SMALL BUSINESS OWNERS IN RURAL ALABAMA WANT MORE RESIDENTS TO SAVE FOR RETIREMENT

Most (77%) rural Alabama small business owners (and decision makers of small businesses with 0-100 additional employees) think more should be done to encourage residents to save for retirement. In fact, three in five say *a lot more* should be done. Moreover, over half (52%) express concern about themselves and their employees not having enough money to cover health care or living expenses when they retire, with nearly a quarter (24%) saying they are *very concerned*. Most (76%) rural small business owners in this survey also express concern as taxpayers that some Alabama residents have not saved enough money for retirement and could end up being reliant on public assistance programs (Very concerned: 42%; Somewhat concerned: 34%).

MORE SHOULD BE DONE TO ENCOURAGE RURAL ALABAMA RESIDENTS TO SAVE FOR RETIREMENT

(n=417 AL Small Business Owners in Rural Counties)

RURAL ALABAMA SMALL BUSINESS OWNERS SUPPORT A STATE RETIREMENT SAVINGS PROGRAM

Almost three-quarters of rural Alabama small business owners support a proposal for the state to create a privately managed, ready-to-go retirement savings option that would help small businesses and their employees access a way to save for retirement. Moreover, most agree that Alabama state leaders should support a bill to make it easier for small business owners and their employees to save for retirement.

SUPPORT/OPPOSE ALABAMA RETIREMENT SAVINGS OPTION

(n=417 AL Small Business Owners in Rural Counties)

AGREE/DISAGREE ALABAMA'S LEADERS SHOULD A BILL TO CREATE A STATE RETIREMENT SAVINGS OPTION

(n=417 AL Small Business Owners in Rural Counties)

RURAL ALABAMA SMALL BUSINESS OWNERS LIKELY TO JOIN/OFFER STATE RETIREMENT SAVINGS OPTION

Seven in ten small business owners in rural Alabama say they do not participate in or offer a retirement savings plan, and many indicate facing challenges to providing a workplace savings plan for their employees or participating in one themselves. Almost three in five (57%) say retirement savings plans are **too costly**, and over one in three (35%) say they are concerned about how **complicated they are to operate**. Over a quarter (26%) of these rural small business owners say the retirement savings plans would be **too time consuming** to operate. Nevertheless, nearly six in ten say they would be likely to join or offer their employees access to the proposed state retirement savings program (Very likely: 18%; Somewhat likely: 41%).

CURRENTLY OFFER/PARTICIPATES IN A RETIREMENT SAVINGS PLAN

(n=417 AL Small Business Owners in Rural Counties)

LIKELIHOOD OF OFFERING ACCESS TO/PARTICIPATING IN A STATE RETIREMENT SAVINGS OPTION IF AVAILABLE

(n=284 AL Small Business Owners in Rural Counties Who do Not Offer Employees A Savings Plan)

STAYING COMPETITIVE IS AMONG TOP REASONS TO OFFER A RETIREMENT SAVINGS PLAN

Most small business owners in rural Alabama agree that being able to offer a voluntary, portable, retirement savings option helps local small businesses attract and retain quality employees and stay competitive. Among the twenty-eight percent of small business owners in rural Alabama who *do* offer a retirement savings plan to their employees, nearly one in four (24%) say they do so *to attract and/or retain quality employees*. Nearly two in five (38%) say they offer a retirement savings plan *because it is the right thing to do*.

AGREE/DISAGREE RETIREMENT SAVINGS OPTIONS HELP SMALL BUSINESS ATTRACT EMPLOYEES/STAY COMPETITIVE

(n=417 AL Small Business Owners in Rural Counties)

DEMOGRAPHICS: n=417 small business owners or company decision makers with 0-100 additional employees within rural counties in the state of Alabama
Business Size: 0 additional employees: 29%; 1 additional employee: 20%; 2-9 additional employees: 44%; 10-100 additional employees: 7%.
2018 Business Revenue: Less than \$100,000 = 43%; \$100,000 – less than \$500,000 = 29%; \$500,000 or more = 15%.
Employer/Respondent age: 18-39: 14%; 40-49: 19%; 50 and older: 65%
Political ideology: Conservative: 61%; Liberal: 6%; Moderate: 20%; None: 10%

