



SMALL BUSINESS
FOR AMERICA'S FUTURE

The Small Business Healthcare Affordability Cliff: Voices from Main Street

October 22, 2025

About Small Business for America's Future

- Small Business for America's Future is a national coalition of business owners and leaders working to provide small businesses a voice at every level of government.
- We're committed to ensuring policymakers prioritize Main Street by advancing a just and equitable economic framework that works for small business owners, their employees and their communities.





Key Findings

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Between Sept. 23-Oct. 14, 2025, Small Business for America's Future conducted a survey of 620 small business owners in its network to gauge their sentiment on healthcare issues. The findings show overwhelming support among small businesses for making permanent the Affordable Care Act (ACA) tax credits that have become a central issue in government shutdown negotiations. The credits' Dec. 31 expiration is triggering significant concern about the severe financial strain that rising healthcare costs are placing on small businesses

Dire Concern About ACA Tax Credit Expiration

- **87%** want Congress to make the ACA tax credits permanent
- **84%** of small business owners surveyed are concerned about their ability to afford healthcare if the ACA tax credits expire at year's end as planned
- **More than a third (35%)** would face severe financial strains threatening their operations when tax credits expire and premiums spike
- **Nearly a quarter (21%)** would be forced to drop employee coverage entirely
- **More than 80%** said increasing premium prices put them at a disadvantage with their corporate competitors



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When asked what actions their businesses would have to take if health insurance premiums increased as projected due to the ACA tax credits expiring, small business owners listed a cascade of economic impacts:

- **More than half** (54%) of business owners have already cut their own compensation due to combined economic pressures ranging from rising healthcare costs to tariff fallout and inflation
- **41%** would be forced to increase prices to customers
- **About one in four** (22%) would freeze hiring or (24%) delay expansion plans
- **One in five** (20%) would reduce their workforce
- **More than a third** (37%) of small business owners say the combined pressure of healthcare costs and other economic factors threatens their ability to stay in business

When asked about H.R. 1, a \$2+ trillion tax package also called the One Big Beautiful Bill that delivered tax cuts to the wealthy but cut Medicaid and did not extend the expanded ACA tax credits, small business owners said Congress' priorities are not aligned with the needs of Main Street.

- **72%** of small business owners say Congressional priorities are misaligned with small business needs



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Small businesses have long struggled with rising healthcare costs, and they embrace a large number of solutions to bring them down:

- 87% support making the enhanced ACA premium tax credits permanent
- 95% support allowing small businesses to join together for group purchasing power
- 94% support extending Medicare drug price negotiations to private insurance
- 92% support capping commercial drug price increases at the inflation rate
- 92% support providing tax credits for small businesses offering employees Individual Coverage Health Reimbursement Arrangements (ICHRA)
- 96% support hospital price transparency enforcement to enable comparison shopping

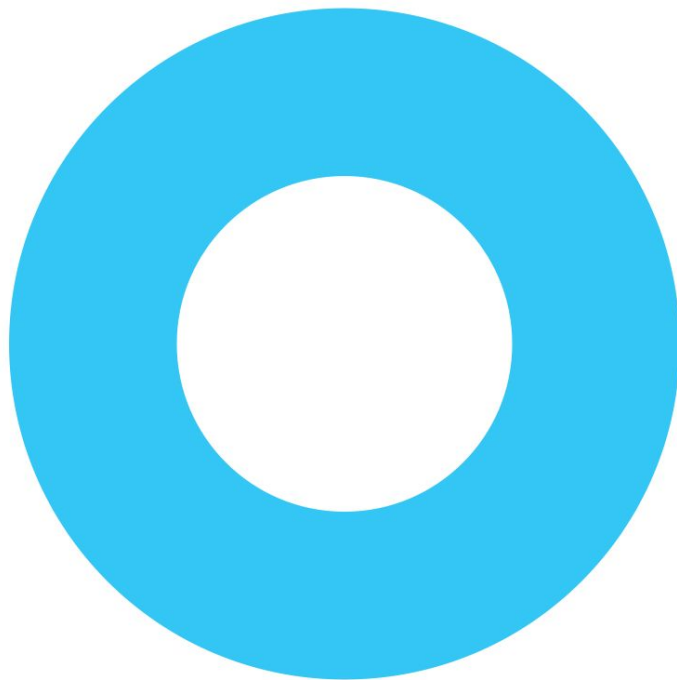


An overhead, top-down view of a collaborative office workspace. Several people are seated around a large wooden table, working on various devices including desktop monitors, laptops, and tablets. The workspace is cluttered with office supplies such as keyboards, mice, notebooks, pens, a coffee cup, and a small potted plant. The entire image is overlaid with a semi-transparent blue filter. The text "Survey Results" is centered in the middle of the image in a white, sans-serif font.

Survey Results

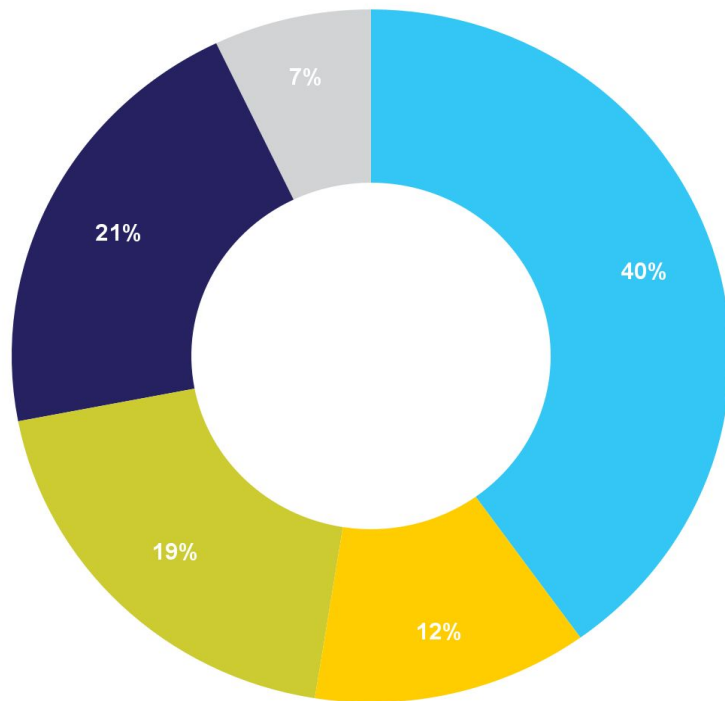
Q1: Are you a small business owner?

● Yes

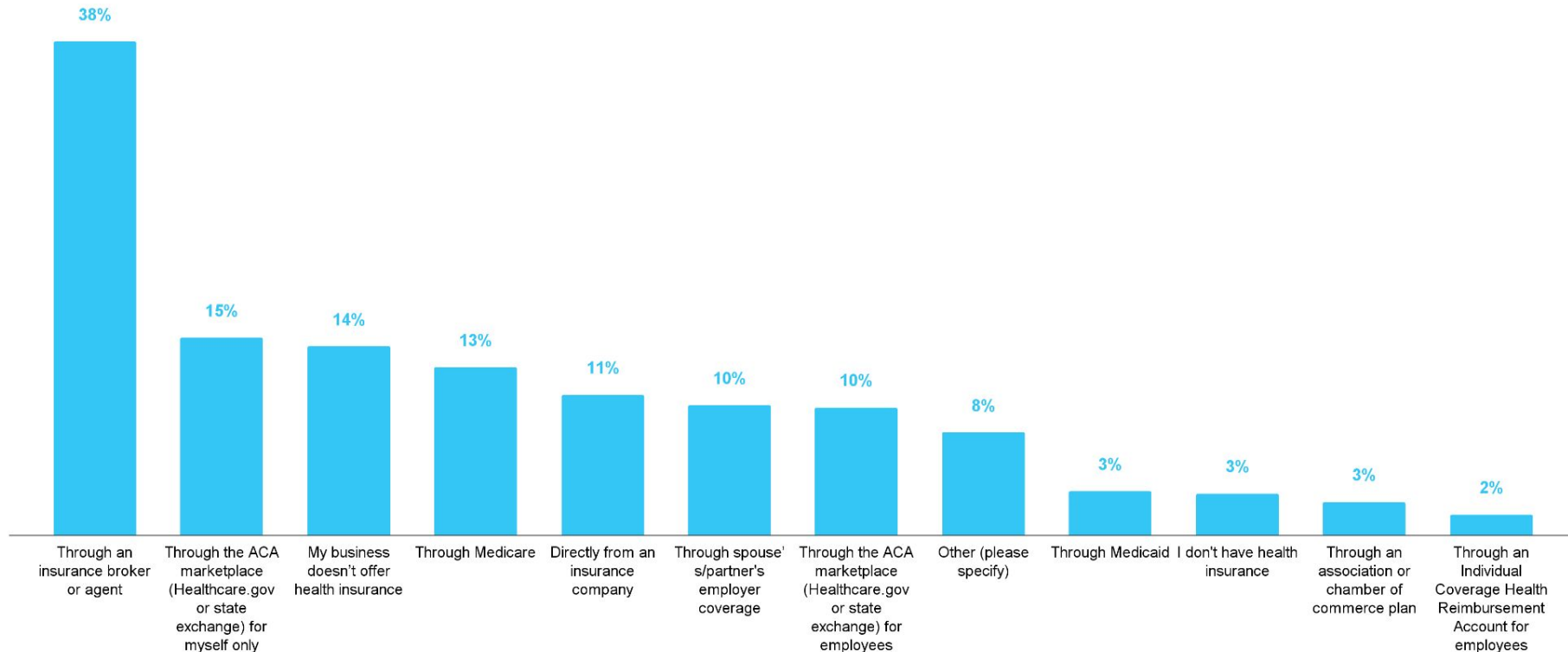


Q2: Do you currently offer health insurance to your employees?

