



Opinion Survey

Small Business Owners' Opinions on Regulations and Job Creation

February 1, 2012

American Sustainable Business Council
www.asbcouncil.org

Main Street Alliance
www.mainstreetalliance.org

Small Business Majority
www.smallbusinessmajority.org

Table of Contents

Executive Summary	3
Main Findings	4
Weak Demand is Small Businesses' Top Concern	5
Some Regulations Needed to Ensure Competitive, Fair Economy.....	6
Small Businesses Believe Specific Regulations Play Important Role	7
Conclusion.....	8
Methodology	8
Poll Toplines.....	9

Executive Summary

Rhetoric blaming government regulations for a lack of small business growth and our stagnant economy has reached a fever pitch. Legislators have introduced bills aimed at curbing regulations, believing this would stimulate our sluggish economy. While lawmakers are right to view small business as the key to economic recovery, small businesses don't see regulations as their No. 1 concern. Instead, the vast majority of small business owners believe weak demand is the primary problem for their business right now, not regulations.

Opinion polling shows small business owners see weak customer demand as the most important problem they face right now, followed by the cost of health coverage and other benefits. The level of government regulation came in at a distant third to weak demand. When asked what they believe would do the most to create jobs, the majority cited eliminating incentives for employers to move jobs overseas. Next was cutting taxes and then increasing consumer purchasing power. Reducing regulations ranked fifth on their list, behind improving infrastructure.

In fact, small business owners believe certain government regulations play an important role: 86% believe some regulation is necessary for a modern economy and 93% of respondents believe their business can live with some regulation if it is fair and manageable.

In addition, 78% of small employers agree regulations are important in protecting small businesses from unfair competition and to level the playing field with big business. When asked about specific regulations, 78% of small business owners agree health insurance companies should be held accountable so they don't increase insurance rates by excessive amounts. Another 79% of small business owners support having clean air and water in their community in order to keep their family, employees and customers healthy, and 61% support standards that move the country towards energy efficiency and clean energy.

Main Findings

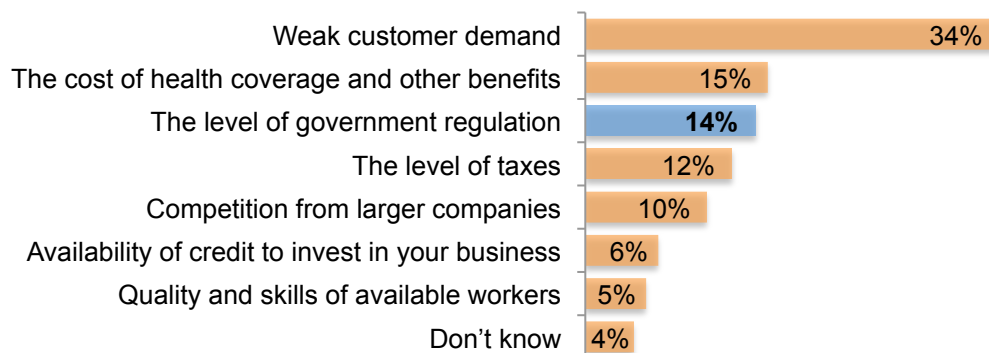
- **Weak demand is small business owners' biggest problem:**
34% of respondents said weak demand is their biggest problem, while 15% cited the cost of health coverage and other benefits. Only 14% said it is the level of government regulation. The level of taxes came in fourth place with 12% and competition with larger companies garnered 10%.
- **Small business owners believe eliminating incentives to move jobs overseas would do the most to create jobs:**
24% of small business owners said eliminating incentives for employers to move jobs overseas would do the most to create jobs, and 14% called for tax cuts. Thirteen percent of respondents said increasing consumer purchasing would be the biggest job creator and 12% believe jobs lie in improving infrastructure like roads and bridges. Only 10% of respondents said reducing regulation would do the most to create jobs.
- **Small business owners see regulations as a necessary part of a modern economy and believe they can live with them if they're fair and reasonable:**
86% of small business owners agree some regulation of business is necessary for a modern economy, and 93% of them agree their business can live with some regulation if it is fair, manageable and reasonable.
- **Small businesses believe some regulations are needed to level the playing field with big business and that enforcement should be just as tough on large corporations as it is on small businesses:**
78% of respondents said some regulations are important to protect small businesses from unfair competition and to level the playing field with big businesses. Additionally, 95% believe the enforcement of regulations should be at least as tough on large corporations as it is on small businesses. Another 76% of respondents believe regulations on the books should be enforced.
- **Respondents feel strongly that specific regulations play an important role:**
78% believe policies are needed to hold health insurance companies accountable so they don't increase insurance rates by excessive amounts; 84% support policies that ensure food safety for businesses and customers that buy or sell food products and 80% support disclosure and regulation of toxic materials.
- **Small business owners support clean energy policies:**
79% of small business owners support having clean air and water in their community in order to keep their family, employees and customers healthy, and 61% support standards that move the country towards energy efficiency and clean energy.
- **Small business owners believe in streamlining the process for regulatory compliance and documentation:** 73% of respondents believe we should allow for one-stop electronic filing of government paperwork.
- **Respondents were politically diverse:**
50% identified as Republican, 32% as Democrat and 15% as independent.

