



THE

POLITICS OF



SMALL

BUSINESS



PRODUCED BY **NSBA**  
National Small Business Association



# FOREWORD

As the 2012 elections kick into high gear, America's small businesses continue to be a focal point for stump speeches, however what really matters is what happens after the campaigning is over. While we have no realistic expectation that this bipartisan rally cry for small business will translate into an easing of the partisan politics that are gridlocking the federal government, we are hopeful that lawmakers will take this time to consider the important role small business plays not just in the U.S. economy but in our overall political system.

NSBA surveyed a broad number of member and nonmember small businesses on a variety of topics related to politics and the U.S. political system. The survey evaluated small business opinions on topics ranging from Congress' understanding of small business to which party best represents small-business issues. And while the respondent's political persuasion played a key role in their opinions, all small-business owners surveyed agreed on one thing: economic and fiscal issues drive their voting decisions.

A key take-away from this survey is the fact that small-business owners are very active in politics with 97 percent saying they vote in national contests and 94 percent voting in state contests. Comparatively, voter turnout among the U.S. voting-age population for the 2008 presidential race was 57 percent. Additionally, 69 percent report they have contributed to a candidate's campaign and 76 percent have contacted their lawmakers on small business issues.

While the survey does show significant differences of opinion between Republican and Democratic respondents, there is broad agreement that politics have become more partisan in the last 10 years. Small-business owners expressed significant discontent with their elected officials and the overall U.S. political machine. Fifty-eight percent of small businesses think they are not well represented by nationally elected officials and 62 percent believe the U.S. political system does not serve their business well.

Furthermore, most respondents agree that Congress and the administration don't really understand small business.

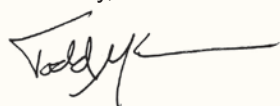
NSBA's 650-plus respondents do not appear to be overly partisan, regardless of their own party affiliation. While there were more survey respondents who identify Republican, 80 percent say they do not vote a straight party ticket: 60 percent of Republicans say they occasionally vote for a Democrat and 68 percent of Democrats say they occasionally vote for a Republican. Large majorities of both parties report occasionally voting independent.

Despite the many challenges thrown their way in the last five years, the Great Recession and a sluggish economic recovery, small businesses are still here. In fact, there are 70 million small-business owners or employees in the U.S.—that's one in three of the U.S. voting population. While the outcome of this survey shows a relatively strained relationship between lawmakers and small business, it is not too late. Lawmakers have a long, and growing, to-do list which includes many measures that could positively impact small business beyond a stump-speech here and there.

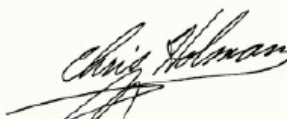
Current and hopeful lawmakers have an opportunity to reach out to a massive voting block by underscoring their commitment to America's small-business community.

We hope you find the information in this survey useful.

Sincerely,



Todd McCracken  
NSBA President and CEO



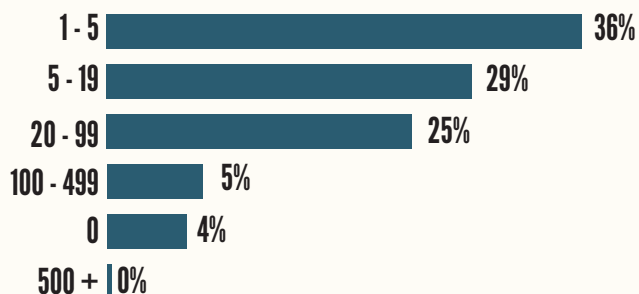
Chris Holman  
NSBA Chair  
Michigan Business Network

## A LOOK AT THE

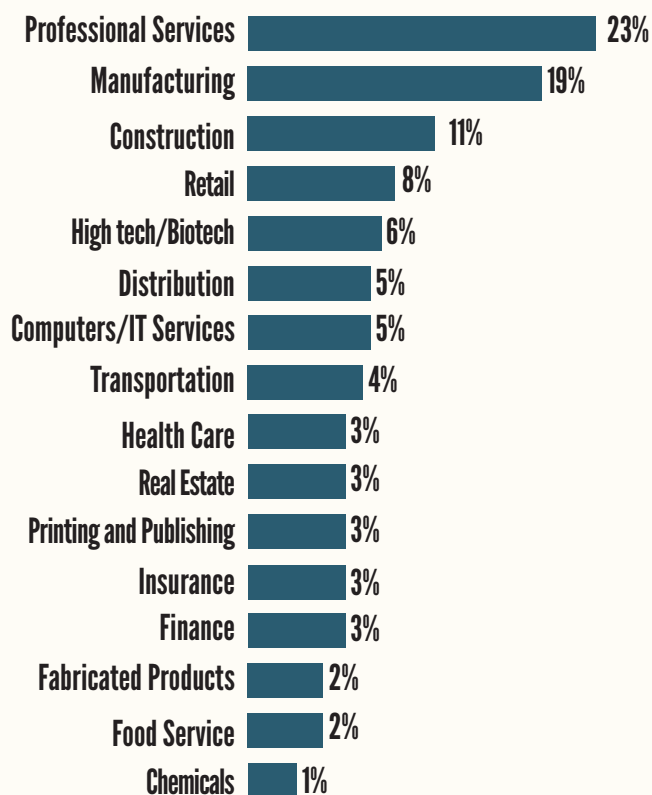
# DEMOGRAPHICS



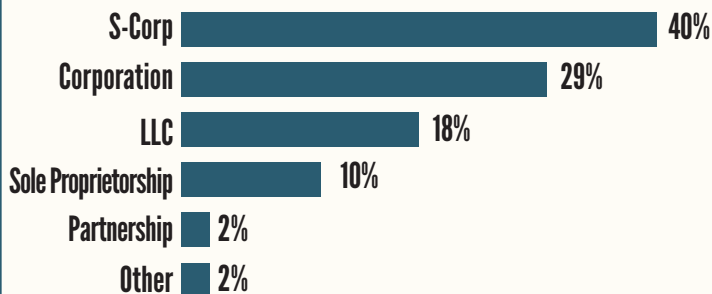
### How many full time employees do you have?



