firm or individuals	71.6	83.3	83.3	74.0
5. (Combinations of people/firms)	6.6	9.5	2.8	6.6
6. (Do not keep that kind of record)	—	—	—	—
7. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	169	99	95	363

**9a. What is the approximate hourly cost of such a person, including benefits,
 or of the firm hired? (If employee, individual or outside firm in Q#9.)**

1. <\$10 per hour	—%	—%	—%	—%
2. \$10 - 19 per hour	6.8	5.3	6.1	6.6
3. \$20 - 29 per hour	9.0	5.3	—	7.5
4. \$30 - 49 per hour	11.5	5.3	9.1	10.5
5. \$50 - 99 per hour	14.1	15.8	24.2	15.4
6. \$100 or more per hour	18.4	34.2	33.3	22.0
7. (DK/Refuse)	40.2	34.2	27.3	38.0
Total	100.0%	100.0%	100.0%	100.0%
N	129	88	88	305
Ave.	\$76.71	\$103.02	\$104.40	\$83.69

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

9b. Are your tax records kept on paper, electronically, or both?

1. Paper	19.7%	19.0%	13.5%	19.0%
2. Electronically	4.6	2.4	2.7	4.2
3. Both	72.5	78.6	81.1	74.0
4. (DK/Refuse)	3.3	—	2.7	2.9
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	169	99	95	363

9c. How long do you keep those records before getting rid of them?

1. 2 years or less	—%	—%	—%	—%
2. 3 - 6 years	23.2	21.3	10.4	19.4
3. 7 years or more	39.7	46.1	59.8	42.3
4. Indefinitely	34.5	27.9	24.3	32.8
5. (Other; depends, periodically toss, etc.)	—	2.3	—	0.3
6. (DK/Refuse)	5.6	2.3	5.4	5.2
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	169	99	95	363

9d. If you wanted to retrieve a tax record that is two years old, how accessible is it? Is it?: (If kept 2 years or more in Q#9c.)

1. Immediately accessible	44.1%	42.9%	41.7%	43.7%
2. Stored on-site	35.5	33.3	25.0	34.3
3. Stored off-site	18.4	23.8	33.3	20.4
4. (Gone, disposed off)	—	—	—	—
5. (DK/Refuse)	1.9	—	—	1.6
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	169	99	95	363

9e. How do you dispose of tax records that are on paper? Do you?: (If “Paper” or “Both” in Q#9b.)

1. Trash them	16.0%	19.5%	14.7%	16.3%
2. Burn them	8.5	7.3	5.9	8.1
3. Shred them	44.9	48.8	52.9	46.1
4. (Other)	8.5	4.9	2.9	7.6
5. (Don't dispose of)	16.7	12.2	17.6	16.3
6. (DK/Refuse)	5.3	7.3	5.9	5.6
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	156	96	89	341

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

9f. How do you dispose of electronic tax records? Do you? (If “Electronically” or “Both” in Q#9b.)

1. Delete them	21.9%	28.1%	18.8%	22.2%
2. Delete them and empty the recycle bin	19.3	12.5	18.8	18.5
3. Destroy or reformat the disk	9.0	12.5	25.0	11.1
4. (Other)	7.7	6.3	6.3	7.4
5. (Don't Dispose of)	15.5	18.8	15.6	15.8
6. (DK/Refuse)	26.6	21.9	15.6	24.9
Total	100.0%	100.0%	100.0%	100.0%
N	128	79	80	287

10. You indicated that an unpaid family member kept some business records for you. If you had to purchase that service, about how much on a dollars per hour basis, including benefits, would you have to pay for someone else to do it?

1. <\$10 per hour	—%	—%	—%	2.2%
2. \$10 - 19 per hour	—	—	—	41.2
3. \$20 - 29 per hour	—	—	—	14.4
4. \$30 - 49 per hour	—	—	—	15.5
5. \$50 - 99 per hour	—	—	—	6.7
6. \$100 or more per hour	—	—	—	1.1
7. (DK/Refuse)	—	—	—	18.9
Total	100.0%	100.0%	100.0%	100.0%
N	49	6	2	57
Ave.	\$24.93	\$15.99	\$38.50	\$24.87

11. If you could pay someone to take over all the paperwork you must complete, how much, on a dollars per hour basis, would you be willing to pay?

