

PRESS KIT

NSBA
National Small Business Association





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.

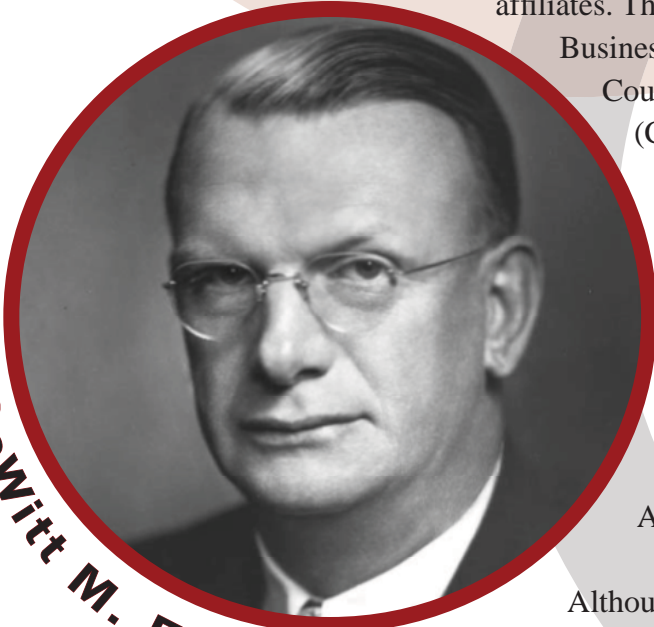
Emery, convinced the White House was unfairly targeting small-business owners, wanted to do something to correct this injustice, and on Nov. 13, 1937, Emery founded the National Small Business Men's Association. He crafted a mission statement and began to recruit members. Emery sent a letter to as many 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



FACTSHEET: SMALL BUSINESS BY THE NUMBERS

About Small Business

More than one in two people in the U.S. private workforce work for or run a small business, according to data from the U.S. Small Business Administration Office of Advocacy and U.S. Census Bureau

Since 1989, small business has created 93.5 percent of all net new jobs, totaling 21.9 million new jobs in the past 19 years—or 4,000 jobs per day.

Small business comprises 99.7 of all U.S. private employers, or 26.8 million businesses, and creates more than half of U.S. gross domestic product.

Small firms create 13 times more patents per employee than large firms, and export an average of \$375 billion in goods and services every year.

Fifty-four percent of adults surveyed in the 2007 Harris Interactive Poll, Confidence in Leaders of Major Institutions expressed a great deal of confidence in small-business owners—the only group in the past three years to garner such a high rating from a majority of people.

Economic Slowdown

When asked in early 2007 to compare the current national economy with five years ago, 43 percent said that the U.S. is worse off. In September 2008, that number jumped to 68 percent, and skyrocketed to 91 percent in December 2008.

Small-business owners struggle to remain optimistic about their own business. Two-thirds (62 percent) of small-business owners today are confident about the future of their own business. In September 2008, 75 percent expressed confidence—a 17 percent drop in just four months.

The U.S. Small Business Administration's 7(a) guarantee program—the SBA's flagship loan program-- was down 30 percent for FY 2008.

According to the October 2008 Federal Reserve Board Senior Loan Officer Survey, 75 percent of U.S. banks have tightened their lending standards on small business loans. When asked about credit cards, 20 percent cited reduced limits on prime borrowers while 60 percent lowered limits on nonprime borrowers. Ninety-five of those banks that lowered limits cited the poor economy and reduced tolerance for risk as reasons for lowering the credit card limits—neither of which are attributable to poor performance of the credit card holder.

Key Issues

Seventy-five percent of small-business owners cite “economic uncertainty” as one of the most significant challenges they face to the growth and survival of their business, with the cost of health insurance (43 percent), inability to access capital (33 percent) and federal taxes (32 percent) rounding out the top three.

Spikes in energy costs greatly impact small business. In February 2008, 77 percent of small-business owners were negatively impacted by rising energy costs.

In 2008, only 38 percent of all small businesses were able to provide health insurance to their employees, down from 61 percent in 1993.

Nearly half (49 percent) of all small-business owners rely on credit cards as a source of financing for their business, yet 69 percent report that their credit card terms are worsening.





The National Small Business Association conducts myriad surveys, reporting on the state of the small-business community and business owner's opinions on a broad range of topics including economic outlook, employee benefits, financing, energy costs and public policy.

Annual Survey of Small Business

NSBA conducts annually a nationwide survey of 500 small-business owners representative of all U.S. small businesses on a wide array of topics ranging from politics to employee benefits to financing. The results are released mid-spring.

Economic Reports

Twice a year, NSBA surveys 250 of our member businesses—which are typically older, more established businesses—on issues of financing, job growth and economic outlook to provide a snapshot of how small business is faring at periodic times during the year. The Mid-Year Economic Report is released early-fall and the Year-End Economic Report is released at the beginning of the year.

Targeted Surveys

NSBA conducts member surveys throughout the year on issues of importance to the small-business community. These surveys provide an in-depth look at how the small-business community feels about a particular issue. These surveys are released on an as-needed basis.

Quick Polls

Each week, NSBA polls our members on one or two timely items of interest to lawmakers and the media. These polls provide a quick measure of where small business stands on a particular issue. Quick Poll results are generally released a week after the poll was taken.





BIOGRAPHY

Todd O. McCracken

President National Small Business Association

Todd McCracken currently serves as president of National Small Business Association (NSBA), directing all activities of the advocacy-oriented association. Mr. McCracken became president of NSBA in 1997. Mr. McCracken started with the association in 1988, previously serving as vice president of government affairs.

Mr. McCracken is a registered lobbyist before the U.S. Congress, representing the organization in myriad settings. As director of its government affairs arm, Mr. McCracken plays a key role in developing NSBA's policies on issues and the strategies in implementing them. Since coming to the association, Mr. McCracken has testified before Congress numerous times about issues ranging from fundamental health care reform to tax code restructuring.

Mr. McCracken also is a frequent commentator in the media, having appeared on CNN, CNBC, Fox News Channel, MSNBC, and NBC Nightly News as well as in the Financial Times, The Wall Street Journal, The Washington Post, The New York Times, and myriad other publications.

As a non-partisan organization, NSBA works proactively with elected and administration officials to promote policies that support small business growth and development. NSBA is the nation's oldest small business organization. It was founded in 1937.

A native of New Mexico, Mr. McCracken is a graduate of Trinity University in San Antonio, Texas, with a B.A. in Economics.





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