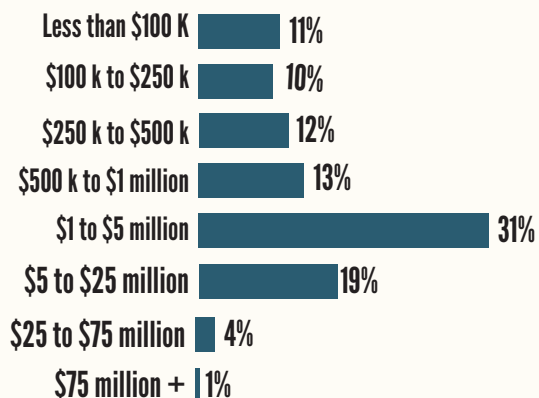
### Which of the following best describes the industry or sector in which your business operates?



### Which of the following best describes the structure of your business?



### What were your gross sales or revenues for your most recent fiscal year?



### Worth Noting

The businesses surveyed represent a slightly larger proportion of c-corps than what is found in the at-large small-business community where approximately 17 percent are c-corps. Additionally, employee size and revenues are slightly larger among the survey sample than what is generally found among the at-large small-business community. Finally, the survey respondents represent a slightly higher proportion of manufacturers and professional services.

A LOOK AT

# POLITICAL INVOLVEMENT



Are you registered to vote?



# 99%

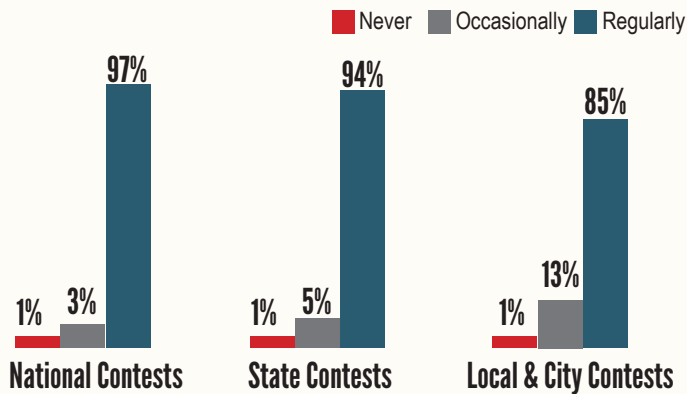
reported being registered to vote.

## Worth Noting

Small-business owners have a remarkably high percentage of being registered to vote and are politically active on myriad issues—not just small-business specific issues. Comparatively, voter turnout among the U.S. voting-age population for the 2008 presidential race was 57 percent.

Small businesses also are highly engaged with 69 percent reporting they have contributed to a candidate's campaign and only 20 percent reporting they have never given money to any political campaign or organization.

How regularly would you say you vote in the following elections/  
ballot initiatives?

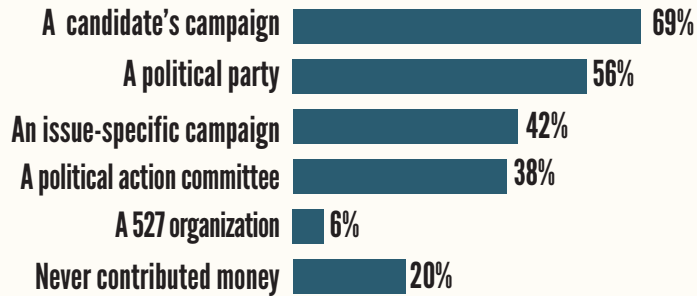


## A LOOK AT

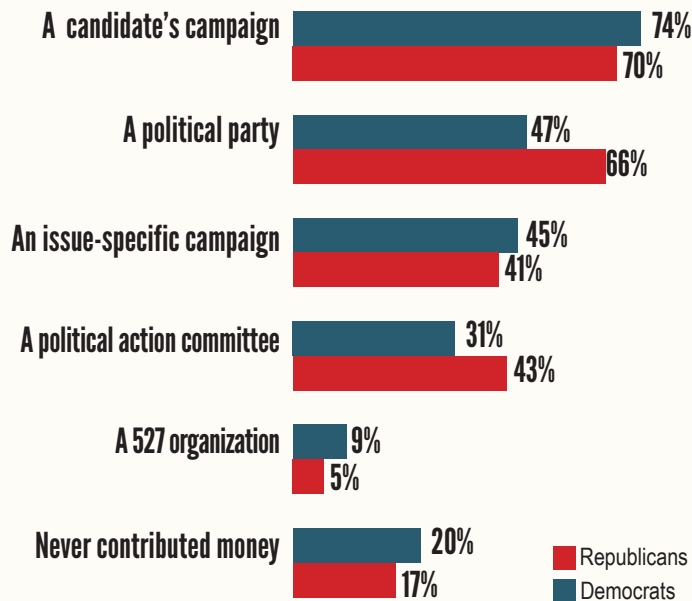
# POLITICAL INVOLVEMENT



### Have you ever contributed money to... (Check all that apply)



### Have you ever contributed money to... (Check all that apply)



### Worth Noting

Democratic and Republican small-business owners make similar levels of contributions, however Republicans have a notably higher rate of making contributions to political parties and political action committees.

## A LOOK AT

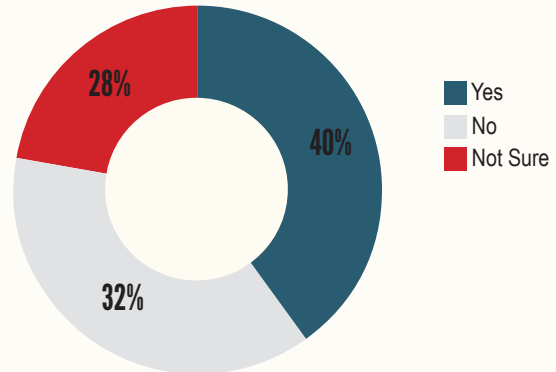
# POLITICAL INVOLVEMENT



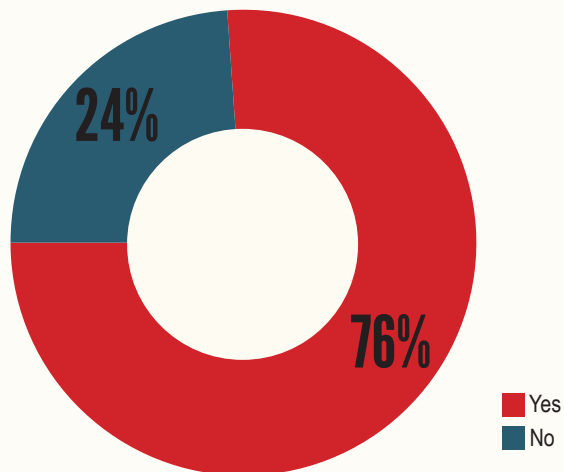
### Worth Noting

Beyond simply contributing money toward campaigns and political parties, small-business owners are very actively engaged with their elected officials. Three in four small-business owners report contacting their lawmakers on small business and other key issues, and 40 percent report that their lawmakers know who they are or have an ongoing relationship with their elected officials.

