

NFIB state leader says small businesses oppose budget proposals on paid leave, retirement program

Posted on Tuesday, Feb 21, 2023

The head of NFIB Wisconsin says the state's small business community opposes elements of Gov. Tony Evers' budget aimed at paid family leave and a targeted retirement savings program.

"When the government mandates a retirement program, or mandates paid family and medical leave, that's not trusting the private sector to do the right thing," National Federation of Independent Business State Director Bill Smith said yesterday in an interview.

He said one of the main advantages of working for or owning a small business is flexibility, arguing such mandates "destroy that flexibility."

"And as a result, we lose a competitive edge that we might have had, in terms of attracting potential workers to our businesses," Smith told WisBusiness.com.

In his recent budget address, Evers pitched the family leave program as part of a plan to invest in the state's workforce. He proposes using \$243 million in state funds to seed the program, with a payroll contribution split evenly between employers and workers to continue funding the program for most private sector employees.

Through this structure, Evers said workers who need up to 12 weeks of paid family medical leave could begin taking it Jan. 1, 2025, thanks to the state dollars. The payroll contributions would then cover the costs going forward with the program self-sustaining starting in 2026.

Meanwhile, Evers is also proposing using \$2 million to establish a retirement savings program for employees of small businesses who aren't offered one through their employer. And he's calling for the creation of a Small Business Retirement Savings Board to oversee this program.

Smith explained the NFIB had previously surveyed its members on similar proposals in 2019, and found strong opposition to both ideas.

“They just kind of resent government getting involved in these kinds of programs in the private sector ... there’s all kinds of regulations that go with that, there was some concern expressed about liabilities for businesses that are required to offer a retirement plan,” he said, referencing the “significant cost” of offering this option.

And since 2019, he believes opposition among small business leaders will have only grown. He pointed to persistent economic challenges stemming from the COVID-19 pandemic including supply chain disruptions, a worsening labor shortage and higher costs due to inflation.

Still, he noted NFIB’s state chapter does support other elements of Evers’ budget proposal, such as more funding for worker training initiatives, additional investment in broadband targeting underserved areas, and eliminating the personal property tax.

But he generally described Evers’ proposal as a “big government, pro-spending budget.”

“When he puts in initiatives like increasing the minimum wage, government mandates on employers and employees, that’s just the wrong direction to go for our state business community to grow and to prosper,” Smith said.

See more at WisPolitics.com:

<https://www.wispolitics.com/2023/evers-calls-for-family-leave-program-workforce-initiatives-in-budget-proposal>

-By Alex Moe