



EOI Interviews Small Businesses about Washington Voluntary Accounts

During the summer of 2006 EOI conducted a series of 24 interviews with small business owners and managers in diverse communities in Washington State to better understand their views on Washington Voluntary Accounts (WVAs). Businesses ranged from a single owner operated teashop to a 170+ employee research institute. They included a sheet metal manufacturer, a non-profit bicycle shop, a biodiesel distributor, and an orthodontist.

Business Locations

11 in Seattle

3 in North Seattle suburbs of Lynnwood, Mukilteo, and Edmonds

4 in Langley/Clinton - rural towns on Whidbey Island, 40 miles north of Seattle

3 in La Conner and Mt. Vernon - 70 miles north of Seattle

3 in Aberdeen – an economically depressed (former) timber community with a population of 17,000

Interview Findings

- 15 out of 17 businesses with 1-10 employees (88%) supported WVAs. Of the two who were not in support, one believed that healthcare was a greater priority and the other opposed any additional government involvement in the private lives of workers.
- 6 businesses with 11 - 50 employees were interviewed. 100% supported WVAs.
- 1 business with over 50 employees was interviewed. It supported WVAs.

Recommendations by Small Businesses for Washington Voluntary Accounts

Washington Voluntary Accounts Program must:

- Provide diverse investment options
- Provide some sort of support for employers and employees, such as a help-desk hotline or website to answer questions and recommend best plans for employers and employees
- Provide program promotion in the workplace so that the employer is not totally responsible for promoting this service
- Provide portability

Reservations of Small Business concerning Washington Voluntary Accounts

- How would the program be promoted among employees?
- How would the program be administered?
- How much responsibility would the employer bear?

Additional Findings

- Only 5 businesses had retirement plans for employees (4 out of 5 of these had 20 or more employees)
- Major reasons for not providing retirement benefit were time, difficulties finding right plan options, and expense
- All interviewees believed that saving for retirement was important
- Many interviewees believed that Social Security is not substantial enough
- Larger, more established businesses with retirement benefits already in place also saw WVAs as advantageous