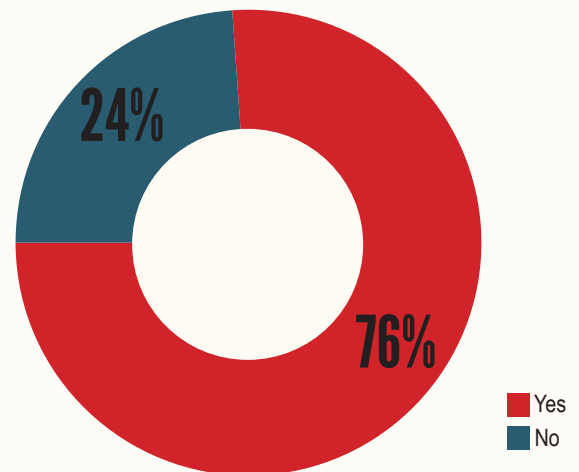
### Do your elected officials know who you are?



### Have you ever contacted your elected officials on an issue NOT having to do with your small business?



### Have you ever contacted your elected officials on a small-business issue?

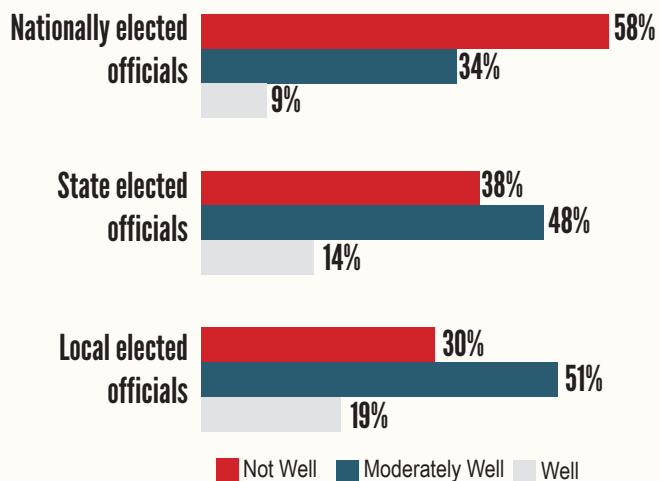


A LOOK AT

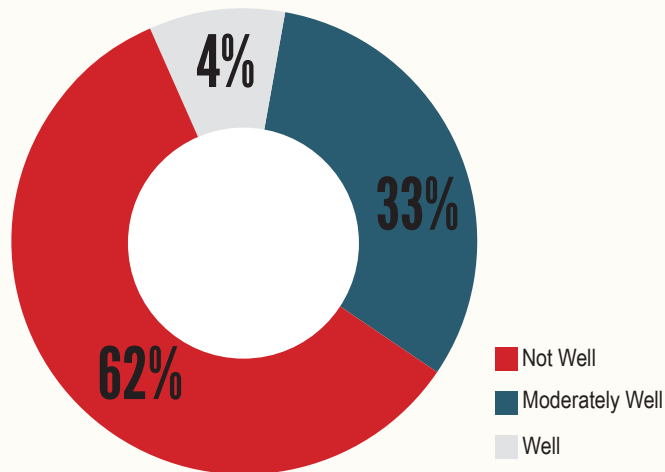
# POLITICAL DISCONTENT



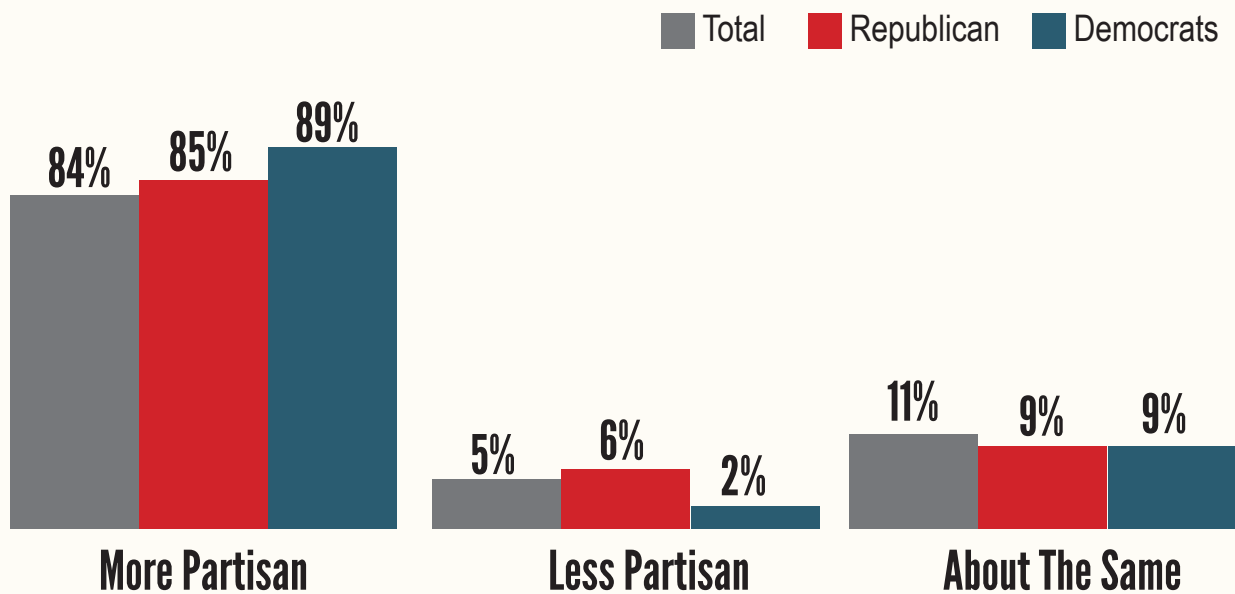
## How well do you think your elected officials represent you?



