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NFIB National Small Business Poll

Telecommunications

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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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Telecommunications

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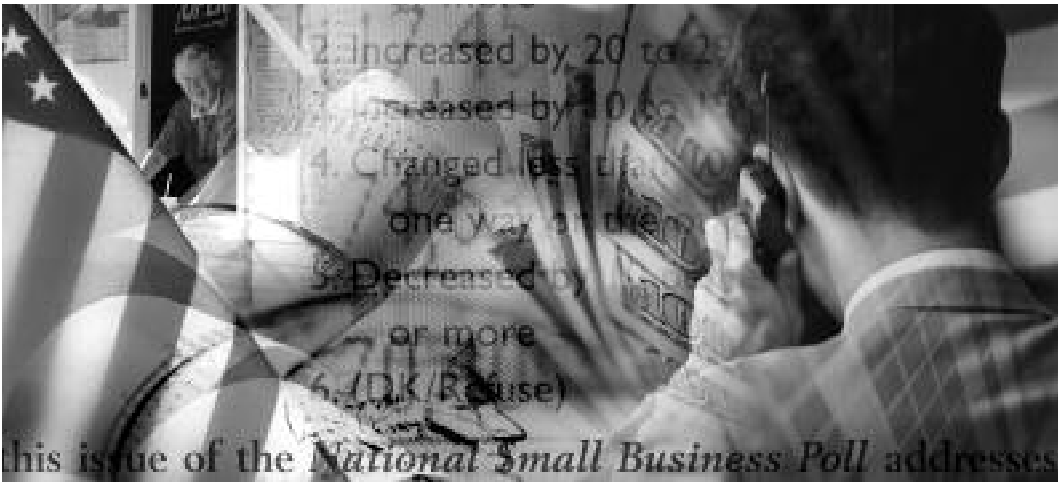
National Small Business Poll



Telecommunications

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Executive Summary

- Small-business owners shop for telecommunications services frequently and commonly switch service providers. The reasons and frequency for shopping vary with the service. Most owners see considerable competition for their firms' telecommunications business. Those who do not shop infrequently cite the lack of alternative providers as the reason.

- Forty (40) percent of small-business owners shopped for a new local telephone service provider in the last three years. Seventy-one (71) percent of small-business owners who shopped eventually switched providers. Sixteen (16) percent of those who did not shop for a new local service provider said that there were no real alternative service providers from which to choose.

- Forty-two (42) percent of respondents believe there is more competition for their business among local telephone service providers today than three years ago. On average, respondents are aware of between three and four local service providers in their area.

- Seventy-eight (78) percent of small-business owners use a cell phone for business purposes. Forty-four (44) percent purchase cell phones for select employees, but only 16 percent expect employees to provide their own for business purposes.

- Fifty-four (54) percent of respondents believe there is more competition among cell phone service providers today than three years ago. On average, respondents are aware of five cell phone service providers in their area.

- Fifty-seven (57) percent of small-business owners shopped for a new cell phone service provider in the last three years, most often citing poor service as their biggest problem. Of those who shopped, 63 percent eventually switched providers. Only 13 percent of non-shoppers believed there were no real alternative service providers available.

- Small-business owners often bundle wireline telecommunication services with one provider. Sixty-five (65) percent of small-business owners bundle their local and long distance service plans. However, only 12 percent bundle their cell phone plan with other telecommunication services.

- Eighty-two (82) percent of small-business owners have Internet capabilities for business purposes. Over half of those who use the Internet have a high-speed Internet service. The most commonly used high-speed service is the Digital Subscriber Line (DSL).

- Forty-seven (47) percent of small-business owners shopped for a new provider of high-speed Internet in the last three years and 75 percent eventually switched providers. Sixty (60) percent cited cost as the largest factor in shopping for a new provider. Twenty-one (21) percent of non-shoppers responded that there were no real alternative providers from which to choose.

- Fifty-eight (58) percent of small-business owners believe there is more competition for their business from high-speed Internet providers than three years ago. On average, respondents are aware of five providers in their area.

- Seventy (70) percent personally evaluate their businesses' telecommunications options while 22 percent delegate it to an employee. Just four percent seek the advice of an outside expert.

Telecommunications

Healthy competition among telecommunication companies allows small-business owners to chose from a wide variety of new and traditional telecommunication services. These services range from the local telephone line to high-speed Internet. Small-business owners rely on the availability of these services to pick and choose the most useful telecommunication services that best meet their individual needs. They adopt these services into their daily operations to better manage their business in an increasingly competitive environment. Competition among telecommunication service providers continues to be a vital component in allowing small-business owners to access the most affordable, current telecommunication services available. However, pending telecommunication mergers and regulatory changes will likely alter the competitive structure for providing telecommunication services. The following will provide a benchmark to compare future data on competition among telecommunication companies and how competition affects the purchasing behavior and services used by small-business owners. This issue of the *National Small Business Poll* is dedicated to competition in providing telecommunication services to small business.

Telephone Lines

Wireline telecommunication services continue to be important in connecting the business to the outside world whereas newer technologies are designed to improve communication between the owner and business operations. Virtually all small-business owners have local and long-distance telephone service for their business and 89 percent of small-business owners have fax capabilities (Q#10). Providers of wireline telephone services have taken note of this and continue to actively compete for the business of small-firm owners.

a. Number of Telephone Lines

On average, small-business owners have four telephone lines dedicated to their business (Q#1). However, the number of telephone lines varies greatly by size of firm. Nearly one-fourth of businesses with 1-9 employees have only one line dedicated to their business. In contrast, just six percent of owners with 10-19 employees have one line for theirs. Of those businesses with over 20 employees, almost half have six or more telephone lines.

b. Shopping for Local Service

The level of competition among telecommunication companies should directly affect the percentage of small-business owners who shop for alternative service providers. Small-business owners actively shop when competition provides them the opportunity to select a variety of products and services that best meet their needs. The survey asked small-business owners whether or not they shopped for a new provider of local telephone service, the reasons they did or did not shop and if they did, whether they eventually switched to a new provider.

