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ADP: Midsized Business Owners Most Concerned About Government Regulation, Topping Concerns on Affordable Care Act, Health Care Costs

Concerns on Level of Government Regulation Rise 36 Percent Over Previous Year's Study; Worries Over Managing Talent, Engaging Employees on the Rise

ROSELAND, NJ -- (Marketwired) -- 02/09/16 -- A new ADP® study released today reveals middle market employers' concerns about government regulations have grown dramatically, superseding their concerns about the Affordable Care Act (ACA) -- signed into law by President Obama in 2010 -- and health care costs for the first time since the study's inception in 2012.

While the ACA and healthcare are still among business owners' top three concerns, levels of concern have leveled off in the latest survey, allowing worries over the amount of regulations to rise 36 percent since 2014.

The latest [ADP Midsized Business Owners Study](#) found:

- | 41 percent of business owners rank the volume of government regulations as their top concern.
- | 34 percent say the cost of health care coverage is their top concern.
- | 32 percent rank health care reform legislation as their top concern.

The annual study surveyed more than 700 business owners and executives at U.S. companies with 50 to 999 employees through an online survey. The findings suggest that as the reality of the ACA has taken hold, business owners are turning their focus to other issues, allowing concerns over employee engagement, talent management and tax compliance to emerge.

"It's clear that midsized business owners have accepted that the ACA is here to stay," said Tom Perrotti, President of Major Account Services at ADP. "By now employers have come to grips with the fact that this year, and every year hereafter, they will need to work hard to remain compliant with the ACA, including as it pertains to the health coverage they offer their full-time employees. With that in mind, it comes as little surprise that their concerns are shifting to the next wave of regulatory changes on the horizon, such as the proposed new overtime rules."

One midsized company worried about keeping up with the constant barrage of regulatory changes is Zyscovich Architects, an architectural firm with about 100 employees based in Miami.

"Aside from ACA compliance, we are facing increased record keeping and reporting requirements as a result of the Health Insurance Portability and Accountability Act (HIPAA), E-Verify[®], and the 401(k) Census," said Mario Suarez, a partner at Zyscovich. "As a growing business, we need our HR staff to not only focus on ensuring continued compliance with evolving regulations, but on recruiting and retaining highly skilled employees to help our business succeed."

According to the 2015 study, midsized business owners' angst over recruiting and managing their talent is increasing. Nearly half of survey respondents said they are extremely or very concerned about the quality of the available workforce, and one-quarter of business owners rank it as a top concern.

Furthermore, worries over engaging employees to be active contributors to business success spiked significantly in 2015, rising more than 25 percent over 2014.

"As more Millennials enter the workforce with different expectations about their tenure and relationship with their employer, companies are realizing that engagement is vital to retention," said Perrotti. "Employers see the direct link between committed and motivated employees and their company's productivity, profitability and customer satisfaction. Employers with that insight are seeking new and innovative ways to increase engagement."

For more details on the study, visit [here](#) to download the action paper.

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