- Yes, we offer it to all employees ● Yes, we offer it to some employees
● No, we had to eliminate it due to cost ● No, and we don't plan to offer it ● Not applicable (no employees)

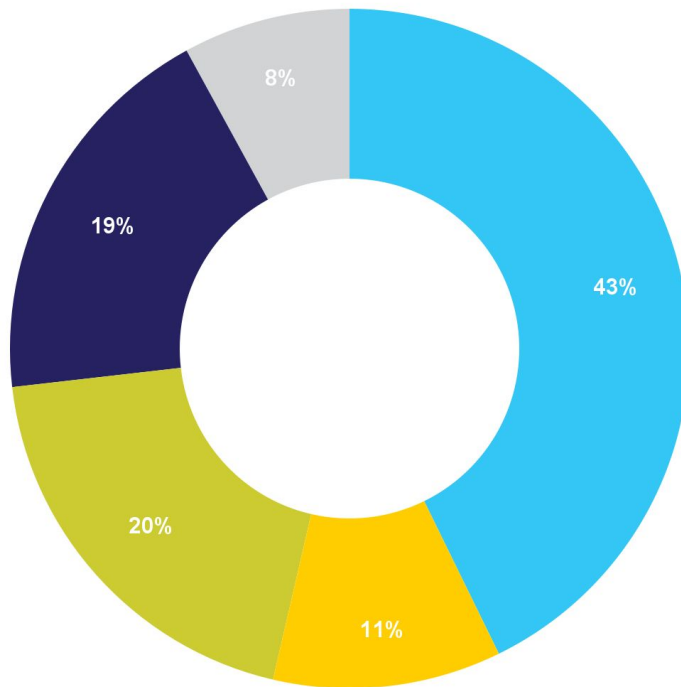


Q3: How do you and/or your business currently obtain health insurance coverage? (Select all that apply)

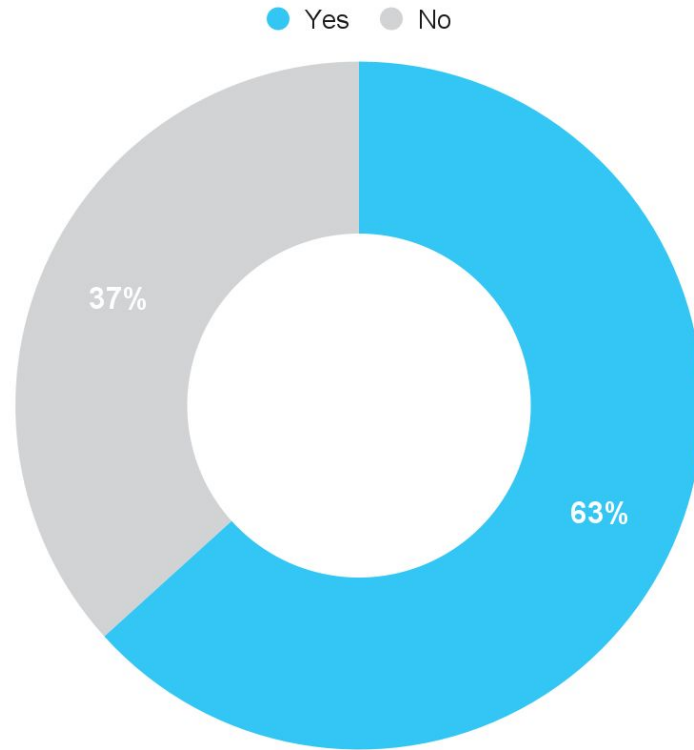


Q4: Do you or your employees currently receive premium tax credits that reduce your monthly premium costs?

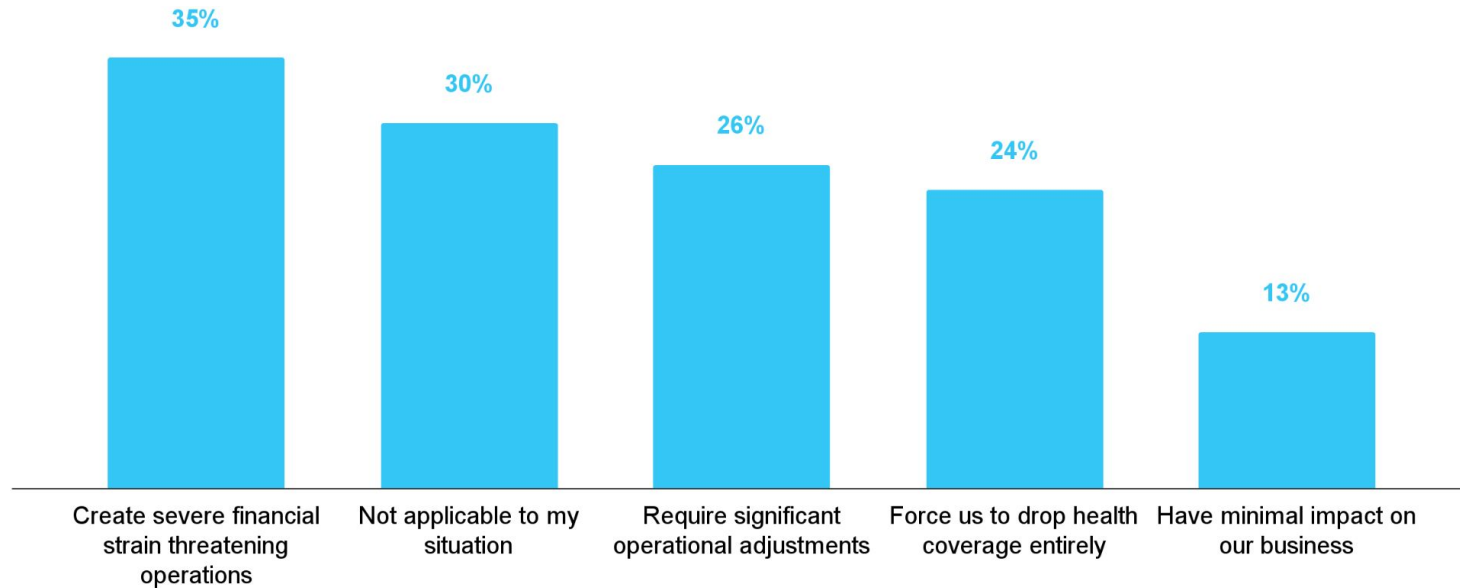
- Yes, I receive premium tax credits
- Yes, some or all of my employees receive premium tax credits
- Yes, both I and employees receive premium tax credits
- No, we pay full price
- Not sure