The survey found that shopping for local service providers is extensive. Forty (40) percent of respondents shopped for a new local telephone service provider in the last three years (Q#4). Seventy-eight (78) percent of those who shopped cited cost as a reason that they were dissatisfied with their provider (Q#4aA). The cost of telephone service continues to be an on-going concern for small-business owners. In fact, telephone costs and services ranked 16th in NFIB's *Small Business Problems and Priorities* publication released in June 2004 and 15th in the 2000 publication.

Price is not the only reason small-business owners shop for a new provider. Forty-nine (49) percent of those who shopped wanted to consolidate their services with one provider (Q#4aF). Forty-one (41) percent were dissatisfied with the quality of service provided (Q#4aD). Twenty-nine (29) percent were dissatisfied because changes were made in their service plan without their prior knowledge or consent (Q#4aC). Twenty-five (25) percent were dissatisfied with their lack of service options (Q#4aB) and 12 percent shopped because their provider merged with another company or was no longer providing local telephone service (Q#4aE).

The majority of small-business owners did find a more suitable alternative to their local telephone service needs. Of those small-business owners who shopped, 71 percent eventually switched providers (Q#4b). That means about one-in-four small-business owners switched over the last three years.

The survey asked non-shoppers the reason that they did not shop for a new provider. Of the 59 percent of owners who did not shop for a new local provider, 60 percent were satisfied with their current service (Q#4c). Twenty-three (23) percent had more pressing matters to attend to than search for a new local telephone provider. Sixteen (16) percent believed there to be no real alternatives from which to choose.

c. Competition Among Local Service Providers

Competition between local service providers continues to play a significant role in providing quality, affordable service for small-business owners. Forty-two (42) percent of small-business owners believe there is more competition for their business from local service providers now than three years ago (Q#3). Thirty-seven (37) percent respond that competition is about the same, while only 14 percent believe there is less competition for their business. On average, small-business owners are aware of between three and four local service providers in their area (Q#5).

Long Distance Providers

Competition among long-distance service providers did not receive the same attention as other telecommunication services in this report due to the length of the survey and presumed competitiveness. Competition among long-distance providers is strong, allowing small-business owners many choices when shopping for a new provider. On average, respondents are aware of six long distance providers in their area; two to three more than the number of local telephone providers (Q#6). However, many small-business owners choose the same provider for both services. Sixty-five (65) percent of owners bundle these two services through one provider (Q#2).

Confusing Telephone Bills

Over the years, telephone bills have received a bad reputation for their confusing fees, taxes, and regulatory charges spanning all three levels of government: local, state and federal. But even with all these extra fees and taxes, only 33 percent of owners believe telephone bills are confusing or exceptionally confusing while 64 percent are comfortable with the clarity of their telephone bill (Q#13).

Cell Phone Use and Competition

Small-business owners strongly embrace the convenience and flexibility that cell phones provide in running their businesses. More and more, the demands of business owners are time sensitive and circumvent the traditional 9-5 business hours. Although owners in some industries consider cell phones to be more useful than owners in others, most believe their service to be helpful conducting business operations.

a. Use of Cell Phones

The survey found that a large majority of small-business owners (78 percent) use a cell phone for business purposes (Q#7). The survey also found that owners of smaller firms use cell phones less than owners of larger-size firms. Seventy-six (76) percent of small-business owners with 1-9 employees use a cell phone. Eighty-four (84) percent of employers with 10-19 employees use a cell phone and 85 percent of employers with 20 or more employees use one for business purposes.

Of those owners who use their cell phone for business purposes, 76 percent say that their cell phone is essential or important in operating their business (Q#7a). Those in construction most frequently believe in their importance (98 percent). Only 63 percent of respondents in manufacturing find cell phones to be essential or important to their business. Importance also varies by size of business. Forty-five (45) percent of owners with 1-9 employees respond that their cell phone is essential to helping them operate their firm. Fifty-one (51) percent of owners with 10-19 employees respond that their cell phone is essential and 57 percent of those with 20 or more employees say that their cell phone is essential to their business.

Owners also find value in providing cell phones for select employees. Forty-four (44) percent of owners purchase cell phones for designated employees (Q#8). However, responses vary significantly by industry type. Seventy-four (74) percent of owners in small construction firms provide cell phones to select employees, whereas 39 percent of respondents in the services and wholesale/ retail industries provide them. Owners of small construction firms appear to benefit the most from the convenience of cell phones. They provide these owners the ability to travel to and from job sites without losing communication with their employees, suppliers and customers.

The size of business is also a factor in whether an owner provides cell phones for designated employees. Forty-one (41) percent of owners with 1-9 employees provide cell phones to select employees; 53 percent of owners with 10-19 employees provide them; and, 64 percent of owners with over 20 employees do. On average, four employees per firm are given cell phones for business purposes (Q#8a). Smaller firms provide the fewest cell phones per firm. The number of cell phones provided per firm gradually increases by number of total employees.

