

NFIB Research Center:

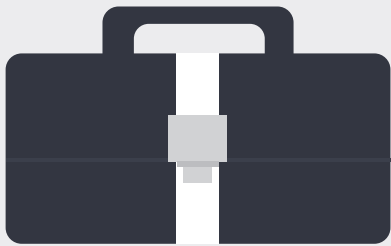
Small Business Health Insurance Survey | March 2023



98%



of small businesses offering health insurance are concerned that healthcare costs will become unsustainable within the next 5-10 years.



63% percent of all employers believe offering health insurance to recruit and retain employees is very important or moderately important.



65% of firms not offering health insurance cite cost as the most important reason for not offering.



49% of small employers have taken a lower profit or suffered a loss to pay for health insurance premium increases over the last five years.

46%

of small employers have raised the prices of goods and services, passing costs on to consumers.

NFIB Research Center: Small Business Health Insurance Survey March 2023

The NFIB Research Center released the latest health insurance survey, showing small businesses are facing a significant affordability crisis when it comes to providing health insurance for their employees. Most small businesses find it challenging to manage the cost of offering employer-sponsored health insurance, and almost half have taken a lower profit or suffered a loss to pay for health insurance premium increases over the last five years. Additionally, almost all small businesses offering health insurance are concerned that the cost of providing health insurance to their employees will become unsustainable in the next 5-10 years.

Key Findings

Employer-Sponsored Health Insurance

- Over half (56%) of small employers reported that they currently offer health insurance to employees.
- Eighty-nine percent of firms with 30 or more employees currently offer health insurance compared to 39% of those with 1-9 employees.
- Ninety-three percent offer group health insurance.
- When asked whether their group health plan is Fully Insured or Self-Funded, a little over three-quarters (77%) of small employers reported a Fully Insured Plan.
- Eighty-eight percent of small employers purchased or renewed their employer-sponsored health insurance through an agent or broker.
- Seventy-nine percent reported they were interested in joining an association health plan to some degree.

Non-Offering Employers

- The most important reason small employers don't offer health insurance is that it's too expensive, with 65% reporting this reason.
- Only nine percent of all firms that do not offer coverage, reported that the most important reason they do not offer health insurance is because their employees have access to low-cost coverage in the government exchange marketplace or other government program.

Reasons for Offering

- Sixty-three percent of all employers believe offering health insurance to recruit and retain employees is very important or moderately important.
- Broken down by employers who do and do not currently offer health insurance, 94% of firms who currently offer health insurance believe it is important to some degree.

Cost Challenges & Additional Barriers

- Ninety-four percent of small employers find it challenging to some degree for their business to manage the cost of offering employer-sponsored health insurance.
- Almost half (49%) of small employers have taken a lower profit or suffered a loss to pay for health insurance premium increases over the last 5 years.
- Forty-six percent of small employers have raised prices of goods and services, passing costs on to consumers.
- Almost all (98%) of small employers offering health insurance are concerned that the cost of providing health insurance to their employees will become unsustainable in the next 5-10 years.

Bottomline

These findings create a sense of urgency for lawmakers to address the affordability crisis and find sustainable solutions for providing employers and employees with more, not less choices. The cost of health insurance is a critical factor in attracting and retaining employees, and failing to address this issue may result in a loss of talent and competitive advantage, thereby hurting the broader economy.

Employers who currently offer health insurance believe it is important to some degree, and they face significant challenges in managing the cost of offering employer-sponsored health insurance. Many small businesses have taken a lower profit or suffered a loss to pay for health insurance premium increases, and almost half have raised prices of goods and services, passing costs on to consumers. Small businesses deserve health insurance that is affordable, flexible, and predictable. You can read the full health insurance survey at [NFIB.com/healthcare](https://www.nfib.com/healthcare).

Methodology - NFIB mailed 20,000 questionnaires with a return of 593 responses. The survey was conducted from Sept. 26, 2022 – Nov. 20, 2022. Seventy-nine percent of respondents to this survey identified themselves as the owner and manager. Four percent were owner, but not a manager, and another 12% were a manager but not an owner. Three percent of respondents chose other. Survey questions related to the business include all respondents. Survey questions related to personal insurance are of only those who responded as the owner.