Weak Demand is Small Businesses' Top Concern

Weak customer demand is severely stunting the growth of small businesses across the nation. When asked about the biggest problem facing their business, small business owners cited weak customer demand. This issue ranked considerably higher than any other, with more than twice the number of employers citing it over any other single issue. Small business owners' second biggest concern was the high cost of healthcare and other benefits, with regulations and taxes coming in third and fourth place, respectively. Competition with larger companies took fifth place.

■ **Figure 1: Small businesses' top concern is weak demand**

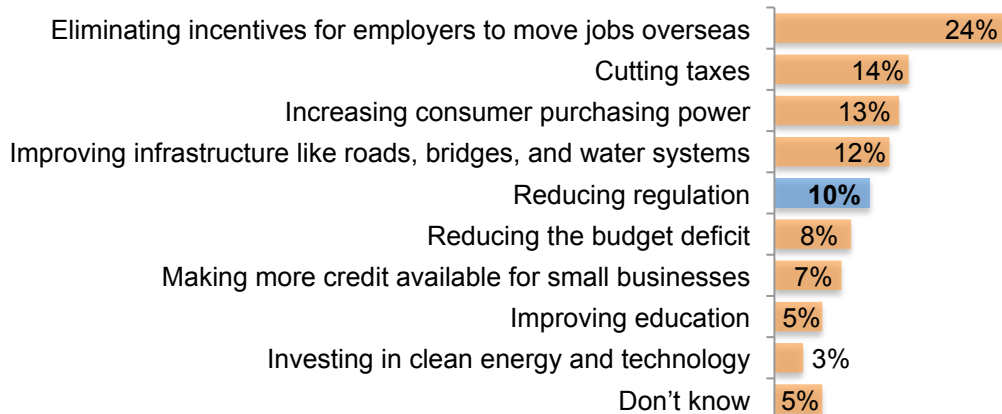
Which of the following is the most important problem right now for your small business?



Regarding policies with the power to drive job creation, small business owners agreed eliminating incentives for employers to move jobs overseas would be most effective. Cutting taxes and increasing consumer purchasing power were the second- and third-rated policies, with improving infrastructure ranking as the fourth top action to create jobs. Reducing regulation fell in the fifth spot as a way to improve job growth.

■ **Figure 2: Moving fewer jobs overseas means more jobs here**

Which of the following would do the most to create jobs?