Many small-business owners find it useful to have cell phones for select employees and are willing to purchase additional phones as a business expense. However, 16 percent of small-business owners expect their employees to provide their own cell phone for business purposes (Q#8b). Respondents in the financial services sector are the most likely to expect employees to provide their own cell phone (23 percent). This could be due to common industry practices.

b. Shopping for Cell Phone Service

Small-business owners are active shoppers when it comes to choosing their cell phone service provider. Fifty-seven (57) percent of small-business owners actively shopped for a new cell phone provider in the last three years (Q#8d). Responses varied little by size of business. Sixty-five (65) percent of respondents shopped because they were dissatisfied with the quality of their service (Q#8d1D). Sixty-four (64) percent shopped because they needed a different type of plan (Q#8d1A). Sixty (60) percent wanted to upgrade their technology and/or options (Q#8d1B). Ten (10) percent were dissatisfied because of changes made to their plan without their prior knowledge or consent (Q#8d1C). Only nine percent shopped because their provider merged or discontinued service (Q#8d1E). Pending mergers of cell phone providers will likely affect these numbers in the future, however it is too early to guess their significance and/or which area of service they will affect the most.

Currently, competition among cell phone service providers offer small-business owners a good supply of affordable plans and options from which to choose. Sixty-three (63) percent of owners who shopped for a new cell phone service eventually switched to a new provider (Q#8e). Sixteen (16) percent of those who switched paid a penalty for terminating their contracts (Q#8e1). This shows that some small-business owners are more influenced by incentives from competitors and/or disgust with their current provider than a contract termination fee. Of the 43 percent who did not shop, 68 percent were generally satisfied with their current service while only 13 percent responded that there were no other real alternatives from which to choose (Q#8f). Seventeen (17) percent had more pressing matters to attend to.

c. Competition Among Cell Phone Service Providers

Fifty-four (54) percent of owners believe there is more competition for their business among cell phone providers today than three years ago (Q#8c). Eight (8) percent believe there is less competition now than three years ago. The Western region had the highest level of perceived competition. Forty-one (41) percent of respondents from the Western region state that there is much more competition among cell phone providers, whereas only 25 percent of owners in the Northeast believe there to be much more competition than three years ago. Small-business owners in the Northeast most often say that competition is less today than three years ago (21 percent).

On average, small-business owners are aware of five cell phone service providers in their area. The South averages most with six. In choosing their cell phone provider, 12 percent of respondents chose the same provider as their wireline service (Q#8h). Eighty-two (82) percent chose a different carrier. However, there is wide variation by region. Thirty (30) percent of owners in the Northeast have the same provider for both their cell phone and wireline services, but only six percent bundle those services in the Midwest. The relative lack of competition in the Northeast may play a significant role in the number of owners who bundle their services with one provider. However, small-business owners are generally not bundling their cell phone plan with other services, unlike the popularity of bundling local and long-distance plans.

Internet Service

Most small-business owners have incorporated the Internet into their business operations. For many owners, the Internet is vital in advertising their product or services, processing payments, complying with government regulations, and streamlining business transactions. Increasingly, these functions require faster Internet capabilities.

a. Type of Internet Service

The survey looked into the type of Internet service owners use for business purposes and why owners chose the service they selected. Eighty-two (82) percent of respondents do have Internet service for their small business (Q#9). Over half of those have high-speed Internet. Fifty-eight (58) percent of small-business owners with Internet service have high-speed Internet while 24 percent use a dial-up service. Seventeen (17) percent do not have any type of Internet service.

The size of business plays a significant role in the type of Internet service used, if any. Small-business owners with 1-9 employees are the least likely to have high-speed Internet (56 percent) and the most likely to have no Internet (19 percent). Seventy-one (71) percent of those with 20 or more employees have high-speed Internet and only nine percent have no Internet service. The financial services sector has the highest penetration of high-speed Internet service (82 percent).

Of those owners who have high-speed Internet, 54 percent of respondents subscribe to a Digital Subscriber Line (DSL) service (Q#9a). Twenty-five (25) percent use a cable-modem; five percent use wireless or satellite; and, 10 percent use a T1 line (high-speed digital connection). Businesses with more than 20 employees are much more likely to choose the T1 line service than smaller-size businesses.

The lack of access is not the primary reason owners do not purchase high-speed Internet service. Of the 24 percent of respondents who do not have high-speed Internet service, 79 percent chose not to subscribe and 19 percent do not have high-speed Internet service available in their area (Q#9c). Of those who choose not to have high-speed Internet service, 52 percent say they have no need for the service in their business; 21 percent respond that high-speed Internet is not worth the cost; eight percent do not use a computer in their business; and, one percent choose not to have high-speed Internet in their business because they have it available in their home (Q#9c1).

In addition, the survey asked about the use of Voiceover Internet Protocol services (VoIP). The service allows a computer to act as a telephone through the Internet. Although small-business owners are actively using the Internet for traditional purposes, very few use more advanced Internet technologies. The survey found that only seven percent of small-business owners use VoIP services (Q#9b). However, the marketing of this technology is just beginning to reach the small-business community. Larger firms and some government agencies have incorporated VoIP into their communication systems but so far small-businesses are largely untouched by this technology. However, VoIP service providers are beginning to actively market their product to small businesses across the country with attractive savings plans.

b. Shopping for High-Speed Internet Service Providers

Small-business owners actively shop for high-speed service in this area as well. Forty-seven (47) percent of respondents shopped for a new provider of high-speed Internet service in the past three years (Q#9e). Owners of the smallest firms were more active shopping for a new provider of Internet services than owners of larger firms. Forty-nine (49) percent of owners with 1-9 employees shopped for a new provider, whereas 37 percent of owners with 20 or more employees shopped for one. Small-business owners in the financial service sector were the most active shoppers for high-speed Internet service (57 percent).

