

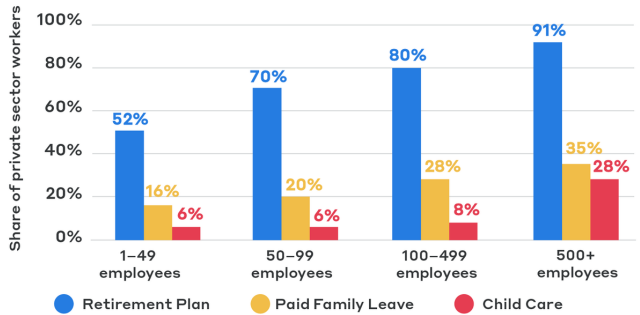
Workforce & Competitiveness

Key Takeaways

- Hiring and retention have been cited by small businesses as their top challenges in seeking to escape the effects of the pandemic.
- Existing policy incentives often don't work for small businesses, or are underutilized, due to administrative burdens and low awareness.
- Federal policymakers should seek to support greater access to workplace benefits, such as retirement and paid leave, at small businesses. They can do this through creation of new incentives (such as tax credits) and changes to existing policies.

“Small businesses don’t take advantage of certain paid leave credits, not because they don’t want to, but because they can’t afford to have an employee be out.” - Small business owner

Employee access to benefits by business size



Source: Bureau of Labor Statistics, "National Compensation Survey: Employee Benefits in the United States," September 2021. Employment size categories pertain to establishments.

Policy Options

- Renew the employee retention credit or create a similar incentive for small businesses.
- Support the ability of small businesses to offer retirement plans and leverage student debt repayments for retirement contributions.
- Subsidize the costs of workforce-related training and certification for small business owners.
- Create a clear and concise resource guide for small businesses to navigate the tax credits available to them for workplace benefits.