Some Regulations Needed to Ensure Competitive, Fair Economy

By a wide margin, small business owners agree some regulation is necessary for a modern economy. Eighty-six percent supported this statement, and a sweeping 93% said their business can live with regulations that are fair, manageable and reasonable. By a 3:1 margin, small business owners disagreed with the idea that we should do away with all government regulation of businesses. Additionally, 80% disagreed that all government regulations for corporations should be done away with.

■ **Figure 3: *Small businesses can live with fair, manageable regulations***

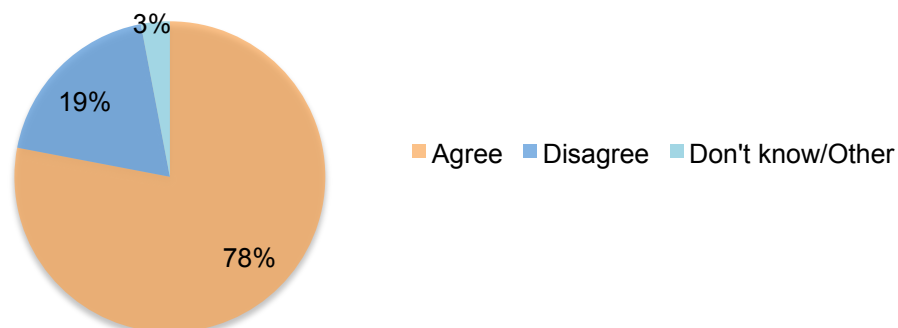
My business can live with some regulation if it is fair, manageable, and reasonable.



Small employers across the board—95%—felt that enforcement of regulations should be at least as tough on large corporations as it is on small businesses. Moreover, 4 in 5 small employers said some level of regulation is important in curbing unfair competition and in leveling the playing field between small business and corporations. The majority of small business owners, 76%, said regulations already on the books should be enforced.

■ **Figure 4: *Small businesses support regulations that level the playing field***

Some regulations are important to protect small businesses from unfair competition and to level the playing field with big business.



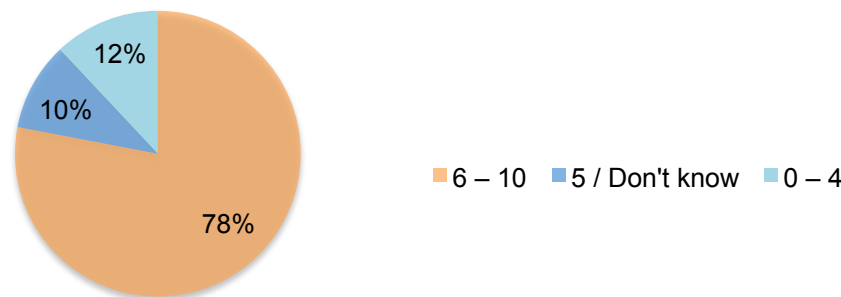
Small Businesses Believe Specific Regulations Play Important Role

Small business owners view certain regulations as necessary. Holding health insurance companies accountable so they can't raise rates unfairly was important to 78% of small employers. Another 79% of small business owners agree it's important to have clean air and water in their communities, so their families, employees and customers remain healthy. What's more, 61% of respondents support establishing standards to move the country toward energy efficiency and clean energy.

■ **Figure 5: Small employers want health insurers held accountable**

(As a small business owner, how positive or negative do you feel toward each of these policies, on a scale from 0 to 10, where 0 is very negative and 10 is very positive, and you can pick any number in between.)