The primary reason owners shopped for new service was cost. Sixty (60) percent shopped because they were dissatisfied with the cost of their service (Q#9e1A). Fifty-one (51) percent were dissatisfied with the speed of their service (Q#9e1C); 43 percent were dissatisfied with the reliability of their service (Q#9e1B); and, 36 percent with the responsiveness of their provider in helping with service problems (Q#9e1D). Of the 43 percent of owners who did shop, 75 percent eventually changed service providers, especially those in the Northeast (95 percent) (Q#9e2). Of the 51 percent of those who did not shop for a new Internet service provider, 57 percent were satisfied with their service; 21 percent had no real alternatives from which to choose; and, six percent were locked into a long-term contract (Q#9f).

c. Competition Among High-Speed Internet Service Providers

As with local and cell phone service competition, the majority of respondents believe there is more competition for their business from high-speed Internet providers today than there was three years ago. Fifty-eight (58) percent of owners respond that there is much more or slightly more competition than three years ago (Q#9d). Thirty-three (33) percent respond that competition is about the same and only three percent believe there is much less or slightly less competition than three years ago. On average, small-business owners are aware of four high-speed Internet providers in their area (Q#9g).

Evaluating Telecommunication Options

Each year, telecommunication companies introduce a number of new and improved products and services to the market. In order to stay competitive, small-business owners are pressured to keep-up with these new technologies and evaluate their usefulness to their business. The survey found that owners are not overwhelmed by the increasing number of telecommunication products available and believe they are able to make sound decisions in purchasing telecommunication services that best meet their business needs.

Seventy (70) percent of respondents personally evaluate their business's telecommunications options while 22 percent rely on the advice of an employee (Q#11). Only four percent seek advice from an outside expert. However, those respondents with more than 20 employees are more likely to have an employee capable of evaluating their business's telecommunication needs, whereas the smallest firms rely heavily on the owners' expertise. Respondents in the financial services industry are the most likely (13 percent) to seek the advice from an outside expert. Ninety (90) percent of owners believe that the person making the recommendations (whether it be the owner, employee, or hired expert) is capable of sound technical judgments about telecommunications options and how they best fit their business (Q#12).

Final Comments

Telecommunication companies currently provide small-business owners with competitive markets to purchase new and traditional telecommunication services. Owners say that there is more competition for their business among telecommunication providers today than three years ago. Small-business owners help stimulate these markets by actively shopping for alternative service providers. A large majority of those who shop, do eventually switch providers. Many small-business owners switch providers in an effort to get some combination of the best prices, newest technologies and better service.

However, the use of telecommunication services differs significantly by size of firm. Owners of smaller-size businesses do not adopt new technologies as quickly as owners of larger firms. As new technologies become more available and relevant to business operations, owners of small firms slowly integrate these services into their business to remain competitive.

Currently, competition is working to provide telecommunication services to the small-business community. Owners of small firms are eager to shop for the best products and services that meet their needs. Competition among providers of new and traditional services will continue to be a vital component in keeping small-business owners up-to-date and competitive within their industries. However, the landscape of competition for these services will soon change. Pending mergers of the largest telecommunication companies will reduce the number of competitors in the market. They will provide a wider spectrum of products and services and will compete for customers outside their traditional regions. This survey provides a baseline to compare future trends in competition among telecommunication service providers.

Telecommunications

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

	Employee Size of Firm			
	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Approximately how many telephone lines do you have coming into your business?				
1. One	23.3%	6.1%	1.4%	19.5%
2. Two	30.3	13.4	5.6	26.4
3. Three	17.6	20.7	12.7	17.5
4. Four	11.6	15.9	19.7	12.8
5. Five	6.9	11.0	14.1	8.0
6. Six to 10	8.2	28.0	28.2	12.0
7. 11 or more	1.6	4.9	16.9	3.3
8. (DK/Refuse)	0.5	—	1.4	0.5
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752
2. Do you have local telephone service and long-distance service with one provider or do you have them from different providers?				
1. Same provider	64.9%	67.1%	61.8%	64.9%
2. Different providers	31.6	29.4	32.9	31.5
3. (DK/Refuse)	3.5	3.5	5.3	3.6
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752
3. Compared to three years ago, is there much more, slightly more, about the same, slightly less, or much less competition for your LOCAL telephone business?				
1. Much more	22.3%	25.9%	20.8%	22.2%
2. Slightly more	19.7	18.8	19.5	19.5
3. About the same	36.5	40.0	40.3	37.2
4. Slightly less	7.4	7.1	10.4	7.6
5. Much less	7.4	3.5	3.9	6.6
6. (DK/Refuse)	6.7	4.7	3.9	6.3
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

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

4. In the last three years, have you or someone on your behalf, shopped for a new supplier of LOCAL telephone services?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	39.0%	43.0%	44.7%	40.0%
2. No	60.4	55.8	55.3	59.4
3. (DK/Refuse)	0.6	1.2	—	0.7
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

4a. Was it because you were dissatisfied with:? (If "Yes" in Q#4.)

A. The amount you were paying

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	77.4%	86.1%	73.5%	78.0%
2. No	20.2	13.9	26.5	20.1
3. (DK/Refuse)	2.4	—	—	1.9
Total	100.0%	100.0%	100.0%	100.0%
N	137	84	88	309

B. The lack of service options

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	25.0%	25.0%	26.5%	25.2%
2. No	73.8	75.0	73.5	73.9
3. (DK/Refuse)	1.2	—	—	0.9
Total	100.0%	100.0%	100.0%	100.0%
N	137	84	88	309

C. Changes made in service without your prior knowledge or consent

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	31.5%	25.0%	18.2%	29.3%
2. No	67.7	75.0	81.8	70.0
3. (DK/Refuse)	0.8	—	—	0.6
Total	100.0%	100.0%	100.0%	100.0%
N	137	84	88	309

D. The general level of service including service interruption, repair, billing problems, can't reach a live representative, etc.