METHODOLOGY: The 2019 Alabama Small Business Owner Survey was a telephone study among 417 small business owners or decision makers in Rural counties about employee benefits at companies with 0-100 additional employees. Interviews were conducted October 8-November 7, 2019. The margin of error for this sample is ± 4.8 percent. Respondents were offered a \$5 check for their participation. The sample, including owner names and companies, came from a Dun & Bradstreet business list and was weighted to reflect the Dun & Bradstreet universe of businesses in Rural Alabama counties with 0-100 additional employees. The Rural definition was based on the Alabama Rural Health Association's classification of counties in the state (for more information see <https://arhaonline.org/analysis-of-urban-vs-rural/>). For more information about this issue in Alabama, contact Anna Pritchett AARP Alabama apritchett@aarp.org / 334-954-3065. For more information on methodology and survey, contact Lona Choi-Allum at lallum@aarp.org / 202-434-6333. View this summary at www.aarp.org/ALSavetoretire and other AARP research at www.aarp.org/research.

AARP in ALABAMA Small Business Owner Work and Save Survey – Rural Counties

SCREENER

SAMPLE: 417 telephone interviews among non-franchise small business owners or decision makers with 0-100 additional employees

INTRO: Hello, may I please speak with (INSERT NAME FROM SAMPLE).

IF NAME ON LIST NOT AVAILABLE: Is there another business owner or person in charge of employee benefits that I can speak with?

My name is _____ with the American Institute of Consumer Studies. We are conducting a brief survey of ALABAMA business leaders regarding retirement. This is not a sales call. As a leader in the community your opinions are very important. In appreciation of your time, we will mail you a check for \$5 if you qualify and complete the survey. (IF ASKED: This survey will take about 10 minutes).

(RE-INTRODUCE SURVEY AS NECESSARY)

(If asked who the survey is sponsored by- “I can provide that information at the end of the survey”)

****Programmer note: Code county based on FIPS code in sample file, do not ask S1.****

S1. County:

(n=417)

3%	Autauga	5%	Dekalb	--	Mobile
16%	Baldwin	4%	Elmore	<0.5%	Monroe
1%	Barbour	1%	Escambia	--	Montgomery
1%	Bibb	--	Etowah	--	Morgan
3%	Blount	1%	Fayette	1%	Perry
1%	Bullock	1%	Franklin	1%	Pickens
1%	Butler	2%	Geneva	1%	Pike
--	Calhoun	--	Greene	<0.5%	Randolph
1%	Chambers	--	Hale	3%	Russell
2%	Cherokee	1%	Henry	4%	St. Clair
1%	Chilton	--	Houston	--	Shelby
--	Choctaw	3%	Jackson	--	Sumter
1%	Clarke	--	Jefferson	3%	Talladega
--	Clay	1%	Lamar	2%	Tallapoosa
<0.5%	Cleburne	--	Lauderdale	--	Tuscaloosa
3%	Coffee	1%	Lawrence	3%	Walker
3%	Colbert	--	Lee	--	Washington
--	Conecuh	5%	Limestone	--	Wilcox
--	Coosa	--	Lowndes	2%	Winston
2%	Covington	2%	Macon		
1%	Crenshaw	--	Madison		
4%	Cullman	1%	Marengo		
2%	Dale	--	Marion		
1%	Dallas	5%	Marshall		

S3. First of all, are you the owner of a small business, are you not the owner, but the person who makes decisions about employee benefits, or are you neither? (DO NOT READ CHOICES - SELECT ONE ANSWER)

(n=417)

86%	Owner
14%	Decision maker about employee benefits (NOT OWNER)
--	Neither

****Programmer note: If S3=1-2, skip to S4.****

S3a. May I please speak with the owner or decision maker about employee benefits?

Yes (TRANSFER TO PERSON)
Not available (SET UP CALLBACK)
No (TERMINATE)

****Programmer note: If S3a=1, return to INTRO. If S3a=2, SEND TO CALLBACK. If S3a=3, TERMINATE.****

****Programmer note: Allow up to 5-digit number. ****

S4. Not including yourself, approximately how many people does your company employ?