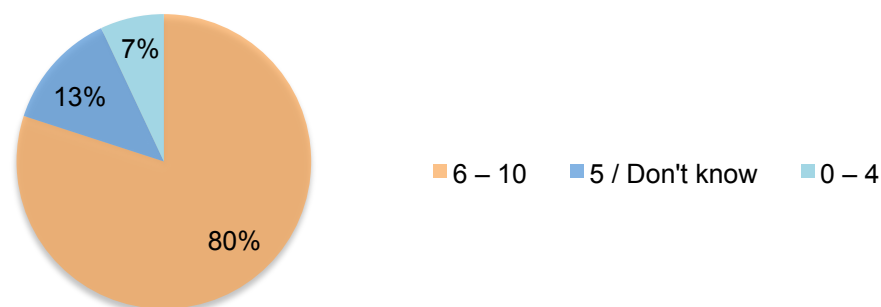
Holding health insurance companies accountable so they don't increase insurance rates by excessive amounts



Small business owners also felt strongly about measures to safeguard employees and consumers. Eighty percent support standards to ensure products companies buy and sell are safe and healthy, and 84% believe it's important to ensure food safety for businesses and customers that buy or sell food products. Four in five small employers supported the disclosure and regulation of toxic substances used in products, and three-quarters said ensuring worker safety in industries that pose higher occupational risks was a good thing.

■ **Figure 6: Safe, healthy products are important to small employers**

Ensuring that the products companies buy and sell are safe and healthy



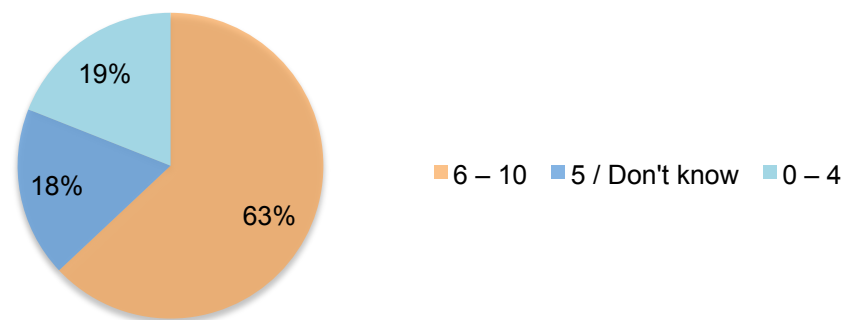
Another standard that garnered support from small business owners was limiting interest rates on business loans to make them more manageable, with 63% of respondents in favor. And 67% of small business owners want rules established to curtail financial speculation by Wall Street and banks.

Finally, 73% agree with measures allowing one-stop electronic filing of government paperwork.

■ **Figure 7: Limiting interest rates on loans can help small businesses**

(As a small business owner, how positive or negative do you feel toward each of these policies, on a scale from 0 to 10, where 0 is very negative and 10 is very positive, and you can pick any number in between.)

Limiting interest rates on business loans so they are manageable



Conclusion

In today's troubled global economy, small business owners are faced with an array of obstacles, many of which they simply can't overcome on their own. They see weak sales as the biggest problem for their business and the economy, and are looking to policymakers to pass pragmatic legislation that will help spur job creation. Regulations, while a hot topic within the Beltway, are not Main Street small business owners' main concern, and they would rather their representatives focus their efforts on other job creating strategies. In fact, they believe some regulations are needed to ensure a competitive and fair economy. They strongly believe regulations should be as tough on large corporations as they are on small businesses and that instead of scrapping regulations already on the books, as some lawmakers have been proposing, they should continue to be enforced. Small businesses can help pull the economy out of the doldrums, but they need government to be a partner that works to address their actual economic needs and creates a level playing field for small businesses to thrive.

Methodology

This poll reflects an Internet survey of 500 small business owners across the country, commissioned by the American Sustainable Business Council, Main Street Alliance and Small Business Majority and conducted by Lake Research. It has a margin of error of +/- 4.4%. The survey was conducted between December 8, 2011 and January 4, 2012.

Researchers used a random sample of small business owners obtained from Harris Interactive, with additional samples from InfoUSA.

Poll Toplines

1. Just to confirm, are you the owner of a for-profit small business, who handles operations of the business or manages the employees?