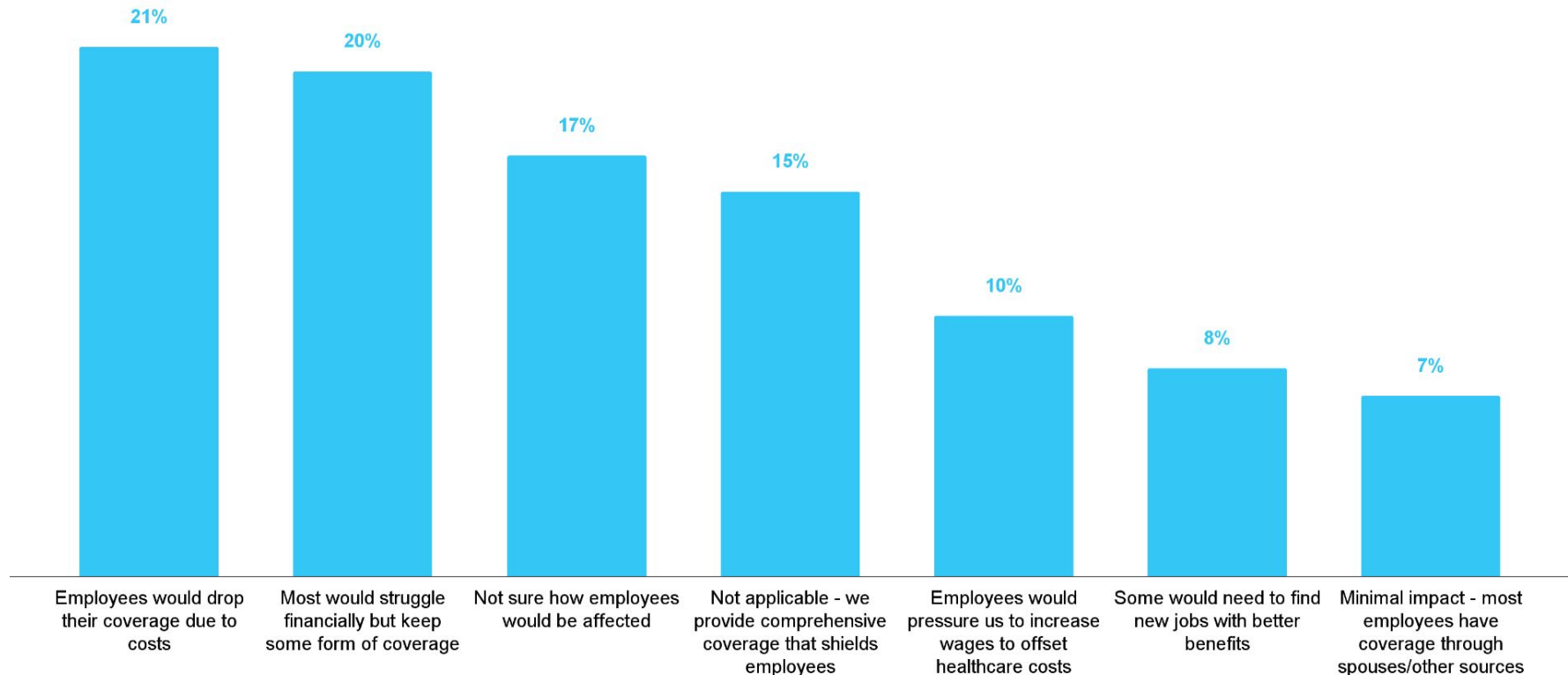
Q5: Are you aware that enhanced premium tax credits reducing ACA Marketplace premiums for individuals, families, and self-employed business owners expire on December 31, 2025?



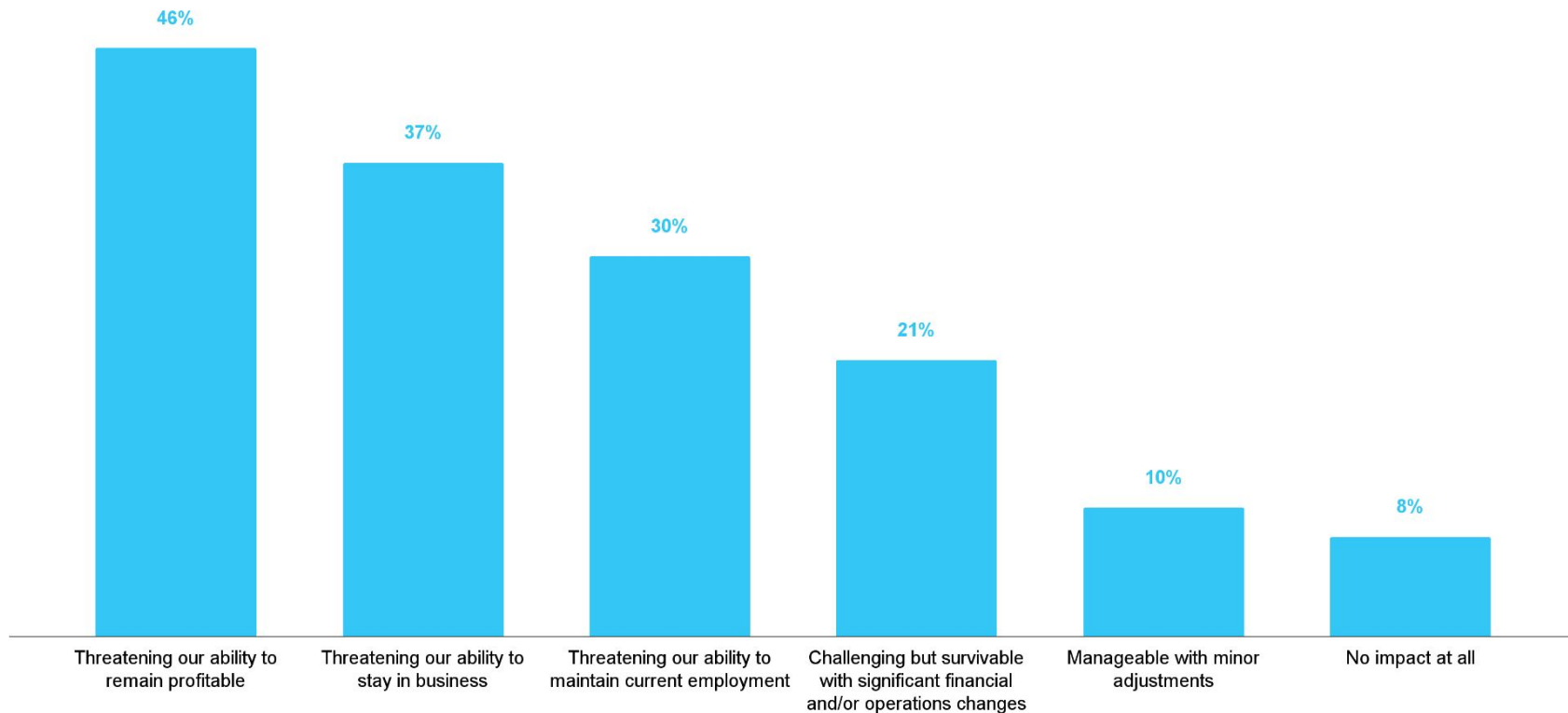
Q6: According to Kaiser Family Foundation (KFF), 48% of adults with ACA marketplace coverage are employed by small businesses or are self-employed. If the enhanced tax credits expire, millions of people could lose coverage or shift to different plans, disrupting insurance markets and driving up costs for everyone who has health insurance. KFF reports insurers selling insurance directly to individuals and small businesses are proposing average premium increases of 20% for 2026, with some subsidized enrollees facing premium increases exceeding 75%. How would these increases impact your business? (Select all that apply)



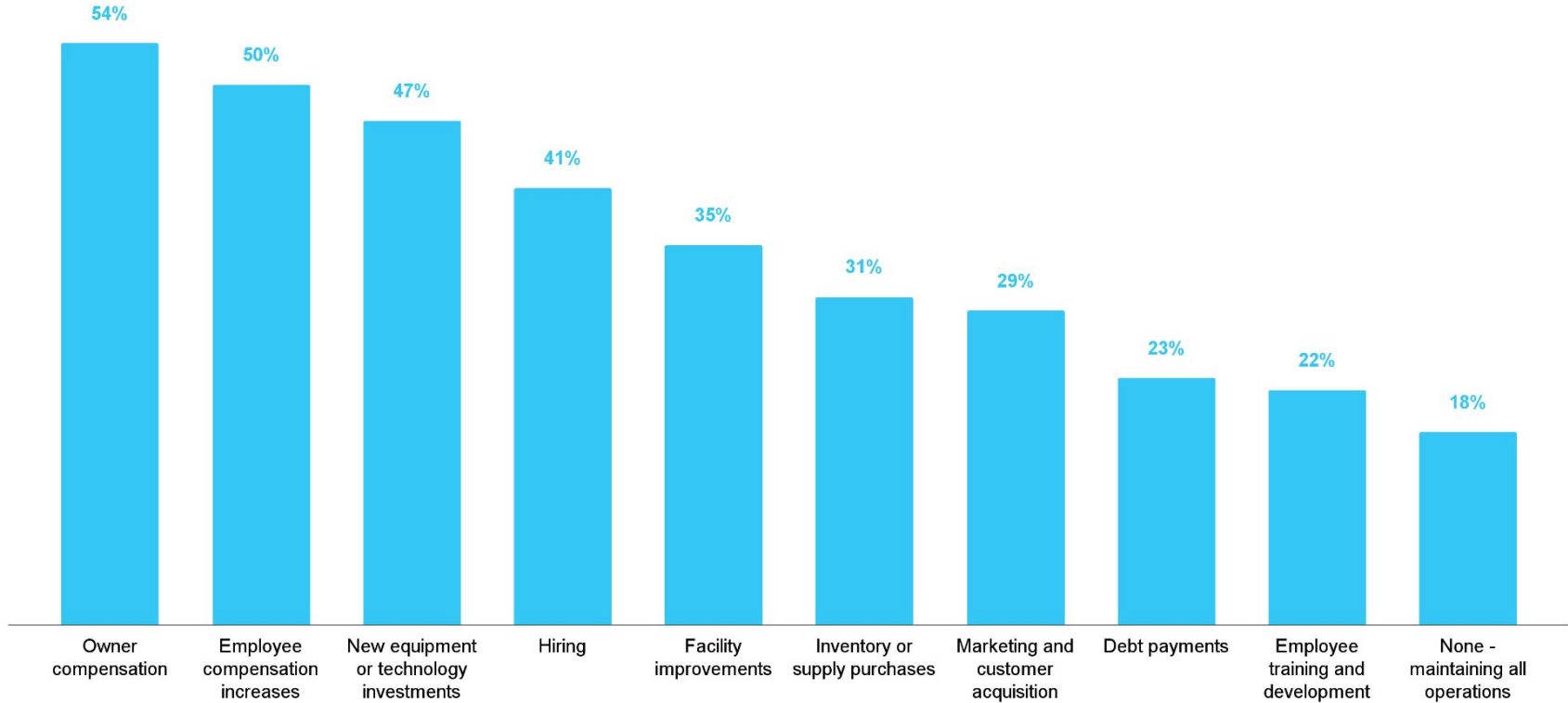
Q7: How would the estimated 20% premium increases and expiring tax credits affect your employees and their families?