_____ [ENTER NUMBER]
99999 Don't know/No answer

(n=417)

29%	0 additional employees
20%	1 additional employees
44%	2-9 additional employees
7%	10-100 additional employees

****Programmer note: If S4 >100, TERMINATE.****

S5. In what state is your business located?

(n=417)

100%	ALABAMA
--	Other (TERMINATE)
--	Don't know/Not sure (TERMINATE)
--	Refused (TERMINATE)

****Programmer note: If S5=7, 8, or 9, TERMINATE.****

****Programmer note: Insert list of counties from S1 with additional codes below.****

S6. In what county was your company incorporated?

(n=417)

3%	Autauga	5%	Dekalb	1%	Mobile
14%	Baldwin	4%	Elmore	<0.5%	Monroe
1%	Barbour	1%	Escambia	1%	Montgomery
1%	Bibb	--	Etowah	1%	Morgan
2%	Blount	1%	Fayette	1%	Perry
1%	Bullock	1%	Franklin	1%	Pickens
1%	Butler	2%	Geneva	1%	Pike
1%	Calhoun	--	Greene	--	Randolph
2%	Chambers	--	Hale	2%	Russell
1%	Cherokee	1%	Henry	2%	St. Clair
2%	Chilton	--	Houston	--	Shelby
--	Choctaw	3%	Jackson	--	Sumter
1%	Clarke	3%	Jefferson	2%	Talladega
--	Clay	1%	Lamar	1%	Tallapoosa
--	Cleburne	--	Lauderdale	1%	Tuscaloosa
3%	Coffee	1%	Lawrence	3%	Walker
3%	Colbert	--	Lee	--	Washington
1%	Conecuh	3%	Limestone	--	Wilcox
--	Coosa	--	Lowndes	2%	Winston
1%	Covington	2%	Macon	7%	Not a corporation
1%	Crenshaw	1%	Madison	--	Other
3%	Cullman	<0.5%	Marengo	2%	Don't know/not sure
1%	Dale	--	Marion	--	Refuse
1%	Dallas	5%	Marshall		

****Programmer note: Randomize order of "local business" and "franchise." ****

S7. And is your business a local business or a franchise? (DO NOT READ CHOICES- SELECT ONE ANSWER)

(n=417)

100%	Local business
--	Franchise (TERMINATE)
--	Don't know/Not sure (TERMINATE)
--	Refused (TERMINATE)

Interviewer: If necessary "A franchise is when a company grants an individual or group permission to carry out specific commercial activities on its behalf. For example, many McDonald's locations are independently owned franchises."

****Programmer note: If S7=2, 8 or 9, TERMINATE.****

****Programmer note: Allow up to 3-digit number. ****

****Programmer note: IF QS4=0, SKIP TO QUESTION QS9.****

S8. In general, what **percentage** of your workforce includes seasonal employees – that is, employees who only work for you during certain times of the year?

_____ % [ENTER PERCENTAGE 0-100]
 999 Don't know/No answer

(n=292)

87%	0%
4%	1-25%
4%	26-50%
--	51-75%
3%	76-100%
2%	Don't know/No answer

S9. What type of business or industry is your company? (DO NOT READ CHOICES – SELECT ONE ANSWER)

(n=417)

9%	Agriculture, Forestry, Fishing
2%	Arts, Entertainment, Recreation
1%	Communications, Telecommunications
9%	Construction
1%	Educational services that do NOT include PUBLIC schools
3%	Finance, Insurance
--	Government/Government agency (TERMINATE)
5%	Healthcare, Pharmaceutical
4%	Hotel, Lodging, Restaurant
1%	Leasing & Rental
5%	Manufacturing
3%	Non-profit
5%	Real Estate
8%	Retail
21%	Services, for example, business, legal, engineering, accounting
6%	Transportation, Warehousing
1%	Utilities; for example, electric power, gas, water
--	Wholesale Trade
--	Private government contractor
--	Public schools (TERMINATE)
5%	Automotive/Vehicle Repair/Automotive Sales
10%	Other (specify) _____
--	Don't know/No answer (TERMINATE)
--	Refused (TERMINATE)