## Do you think the current U.S. political system serves your business...



## In the last 10 years, do you think politics have become...



## A LOOK AT

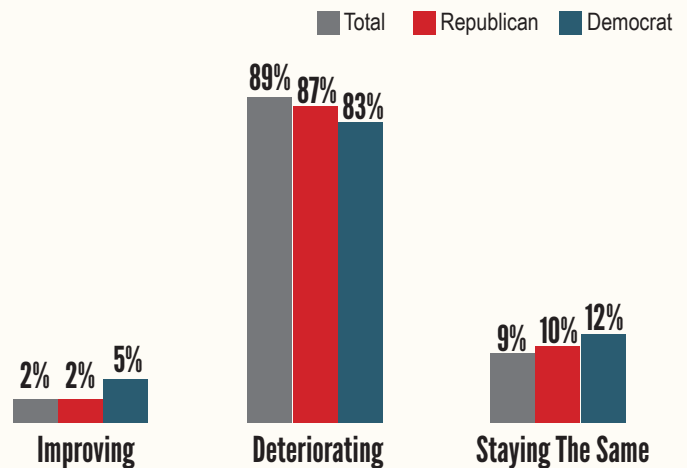
# POLITICAL DISCONTENT



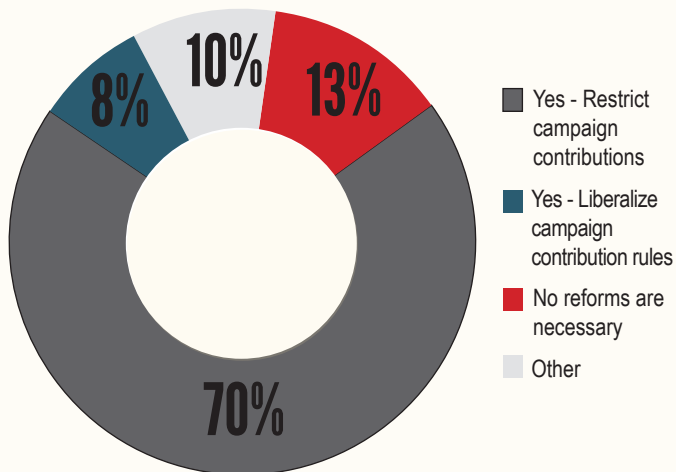
### Worth Noting

There is growing discontent among small-business owners with their elected officials and the overall U.S. political machine. Significant majorities of both Republicans and Democrats agree that politics have become more partisan in the last 10 years and that the ability of lawmakers to deal with problems in the U.S. political system is deteriorating.

### Do you think the ability of the U.S. political system to deal effectively with its problems is...



### Do you support campaign reform strategies?



### Worth Noting

Interestingly, despite the majority of respondents noting that they have made political contributions, 70 percent support some kind of campaign finance reform, namely, restrictions on campaign contributions.



## A LOOK AT

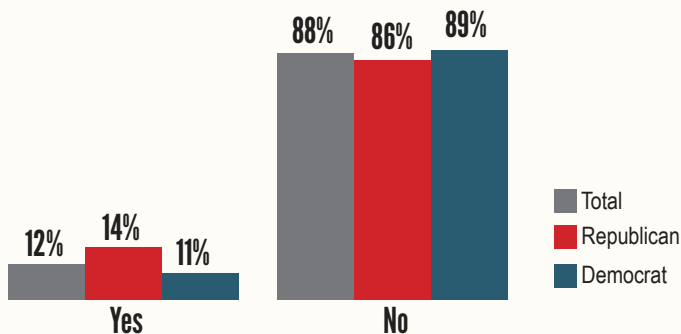
# POLITICAL INVOLVEMENT



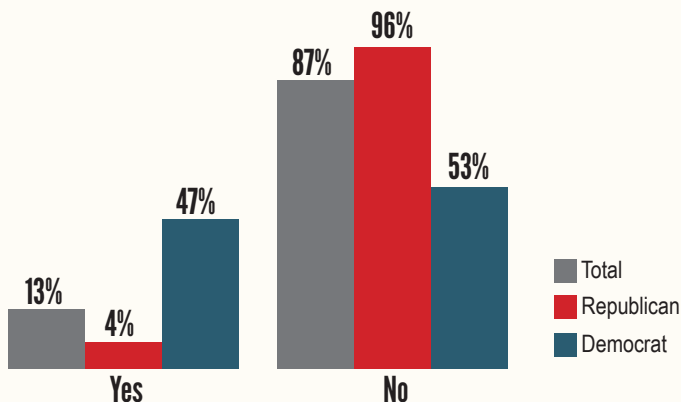
### Worth Noting

Although there are clear differences among Democrats and Republicans in terms of their issues, their support of particular lawmakers and how they view both parties, there are several unifying facts about the small-business community. Among those: the majority of both Republicans and Democrats agree that Members of Congress and the administration don't really understand small business.

