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October 5, 2023

## Re: Office of the Legislative Auditor (OLA) Worker Classification Questionnaire

Dear Ms. Badger,

The National Federation of Independent Business (NFIB) appreciates the opportunity to respond to the OLA's questionnaire on worker classification.

To provide the best possible feedback, NFIB Minnesota surveyed our members via email. We received 53 responses, which are summarized in the enclosure. Of the respondents:

- 53% are businesses that utilize independent contractors
- 21% are businesses that utilize independent contractors and act as independent contractors
- 8% are independent contractors

Of the businesses that utilize independent contractors:

- 59% utilize them regularly throughout the year
- 28% utilize them occasionally during the year
- 13% do not utilize them very often

The respondents who act as an independent contractor gave the following reasons for choosing that mode of work (respondents were allowed to make multiple selections):

- 80% said they want to be their own boss
- 73% said it provides them with greater flexibility
- 60% said it allows them to increase their earning potential
- 33% said it allows them to gain more experience than they would as an employee
- 20% said their work is only available as an independent contractor

Responding businesses represent a wide range of industries/occupations, with construction, retail/hospitality/service, and financial services/accounting being the most common.

Sincerely,

John L. Reynolds

NFIB Minnesota State Director

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