1. Nothing	16.8%	18.8%	12.7%	16.6%
2. \$1 - 10 per hour	5.3	2.4	2.5	4.8
3. \$10 - 19 per hour	28.5	22.4	24.1	27.4
4. \$20 - 29 per hour	15.7	22.4	17.7	16.6
5. \$30 - 49 per hour	5.7	5.9	7.6	5.9
6. \$50 - 99 per hour	5.5	8.2	8.9	6.1
7. \$100 or more per hour	3.0	2.4	3.8	3.0
8. (DK/Refuse)	19.5	17.6	22.8	19.6
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757
Ave.	\$22.39	\$21.71	\$25.27	\$22.58

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

12. What is the most difficult aspect of government paperwork for your business?

1. Volume of information completed and submitted	21.4%	28.2%	35.9%	23.5%
2. Maintenance of records you ordinarily wouldn't keep	9.1	14.1	15.4	10.3
3. Clarity of the instructions and understanding the requirements	30.3	22.4	20.5	28.5
4. Duplicate requests from various agencies or governments	11.5	10.6	10.3	11.3
5. Requests for information you don't have or is not accessible	7.4	8.2	5.1	7.2
6. (Other)	4.9	3.5	5.1	4.7
7. (DK/Refuse)	15.5	12.9	7.7	14.5
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757

13. Do you have one or more computers in your business?

1. Yes	90.7%	96.5%	96.2%	91.9%
2. No	9.1	3.5	3.8	8.0
3. (DK/Refuse)	0.2	—	—	0.1
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	755

13a. Do you have stand alone PCs, a local area network, or both? (If "Yes" in Q#13.)

1. Stand alone PCs	47.8%	30.5%	18.4%	42.8%
2. Local area network	18.3	18.3	23.7	18.9
3. Both	31.5	47.6	56.6	35.9
4. (DK/Refuse)	2.4	3.7	1.3	2.4
Total	100.0%	100.0%	100.0%	100.0%
N	319	193	195	707

13b. Does your business use the Internet for business reasons regularly, periodically, or aren't you on the Internet?

1. Regularly	55.7%	61.0%	72.4%	58.0%
2. Periodically	33.4	29.3	23.7	31.9
3. No Internet access	10.4	8.5	2.6	9.4
4. (DK/Refuse)	0.5	1.2	1.3	0.7
Total	100.0%	100.0%	100.0%	100.0%
N	319	193	195	707

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

13c. How do you reach the Internet? (If “Regularly” in Q#13b.)

1. Dial-up connection	8.9%	26.5%	21.8%	35.3%
2. DSL	38.3	53.1	36.4	39.8
3. Cable	16.5	16.3	21.8	17.2
4. (Other)	5.0	4.1	14.5	6.1
5. (DK/Refuse)	1.2	—	5.5	0.5
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	177	118	139	434

13d. Do you have a computer in your residence that you use for business purposes? (If “No” in Q#13.)

1. Yes	—%	—%	—%	33.3%
2. No	—	—	—	67.7
3. (DK/Refuse)	—	—	—	—
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	35	7	7	49

Demographics

D1. Which best describes your position in the business?

1. Owner/manager	86.2%	82.4%	76.9%	84.9%
2. Owner but NOT manager	5.5	7.1	6.4	5.8
3. Manager but NOT owner	8.3	10.6	16.7	9.4
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757