****Programmer note: If S9=07, 20, 98, or 99 TERMINATE.****

MAIN QUESTIONNAIRE

1. How concerned are you that [IF S4=0, "YOU"] [IF S4=1, "YOUR EMPLOYEE"] [IF S4=2+, "YOUR EMPLOYEES"] will not have enough money to cover [IF S4=0, "YOUR"; IF S4=1, "HIS OR HER"; IF S4=2+, "THEIR"] their health care and/or living expenses when [IF S4=0, "YOU RETIRE"; IF S4=1, "HE OR SHE RETIRES"; IF S4=2+, "THEY RETIRE"]? Are you very concerned, somewhat concerned, not very concerned or not concerned at all? (SELECT ONE ANSWER)

(n=417)

24%	Very concerned
28%	Somewhat concerned
16%	Not very concerned
30%	Not concerned at all
3%	Don't know/Not sure
--	Refused

2. In your opinion, should a lot more, some more, a little more or nothing more be done to help encourage ALABAMA residents to save for retirement? (SELECT ONE ANSWER)

(n=417)

58%	A lot more
19%	Some more
10%	A little more
6%	Nothing more
7%	Don't know/Not sure
--	Refused

3. Are you currently saving for retirement? (DO NOT READ CHOICES – SELECT ONE ANSWER)

(n=417)

77%	Yes
22%	No
<0.5%	Don't know/Not sure
--	Refused

4. Do you [S4=0, "participate in"; S4=1 "offer your employee", S4=2+, "offer your employees"] a retirement savings plan? (SELECT ONE ANSWER)

(n=417)

28%	Yes
70%	No
1%	Don't know/not sure (DO NOT READ)
1%	Refused (DO NOT READ)

****Programmer note: If Q4=1/YES, skip to Q7. If Q4=2,8,9, continue to Q5 intro screen.****

5. INTRO: There are many reasons [if S4=0: business owners do not participate in] [if S4=1+: businesses do not offer] a retirement savings plan. Please tell me if the following reasons apply to [if S4=0: the decisions you make about you and your business] [if S4=1+: you as an employer or decision maker about employee benefits].

****Programmer note: Rotate A-C.****

a. Are you concerned about how complicated it would be to operate a retirement plan? (DO NOT READ CHOICES – SELECT ONE ANSWER)

(n=284)

35%	Yes
61%	No
4%	Don't know/not sure (DO NOT READ)
--	Refused (DO NOT READ)

b. Are you concerned about how time consuming it would be to operate a retirement plan? (DO NOT READ CHOICES – SELECT ONE ANSWER)

(n=284)

26%	Yes
72%	No
2%	Don't know/not sure (DO NOT READ)
--	Refused (DO NOT READ)

c. Are you concerned about how costly it would be to operate a retirement plan? (DO NOT READ CHOICES – SELECT ONE ANSWER)

(n=284)

57%	Yes
42%	No
1%	Don't know/not sure (DO NOT READ)
--	Refused (DO NOT READ)

6. IF S4>0: Does your company ever plan to offer a retirement savings plan to your employees?
IF S4=0: Do you ever plan to participate in a retirement savings plan?](DO NOT READ CHOICES – SELECT ONE ANSWER)

(n=284)

21%	Yes
71%	No
8%	Don't know/not sure (DO NOT READ)
--	Refused (DO NOT READ)

****Programmer note: If Q4=2,8,9, skip to Q8a.****

7. [IF OFFERS A PLAN] IF S4>0: What type of retirement savings plan does your company offer employees?
IF S4=0: What type of retirement savings plan do you participate in? (DO NOT READ LIST – SELECT ALL THAT APPLY – PROBE: WHAT ELSE?)

(n=126)

37%	401k or 403b
27%	IRA or Roth IRA
8%	Simplified employee pension plan or SEP
6%	Stocks or mutual funds
4%	State retirement system for public employees
4%	Saving account/personal saving account
8%	Other
5%	Don't know/Not sure
3%	Refused

[IF S4=0, GO TO Q8a]

8. [IF OFFERS PLAN] What is the one main reason your company offers a retirement savings plan to employees? (DO NOT READ CHOICES – SELECT ONE ANSWER)

IF MORE THAN ONE REASON GIVEN: "Of those reasons, which is the biggest reason?"