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	41.9%	44.4%	30.3%	41.0%
2. No	57.3	55.6	69.7	58.4
3. (DK/Refuse)	0.8	—	—	0.6
Total	100.0%	100.0%	100.0%	100.0%
N	137	84	88	309

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

E. The provider merged or was getting out of the business

1. Yes	11.7%	11.1%	11.8%	11.6%
2. No	85.9	86.1	85.3	85.8
3. (DK/Refuse)	2.4	2.8	2.9	2.5
Total	100.0%	100.0%	100.0%	100.0%
N	137	84	88	309

F. You wanted to consolidate telecommunications services with one provider

1. Yes	49.6%	51.4%	39.4%	48.7%
2. No	50.0	45.9	60.6	50.6
3. (DK/Refuse)	0.4	2.7	—	0.6
Total	100.0%	100.0%	100.0%	100.0%
N	137	84	88	309

4b. Did you eventually change providers?

1. Yes	71.0%	73.0%	66.7%	70.8%
2. No	26.6	24.3	33.3	27.0
3. (DK/Refuse)	2.4	2.7	—	2.2
Total	100.0%	100.0%	100.0%	100.0%
N	137	84	88	309

4c. Was the reason you didn't shop because you were satisfied with your LOCAL telephone service provider, because there were no real alternatives, or because you had more pressing matters? (If "No" in Q#4.)

1. Satisfied	62.8%	45.8%	51.2%	60.0%
2. No real alternatives	14.8	22.9	17.1	15.9
3. You had more pressing matters	21.1	29.2	29.3	22.6
4. (DK/Refuse)	1.3	2.1	2.4	1.5
Total	100.0%	100.0%	100.0%	100.0%
N	213	113	110	436

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

5. How many providers of LOCAL telephone service are you aware of in the area where you do business?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. One	20.5%	19.3%	14.7%	19.8%
2. Two	20.0	12.0	21.3	19.3
3. Three	21.7	24.1	25.3	22.3
4. Four	14.2	15.7	10.7	14.0
5. Five	5.7	9.6	6.7	6.2
6. Six or more	7.9	7.2	6.7	7.7
7. (DK/Refuse)	10.1	12.0	14.6	10.7
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

6. How many providers of LONG-DISTANCE telephone service are you aware of in the area where you do business?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. One	3.9%	1.2%	1.3%	3.4%
2. Two	10.1	8.3	10.5	9.9
3. Three	21.8	15.5	19.7	20.9
4. Four	19.9	22.6	15.8	19.8
5. Five	10.3	16.7	13.2	11.2
6. Six or more	18.4	20.2	26.3	20.0
7. (DK/Refuse)	15.6	15.5	13.2	15.4
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

7. Do you personally use a cell phone for business purposes?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	76.3%	83.7%	85.3%	77.9%
2. No	23.7	16.3	14.7	22.1
3. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

7a. Is your cell phone essential, important, occasionally useful, or a modest convenience in helping you operate this business? (If "Yes" in Q#7.)

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Essential	44.6%	50.7%	56.9%	46.5%
2. Important	29.6	28.2	26.2	29.1
3. Occasionally useful	11.5	11.3	10.8	11.4
4. A modest convenience	14.4	9.9	6.2	13.0
5. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	260	163	169	592

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

8. Do you purchase cell phones, including a package of minutes, for selected employees?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	40.5%	52.9%	64.0%	44.0%
2. No	59.5	47.1	36.0	56.0
3. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

8a. How many employees do you purchase cell phones for (If "Yes" in Q#8.)

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. One - two	51.5%	14.2%	10.6%	48.9%
2. Three - four	26.4	40.4	23.4	27.7
3. Five - six	8.9	23.8	19.1	12.1
4. Seven - 10	2.4	14.7	34.0	9.2
5. 11 or more	—	9.5	23.4	3.8
6. (DK/Refuse)	0.8	—	—	0.6
Total	100.0%	100.0%	100.0%	100.0%
N	138	102	126	366

8b. Do you expect any employees to have a cell phone for work purposes that you do not purchase for them? (If "No" in Q#8.)

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	15.2%	16.2%	21.2%	16.0%
2. No	84.6	83.8	78.8	83.9
3. (DK/Refuse)	0.2	—	—	0.2
Total	100.0%	100.0%	100.0%	100.0%
N	271	168	176	615

8c. Compared to three years ago, is there much more, slightly more, about the same, slightly less, or much less competition for your cell phone telephone business?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Much more	35.8%	32.4%	28.8%	34.7%
2. Slightly more	18.6	21.6	24.2	19.5
3. About the same	33.5	39.2	37.9	34.6
4. Slightly less	6.5	2.7	4.5	5.9
5. Much less	1.8	1.4	1.5	1.7
6. (DK/Refuse)	5.6	4.1	3.0	5.3
Total	100.0%	100.0%	100.0%	100.0%
N	271	168	176	615

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

8d. In the last three years, have you or someone on your behalf, shopped for a new supplier of cell phone services?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	56.6%	58.1%	53.7%	56.5%
2. No	43.0	41.9	46.3	43.2
3. (DK/Refuse)	0.4	—	—	0.3
Total	100.0%	100.0%	100.0%	100.0%
N	271	168	176	615

8d1. Why? Was it because:? (If "Yes" in Q#8d.)