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

1. Agriculture, forestry, fishing	2.8%	1.2%	1.2%	2.5%
2. Construction	8.8	8.5	10.0	8.9
3. Manufacturing, mining	8.5	9.8	8.8	8.4
4. Wholesale trade	5.8	4.9	8.8	6.0
5. Retail trade	20.3	26.8	16.3	20.6
6. Transportation and warehousing	1.1	1.2	1.2	1.1
7. Information	0.5	—	1.2	0.5
8. Finance and insurance	4.6	1.2	2.5	4.0
9. Real estate and rental leasing	3.9	6.1	3.8	4.1
10. Professional/scientific/ technical services	12.3	13.4	10.0	12.2
11. Adm. support/waste management services	3.9	2.4	2.5	3.6
12. Educational services	1.6	1.2	—	1.4
13. Health care and social assistance	3.3	4.9	8.8	4.0
14. Arts, entertainment, or recreation	1.4	—	5.0	1.6
15. Accommodations or food service	2.5	9.8	15.0	4.5
16. Other service, incl. repair, personal care	14.8	7.3	3.8	12.9
17. (Other)	3.0	1.2	1.2	2.9
18. (DK/Refuse)	0.8	—	—	0.1
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757

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

1. Increased by 30 percent or more	10.3%	12.9%	11.5%	10.7%
2. Increased by 20 to 29 percent	8.8	11.8	10.3	9.2
3. Increased by 10 to 19 percent	22.7	20.0	30.8	23.2
4. Changed less than 10 percent one way or the other	26.0	30.6	26.9	26.6
5. Decreased by 10 percent or more	25.9	22.4	17.9	24.7
6. (DK/Refuse)	6.3	2.4	2.6	5.5
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757

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

1. Yes	33.3%	7.1%	5.1%	27.7%
2. No	65.6	91.8	94.9	71.3
3. (DK/Refuse)	1.1	1.2	—	1.0
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757

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

1. < 6 years	25.4%	23.5%	15.2%	24.2%
2. 6-10 years	20.8	12.9	20.3	20.0
3. 11-20 years	27.3	24.7	30.4	27.3
4. 21-30 years	18.3	23.5	16.5	18.7
5. 31 years+	6.6	12.9	16.5	8.2
6. (DK/Refuse)	1.6	2.4	1.2	1.6
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757

	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. Did not complete high school	2.4%	2.4%	—%	2.1%
2. High school diploma/GED	19.5	17.9	14.1	18.8
3. Some college or an associates degree	26.1	19.0	23.1	25.1
4. Vocational or technical school degree	3.3	3.6	1.3	3.1
5. College diploma	30.3	33.3	42.3	31.8
6. Advanced or professional degree	17.3	22.6	19.2	18.0
7. (DK/Refuse)	1.1	1.2	—	1.0
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757

D7. Please tell me your age.

1. <25	0.6%	—%	—%	0.4%
2. 25-34	8.0	6.0	7.5	7.8
3. 35-44	19.8	21.4	23.8	20.4
4. 45-54	34.1	31.0	32.5	33.6
5. 55-64	26.6	29.8	25.0	26.8
6. 65+	8.6	9.5	8.8	8.8
7. (DK/Refuse)	2.2	2.4	2.5	2.3
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757

D8. What is the zip code of your business?

1. East (zips 010-219)	13.9%	16.3%	20.5%	14.8%
2. South (zips 220-427)	23.8	20.9	17.9	22.9
3. Mid-West (zips 430-567, 600-658)	22.1	18.6	20.5	21.6
4. Central (zips 570-599, 660-898)	22.7	26.7	26.9	23.6
5. West (zips 900-999)	15.5	16.3	12.8	15.3
6. (DK/Refuse)	1.9	1.2	1.3	1.7
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757

	Employee Size of Firm			
	1-9 emp	10-19 emp	20-249 emp	All Firms
D9. Population Density				
1. Highly Urban	8.6%	15.5%	14.1%	9.9%
2. Urban	20.7	17.9	15.4	19.9
3. Fringe Urban	18.4	20.2	23.0	19.0
4. Small Cities and Towns	22.9	15.5	20.5	21.9
5. Rural	23.5	23.8	20.5	23.3
6. No Data	5.8	7.1	6.4	6.0
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757
D10. Sex				
Male	80.8%	83.5%	88.6%	81.9%
Female	19.2	16.5	11.4	18.1
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757

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 August 7 - September 6, 2003 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 Distri- bution	Interview Quotas	Percent Distri- bution	Completed Interviews	Percent Distri- bution
1-9	593	79	350	47	355	47
10-19	82	11	200	27	200	27
20-249	75	10	200	27	202	27
All Firms	750	100	750	101	757	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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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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