



National Small Business Poll

NFIB National

Volume 13, Issue 3
2017

Small Business Poll

Regulations

NFIB National Small Business Poll

The **National Small Poll** is a series of regularly published survey reports based on data collected from national samples of small business employers. The initial volume was published in 2001. The **Poll** is designed to address small business oriented topics about which little is known but interest is high. Each survey report looks into a different subject matter.

The survey reports in this series generally contain three sections. The first section is a brief Executive Summary outlining a small number of themes or salient points from the survey. The second is a longer, generally descriptive, exposition of the results. This section is not intended to be a thorough analysis of the data collected nor to explore a group of formal hypotheses. Rather, it is intended to textually describe that which appears subsequently in tabular form. The third section consists of a single series of tables. The tables display each question posed in the survey broken out by employee size of firm.

Individual reports are publicly accessible on the NFIB web site www.411sbfacts.com. The 411 site also allows the user to search the entire data base. It searches all the questions in all of the individual **Polls** with a user-friendly key word, topic, or **Poll** sort facility.

NFIB National
Small Business
Poll



Regulations

Volume 13, Issue 3
2017
ISSN - 1534-8326

Holly S. Wade
NFIB Research Foundation
Series Editor



1201 "F" Street, NW
Suite 200
Washington, DC 20004
nfib.com

National Small Business Poll



Regulations

Table of Contents

Executive Summary	1
Regulations	3
Tables	6
Data Collection Methods	17

Executive Summary

- One-quarter of small employers find government regulations a “very serious” problem in operating their business (Q#1), regulations are a “somewhat serious” problem for another 24 percent of small employers.
- Roughly half of small employers have experienced an increase in the number of regulations they must comply with in the last three years compared to only 2 percent who experienced a decline (Q#2).
- The single greatest regulatory problem for small employers is the *cost* of compliance (Q#3). About 28 percent of small employers cite compliance costs as their largest regulatory issue followed by 18 percent citing the difficulty of understanding what they must do to comply. Seventeen percent are most burdened by the extra paperwork required.
- The volume of regulations is the largest problem for 55 percent of small employers compared to 37 percent who are most troubled by a few specific regulations coming from one or two sources (Q#11).
- One-third of small employers have had a government official enter their place of business to inspect or examine their records and/or licenses or otherwise check on their compliance with some government requirement in the last 12 months (Q#18). For larger small business, 57 percent were visited in the last 12 months compared to 28 percent for the smallest ones.
- Over the last three years, 41 percent of small employers have reached out to talk with someone at a government agency for help complying with a regulation (Q#19). About 19 percent of small employers who contacted a government agency were very satisfied with their experience (Q#20).
- Almost one-in-ten small employers have been fined, sued or penalized for a regulatory related violation in the last 3 years (Q#21). Larger businesses are twice as likely to have this occur compared to smaller ones.
- Twenty percent find regulations affecting their business of limited value and 31 percent find them of little or no value for customers or consumers and not worth the cost of compliance (Q#22).

Regulations

Small-business owners frequently cite regulations as one of the largest obstacles in operating their businesses. The regulatory obstacles faced by owners vary in specificity. Some owners are overwhelmed by the general volume of regulatory compliances, some are burdened by one or two. The *NFIB Small Business Problems and Priorities* survey found “unreasonable government regulations” is a critical issue for one-third of small-business owners. Unlike tax policy, which broadly impacts all firms in much the same way, regulations are administered by a myriad of government agencies, at different levels of government impacting sometimes very narrowly defined types of businesses. Thus, it is difficult to construct a comprehensive approach to easing the burden. However, the better policy makers understand the impact of regulations on small-business owners, the more able they will be to lessen the burden. This edition of the *National Small Business Poll* series examines Regulations. The NFIB Research Foundation published similar surveys on regulations in 2001 and 2012. This edition offers an update to those publications to highlight differences over time and new regulatory challenges.