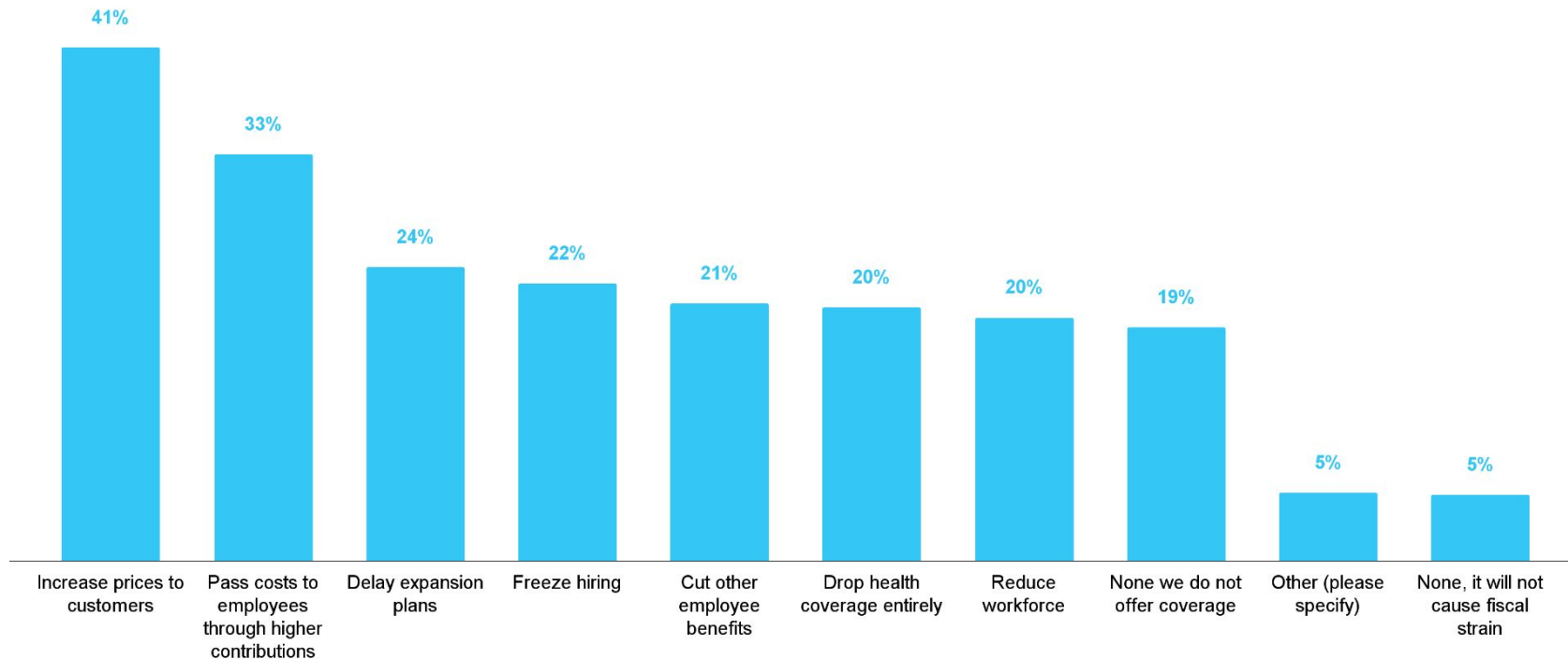
Q8: Small businesses are facing multiple economic pressures simultaneously. How would you describe the cumulative impact of healthcare costs, inflation, tariffs, and tax policy on your business? (Select all the apply)



Q9: Which, if any, business functions are you currently reducing due to combined economic pressures including rising healthcare costs? (Select all that apply)

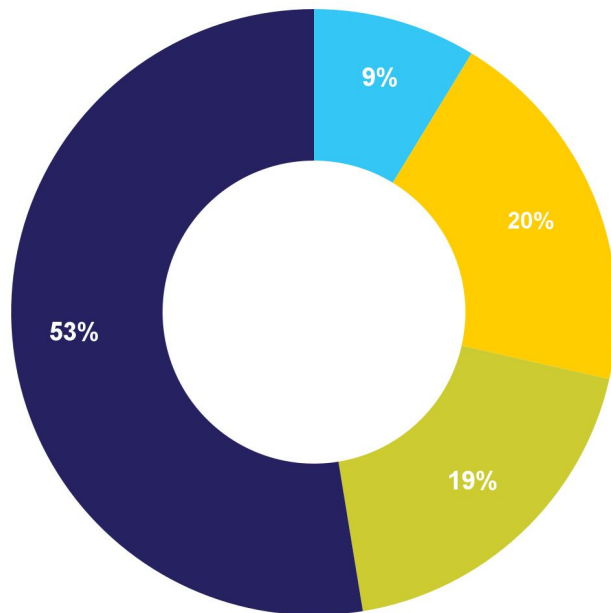


Q10: If health insurance premiums increase by an average 20% as projected, which actions would your business need to take? (Select all that apply)



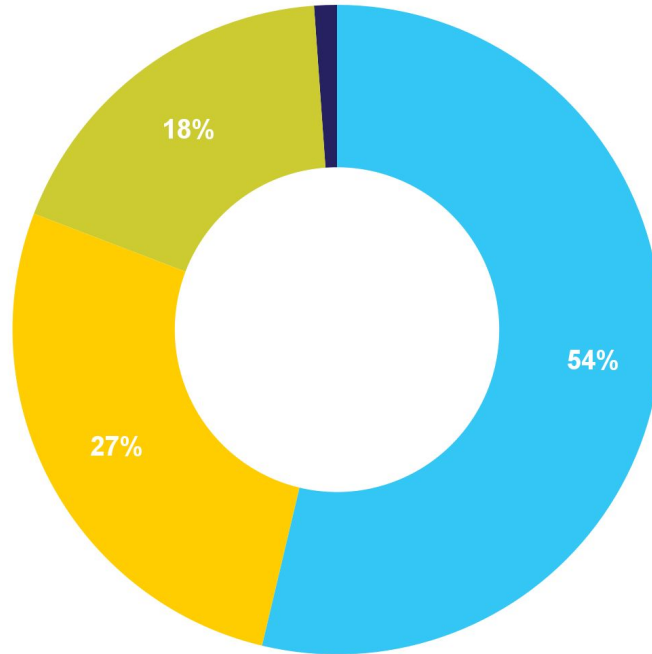
Q11: Congress recently passed a \$2+ trillion tax package (H.R. 1, also called the One Big Beautiful Bill) that included \$737 billion for permanent pass-through business deductions and \$212 billion for estate tax cuts, but did not extend the enhanced premium tax credits and made nearly \$1 trillion in cuts to Medicaid. Do you believe Congress's priorities are:

- Completely aligned with small business needs
- Somewhat aligned with small business needs
- Somewhat misaligned with small business needs
- Completely misaligned with small business needs

