



STATEMENT FROM NSBA PRESIDENT

Jan. 25, 2010

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NSBA Responds to Automated IRA Proposal

Washington, D.C. – During an address on the middle class on Monday, Jan. 25, President Barack Obama outlined his plan to require employers who currently do not have a retirement plan to set-up IRAs for every employee and implement direct deposits from payroll into such an account. Although specifics still have not yet been made available, NSBA President and CEO Todd McCracken responded to the general ideas of the proposal.

Statement from Todd McCracken:

“In general, NSBA is opposed to any mandates that create a new and significant burden on small business. Particularly now—as small businesses struggle to stay afloat—the administrative burden and associated costs of this proposal to mandate IRAs could have serious and unintended consequences on job growth and creation.

“Despite the promises of some that this wouldn't constitute a major burden for small businesses, I don't know that there's been enough thought to how certain small businesses, restaurants and retailers in particular, would comply with this if they don't use a payroll company or participate in direct deposits.

“We hear from small-business owners on a daily basis who are walking a very thin line between staying open and having to close up shop. The idea behind the proposal, enhancing savings of America's middle class, is a noble one. However, putting the responsibility on one of the most hard-pressed and financially strapped segments of today's economy—small business—is not only unfair, it could be very problematic for some small businesses and their employees.

“According to the NSBA 2009 Year-End Economic Report, the number of small businesses citing decreases in revenue over the past 12 months rose to its highest point since 1993. What we need now is help—not new mandates.”

Since 1937, NSBA has advocated on behalf of America's entrepreneurs. A staunchly nonpartisan organization, NSBA reaches more than 150,000 small businesses nationwide with members as diverse as the economy they fuel. For more information, please visit www.nsba.biz.

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