Problem Severity

One-quarter of small employers find government regulations a “very serious” problem in operating their business (Q#1). This is down 20 percentage points from the 2012 survey but similar to 2001 results. In 2012, small-business owners were struggling though the regulatory upheaval caused by the sweeping healthcare law, Dodd-Frank, labor related regulations and others reform efforts. Over the last four years, owners have adjusted to their new regulatory reality, absorbing new paperwork burdens and costs into business operations. While 25 percent find regulatory compliance a “very serious” problem, it is a “somewhat serious” problem for another 24 percent of small employers, about the same population size as in 2012. About one-in-five small employers find regulations “not too serious” a problem and 28 percent do not find regulations to be a serious problem at all.

Roughly half of small employers have experienced an increase in the number of regulations they must comply with compared

to only 2 percent who experienced a decline (Q#2). Another 45 percent of owners did not experience a change one way or another. The increase in regulatory compliance costs over the last three years has affected a greater number of large small businesses than small ones. Sixty-five percent of larger small employers (20 to 249 employees) experienced an increase in the number of regulations they must comply with over the last three years compared to 49 percent of smaller small employers, those with 1 to 9 employees.

Problem Source

The single greatest regulatory problem for small-business owners is the cost of compliance (Q#3). About 28 percent of small employers cite compliance costs as their largest regulatory issue followed by 18 percent citing the difficulty of understanding what they must do to comply. Seventeen percent find the extra paperwork required as their biggest issue. Time delays caused by regulations are the biggest problem for one-

in-ten owners and 6 percent cite the difficulty discovering new regulations.

All levels of government contribute to the regulatory compliance burden. Each level of government imposes its own regulatory burden on small businesses. But the main culprit for half of small employers is the federal government (Q#4). Thirty percent find regulations promulgated at the state level most burdensome while 15 percent are most impacted on the local level. These are roughly unchanged from the 2012 and 2001 surveys.

The economic burden varies substantially across regulators and the type of regulation. About 28 percent of owners are most burdened by tax-related regulations (Q#5). Seventeen percent each are most impacted by employee-related, environmental, land and zoning, and operational regulations. Fifteen percent are most bothered by regulations related to health and safety.

The type of health and safety regulations most burdensome for 19 percent of small employers are OSHA related followed by 16 percent who are most affected by drug and medical treatment regulations (Q#6). Fifteen percent are most impacted by health and safety regulations related to the health care law. Forty percent of respondents did not select a specific category.

Wage and hour rules are the most significant problem for those who are most impacted by employment related regulations (Q#7). Nearly half of those most affected by employee related issues cite wage and hour rules as the problem. Hiring and firing regulations cause the greatest problem for 17 percent in this category and 14 percent are most troubled by issues related to workers' compensation.

Of those most affected by tax-related regulations, 29 percent are most troubled by withholding or employment rules, and 25 percent are most affected by sales and use tax rules (Q#8). The biggest tax-related problem for 13 percent are the reporting requirements.

Zoning, land use or run-off is the greatest problem for over half (52 percent) of those owners most impacted by environmental regulations (Q#9). Fifteen percent of owners in this category are most impacted by hazardous or toxic substance related regulations. And, of those most burdened by operational type regulations, understanding and complying with the rules are most are the biggest problem for 43 percent of small employers (Q#10).

The volume of regulations is the largest problem for 55 percent of small employers compared to 37 percent who are most troubled by a few specific regulations coming from one or two sources (Q#11).

Regulatory Information

Often small employers face a variety of regulations coming from more than one level of government.

Small-business owners discover new regulations from a variety of sources. Outside advisors and direct contact from regulatory agencies are the two most frequently cited sources (Q#13, Q#15). A less frequently cited source of information, although still at 43 percent, is general web site searches (Q#12). About 47 percent of small employer receive information from a trade or business association (Q#14). And about half of small business owner learn about new regulations from other business owners (Q#16).

Once owners are aware of a new regulation, the vast majority of them learn about the specifics of the regulation on their own. About 69 percent of small employers check out the compliance requirements themselves (Q#17). Roughly 15 percent of owners rely on an expert to find out more information. Only 7 percent assign the task to an employee. Larger, small businesses though are more reliant on employees and experts for information gathering than smaller businesses.

Interactions with the Regulators

One-third of small employers have had a government official enter their place of business to inspect or examine their records and/or licenses or otherwise check on their compliance with some government requirement in the last 12 months (Q#18). For larger small business, 57 percent were visited in the last 12 months compared to 28 percent for the smallest ones.