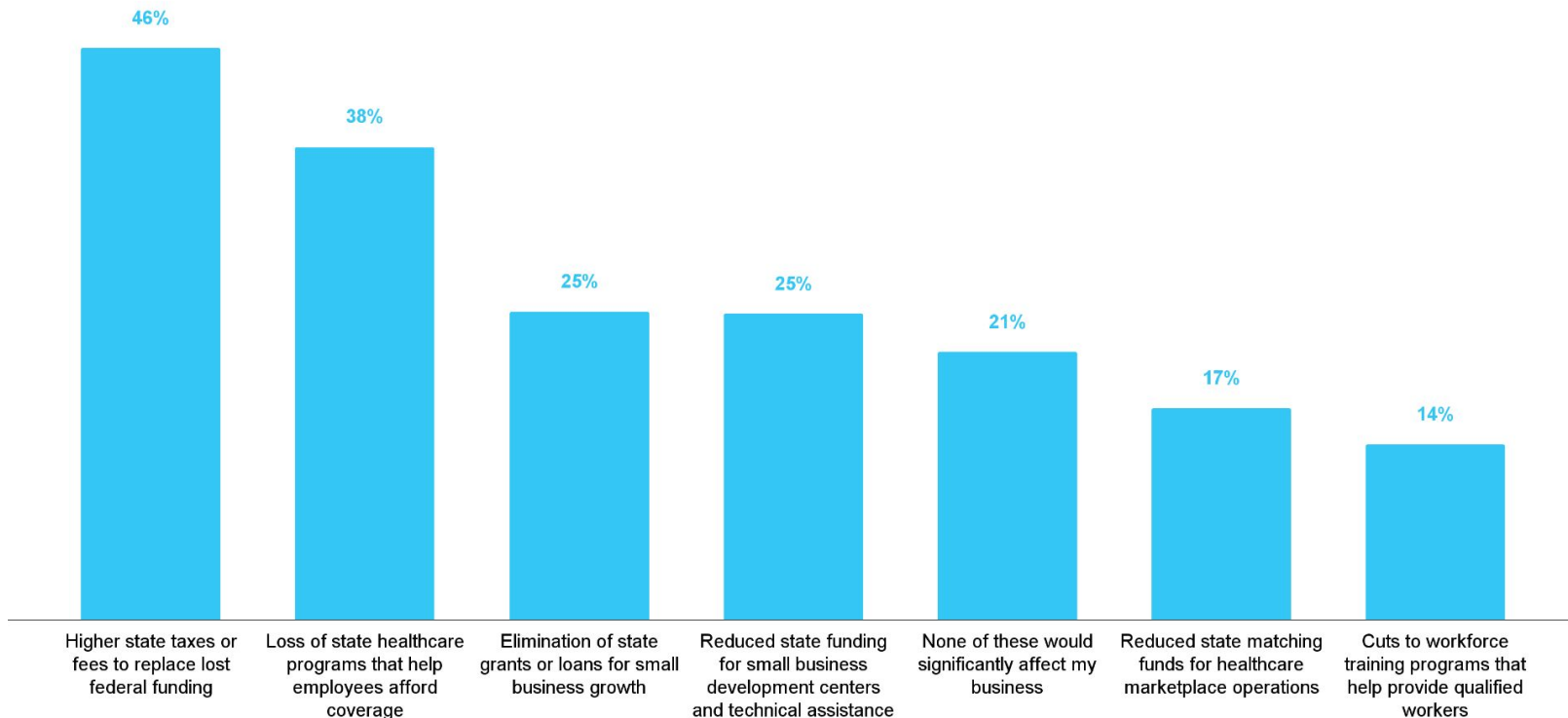


Q12: Large corporations typically self-insure for healthcare and received permanent tax cuts under H.R. 1, while small businesses face on average 20% premium increases with no relief. How does this affect your competitive position?

- Severely disadvantages my business
- Somewhat disadvantages my business
- No impact on competition
- Actually helps my business



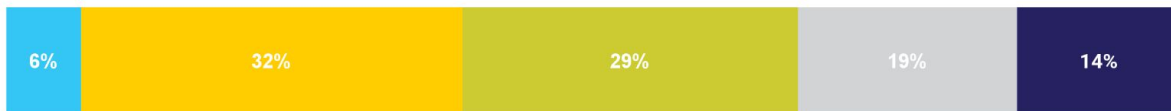
Q13: H.R. 1 reduced funding to states by cutting Medicaid and other federal programs. When states lose federal funding, they often must reduce their own healthcare programs, business support services, and workforce development initiatives. Which state-level cuts would most affect your business? (Select up to 3)



Q14: As healthcare costs rise, some businesses explore alternative coverage strategies. How interested are you in the following options to address your healthcare challenges?

■ Currently use this ■ Very interested ■ Somewhat interested ■ Not interested ■ Unfamiliar with this option

Association Health Plans - Small businesses join together through trade associations or chambers of commerce to negotiate group rates typically available only to large corporations



Level-funded or Self-funded Plans - Businesses pay a fixed monthly amount covering expected claims plus stop-loss insurance, potentially saving money if employees remain healthy



Health Savings Accounts with High-Deductible Plans - Combines lower-premium insurance with tax-advantaged savings accounts where employees and employers can contribute pre-tax dollars for medical expenses

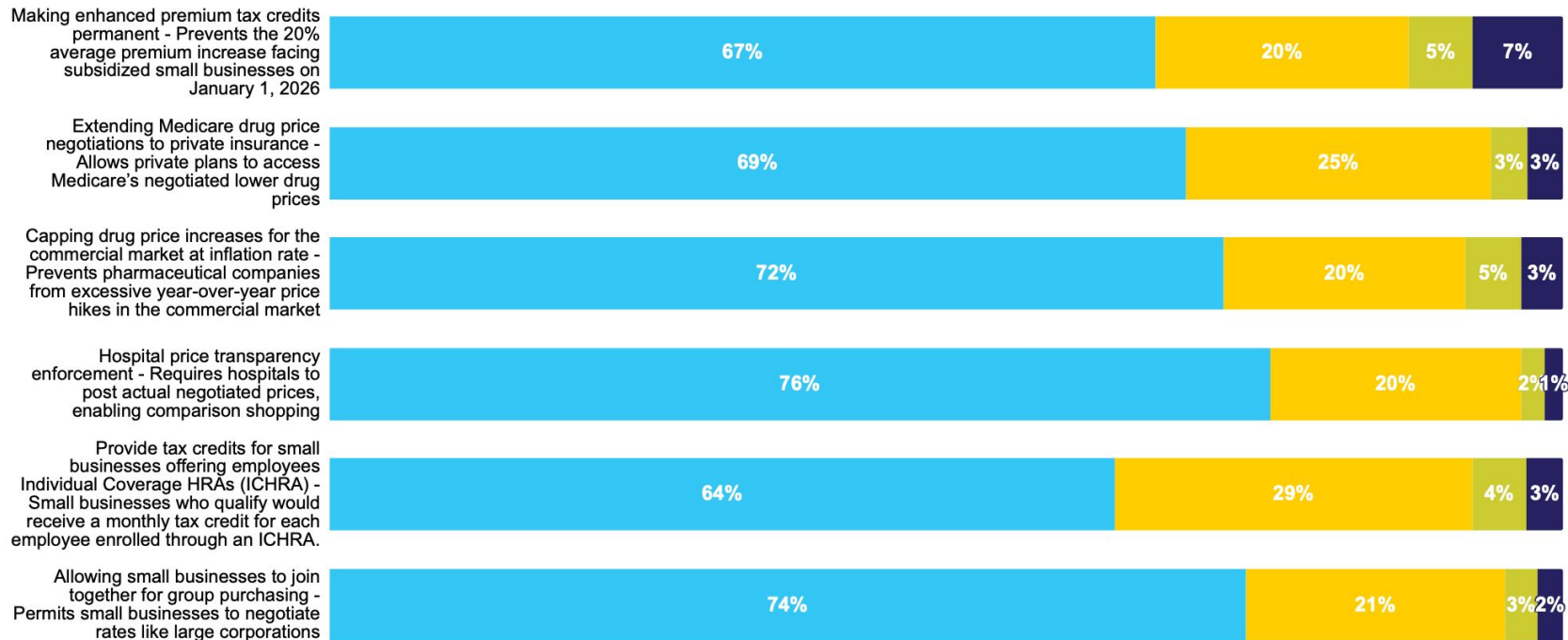


Direct Primary Care Plus Catastrophic Coverage - Businesses pay doctors a monthly membership fee for unlimited primary care visits while maintaining high-deductible insurance only for major medical events



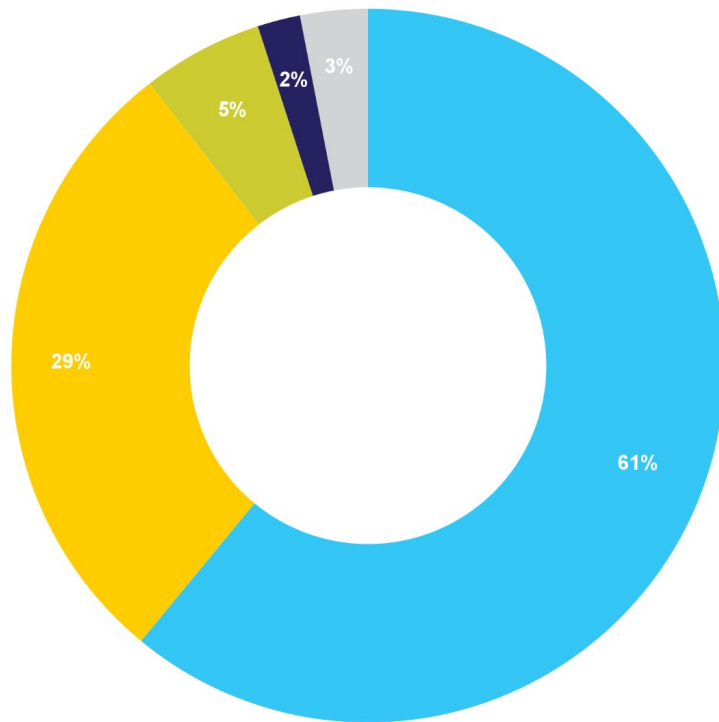
Q15: Please indicate your support for the following healthcare cost-reduction policies:

■ Strongly support ■ Somewhat support ■ Somewhat oppose ■ Strongly oppose



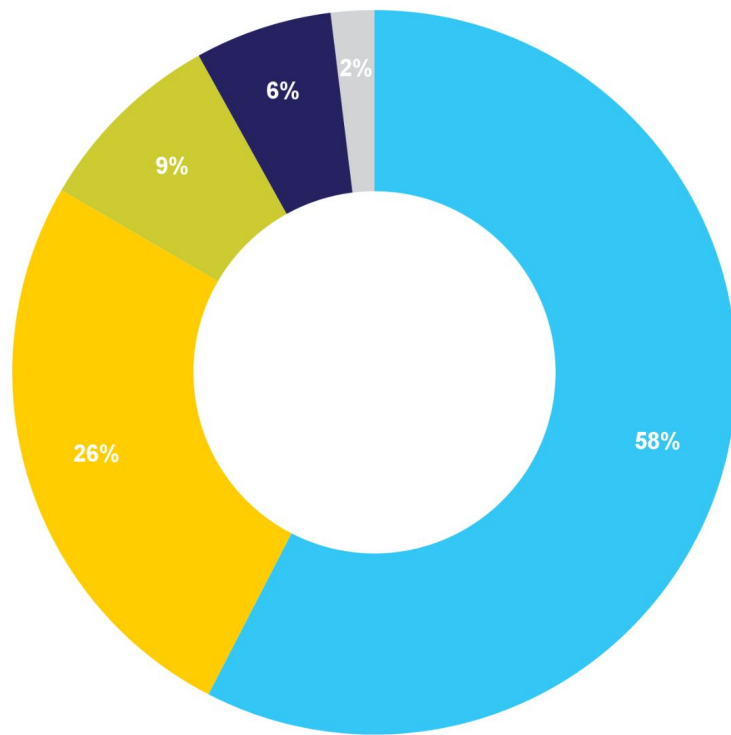
Q16: Are candidates' positions on healthcare costs for small businesses important to your vote in the 2026 midterm elections?

● Extremely important ● Somewhat important ● Not very important ● Not at all important ● Don't know/Haven't considered



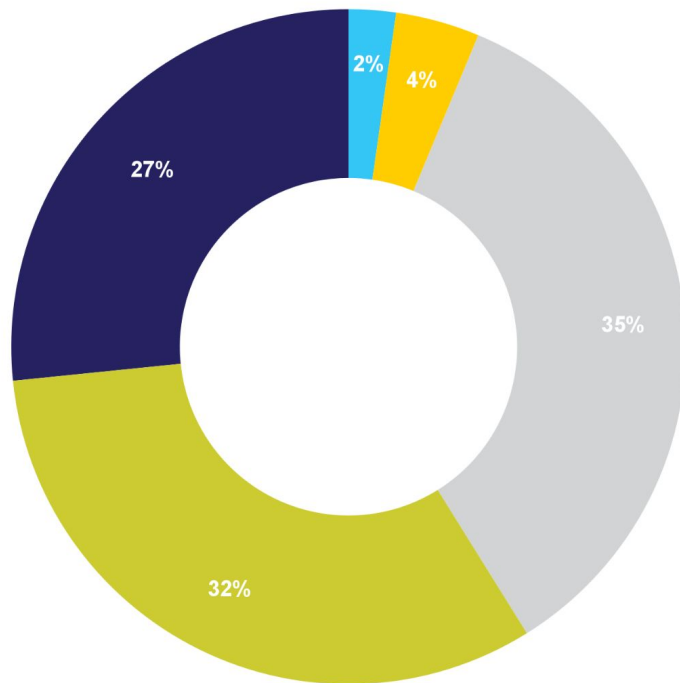
Q17: Are you concerned about your ability to afford health insurance in 2026?

● Very concerned ● Somewhat concerned ● Not very concerned ● Not concerned at all ● Haven't considered this yet



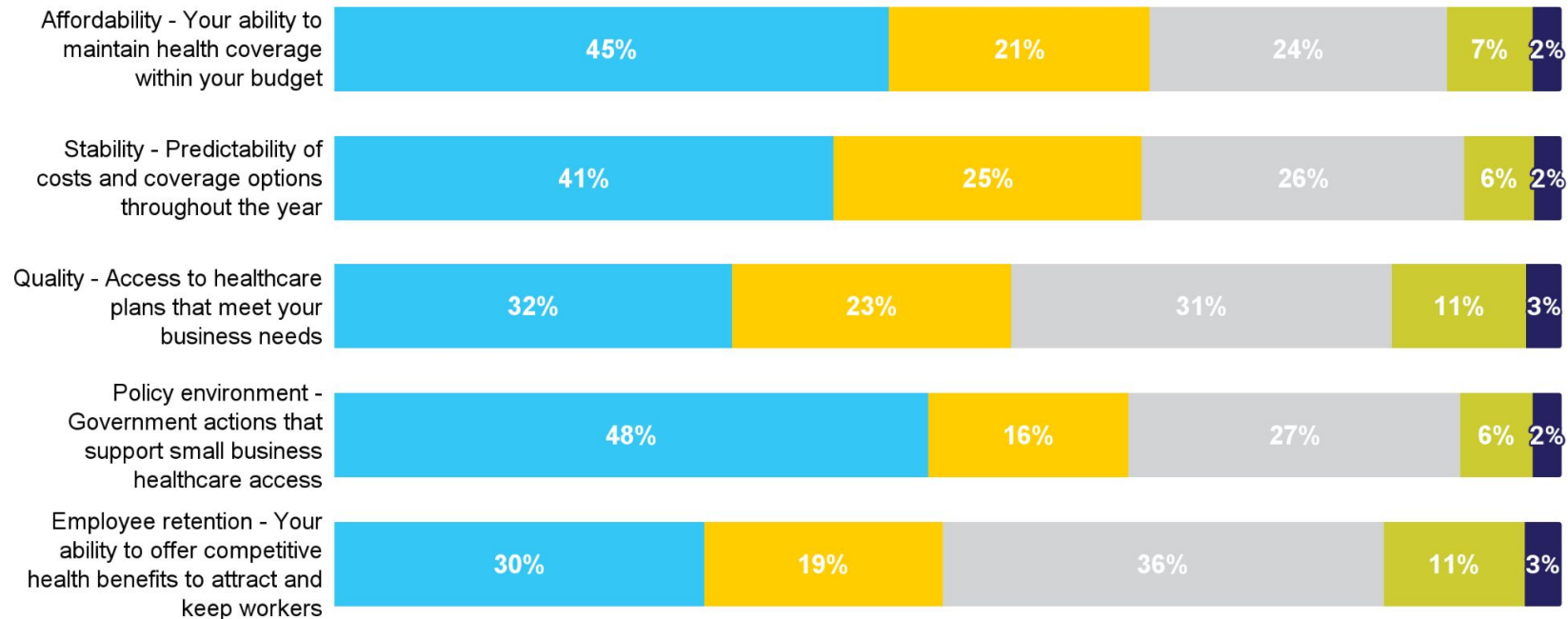
Q18: Looking ahead 12 months, do you expect your business's healthcare situation to:

● Significantly improve ● Somewhat improve ● Stay about the same ● Somewhat deteriorate ● Significantly deteriorate



Q19: Looking at the next 12 months, how would you rate the outlook for each of the following aspects of healthcare for your business?

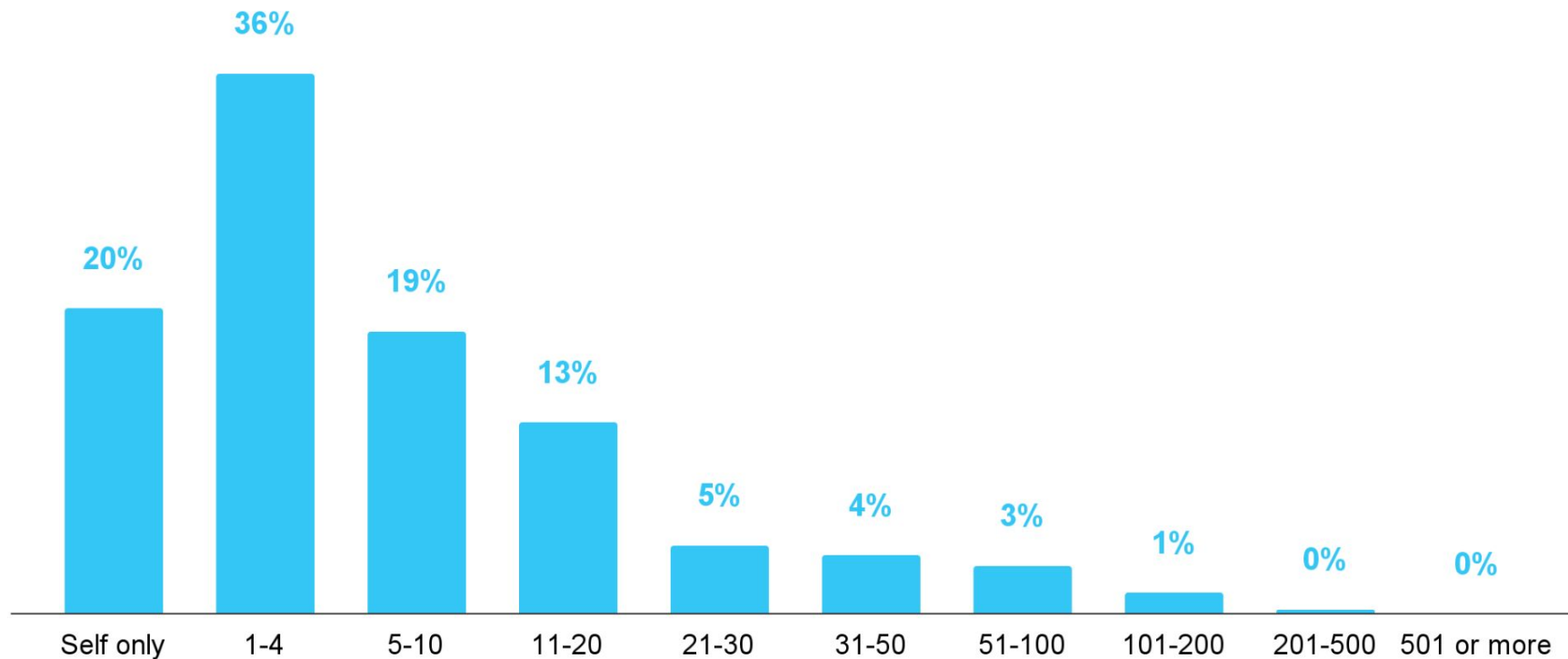
■ Very negative ■ Somewhat negative ■ Uncertain ■ Somewhat positive ■ Very positive