A. You needed a different plan

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	63.3%	72.1%	58.3%	63.8%
2. No	35.7	25.6	41.7	35.1
3. (DK/Refuse)	1.0	2.3	—	1.0
Total	100.0%	100.0%	100.0%	100.0%
N	153	95	93	341

B. You wanted to upgrade technology or options

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	59.1%	62.8%	58.3%	59.5%
2. No	40.9	37.2	41.7	40.5
3. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	153	95	93	341

C. Of changes made to the plan without your prior knowledge or consent

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	9.8%	11.6%	11.4%	10.2%
2. No	89.5	88.4	88.6	89.3
3. (DK/Refuse)	0.7	—	—	0.5
Total	100.0%	100.0%	100.0%	100.0%
N	153	95	93	341

D. Of poor service, weak signals, or dropped calls

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	64.0%	65.1%	69.4%	64.7%
2. No	36.0	34.9	30.6	35.3
3. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	153	95	93	341

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

E. The provider merged or was getting out of the business

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	10.5%	7.0%	2.9%	9.3%
2. No	88.1	90.7	97.1	89.3
3. (DK/ Refuse)	1.4	2.3	—	1.4
Total	100.0%	100.0%	100.0%	100.0%
N	153	95	93	341

8e. Did you eventually change providers?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	62.9%	65.1%	62.9%	63.2%
2. No	37.1	34.9	37.1	36.8
3. (DK/ Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	153	95	93	341

8e1 Did you have to pay a contract termination penalty? (If "Yes" in Q#8e.)

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	16.7%	11.1%	13.6%	15.7%
2. No	82.8	85.2	81.8	83.0
3. (DK/ Refuse)	0.6	3.7	4.5	1.3
Total	100.0%	100.0%	100.0%	100.0%
N	96	61	58	215

8f. Was the reason you didn't shop because you were satisfied with your cell phone service provider, because there were no real alternatives, or because you had more pressing matters? (If "No" in Q#8d.)

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Satisfied	68.7%	64.5%	64.5%	67.7%
2. No real alternatives	12.9	9.7	12.9	12.5
3. You had more pressing matters	16.1	22.6	19.4	17.2
4. (DK/ Refuse)	2.3	3.2	3.2	2.5
Total	100.0%	100.0%	100.0%	100.0%
N	117	72	82	271

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

8g. How many providers of cell phone service are you aware of in the area where you do business?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. One to two	10.3%	8.3%	10.5%	10.2%
2. Three	16.0	15.5	15.8	16.0
3. Four	21.1	26.2	23.7	21.9
4. Five	21.7	23.8	18.4	21.6
5. Six	12.9	13.1	13.2	12.9
6. Seven or more	11.1	8.3	10.5	10.6
7. (DK/ Refuse)	6.9	4.8	7.9	6.8
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

8h. Is your current cell phone provider the same as your regular, land-line telephone service provider?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	12.6%	14.0%	9.3%	12.4%
2. No	81.9	80.2	88.0	82.3
3. (DK/ Refuse)	5.5	5.9	2.7	5.3
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

9. Which best describes your current business situation?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. I have high-speed Internet service	56.2%	63.5%	71.1%	58.4%
2. I have Internet service, but not high-speed	24.2	23.5	18.4	23.6
3. I do not have Internet service	19.0	10.6	9.2	17.2
4. (DK/Refuse)	0.6	2.4	1.3	0.9
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

9a. What type of high-speed Internet service do you have? (If "High-Speed" in Q#9).

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. DSL	54.3%	59.3%	44.4%	53.8%
2. Cable-Modem	26.3	20.4	22.2	25.2
3. Wireless or satellite	5.3	3.7	5.6	5.2
4. T1 lines	8.1	13.0	18.5	9.9
5. (DK/Refuse)	5.9	3.7	9.3	6.0
Total	100.0%	100.0%	100.0%	100.0%
N	195	123	141	459

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

9b. Do you sometimes use your computer as a telephone, known as voice-over service?

1. Yes	8.1%	5.6%	3.8%	7.3%
2. No	91.6	94.4	96.2	92.5
3. (DK/Refuse)	0.3	—	—	0.2
Total	100.0%	100.0%	100.0%	100.0%
N	195	123	141	459

9c. Do you NOT have high-speed Internet service because you choose not to subscribe or because none is available in your area? (If not "High-Speed" in Q#9.)

1. Choose not to subscribe	80.3%	73.3%	76.2%	79.4%
2. None available in the area	19.0	16.7	19.0	18.8
3. (DK/Refuse)	0.8	10.0	4.8	1.8
Total	100.0%	100.0%	100.0%	100.0%
N	156	72	55	283

9c1. Why do you choose not to subscribe to high-speed Internet service? (If "Choose not to subscribe" in Q#9c.)

1. No business need for it	50.7%	52.4%	—%	51.8%
2. Have access at home if I need it	0.9	—	—	0.8
3. Not worth the money	21.9	14.3	—	20.8
4. Distracts employees	8.2	9.5	—	7.8
5. Don't use a computer in my business	15.5	19.0	—	16.1
6. (DK/Refuse)	2.7	4.8	—	2.7
Total	100.0%	100.0%	100.0%	100.0%
N	127	55	44	226

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

9d. Compared to three years ago, is there much more, slightly more, about the same, slightly less, or much less competition to provide high-speed Internet service?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Much more	25.2%	31.5%	17.3%	25.1%
2. Slightly more	32.2	38.9	34.6	33.3
3. About the same	34.7	20.4	34.6	33.0
4. Slightly less	1.1	1.9	3.8	1.5
5. Much less	1.7	—	1.9	1.5
6. (DK/Refuse)	0.7	—	2.9	1.0
Total	100.0%	100.0%	100.0%	100.0%
N	195	123	141	459

9e. In the last three years, have you or someone on your behalf, shopped for a new supplier of cell phone services?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	49.2%	43.3%	37.0%	47.4%
2. No	49.4	53.7	61.1	51.3
3. (DK/Refuse)	1.4	—	1.9	1.3
Total	100.0%	100.0%	100.0%	100.0%
N	195	123	141	459

9e1. Why? Was it because you were dissatisfied with:? (If "Yes" in Q#9e.)