### Do you think Congress understands small-business issues?



### Do you think the administration understands small-business issues?



**SMALL BUSINESS OWNERS**

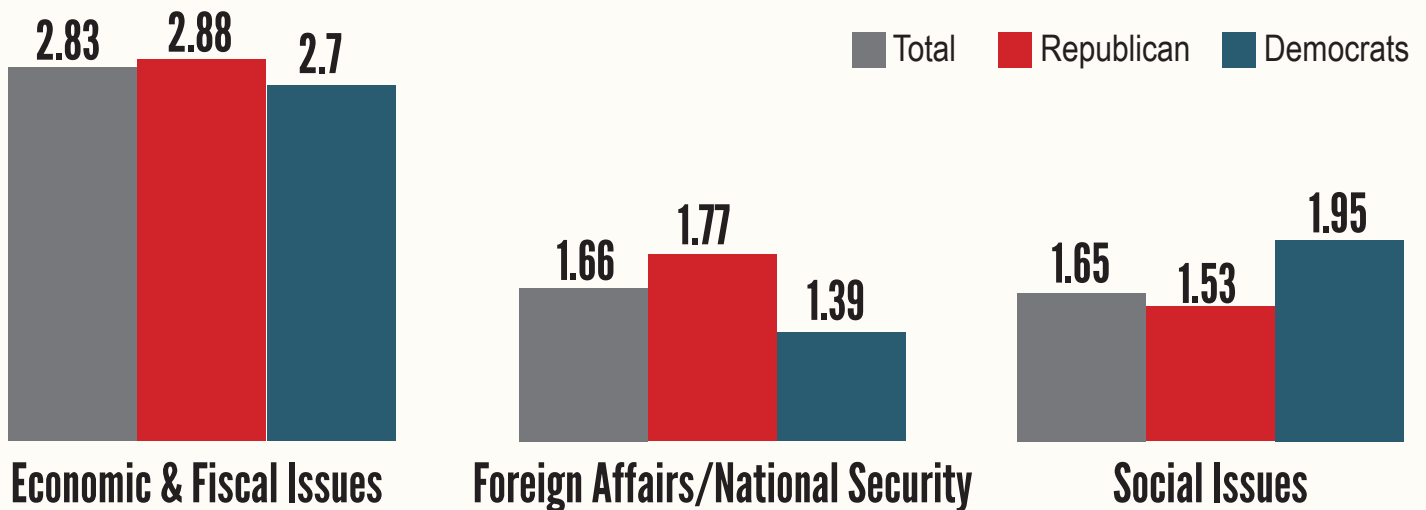
# On The Issues



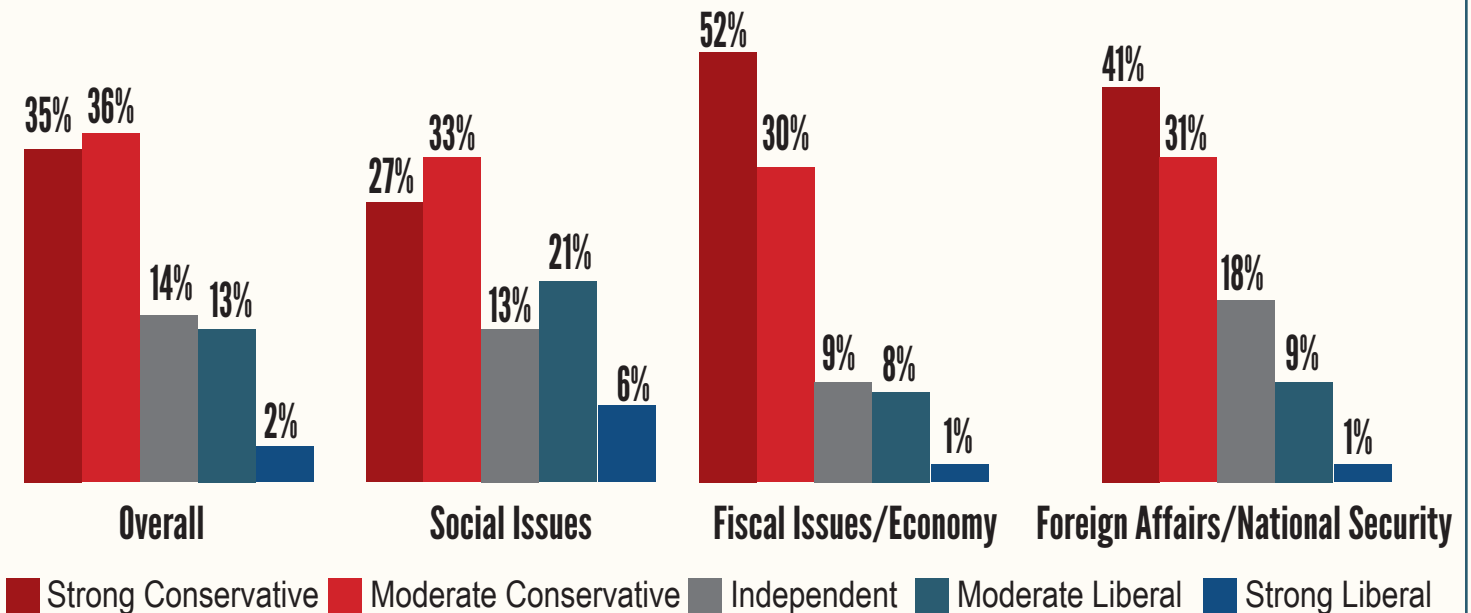
**Worth Noting**

Most small-businesses owners, regardless of political affiliation, place a higher level of importance on economic and fiscal issues than they do on national security and social issues.

Please rank 1 through 3, with 3 being the most important, how the following issue areas determine how you vote.



Please check where your political affiliations lie in the following three categories.



**SMALL BUSINESS OWNERS**

# On The Issues



**Worth Noting**

When it comes to key issues, Republican and Democratic small-business owners agree that controlling health care costs and tax reform are important by weighing in with their Members of Congress.

However, when asked to rate which party is better on a particular issue, political affiliation played a significant role.

**If you have contacted your elected officials on a small-business issue, what were the issues? (Check all that apply)**

	Total	Dems	Reps
<b>Controlling Costs of Healthcare</b>	48%	41%	49%
<b>Tax Reform</b>	47%	35%	52%
<b>Regulatory Reform</b>	34%	23%	38%
<b>Deficit Reduction &amp; Entitlement Reform</b>	33%	11%	38%
<b>A local issue</b>	33%	37%	33%
<b>Small-Business Contracting</b>	25%	37%	21%
<b>Tort Reform/Medical Malpractice Reform</b>	22%	8%	27%
<b>Immigration Reform</b>	21%	10%	23%
<b>Fair Labor/Union Issues</b>	19%	10%	20%
<b>SBIR Reauthorization</b>	16%	23%	12%
<b>Improving Access to Capital</b>	15%	30%	10%
<b>A casework issue involving my business</b>	13%	13%	13%
<b>Other</b>	12%	18%	11%
<b>White House Conference on Small Business</b>	12%	23%	9%
<b>Exporting/Free Trade Issues</b>	11%	13%	11%
<b>SBA Lending Programs</b>	11%	20%	10%
<b>SBA Office of Advocacy</b>	11%	14%	8%
<b>Energy Efficiency for Small Business</b>	5%	11%	5%

