

# New Jersey Small Businesses Need a Health Care System that Works for All of Us

## Why care about small businesses and health care?

**Small businesses are the heart of New Jersey's economy and the heart of our communities.**

- New Jersey businesses with fewer than 100 employees employed 1.3 million workers in 2005. This constituted 37 percent of New Jersey's private sector jobs in 2005, above the national average.<sup>1</sup>
- Over the past decade, small businesses have created 60-80 percent of net new jobs nationwide.<sup>2</sup>

**New Jersey small businesses are struggling to get affordable health insurance – and losing the battle.**

- From 2000 to 2007, the percentage of businesses with fewer than 200 employees offering health benefits dropped from 68 to 59 percent nationwide; businesses with fewer than 50 workers dropped the most.<sup>4</sup>
- By 2005, just over three out of five New Jersey businesses with fewer than 50 workers offered health insurance, compared to nearly 19 out of 20 businesses with 50 or more workers.
- Insurance premiums for small businesses have increased at a faster rate than those of large businesses, and the quality of coverage they receive is lower.<sup>5</sup>

| Percent of New Jersey Businesses Offering Health Insurance in 2005 <sup>3</sup> |                    |
|---------------------------------------------------------------------------------|--------------------|
| Less than 50 workers                                                            | 50 or more workers |
| 62.3%                                                                           | 94.4%              |

## What can small business owners do to fix this broken system?

**Small business owners are the experts on the broken health care system.** No one knows as well as small business owners do how badly our health care system is broken. Small businesses are routinely left vulnerable to the premium hikes, benefit cuts, coverage denials and administrative nightmares that are commonplace in the health care system today.

**The voices of New Jersey's small business owners need to be heard.** No small business owner acting alone can surmount these challenges. But together, we can make a difference. It will take hard work and commitment, but together we can do our part. That is the promise of a united voice of small business owners across New Jersey coming together to fix the broken health care system.

**CITIZEN ACTION**

**Join with other small business owners to make your voice heard!**

**New Jersey Main Street Alliance**

A project of New Jersey Citizen Action

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<sup>1</sup> U.S. Small Business Administration, Office of Advocacy, based on data provided by the U.S. Census Bureau.

<sup>2</sup> U.S. SBA website, citing U.S. Department of Commerce, Census Bureau, <http://app1.sba.gov/faqs/faqIndexAll.cfm?areaid=24>

<sup>3</sup> Agency for Healthcare Research and Quality, Center for Financing, Access and Cost Trends. 2005 Medical Expenditure Panel Survey-Insurance Component.

<sup>4</sup> Kaiser/HRET Employer Health Benefits 2007 Survey, Ex 2.2, <http://www.kff.org/insurance/7672/sections/ehbs07-2-2.cfm>

<sup>5</sup> Jon R. Gabel and Jeremy D. Pickreign, "Risky Business: When Mom and Pop Buy Health Insurance for Their Employees," Health Research and Educational Trust, April 2004, p. 2.