



NSBA BACKGROUNDER

The **National Small Business Association (NSBA)**, formerly National Small Business United, is the nation's oldest small-business advocacy group. Since 1937, NSBA has worked on a proactive and nonpartisan basis on behalf of America's entrepreneurs. In addition to advocating for entrepreneurs, NSBA conducts a comprehensive nation-wide survey of small businesses. This annual survey, coupled with more targeted surveys, enables us to have our finger on the pulse of small business in America. In addition to a broad national membership, NSBA serves as an umbrella group to several regional, state and local small business organizations, and two national councils with expertise in exporting and technology.

NSBA holds a biennial conference of our members to vote on our top ten priority issues for every session of Congress, as well as annual member fly-ins to lobby Congress on these key issues. In addition to those priorities, NSBA has taken leadership roles in the following policy areas:

Energy Efficiency

Earlier this year, NSBA adopted a comprehensive energy policy, calling for increased federal funding and incentives for the use, research, and development of alternative and renewable energy sources and more incentives and mechanisms for small business energy-efficiency improvements. NSBA has also launched its ENERGY STAR Challenge—calling on our members to reduce their energy consumption by 10 percent or more through improved energy efficiency.

<http://www.nsba.biz/energystarchallenge/>

Tax Gap

NSBA's top priority for the 110th Congress is to ensure a fair and equitable solution for the so-called tax gap. With underreporting comprising 80 percent of the total shortfall, or \$166 billion, the IRS claims that small businesses are responsible for \$109 billion. Many of the proposed solutions would impose significant burdens on small businesses—exacerbating the already high tax compliance burden. In April, NSBA launched a campaign to address the tax gap and ensure fair treatment of small-business owners. www.preventirsabuse.org.

Self-Employment Tax on Health-Care

NSBA has led a coalition to push for removing the tax penalty self-employed individuals pay on their health insurance premiums. Currently, corporations can deduct the cost of premiums as a business expense and forego all payroll taxes on these expenses. Unfortunately, the self-employed are prohibited from taking that deduction, resulting in an additional 15.3 percent tax on their health insurance premiums.

<http://www.setaxequity.org/>

Broad Health Care Reform

In 2004, NSBA proposed a broad reform of the health care system. That reform would require individuals to carry health insurance, provide subsidies to low-income individuals, revamp how health care and health insurance is taxed, and overhaul the insurance market. The NSBA plan calls for the use of evidence-based standards; quality, outcomes and price transparency; and health IT.

http://www.nsba.biz/docs/health_policy_brief.pdf

Fair Credit Card Practices

For far too long, the credit-card industry has been allowed to engage in acts in direct violation of free-market capitalism and fundamental fairness. A recent NSBA survey found credit cards are used more by small- and mid-sized businesses than any other source of financing, and that more than half of small businesses report worsening terms of their credit cards.

http://www.nsba.biz/docs/credit_card_reform.pdf



Since 1937, the National Small Business Association (NSBA) has been an outspoken advocate for small business, working on a strictly nonpartisan basis to positively impact federal legislation and regulation in order to help America's small-business community prosper. Reaching more than 150,000 small businesses nationwide, NSBA is the oldest small-business advocacy organization in the country.

NSBA can trace its beginnings to the actions of one man, DeWitt M. Emery, owner of the Monroe Letterhead Corporation in Akron, Ohio. His company was struggling amid the Great Depression and Emery was running out of answers. The Monroe Letterhead Corporation, founded in 1911, dealt with the task of paying Social Security, unemployment insurance, increased county and state taxes, higher material costs, and increased wages—many of the same challenges today's small-business owners face.

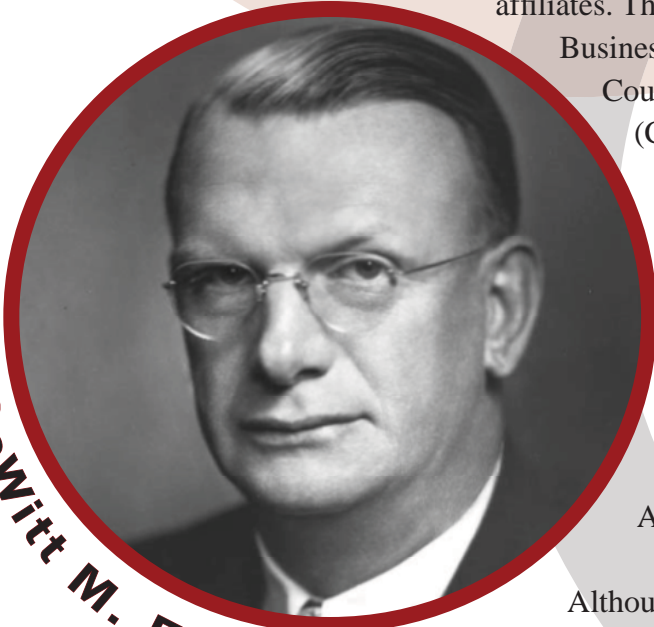
Emery, convinced the White House was unfairly targeting small-business owners, wanted to do something to correct this injustice, and on Nov. 13, 1937, Emery founded the National Small Business Men's Association. He crafted a mission statement and began to recruit members. Emery sent a letter to as many small-business owners as he could find, asking them to join the newly-formed association. Of the 200 owners that received the letter, 160 of them joined the nascent group.

By 1962, the group had changed its name to the National Small Business Association—acknowledging the strong presence of women business owners. While the name is the same one used today, the organization underwent several name changes since the 1960's.

In 1981, Small Business United (SBU) started with a similar mission statement as NSBA. Although SBU technically was a competitor at the time, that group helped lay the foundation for NSBA's current network of affiliates. The original SBU member groups included the Smaller Business Association of New England (SBANE), SMC Business Councils of Pittsburgh, and the Council of Smaller Enterprises (COSE) in Cleveland.

In 1986, SBU and NSBA merged to become National Small Business United. The organization kept that name until 2003, when it reverted to the NSBA moniker. As the association grew, so did the list of affiliate groups. Later additions include the Arizona Small Business Association, Small Business California, the Missouri Merchants and Manufacturers Association, and the Small Business Association of Michigan.

Although much has transpired since Emery's death, NSBA's original roots remain. Roots solidly engrained with the ideals of a vibrant and prosperous small-business community.



DeWitt M. Emery