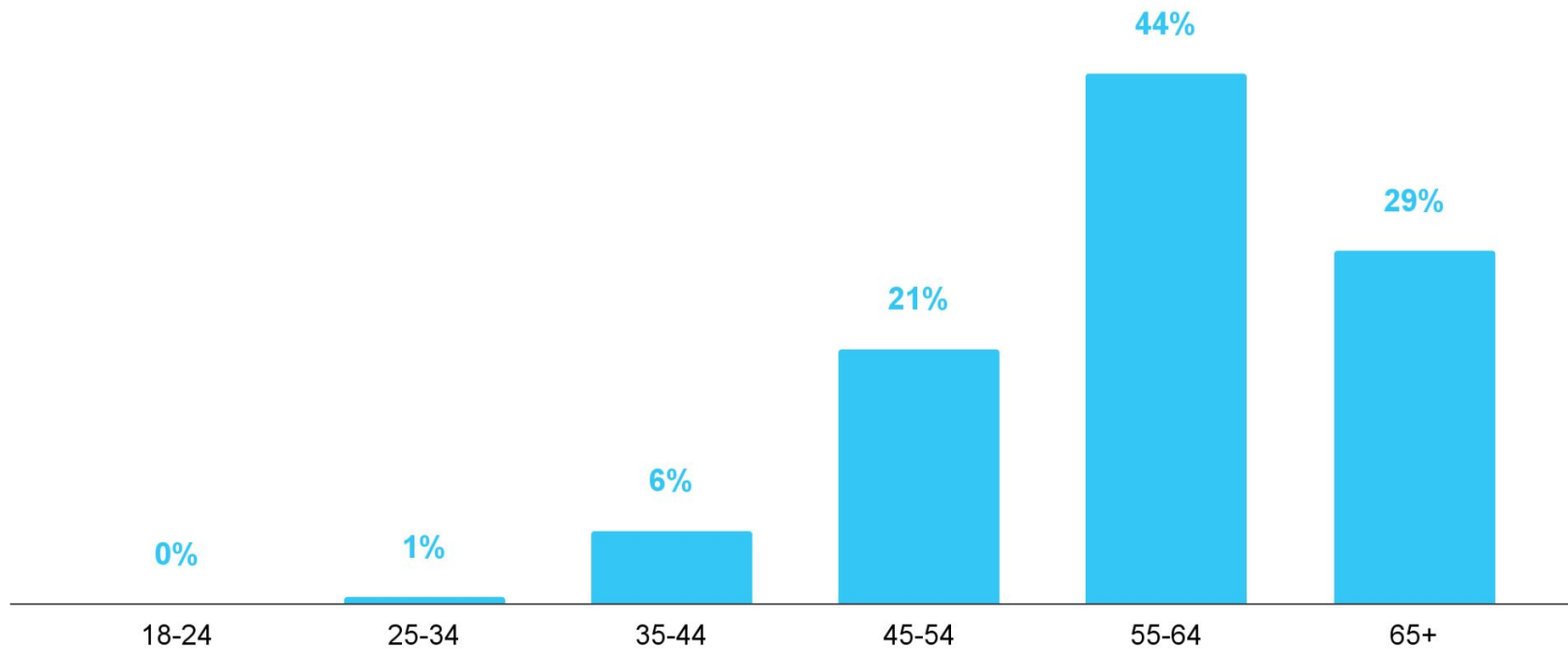
An aerial, high-angle photograph of a wide, paved pedestrian walkway. The ground is composed of large, light-colored rectangular tiles. Several people are walking in different directions, some in groups and some alone. The image has a strong blue color cast. The text "Demographic Data" is overlaid in the center in a white, sans-serif font.

Demographic Data

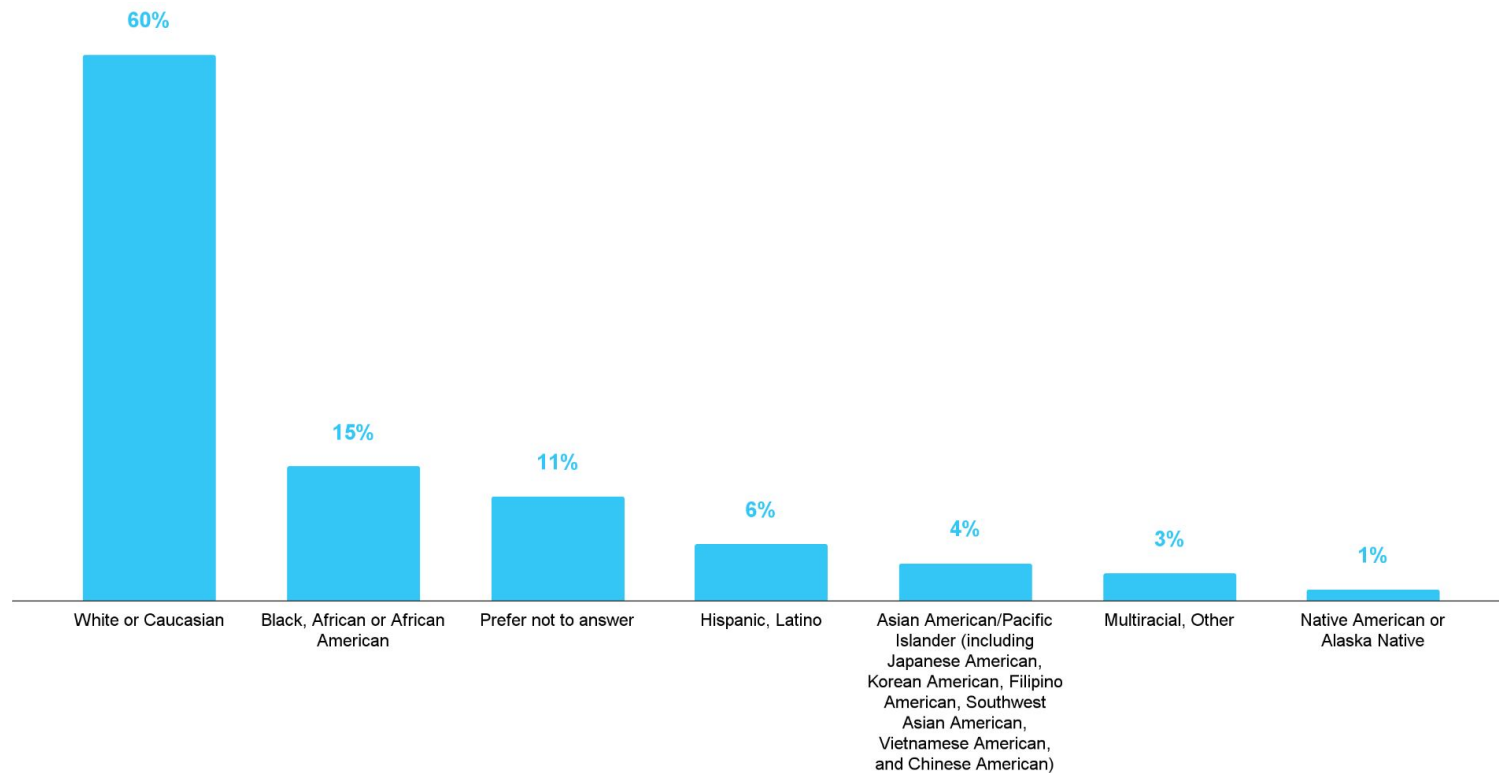
Not including yourself, how many employees do you have?