(n=70)

24%	Attract and/or retain quality employees
8%	Have a positive impact on employee attitude and/or performance
38%	Because it is the right thing to do
--	Tax advantages
--	I can't afford to offer health insurance so I offer a retirement plan
7%	So they can save for their retirement/have supplement for Social Security
3%	For their future/needed for later in life
4%	Required/mandated by state law/unions
4%	Other (SPECIFY) _____
7%	Don't know/Not sure
--	Refused

8a. How concerned are you as a taxpayer that some ALABAMIANS have not saved enough money for retirement and could end up being reliant on public assistance programs? Are you...**[READ EACH ANSWER CATEGORY]?**

(n=417)

- 42% Very concerned
- 34% Somewhat concerned
- 11% Not very concerned
- 12% Not concerned at all
- 1% Don't know/not sure [DO NOT READ]
- 1% Refused [DO NOT READ]

[Q9 OMITTED]

10. One way ALABAMA lawmakers could work to address the issue of retirement insecurity would be to create a basic, ready to go, plug-and-play retirement savings program for small businesses and those who are self-employed to use. Employers would simply setup a payroll deduction just like they do for taxes. Workers would be able to choose if, and how much, they want to contribute. If workers leave a job they can take the money and account with them to their next job. This savings program would be a public-private partnership. Would you support or oppose this proposal? (INTERVIEWER PROBE IF NEEDED: Is that strongly or somewhat?)

(n=417)

- 33% Strongly support
- 39% Somewhat support
- 7% Neither support nor oppose (DO NOT READ)
- 5% Somewhat oppose
- 13% Strongly oppose
- 2% Don't know (DO NOT READ, DO NOT COLLAPSE)
- 3% Not sure (DO NOT READ, DO NOT COLLAPSE)
- Refused (DO NOT READ, DO NOT COLLAPSE)

****Programmer note: If Q4=2, continue to Q11, IF Q4=1,8,9 SKIP TO Q12**

ASK IF NO PLAN OFFERED TO EMPLOYEES (Q4=2)

11. [IF S4>0: How likely would you say you are to offer your employees access to the retirement savings program that is being proposed] **[IF S4=0 (NO EMPLOYEES):** How likely would you say you would be to participate in the retirement savings program that is being proposed?] - very likely, somewhat likely, not too likely, or not at all likely? (SELECT ONE ANSWER)

(n=284)

- 18% Very likely
- 41% Somewhat likely
- 10% Not too likely
- 26% Not likely at all
- 5% Don't know/Not sure (DO NOT READ)
- Refused (DO NOT READ)

12. Do you agree or disagree with the following statement: “Being able to offer access to a voluntary, portable, retirement savings program would help local small businesses attract and retain quality employees and stay competitive.” Is that strongly or somewhat? (SELECT ONE ANSWER)

(n=417)

43%	Strongly agree
38%	Somewhat agree
2%	Neither agree nor disagree (DO NOT READ)
5%	Somewhat disagree
8%	Strongly disagree
5%	Don't know/Not sure (DO NOT READ)
--	Refused (DO NOT READ)

13. Do you agree or disagree that ALABAMA's leaders should support a bill to make it easier for small business owners to offer access to a retirement savings program as a way to save for retirement for themselves and their employees? Is that strongly or somewhat?

(n=417)

44%	Strongly agree
35%	Somewhat agree
4%	Neither agree nor disagree (DO NOT READ)
5%	Somewhat disagree
9%	Strongly disagree
4%	Don't know/Not sure (DO NOT READ)
1%	Refused (DO NOT READ)

DEMOS

****Programmer note: If S9=12 (Non-profit industry) SKIP TO D6**

- D1. I have just a couple more questions. How would you classify your company? Is it a for-profit business or a non-profit business? (SELECT ONE ANSWER)

(n=417)

89%	For-profit business
10%	Non- profit business
--	Other (SPECIFY)_____ (DO NOT READ)
--	Don't know/Not sure (DO NOT READ)
--	Refused (DO NOT READ)

****Programmer note: show one item per screen. Do not scramble.****

D6. And, how many years has your current company been in business in ALABAMA?

