

POLICY MINI-BRIEF SERIES

INFORMATION ON: SMALL BUSINESS AND WORK-FAMILY

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BOSTON COLLEGE

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HOW DO SMALL BUSINESSES APPROACH WORK-FAMILY POLICIES?

"I think most small firm owners try to treat their most valued employees like family. Small business owners rely heavily on their top employees; these employees often fill in for the owners on the rare occasions when they are able to take a vacation. Because of this close relationship, these workers are likely to receive individual consideration of their work-family needs on a case-by-case basis. Still, they don't like generalized or mandated government rules, because they often can't afford to comply with them."

Bruce Phillips, PhD, National Federation of Independent Business, Senior Fellow, Regulatory Studies

WHAT IS A SMALL BUSINESS?

While there is no single definition of what constitutes a small business, a standard definition is one having fewer than 100 employees. A small business is also defined as: (1) an organization that is small in relation to the potential market size, (2) managed by its owners, and (3) not part of a larger organization (BNET Business Directory, n.d.).

Want more WORK-FAMILY INFORMATION on SMALL BUSINESSES? <http://wfnetwork.bc.edu/topic.php?id=43>

HOW DO WORK-FAMILY LEGISLATIVE MANDATES AFFECT SMALL BUSINESSES?

CONCERNS:

- Increase labor and management costs
- Lower work quality and productivity when key employee is out
- Encourage abuse of policies by employees
- Create administrative burden to track
- Require job cuts due to increased costs

BENEFITS:

- Enhance retention and recruitment
- Reduce absenteeism
- Increase productivity
- Improve employee morale
- Establish greater competitive edge with other organizations

RECENT LEGISLATION

Recent work-family state-level legislation has not been written exclusively for small businesses, but certain initiatives have implications for their operations. Below are some examples.

PAID SICK DAYS LEGISLATION:

- Thirteen states have proposed paid sick days legislation this last legislative session (**AK, CA, CT, IL, MA, ME, MN, NC, OH, PA, TN, VT, WV**). While these bills vary, they all require businesses, including small businesses, to provide some paid sick days.
- **San Francisco, CA; Washington, DC; and Milwaukee, WI** have passed paid sick days legislation, requiring businesses, large and small, to provide paid sick days to their employees. However, small businesses are required to provide fewer paid sick days than medium or large businesses.

PAID FAMILY LEAVE LEGISLATION:

- Six states have proposed paid family leave legislation this past legislative session (**AZ, MA, MN, NJ, NY, PA**). While these bills vary, they all require businesses, including small ones, to provide paid family leave to their employees.
- **CA, WA, and NJ** have passed paid family leave legislation, requiring all businesses to provide paid family leave to their employees.

Want more INFORMATION on PAID SICK DAYS?

http://wfnetwork.bc.edu/pdfs/policy_makers10.pdf

Want more INFORMATION on FAMILY LEAVE?

<http://wfnetwork.bc.edu/topic.php?id=26>

% DID YOU KNOW?

- Approximately 80% of U.S. businesses have fewer than 20 employees (U.S. Census Bureau, 2006).
- Small businesses with fewer than 20 employees spend 45% more per employee than larger companies annually to comply with government regulations (SBA, 2007).
- Sixty percent of small employers with 50-99 employees provide paid sick days to their employees (Lovell, 2008).
- Although only 12% of small employers have a policy regarding family and medical leave, and 82% handle such requests on a case-by-case basis, 93% of small businesses reported providing paid or unpaid leave in response to their most recent requests for leave (NFIB, 2004).
- While only 16% of small businesses have a policy governing short periods of leave for important personal matters such as doctor's appointments or parent-teacher conferences, and 81% handle such requests on a case-by-case basis, 95% of small businesses reported providing paid or unpaid leave in response to their most recent requests for leave (NFIB, 2004).

Want more STATISTICS or the full references for above statistics?

<http://wfnetwork.bc.edu/statistics.php>

BOOKS SITES WITH MORE INFORMATION

- Families and Work Institute: <http://www.familiesandwork.org>
- Institute for Women's Policy Research (IWPR): <http://www.iwpr.org>
- National Federation of Independent Business (NFIB): <http://www.nfib.org>
- U.S. Small Business Administration, Office of Advocacy: <http://www.sba.gov/advo/research/>

Want more LINKS TO SITES?

http://wfnetwork.bc.edu/topic_extended.php?id=43&type=2&linktype=other&area=All

BOOKS SUGGESTED READINGS

Galinsky, E., Bond, J. T., & Sakai, K., with Kim, S. S., & Giuntoli, N. (2008). *2008 National Study of Employers*. Retrieved from <http://www.familiesandwork.org/site/research/reports/2008nse.pdf>

Lovell, V. (2008). *Some small and medium-size establishments join large ones in offering paid sick days*. Washington, DC: Institute for Women's Policy Research. Retrieved from <http://www.iwpr.org/pdf/B262.pdf>

National Partnership for Women and Families. (2005). *Why paid sick days make good business sense*. Retrieved from http://www.nationalpartnership.org/site/DocServer/PSD_FactSheet_GoodBusinessSense_o80926.pdf?docID=4183

Phillips, B. D. (2002). *The economic costs of expanding the Family and Medical Leave Act to small businesses*. Nashville, TN: The National Federation of Independent Business. Retrieved from <http://www.nfib.com/object/3649276.html>

Phillips, B. D. (2008). *Using the BSIM/PI models to evaluate mandated paid sick leave programs on small and large firms*. Amherst, MA: Regional Economic Models, Inc. Retrieved from http://www.remi.com/uploads/File/Presentations/Seminars/Users_Conference_2008/Evaluating_Mandated_Paid_Sick_Leave_Programs.ppt

The Policy Mini-Brief Series provides a summary of Small Business policy information. To learn more about Small Businesses, go to <http://wfnetwork.bc.edu/topic.php?id=43>