A. The cost of the service

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	60.0%	60.0%	55.0%	59.5%
2. No	38.9	40.0	45.0	39.5
3. (DK/Refuse)	1.1	—	—	0.9
Total	100.0%	100.0%	100.0%	100.0%
N	97	56	53	206

B. The reliability of the service

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	45.1%	32.0%	40.0%	43.2%
2. No	53.7	68.0	60.0	55.9
3. (DK/Refuse)	1.1	—	—	0.9
Total	100.0%	100.0%	100.0%	100.0%
N	97	56	53	206

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

C. The speed of the service

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	50.0%	56.0%	57.9%	51.4%
2. No	47.7	44.0	42.1	46.8
3. (DK/ Refuse)	2.2	—	—	1.8
Total	100.0%	100.0%	100.0%	100.0%
N	97	56	53	206

D. The responsiveness of the provider to problems

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	36.0%	34.6%	40.0%	36.2%
2. No	62.9	65.4	60.0	62.9
3. (DK/ Refuse)	1.1	—	—	0.9
Total	100.0%	100.0%	100.0%	100.0%
N	97	56	53	206

9e2. Did you eventually change providers?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	74.4%	80.0%	73.7%	75.0%
2. No	25.6	20.0	26.3	25.0
3. (DK/ Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	97	56	53	206

9f. Was the reason you didn't shop because you were satisfied with your Internet service provider, you were locked into a long-term contract, there were no real alternatives, or because you had more pressing matters? (If "No" in Q#9e.)

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Satisfied	56.5%	62.1%	57.6%	57.3%
2. Locked into long-term contract	6.2	6.9	3.0	5.9
3. No real alternatives	23.7	6.9	15.2	20.5
4. You had more pressing matters	10.2	20.7	21.2	13.0
5. (DK/Refuse)	3.4	3.4	3.0	3.3
Total	100.0%	100.0%	100.0%	100.0%
N	95	67	86	248

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

9g. How many providers of high-speed Internet service are you aware of in the area where you do business?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. One	10.2%	10.7%	9.3%	10.2%
2. Two	28.2	23.2	24.1	27.1
3. Three	25.1	32.1	27.8	26.3
4. Four	9.1	8.9	13.0	9.5
5. Five	7.7	8.9	3.7	7.4
6. Six or more	11.4	7.3	5.4	10.2
7. (DK/Refuse)	8.3	8.9	16.7	9.3
Total	100.0%	100.0%	100.0%	100.0%
N	199	134	146	479

10. In your business do you have a fax machine or a multi-functional machine with a faxing capacity?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Yes	87.9%	91.9%	98.7%	89.3%
2. No	12.1	8.1	1.3	10.7
3. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

11. Do you personally evaluate the business's telecommunications options, have an employee do it for you, or hire an outside expert for that purpose?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Personally	74.2%	59.3%	50.7%	70.4%
2. Employee	18.4	32.6	41.3	22.1
3. Outside expert	3.5	4.7	4.0	3.6
4. (DK/Refuse)	4.0	3.5	4.0	3.9
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

12. Are you very confident, somewhat confident, not too confident, or not at all confident that (you/an employee/an outside expert) can make sound technical judgments about telecommunications options and how they fit your business?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Very confident	55.3%	59.8%	58.9%	56.1%
2. Somewhat confident	34.0	34.1	35.6	34.2
3. Not too confident	6.7	4.9	2.7	6.1
4. Not at all confident	2.9	—	2.7	2.6
5. (DK/Refuse)	1.0	1.2	—	1.0
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

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

13. Do you consider the telephone bills you typically receive to be exceptionally clear and understandable, clear, confusing, or exceptionally confusing?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Exceptionally clear	7.5%	5.7%	2.7%	6.9%
2. Clear	56.7	55.2	58.7	56.7
3. Confusing	25.3	23.0	21.3	24.7
4. Exceptionally confusing	8.0	6.9	9.3	8.0
5. (DK/Refuse)	2.5	9.2	8.0	3.8
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

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

Demographics

D1. Which best describes your position in the business?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Owner/manager	86.5%	76.7%	77.3%	84.6%
2. Owner but NOT manager	6.8	10.5	8.0	7.3
3. Manager but NOT owner	6.8	12.8	14.7	8.1
4. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

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

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Agriculture, forestry, fishing	7.1%	1.2%	2.7%	6.0%
2. Construction	8.9	10.6	12.0	9.4
3. Manufacturing, mining	7.4	8.2	13.3	7.5
4. Wholesale trade	4.6	5.9	6.7	4.9
5. Retail trade	13.7	21.2	12.0	14.3
6. Transportation and warehousing	2.0	2.4	5.3	2.4
7. Information	1.4	2.4	2.7	1.6
8. Finance and insurance	5.3	2.4	2.7	4.8
9. Real estate and rental leasing	5.0	1.2	2.7	5.0
10. Professional/scientific/ technical services	14.4	11.8	6.7	13.5
11. Adm. support/waste management services	1.9	1.2	2.7	1.9
12. Educational services	0.8	—	1.3	0.8
13. Health care and social assistance	3.3	5.9	6.7	3.9
14. Arts, entertainment, or recreation	1.6	3.5	4.0	2.0
15. Accommodations or food service	3.5	10.6	16.0	5.4
16. Other service, incl. repair, personal care	13.2	7.1	1.3	11.4
17. (Other)	4.4	3.5	1.3	4.0
18. (DK/Refuse)	1.1	1.2	—	1.0
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