	TOTAL (%)	Business Size (by number of employees, including owner)		
		1	2-9	10+
Owner-operator.....	46	58	42	39
Owner-manager	10	3	10	19
Both	44	39	47	43
Neither.....	TERMINATE			
Don't know	TERMINATE			

2. Approximately how many people work 30 or more hours per week at your company, including yourself? Please don't include contractors.

Self-employed.....	26	100	0	0
2 – 14 employees	58	0	100	29
15 – 20 employees	7	0	0	30
21 – 99 employees	9	0	0	41

3. Which of the following is the most important problem right now for your small business?

Weak customer demand	34	45	33	23
The cost of health coverage and other benefits	15	11	14	22
The level of government regulation	14	12	14	15
The level of taxes	12	9	13	14
Competition from larger companies.....	10	12	8	13
Availability of credit to invest in your business.....	6	5	5	8
Quality and skills of available workers	5	2	7	5
Don't know	4	4	5	1

4. Which of the following would do the most to create jobs?

	TOTAL (%)	Business Size (by number of employees, including owner)		
		1	2-9	10+
Eliminating incentives for employers to move jobs overseas.....	24	29	26	15
Cutting taxes.....	14	10	14	17
Increasing consumer purchasing power.....	13	14	13	11
Improving infrastructure like roads, bridges, and water systems	12	17	9	13
Reducing regulation	10	6	12	11
Reducing the budget deficit	8	5	9	7
Making more credit available for small businesses	7	3	6	14
Improving education.....	5	4	5	5
Investing in clean energy and technology	3	1	2	5
Don't know	5	10	3	2

For each of these statements, please answer whether you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with the statement.

5. Some regulation of business is necessary for a modern economy.

Strongly agree.....	37	43	30	47
Somewhat agree	48	47	54	36
Somewhat disagree	9	2	10	12
Strongly disagree.....	4	4	3	5
Don't know	2	4	1	0
Agree.....	86	90	85	83
Disagree.....	13	6	14	17

6. SSA: My business can live with some regulation if it is fair, manageable, and reasonable.

Strongly agree.....	50	66	39	56
Somewhat agree	43	33	52	35
Somewhat disagree	4	0	7	3
Strongly disagree.....	3	1	2	6
Don't know	0	0	0	0
Agree.....	93	99	91	91
Disagree.....	7	1	9	9

7. SSB: My business can live with some regulation if it is fair, predictable, and reasonable.

		Business Size (by number of employees, including owner)		
	TOTAL (%)	1	2-9	10+
Strongly agree.....	51	56	47	58
Somewhat agree	41	35	49	29
Somewhat disagree	4	3	3	8
Strongly disagree.....	2	3	0	5
Don't know	1	3	0	0
Agree.....	93	91	96	87
Disagree	6	6	3	13

8. SSA: We should get rid of all government regulation on businesses.

Strongly agree.....	5	5	5	6
Somewhat agree	18	12	22	16
Somewhat disagree	35	28	34	43
Strongly disagree.....	37	45	35	30
Don't know	6	10	4	5
Agree.....	23	16	26	22
Disagree.....	72	73	70	73

9. SSB: We should get rid of all government regulation on corporations.

Strongly agree.....	3	4	3	2
Somewhat agree	12	9	14	11
Somewhat disagree	30	27	33	28
Strongly disagree.....	50	50	49	53
Don't know	5	10	2	5
Agree.....	15	13	17	13
Disagree.....	80	77	81	82

10. Some regulations are important to protect small businesses from unfair competition and to level the playing field with big business.

