

## SBA Office of Advocacy

*To achieve its mission, the Office of Advocacy must be independent and fully-resource*

NSBA supports the U.S. Small Business Administration's (SBA) Office of Advocacy and its important objectives. Charged with analyzing the role of small business in the U.S. economy, pursuing policies that support small-business growth, and ensuring that the needs and concerns of small firms are considered by the federal government, the responsibilities of the Office of Advocacy (Advocacy) are far-reaching and vital. Devoted solely to serving America's small businesses, Advocacy is essential for small-business regulatory parity and remains the only consistent resource for reliable information about the status and role of small business in the U.S. economy.

Since they have been granted considerable leeway over how to interpret and enforce laws passed by Congress, federal agencies and departments enjoy something of a free reign over too many of the regulations that govern small business. Unfortunately, agencies too often interpret and enforce legislation in such a way as to seriously harm America's small businesses. For example, a recent report from SBA found that, since 2005, the per-employee cost for all regulations for the smallest businesses (those with fewer than 20 employees) increased from \$7,647 to \$10,585. For large companies, the increase was less dramatic, from \$5,282 to \$7,755. This accounts to a 36 percent higher cost per-employee for small firms than large firms.

While various regulatory reform initiatives—such as the *Regulatory Flexibility Act of 1980*, the *Small Business Regulatory Enforcement Fairness Act* in 1996, and the *Small Business Paperwork Relief Act* in 2002—have been successful in precluding the implementation of a range of onerous rules and alleviating some of the federal regulatory and paperwork burden, these laws are only as strong as the agency dedicated to their enforcement. Although Advocacy reports that its interventions resulted in foregone, first-year regulatory cost savings of \$7 billion in Fiscal Year 2009, the federal regulatory and paperwork burden has ballooned and is still growing.

NSBA is pleased that Congress finally provided the Office of Advocacy with an independent line-item budget, which will afford the agency with the freedom to actively seek regulatory fairness and ensure small business concerns are taken into consideration.

Congress must ensure that it allocates the financial resources required for the agency to achieve its critical objectives.