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

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

1. Increased by 30 percent or more	17.8%	18.6%	18.4%	17.9%
2. Increased by 20 to 29 percent	9.9	8.1	13.2	10.0
3. Increased by 10 to 19 percent	22.3	30.2	23.7	23.3
4. Changed less than 10 percent one way or the other	28.9	26.7	31.6	28.9
5. Decreased by 10 percent or more	16.5	12.8	7.9	15.3
6. (DK/Refuse)	4.6	3.5	5.2	4.5
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

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

1. Yes	31.9%	7.1%	5.3%	26.7%
2. No	66.2	91.8	93.4	71.6
3. (DK/Refuse)	1.9	1.2	1.3	1.6
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

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

1. < 6 years	25.9%	17.6%	25.0%	24.9%
2. 6-10 years	17.0	22.4	15.8	17.4
3. 11-20 years	28.3	23.5	23.7	27.3
4. 21-30 years	16.6	21.2	19.7	17.4
5. 31 years+	9.4	14.1	13.2	10.3
6. (DK/Refuse)	2.8	1.2	2.6	2.6
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

D6. What is your highest level of formal education?

1. Did not complete high school	3.1%	3.4%	—%	2.9%
2. High school diploma/GED	22.2	17.2	17.3	21.2
3. Some college or an associates degree	17.1	20.7	17.3	21.2
4. Vocational or technical school degree	4.7	2.3	4.0	4.4
5. College diploma	32.7	40.2	44.0	34.6
6. Advanced or professional degree	17.0	14.9	16.0	16.7
7. (DK/Refuse)	3.1	1.1	1.3	2.5
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

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

D7. Please tell me your age.

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. <25	1.1%	—%	—%	0.9%
2. 25-34	6.7	11.8	6.6	7.3
3. 35-44	19.0	16.5	17.1	18.5
4. 45-54	29.9	35.3	30.3	30.5
5. 55-64	28.5	25.9	34.2	28.8
6. 65+	10.8	8.2	9.2	10.4
7. (DK/Refuse)	3.9	2.4	2.6	3.6
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

D8. What is the zip code of your business?

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. East (zips 010-219)	14.7%	11.8%	15.8%	14.5%
2. South (zips 220-427)	23.4	21.2	21.1	22.9
3. Mid-West (zips 430-567, 600-658)	23.8	27.1	23.7	24.2
4. Central (zips 570-599, 660-898)	25.1	23.5	25.0	24.9
5. West (zips 900-999)	9.1	15.3	13.2	10.1
6. (DK/Refuse)	3.9	1.2	1.3	3.4
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

D9. Urbanization (Derived from zip code)

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Highly Urban	10.8%	12.8%	13.2%	11.3%
2. Urban	17.2	16.3	18.4	17.3
3. Fringe Urban	18.5	16.3	21.1	18.5
4. Small Cities/Towns	18.0	25.6	18.4	18.9
5. Rural	25.4	25.6	26.3	25.5
6. NA	10.0	3.5	2.6	8.6
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

D10. Sex

	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Male	81.5%	83.7%	82.9%	81.9%
2. Female	18.5	16.3	17.1	18.1
Total	100.0%	100.0%	100.0%	100.0%
N	353	200	199	752

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 in December 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

	Expected from Random Sample*		Obtained from Stratified Random Sample			
Employee Size of Firm	Interviews Expected	Percent Distribution	Interview Quotas	Percent Distribution	Completed Interviews	Percent Distribution
1-9	593	79	350	47	353	47
10-19	82	11	200	27	200	27
20-249	75	10	200	27	199	27
All Firms	750	100	750	101	752	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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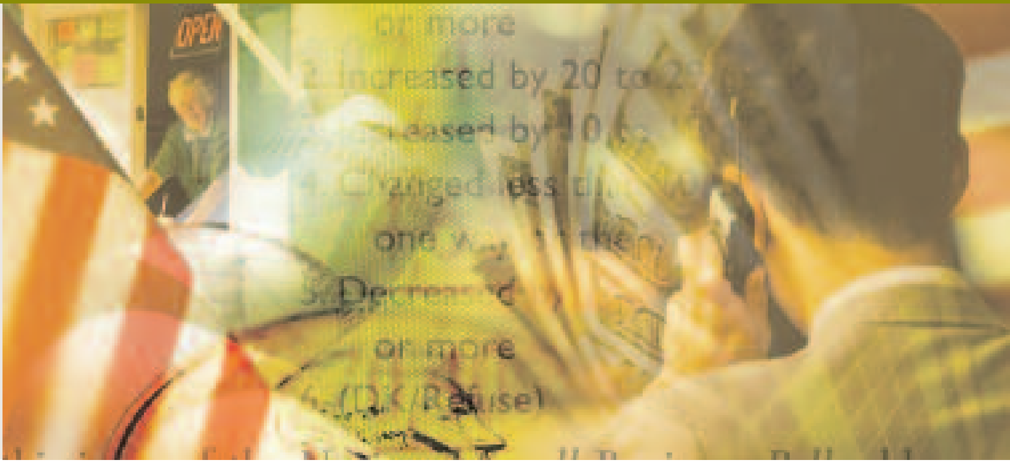
Table Notes

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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