Interviewer Instruction: If less than one year, enter as 0

(n=417)

36%	0-10
33%	11-25
30%	26+
1%	Don't know/Not sure (Do not read)
1%	Refused (Do not read)

D7. We realize income is a private matter and so rather than ask you anything specific about your income; I'd like to ask you to please stop me when I get to the category that includes your business revenue in 2018. Was it...? (READ CHOICES BELOW – SELECT ONE ANSWER)

(n=417)

4%	Less than \$0, it was negative
7%	Less than \$10,000
16%	\$10,000 to less than \$50,000
16%	\$50,000 to less than \$100,000
14%	\$100,000 to less than \$200,000
15%	\$200,000 to less than \$500,000
8%	\$500,000 to less than \$1 million
7%	\$1 million or more
5%	Don't know/Not sure (DO NOT READ)
8%	Refused (DO NOT READ)

****Programmer note: If S4>0, ask D8. If D8=0, skip to D8a.****

D8. Approximately how many employees do you anticipate nearing retirement within the next 12 months?

[IF S4=0: Do you anticipate nearing retirement within the next 12 months?]

If necessary: Your best guess is fine.

(n=292)

82%	0
11%	1
6%	2-9
--	10-100
1%	Don't know/No answer

****Programmer note: If S4=0, ask D8a.****

D8a. Do you anticipate nearing retirement within the next 12 months?]

(n=125)

12%	Yes
84%	No
3%	Don't know/not sure (DO NOT READ)
--	Refuse (DO NOT READ)

S2. **ASK GENDER.** To ensure it is recorded accurately, could you please state your gender?

(n=417)

67%	Male
33%	Female
--	Other

D2. What is your age as of your last birthday? [IN YEARS] _____
Refused

****Programmer note: code responses into following age categories (do not show):**

(n=417)

5%	18-29
9%	30-39
19%	40-49
25%	50-59
15%	60-64
25%	65+
2%	Refused

Flag anyone under [AGE GROUP DEFINED BY STATE OFFICE/CLIENT]**

D3. Are you registered to vote in ALABAMA (DO NOT READ CHOICES – SELECT ONE ANSWER)

(n=417)

92%	Yes
7%	No
1%	Don't know/Not sure
--	Refused

****Programmer note: Randomize Democrat, Republican, Independent wording (show “something else” last).****

D4. Do you consider yourself to be a(n) Democrat, Republican, Independent, or something else? (SELECT ONE ANSWER)

(n=417)

8%	Democrat
56%	Republican
18%	Independent
12%	Something else
2%	Don't know/Not sure (DO NOT READ)
5%	Refused (DO NOT READ)

D5. How would you characterize your political views – very conservative, somewhat conservative, moderate, somewhat liberal, very liberal, or none of the above? (SELECT ONE ANSWER)

(n=417)

30%	Very conservative
32%	Somewhat conservative
20%	Moderate
4%	Somewhat liberal
2%	Very liberal
10%	None of the above
1%	Don't know/Not sure (DO NOT READ)
2%	Refused (DO NOT READ)

AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With nearly 38 million members and offices in every state, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, AARP works to strengthen communities and advocate for what matters most to families with a focus on health security, financial stability and personal fulfillment. AARP also works for individuals in the marketplace by sparking new solutions and allowing carefully chosen, high-quality products and services to carry the AARP name. As a trusted source for news and information, AARP produces the nation's largest circulation publications, AARP The Magazine and AARP Bulletin. To learn more, visit www.aarp.org or follow @AARP and @AARPadvocates on social media.

For more information on this issue in Alabama, contact Anna Pritchett, AARP Alabama at 334-954-3065 or apritchett@aarp.org. For more information on the methodology or the survey, contact Lona Choi-Allum at 202-434-6333 or lallum@aarp.org. View this summary at www.aarp.org/alsavetoretire and other AARP research at www.aarp.org/research.