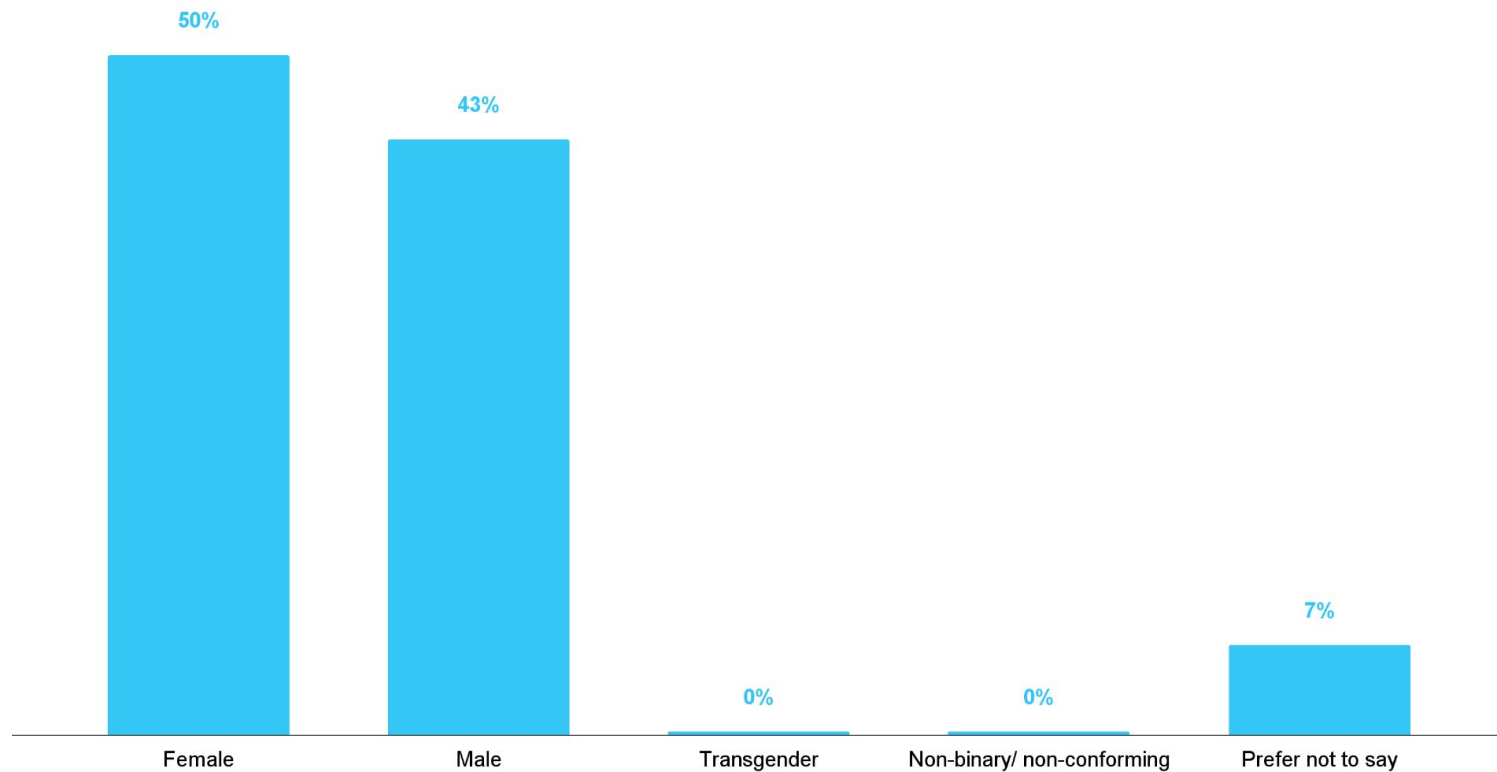
What is your age?



How do you identify yourself?

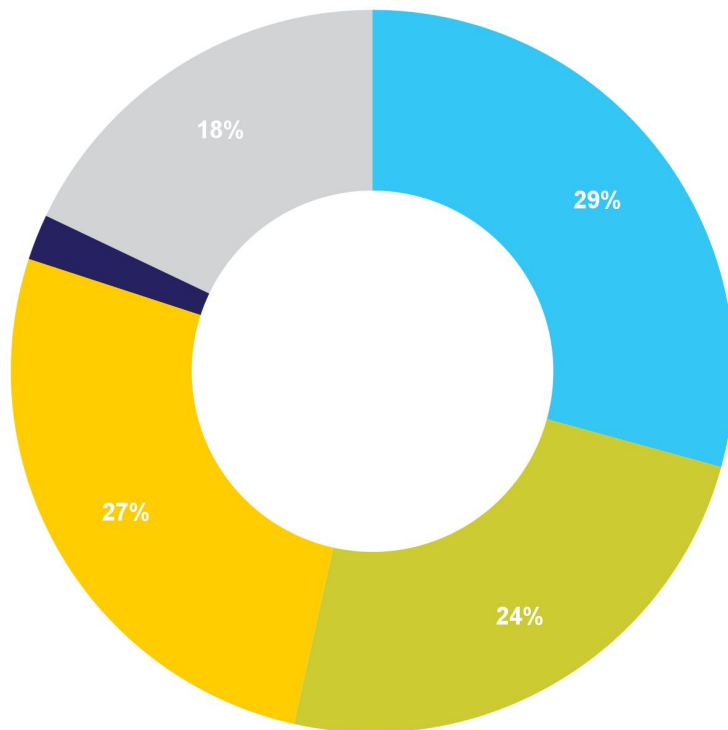


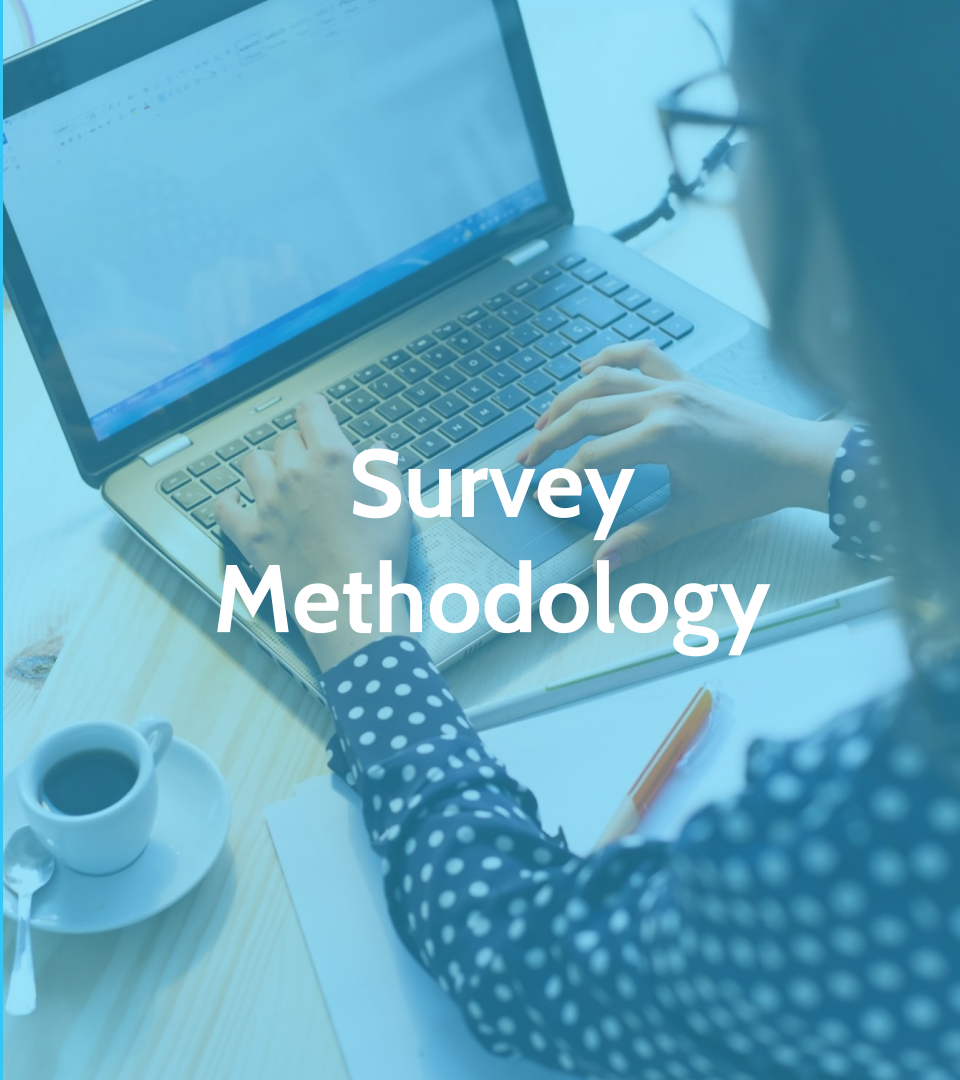
What is your gender identity?



Which best represents how you typically vote in elections?

● Democrat ● Independent ● Republican ● Other ● Don't know/Prefer not to say





Survey Methodology

620 Total Responses

Methodology:

Survey Monkey survey of Small Business for
America's Future small business network

Fielded Sept. 23, 2025-Oct. 14, 2025

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