Strongly agree.....	31	33	25	40
Somewhat agree	48	48	53	36
Somewhat disagree	13	7	14	16
Strongly disagree.....	6	7	6	6
Don't know	2	6	1	2
Agree.....	78	81	78	76
Disagree.....	19	14	21	22

11. Enforcement of regulations should be at least as tough on large corporations as it is on small businesses.

	TOTAL (%)	Business Size (by number of employees, including owner)		
		1	2-9	10+
Strongly agree.....	74	79	72	74
Somewhat agree	20	19	21	20
Somewhat disagree	3	0	4	4
Strongly disagree.....	1	0	1	0
Don't know	2	2	2	1
Agree.....	95	97	93	95
Disagree.....	4	1	5	4

12. Regulations that are on the books should be enforced.

Strongly agree.....	31	41	22	37
Somewhat agree	45	41	51	37
Somewhat disagree	14	7	17	14
Strongly disagree.....	5	3	4	10
Don't know	5	7	6	1
Agree.....	76	82	73	74
Disagree.....	19	11	21	25

As a small business owner, how positive or negative do you feel toward each of these policies, on a scale from 0 to 10, where 0 is very negative and 10 is very positive, and you can pick any number in between.

13. Having clean air and water in your community, to keep your family, employees and customers healthy

Mean.....	7.8	8.2	7.8	7.4
10 – Very positive.....	36	44	35	31
8 – 9.....	28	26	29	25
6 – 7	15	12	15	19
5	11	9	11	13
0 – 4.....	9	8	9	12
Don't know	1	2	1	0
6 – 10	79	82	79	75
5 /DK	12	10	12	13
0 – 4.....	9	8	9	12

14. Limiting interest rates on business loans so they are manageable

	Business Size (by number of employees, including owner)			
	TOTAL (%)	1	2-9	10+
Mean.....	6.5	6.9	6.5	6.2
10 – Very positive.....	19	23	18	16
8 – 9.....	27	27	25	32
6 – 7.....	17	16	20	11
5.....	17	18	17	16
0 – 4.....	19	15	19	24
Don't know	1	2	1	0
6 – 10.....	63	65	63	59
5 /DK.....	18	20	18	16
0 – 4.....	19	15	19	24

15. Curtailing financial speculation by Wall Street and banks

Mean.....	7.2	7.5	7.2	6.9
10 – Very positive.....	33	37	34	26
8 – 9.....	22	22	20	28
6 – 7.....	12	10	14	8
5.....	14	12	12	19
0 – 4.....	16	15	17	17
Don't know	3	6	2	2
6 – 10.....	67	68	68	62
5 /DK.....	17	17	15	21
0 – 4.....	16	15	17	17

16. Ensuring that the products companies buy and sell are safe and healthy

Mean.....	7.8	8.2	7.8	7.4
10 – Very positive.....	32	41	30	27
8 – 9.....	30	24	35	27
6 – 7.....	17	20	15	21
5.....	13	10	12	17
0 – 4.....	7	4	7	8
Don't know	1	2	0	0
6 – 10.....	80	85	80	75
5 /DK.....	13	12	12	17
0 – 4.....	7	4	7	8

17. Holding health insurance companies accountable so they don't increase insurance rates by excessive amounts

	TOTAL (%)	Business Size (by number of employees, including owner)		
		1	2-9	10+
Mean.....	7.8	8.3	7.7	7.6
10 – Very positive.....	44	55	41	40
8 – 9.....	23	18	24	27
6 – 7.....	10	9	13	6
5.....	9	5	9	13
0 – 4.....	12	11	13	13
Don't know	1	2	1	0
6 – 10	78	82	78	73
5 /DK	10	8	10	14
0 – 4.....	12	11	13	13

18. Ensuring food safety for businesses and customers that buy or sell food products

Mean.....	8.1	8.6	8.1	7.7
10 – Very positive.....	40	50	37	34
8 – 9.....	31	28	35	28
6 – 7.....	13	11	13	15
5.....	9	7	7	14
0 – 4.....	6	2	7	9
Don't know	1	2	0	0
6 – 10	84	89	85	77
5 /DK	10	9	8	15
0 – 4.....	6	2	7	9