**SMALL BUSINESS OWNERS**

**On The Issues**



**Republican survey respondent answers to: “Which party do you think is more supportive of small business on the following issues?”**

	Not Sure	Neither	Dems	Reps
Controlling Costs of Healthcare	3%	23%	3%	72%
Deficit Reduction & Entitlement Reform	3%	20%	2%	75%
Energy Efficiency for Small Business	32%	23%	12%	33%
Exporting/Free Trade	15%	23%	3%	59%
Fair Labor/Union Issues	8%	11%	8%	72%
Immigration Reform	10%	30%	4%	55%
Improving Access to Capital	17%	26%	4%	53%
Regulatory Reform	8%	22%	2%	69%
SBA Lending Programs	32%	24%	7%	36%
SBA Office of Advocacy	34%	18%	5%	44%
SBIR Reauthorization	44%	17%	5%	34%
Small-Business Contracting	24%	24%	5%	47%
Tax Reform	2%	14%	1%	84%
Tort Reform/Medical Malpractice Reform	12%	21%	2%	66%
White House Conference on Small Business	19%	16%	4%	62%

**Democratic survey respondent answers to: “Which party do you think is more supportive of small business on the following issues?”**

	Not Sure	Neither	Dems	Reps
Controlling Costs of Healthcare	4%	21%	68%	7%
Deficit Reduction & Entitlement Reform	11%	37%	40%	11%
Energy Efficiency for Small Business	17%	19%	63%	1%
Exporting/Free Trade	22%	27%	43%	8%
Fair Labor/Union Issues	10%	18%	63%	8%
Immigration Reform	12%	36%	45%	6%
Improving Access to Capital	17%	36%	43%	4%
Regulatory Reform	13%	31%	40%	16%
SBA Lending Programs	22%	23%	51%	4%
SBA Office of Advocacy	32%	18%	47%	2%
SBIR Reauthorization	36%	25%	37%	2%
Small-Business Contracting	20%	33%	45%	2%
Tax Reform	6%	33%	52%	9%
Tort Reform/Medical Malpractice Reform	23%	33%	23%	20%
White House Conference on Small Business	26%	19%	50%	5%

## SMALL BUSINESS OWNERS

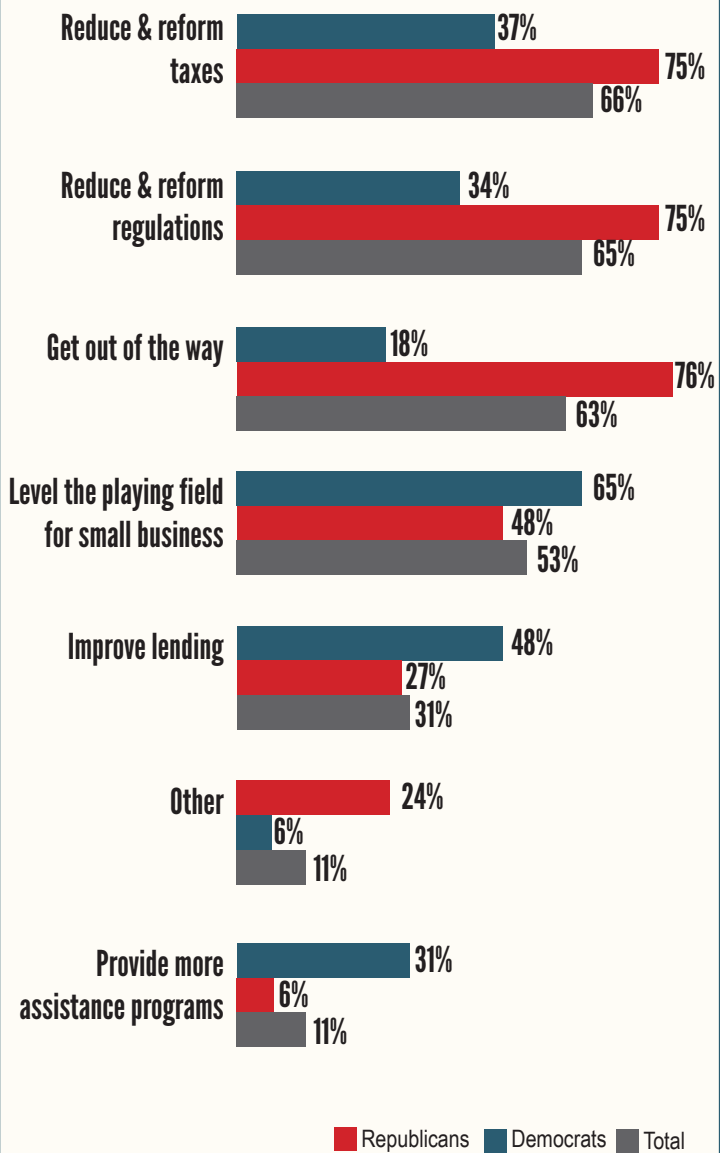
# On The Issues



### Worth Noting

In-line with NSBA's member-approved priority list, tax reform comes in at the top, however among Democrats, it only ranks as the number three issue. One common thread among these issues that both Republicans and Democrats support is leveling the playing field for small business. Because there were more Republicans in the survey sample, the overall issue rankings tend to put higher priority on typically-held Republican priorities such as taxes and regulatory reform. However, a recent Gallup Poll showed that regulatory burden was the number one issue for small businesses.