Over the last three years, 41 percent of small employers have reached out to talk with someone at a government agency for help complying with a regulation (Q#19). About 19 percent of small employers who contacted a government agency were very satisfied with their experience (Q#20). Another 50 percent were generally satisfied. Thirty percent evaluated their experience as generally unsatisfactory or very unsatisfactory.

Almost one-in-ten small employers have been fined, sued or penalized for a regulatory

related violation in the last 3 years (Q#21). Larger businesses are twice as likely to have this occur compared to smaller ones.

About 16 percent of small employers characterize the regulations for which they comply as very valuable for customers or consumers and worth the cost of compliance (Q#22). One-quarter of small employers believe the regulations that they must comply with are of moderate value for customers or consumers and are worth the cost of compliance. Twenty percent find them of limited value, and 31 percent find them of little or no value for customers or consumers and not worth the cost of compliance.

Final Comments

Small businesses have two major assets: the capital they can accumulate through earnings to grow the business and the time and energy of the business owner. Both of these are managed to provide goods and services to consumers, earn a profit and grow the business and the firm's employment to get the job done. Regulations force owners to do things that they would not ordinarily choose to do in the course of business. In some cases, regulations deal with "externalities" which compel owners to deal with costs they impose on others in operating their firms. But imposing regulations uses up valuable financial capital and owner time, and this slows the growth of the firm. For this reason, "cost/benefit" criteria are imposed on many regulatory agencies (with some exceptions including the EPA), requiring them to assess the benefits of a proposed regulation and compare these to the resource cost of implementing it. The fact that this is difficult sometimes is no excuse for not doing it. Over the past eight years, record volumes of regulations have been imposed by the federal government as well as state and local authorities with little or no concern given to the net value of the regulations to society in comparison to the costs of compliance. Few if any regulatory agencies consider the overall costs of all regulations on firms when considering their own. Each agency acts as if there is no limit to the amount of money that firms can collectively spend on compliance; there is no coordination, no priorities set.

Half of the small business owners in this study consider the regulatory morass as a "serious" problem, threatening their growth or existence. Less than 1 in 5 business owners

think that the regulations they deal with are of value to customers and consumers and their surrounding community. In simple terms, regulatory compliance uses up valuable human and financial capital which is not limitless. The more spent on compliance, the less that is available to finance growth and development. It is important that collectively we become much more concerned about "getting our money's worth" from the trillions of dollars the private sector is forced to spend on regulatory compliance.

Regulations

(Please review notes at the table's end.)

		Employee Size of Firm			
		1-9 emp	10-19 emp	20-249 emp	All Firms
1.	Is government regulation in the United States a very serious, somewhat serious, not too serious, or not at all serious problem for your business?				
	1. Very serious	23.7%	21.8%	37.5%	24.8%
	2. Somewhat serious	23.4	29.5	26.4	24.3
	3. Not too serious	21.2	25.6	16.7	21.1
	4. Not at all serious	30.2	21.8	18.1	28.2
	5. (DK/Refuse)	1.5	1.3	1.4	1.5
	Total	100.0%	100.0%	100.0%	100.0%
	N	350	200	200	750
2.	In the last 3 years have the number of regulations affecting your business increased, decreased or basically remained the same?				
	1. Increased	49.0%	51.6%	65.0%	51.1%
	2. Decreased	2.9	1.6	—	2.4
	3. Remained the same	46.9	45.2	33.3	45.2
	4. (DK/Refuse)	1.2	1.6	1.7	1.3
	Total	100.0%	100.0%	100.0%	100.0%
	N	243	157	164	564
3.	What is the single greatest problem created for your business by government regulation? Is it the:?				
	1. Limits placed on actions you want to take	8.0%	6.5%	5.0%	7.4%
	2. The extra paperwork required	16.4	17.7	21.7	17.1
	3. Time delays that it causes	10.6	9.7	8.3	10.2
	4. Difficulty discovering new regulations	6.5	4.8	5.0	6.1
	5. Difficulty understanding what you have to do to comply	18.6	17.7	13.3	17.9
	6. Dollars spent to comply	27.2	27.4	30.0	27.6
	7. (All of the above)	2.4	1.6	5.0	2.6
	8. (Something else)	7.0	4.8	5.0	6.5
	9. None	3.4	8.1	5.0	4.1
	10. (DK/Refuse)	—	1.6	1.7	0.4
	Total	100.0%	100.0%	100.0%	100.0%
	N	243	157	164	564

