

March 23, 2015

**Senate Business & Transportation Committee
1:00 PM – HR B**

Re: SB 100 & SB 101 – Business Regulations

NFIB is an association of about 7,000 Oregon, small, privately-owned businesses with a national membership of about 350,000. Our typical member has less than 10 employees not including the owner or owners.

We support SB 100 and SB 101.

I have attached a Fact Sheet on regulations and their impact upon small businesses. Though these facts mainly focus on federal regulations, regulations at any level have the same challenging effects.

In Oregon we have some 180 agencies producing an 11,000 page tome for businesses to abide by. I think you will agree our regulatory life has spun beyond productive control. Yes we need to protect the public, the consumer and the employee. Yes we need to protect the environment. Yes we need to manage sensible growth and development. But at what cost? We believe it can and should be balanced with a sensible regulatory environment.

In 2012 Forbes quoted a poll of small business owners that 55% would not start companies today and 69% stated regulation has harmed their business. This is substantiated by a May 2014 Brookings Institute report regarding the disconcerting fact that there are more business exits than business entries in the United State adversely affecting our job growth and our economic viability. This trend commenced in 2008 and to date there is no sign of it slowing.

While over-regulation is a problem for all businesses, a large business has more capacity to absorb and deal with regulations. That same regulation could affect a small business by causing them not to hire or make capital improvements, to terminate an existing employee or even worse, close their doors. A large majority of our members do not have an HR department. They do not have a compliance department. Those departments, and most all departments within their business, are being run by one and the same person – the owner.

We acknowledge that this is an area of great complexity. It has taken years to arrive where we are today and it will not be cured in a session or two. The longest journey begins with the first steps and we believe SB 100 & SB 101 provide excellent first steps worthy of pursuing. We urge you to move forward with both bills.

Thank you.

Small Business Facts

The Impact of Regulation upon Small Businesses

Small businesses create two-thirds of the net new jobs annually, employ more than half of the private-sector workforce, and generate nearly 50 percent of annual GDP. America's small businesses are the backbone of our economy and engines of job creation.

Regulations by the numbers

Today, there are 3,348 federal regulations in the pipeline, with nearly 1/3 impacting small business directly. (Source: [The Office of Information and Regulatory Affairs, Unified Agenda 2013](#))

According to the NFIB Small Business Optimism Index, small business owners have cited regulations as a top impediment to conducting business for over **65 months in a row**. (Source: [NFIB Small Business Optimism Index](#))

United States fell **out of the top ten ranks** in the ease of starting a business, according to World Bank data. In fact, the World Bank found that it's easier to start a new business in Portugal, Romania, Panama, Hungary and Belarus than in the U.S. (Source: [U.S. World Bank](#))

The annual rate of new business starts is about **28% lower today** than it was in the 1980s, according to a recent analysis of U.S. Census Bureau data in the Wall Street Journal. (Source: [Wall Street Journal, 2014](#))

Over the last five decades, there has been a tremendous growth of the Federal Register – in 1960 there were 22,877 pages and in 2012 there were 174,545 pages. (Source: [Competitive Enterprise Institute](#))

21 percent of small business owners cite regulations as their single most important problem (Source: [NFIB – Small Business Optimism Index](#))

90 percent of small business owners support reforming the regulatory process. (Source: [NAM/NFIB Survey, "Small Businesses and Manufacturers: Government a Barrier"](#))

74 percent of small business owners believe that businesses and consumers are over-regulated. (Source: [Public Notice, "MEMO: National poll on government regulations"](#))

72 percent of small businesses reported that regulations were hurting their “operating environment” (Source: [Wells Fargo/Gallup News Release, “Small Business Index”](#))

62 percent of small business owners and manufacturers say that the United States own laws, regulations, rules, taxes and fees impact their business more negatively than foreign competitors. (Source: [NAM/NFIB Survey, “Small Businesses and Manufacturers: Government a Barrier”](#))

55 percent of small business owners say they would not start a business today given what they know now and in the current regulatory environment. (Source: [NAM/NFIB Survey, “Small Businesses and Manufacturers: Government a Barrier”](#))

54 percent of small business owners say countries like China and India are more supportive of their small businesses and manufacturers than the United States. (Source: [NAM/NFIB Survey, “Small Businesses and Manufacturers: Government a Barrier”](#))

Need for Regulatory Reform at the Federal Level

283,615 full-time government employees were dedicated to drafting and enforcing regulations in 2012, while **fewer than 50 employees at OMB** are responsible for reviewing the new regulatory mandates to ensure they are justified and accurate prior to implementation (Source: [“Growth in Regulators’ Budget Slowed by Fiscal Stalemate: An Analysis of the U.S. Budget for Fiscal Years 2012 and 2013,”](#) The George Washington University and Washington University in St. Louis)

- See more at: <http://www.sensibleregulations.org/resources/facts-and-figures/#sthash.nPXffs0v.dpuf>

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