### What do you think the federal government should do to help your business? (Check all that apply)

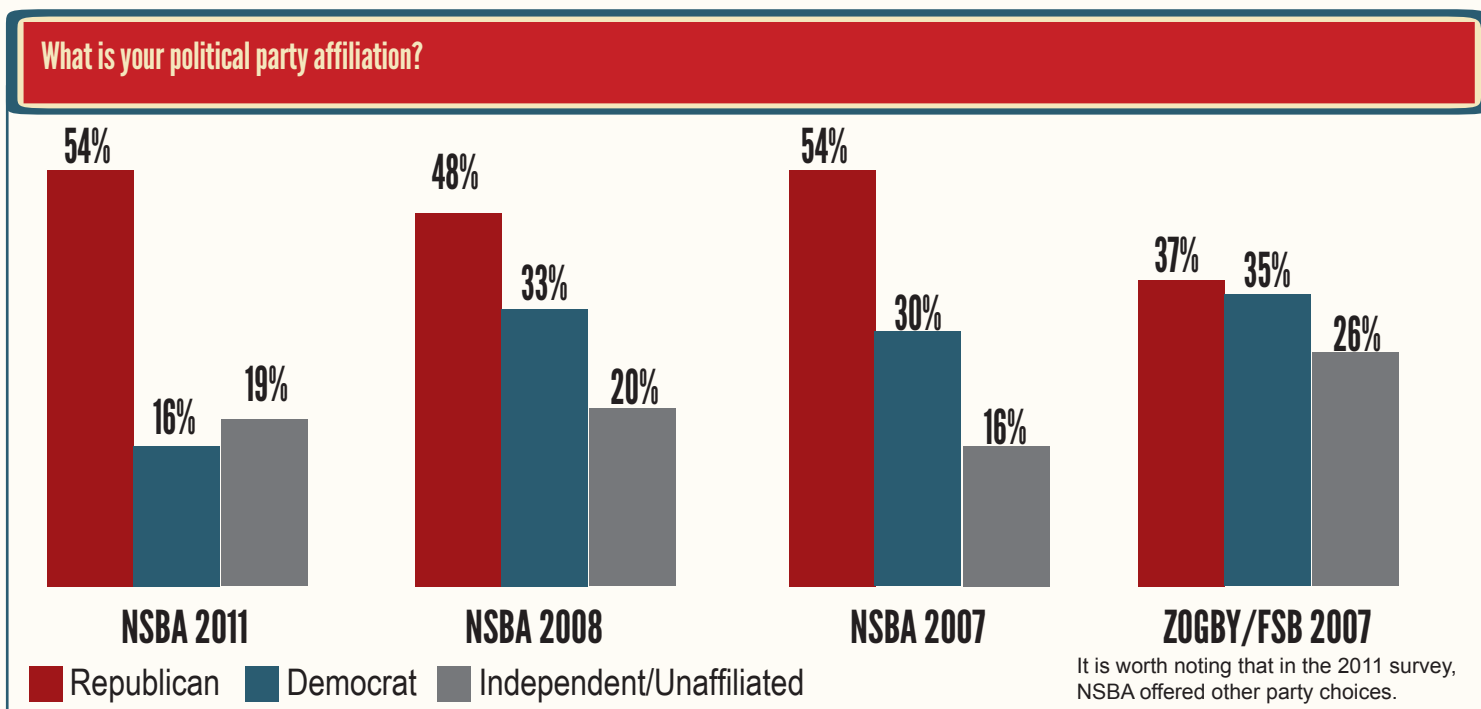


# SMALL BUSINESS AND PARTY AFFILIATION

— ★ ★ ★ —

In this survey of more than 650 small-business owners—both members and nonmembers of NSBA, we found a higher proportion of Republicans to Democrats. While this is somewhat in-line with past NSBA surveys, it does appear to be higher than a 2007 Fortune Small Business/Zogby poll which pointed to a smaller disparity among small-business owners. Unfortunately no follow-up has been provided to the FSB/Zogby poll and no other independent polls on this issue were found.

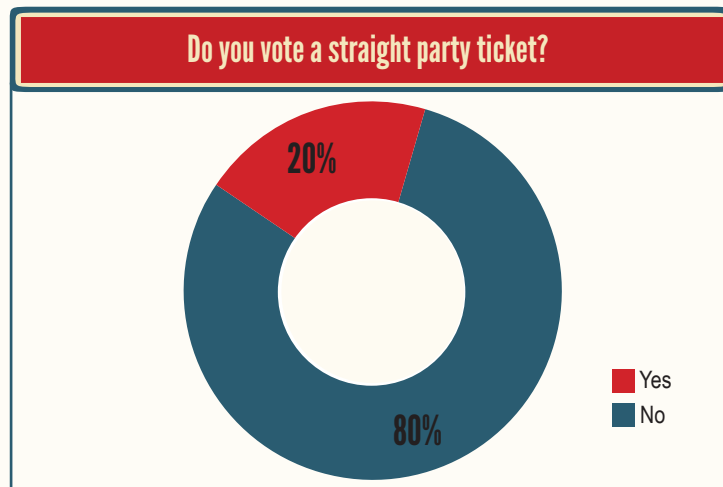
When comparing among NSBA data-sets, we found a notable drop in Democrats. This is partially attributable to the fact that in past surveys the only answers offered for party affiliation were: Republican, Democratic and Independent. In this survey, we also offered Tea Party, Libertarian and Green Party.



Another likely cause of the drop in Democrats is likely due to economics: a) most small businesses place a very high priority on fiscal issues over national security and social issues, and b) there exists a general mistrust of the party in power whenever there are economic hardships. As seen in the 2008 NSBA Survey, there was a slight increase in those identifying as Democratic – given that this survey was conducted nearly six months into the recession and that Republicans were in power, that shift makes sense.

### Worth Noting

Despite political party affiliation, small businesses are overwhelmingly independent, with the majority—80 percent—say they don't vote a straight party ticket.