Employee Size of Firm
1-9 emp 10-19 emp 20-249 emp All Firms

4. Which level of American government creates the most serious regulatory problems for you? Is it the?:

1. Federal government	49.3%	46.8%	57.6%	49.9%
2. State government	28.8	38.7	32.2	30.4
3. Local government	16.8	11.3	8.5	15.3
4. (DK/Refuse)	5.0	3.2	1.7	4.5
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	243	157	164	564

5. What type of regulations, federal, state or local, cause the greatest difficulties for you? Is it?:

1. Health and safety	14.4%	16.4%	16.7%	14.9%
2. Employee-related, except health and safety	15.6	21.7	21.7	16.9
3. Tax-related	30.5	21.3	20.0	28.3
4. Environmental, land use, and zoning	18.0	14.8	11.7	16.9
5. Operational	15.6	21.3	20.0	16.8
6. All of the above	2.2	—	3.3	2.0
7. Other	2.9	3.3	5.0	3.2
8. (DK/Refuse)	0.7	1.6	1.7	0.9
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	243	157	164	564

6. What type of health and safety regulations cause the greatest problems for you?

1. Food related	8.3%	10.0%	10.0%	8.8%
2. OSHA	15.0	40.0	20.0	18.8
3. Construction design or quality	—	10.0	—	1.3
4. Drug or medical treatment	16.7	10.0	20.0	16.3
5. Health insurance/ACA	16.7	10.0	10.0	15.0
6. (Other)	—	—	—	—
7. (DK/Refuse)	43.3	20.0	40.0	40.0
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	35	25	27	87

7. What type of employment-related regulations cause the greatest problems for you?

1. Wages and hour rules	42.2%	50.0%	58.3%	45.5%
2. Immigration	7.8	8.3	—	6.8
3. Disabilities or civil rights	4.7	—	—	3.4
4. Union organizing activity	—	—	—	0.0
5. Hiring and Firing	18.8	8.3	16.7	17.0
6. Workers compensation	14.1	16.7	8.3	13.6
7. Unemployment	4.7	16.7	—	5.7
8. (Other)	7.8	—	16.7	8.0
Total	100.0%	100.0%	100.0%	100.0%
N	38	32	35	105

8. What type of tax-related regulations cause the greatest problems for you?

1. Depreciation	3.9%	—%	—%	3.3%
2. Capital gains rules	3.9	—	—	3.3
3. Sales and use tax rules	24.4	25.0	27.3	24.7
4. Withholding or employment	30.7	25.0	18.2	29.3
5. Reporting requirements	13.4	16.7	9.1	13.3
6. (Other)	16.5	16.7	27.3	17.3
7. (DK/Refuse)	7.1	16.7	18.2	8.7
Total	100.0%	100.0%	100.0%	100.0%
N	74	33	33	140

9. What type of environmental regulations cause the greatest problems for you?

1. Zoning, land use, or run-off	54.7%	22.2%	57.1%	51.6%
2. Hazardous or toxic substances	13.3	44.4	—	15.4
3. Clean water	6.7	11.1	14.3	7.7
4. Clean air	4.0	—	14.3	4.4
5. Solid waste disposal	2.7	—	—	2.2
6. (Other)	16.0	22.2	—	15.4
7. (DK/Refuse)	2.7	—	14.3	3.3
Total	100.0%	100.0%	100.0%	100.0%
N	44	23	19	86