19. Ensuring worker safety for businesses in industries that pose higher occupational risks for workers

Mean.....	7.4	7.9	7.3	6.9
10 – Very positive.....	26	38	22	21
8 – 9.....	29	20	35	26
6 – 7.....	19	25	17	16
5.....	15	9	15	23
0 – 4.....	10	6	10	14
Don't know	1	2	2	0
6 – 10	74	83	74	63
5 /DK	17	11	16	23
0 – 4.....	10	6	10	14

20. Allowing one-stop electronic filing of government paperwork

	TOTAL (%)	Business Size (by number of employees, including owner)		
		1	2-9	10+
Mean.....	7.3	7.4	7.3	7.3
10 – Very positive.....	24	23	24	22
8 – 9.....	33	34	31	35
6 – 7.....	17	15	18	16
5.....	15	18	13	15
0 – 4.....	11	8	12	12
Don't know	1	2	2	1
6 – 10	73	72	74	73
5 /DK	16	19	15	16
0 – 4.....	11	8	12	12

21. Disclosure and regulation of toxic substances that are used in products

Mean.....	7.9	8.4	7.9	7.3
10 – Very positive.....	38	48	34	35
8 – 9.....	28	23	33	22
6 – 7.....	15	14	16	14
5.....	11	10	10	15
0 – 4.....	8	3	7	15
Don't know	1	2	1	0
6 – 10	80	85	82	70
5 /DK	12	12	11	15
0 – 4.....	8	3	7	15

22. Establishing standards that move the country towards energy efficiency and clean energy

Mean.....	6.4	7.1	6.3	6.0
10 – Very positive.....	23	36	20	17
8 – 9.....	21	16	23	21
6 – 7.....	17	12	16	24
5.....	13	15	15	8
0 – 4.....	24	18	25	29
Don't know	2	3	2	1
6 – 10	61	64	59	62
5 /DK	15	18	17	9
0 – 4.....	24	18	25	29

Finally, just some remaining questions for statistical purposes only.

23. Which of the following categories best describes your business?

	Business Size (by number of employees, including owner)			
	TOTAL (%)	1	2-9	10+
Manufacturing or construction.....	16	8	15	25
Retail or restaurant	14	11	17	10
Non-retail services	50	64	46	43
Other.....	21	18	22	22

24. Do you belong to any of the following business organizations? Please check all that apply.

A trade association in your industry	35	29	33	46
Your local Chamber of Commerce	24	9	22	45
National Federation of Independent Business.....	6	0	7	10
The U.S. Chamber of Commerce	2	1	0	9
Other business organization	25	20	24	33
None	42	57	43	24

25. Which of these news sources do you use on a regular basis? Please check all that apply.

Local newspapers	60	58	59	65
Local TV news	60	60	58	63
National network news (ABC, CBS or NBC) ...	45	41	45	49
Fox News television or website	36	27	38	42
CNN television or website	31	31	32	29
Public radio	29	38	23	32
Talk radio	26	22	24	36
National newspapers.....	23	20	19	33
MSNBC television or website.....	22	28	19	22
Internet news sites (not including those above)	63	70	60	62
Other.....	8	12	8	3

26. Generally speaking, do you think of yourself as a Republican, a Democrat, an independent, or something else?

IF INDEPENDENT: Would you say that you lean more toward the Republicans or more toward the Democrats

Republican.....	27	20	28	32
independent - lean Republican	23	17	25	25
independent	15	18	13	16
independent - lean Democratic.....	18	20	18	14
Democrat	14	19	14	10
Other party	3	6	2	3

27. What is your age?

	Business Size (by number of employees, including owner)			
	TOTAL (%)	1	2-9	10+
Under 40	11	13	11	11
40 44.....	9	12	7	11
45 49.....	14	16	12	17
50 54.....	7	4	7	12
55 59.....	17	14	19	16
60 64.....	18	18	18	18
65 69.....	12	15	12	8
70 74.....	7	7	7	3
Over 75.....	4	1	6	4
Don't know /Refused)	0	0	0	0