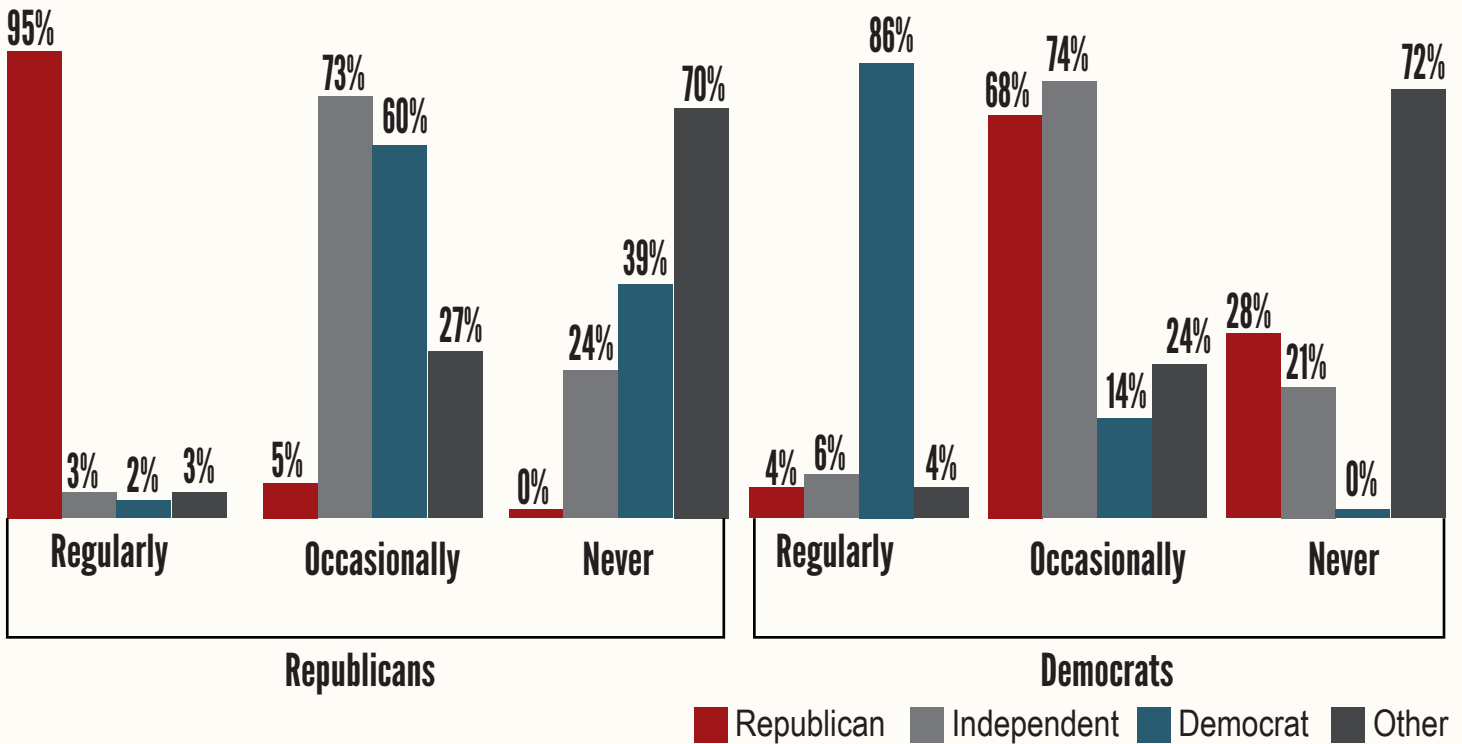


**SMALL BUSINESS AND**

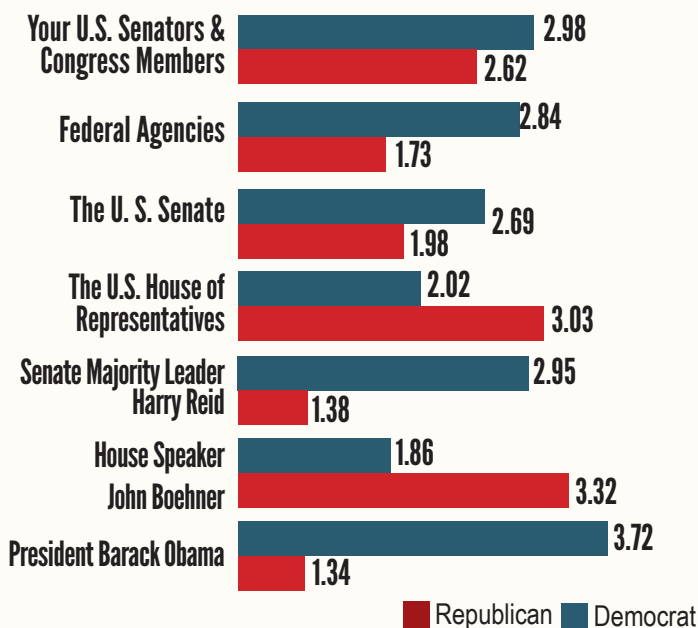
**PARTY AFFILIATION**



Among Republicans and Democrats, how regularly would you say you vote:



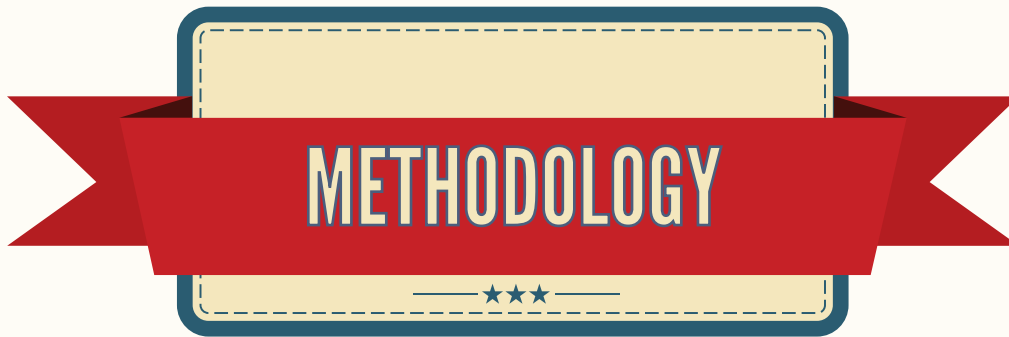
Rating Average: Please rank 1 to 5, with 5 being the best and 1 being the worst how well the following elected officials are supporting small-business



**Worth Noting**

Of particular note is the fact that there is a very high rate of “cross-over” voters. Sixty percent of Republicans occasionally vote Democratic and 68 percent of Democrats occasionally vote Republican. Large majorities of both parties report occasionally voting independent.

When asked to rate the performance of their elected officials, both Republicans and Democrats had somewhat higher marks for their own Senators and Representatives but expressed less-than stellar marks for the collective bodies.

A graphic featuring a red ribbon with the word "METHODOLOGY" in white, bold, uppercase letters. The ribbon is set against a light yellow background with a blue dashed border. Below the ribbon, three blue stars are centered between two horizontal lines.

# METHODOLOGY

The Politics of Small Business survey was conducted on-line the first three weeks of October 2011 among 670 small-business owners, both NSBA members and nonmembers representing every industry in every state in the nation. While the results in this survey can be extrapolated to the at-large small-business community, it is worth mentioning that NSBA members tend to be older, more well-established small businesses.