28. Are you male or female?

Male	63	58	57	82
Female	37	42	43	18

29. For statistical purposes only, which of these categories best describes the gross revenue of your business in 2010?

Under \$250,000	39	73	38	5
\$250,000 to \$500,000	12	2	22	3
Over \$500,000 to \$1 million	8	1	12	9
Over \$1 million to \$2 million.....	11	1	7	33
Over \$2 million to \$5 million	6	0	3	19
Over \$5 million to \$10 million.....	2	0	1	9
Over \$10 million.....	2	0	0	7
Decline to answer	18	22	18	15

AMONG THOSE WHO DO

NOT DECLINE N=.....	409	99	212	98
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Under \$250,000	48	94	46	6
\$250,000 to \$500,000	15	3	26	4
Over \$500,000 to \$1 million	10	1	14	11
Over \$1 million to \$2 million.....	14	1	8	38
Over \$2 million to \$5 million	8	0	4	22
Over \$5 million to \$10 million.....	3	0	1	10
Over \$10 million.....	2	0	0	9

30. In which of the following ranges does your total annual household income fall, before taxes?

	Business Size (by number of employees, including owner)			
	TOTAL (%)	1	2-9	10+
Less than \$25,000.....	4	6	5	1
\$25,000-\$34,999.....	4	6	4	0
\$35,000-\$49,999.....	7	13	8	1
\$50,000-\$74,999.....	14	15	16	7
\$75,000-\$99,999.....	13	12	14	14
\$100,000-\$149,999.....	17	12	18	20
\$150,000-\$249,999.....	16	8	13	31
\$250,000-\$499,999.....	3	0	3	7
\$500,000-\$999,999.....	0	1	0	1
Over \$1 million.....	0	0	0	1
Decline to answer.....	21	28	19	17

AMONG THOSE WHO DO

NOT DECLINE N=..... 396 93 208 95

Less than \$25,000.....	5	9	6	2
\$25,000-\$34,999.....	5	9	5	0
\$35,000-\$49,999.....	9	18	10	1
\$50,000-\$74,999.....	17	20	20	9
\$75,000-\$99,999.....	17	16	17	16
\$100,000-\$149,999.....	21	17	22	25
\$150,000-\$249,999.....	20	11	16	38
\$250,000-\$499,999.....	4	1	4	8
\$500,000-\$999,999.....	0	1	0	1
Over \$1 million.....	0	0	0	2

31. And just to make sure we have a representative sample, could you please identify which of the following descriptions best fit your company? Please check all that apply:

Minority-Owned Business.....	12	17	10	12
Woman-Owned Business.....	34	38	36	25
Veteran-Owned Business.....	15	23	13	12
None of the Above.....	49	40	50	59

32. What is the zip code of your business? _____

Region

New England.....	5	6	5	4
Middle Atlantic.....	15	16	14	13
East North Central.....	14	8	14	21
West North Central.....	7	6	8	5
South Atlantic.....	20	21	19	22
East South Central.....	5	7	5	3
West South Central.....	10	9	10	11
Mountain.....	8	14	7	3
Pacific.....	16	12	18	17

About the Organizations

American Sustainable Business Council

American Sustainable Business Council (ASBC) is a powerful coalition of business networks committed to building a vibrant, just, and sustainable economy.

www.asbcouncil.org

Main Street Alliance

The Main Street Alliance is a national network of state-based small business coalitions. MSA creates opportunities for small business owners to speak for themselves on issues that impact their businesses and local economies.

www.mainstreetalliance.org

Small Business Majority

Small Business Majority is a national nonpartisan small business advocacy organization, founded and run by small business owners, and focused on solving the biggest problems facing America's 28 million small businesses. We conduct extensive opinion and economic research and work with small business owners, policy experts and elected officials nationwide to bring small business voices to the public policy table.

www.smallbusinessmajority.org