Employee Size of Firm
1-9 emp 10-19 emp 20-249 emp All Firms

10. What type of operational regulations cause the greatest problems for you?

1. Occupational licenses	10.8%	15.4%	8.3%	11.1%
2. Limits on production or work	4.6	7.7	—	4.4
3. Government reimbursement for services or procurement	3.1	—	8.3	3.3
4. Operations rules	44.6	46.2	33.3	43.3
5. Finance, insurance or securities requirements	29.2	7.7	16.7	24.4
6. (Other)	7.7	15.4	16.7	10.0
7. (DK/Refuse)	—	7.7	16.7	3.3
Total	100.0%	100.0%	100.0%	100.0%
N	38	34	34	106

11. Which BEST describes the source of your regulatory problems?

1. A few specific regulations coming from one or two sources	38.2%	32.8%	28.8%	36.6%
2. The volume coming from many sources	52.6	60.7	64.4	54.9
3. (DK/Refuse)	9.1	6.6	6.8	8.6
Total	100.0%	100.0%	100.0%	100.0%
N	243	157	164	564

How do you normally learn about new regulations?

12. General Web site search

1. Yes	42.2%	44.3%	43.7%	42.6%
2. No	56.6	53.2	54.9	56.1
3. (DK/Refuse)	1.2	2.5	1.4	1.3
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

13. Direct contact from a regulatory agency, such as inspectors, advisory letters or flyers

1. Yes	54.3%	68.4%	62.5%	56.6%
2. No	45.2	31.6	36.1	42.9
3. (DK/Refuse)	0.5	—	1.4	0.5
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

Employee Size of Firm
1-9 emp 10-19 emp 20-249 emp All Firms

14. A trade or business association

1. Yes	45.7%	46.8%	55.6%	46.8%
2. No	53.4	51.9	41.7	52.1
3. (DK/Refuse)	0.8	1.3	2.8	1.1
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

15. Outside advisors such as an accountant or lawyer

1. Yes	55.9%	54.4%	64.4%	56.6%
2. No	42.9	44.3	34.2	42.2
3. (DK/Refuse)	1.2	1.3	1.4	1.2
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

16. Other business owners

1. Yes	50.8%	49.4%	48.6%	50.5%
2. No	47.3	48.1	50.0	47.7
3. (DK/Refuse)	1.8	2.5	1.4	1.9
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

17. Once you learn that a new government requirement affects you, how do you learn about the specific requirements?

1. Assign an employee to check out compliance requirements	5.5%	11.4%	11.0%	6.7%
2. Check out compliance requirements yourself	72.0	59.5	56.2	69.1
3. Find an expert to check out the compliance requirements for you	14.5	15.2	19.2	15.0
4. All of the above	2.8	2.5	2.7	2.8
5. (Other)	3.2	8.9	11.0	4.5
6. (DK/Refuse)	2.0	2.5	—	1.6
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

Employee Size of Firm
1-9 emp 10-19 emp 20-249 emp All Firms

18. Within the last 12 months, has one or more government officials entered your place of business to inspect it, examine your records and/or licenses, or otherwise check on your compliance with some government requirement?

1. Yes	28.1%	51.9%	56.9%	33.4%
2. No	70.9	46.8	43.1	65.7
3. (DK/Refuse)	1.0	1.3	—	0.9
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

19. In the last 3 years have you reached out to talk with someone at a government agency for help complying with a regulation?

1. Yes	39.4%	50.0%	45.8%	41.1%
2. No	57.9	47.4	48.6	55.9
3. (DK/Refuse)	2.6	2.6	5.6	3.0
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

20. Was your experience contacting the agency very satisfactory, generally satisfactory, generally unsatisfactory, or very unsatisfactory?

1. Very satisfactory	19.4%	21.1%	14.7%	19.1%
2. Generally satisfactory	46.4	52.6	38.2	46.3
3. Neither satisfactory nor unsatisfactory	3.0	2.6	8.8	3.6
4. Generally unsatisfactory	16.5	13.2	14.7	15.9
5. Very unsatisfactory	13.9	10.5	20.6	14.2
6. (DK/Refuse)	0.8	—	2.9	1.0
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	138	99	92	329

21. In the last 3 years have you been fined, sued or penalized for a regulatory related violation?

1. Yes	8.0%	13.9%	16.7%	9.5%
2. No	91.2	84.8	81.9	89.6
3. (DK/Refuse)	0.8	1.3	1.4	0.9
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

22. Overall, would you characterize the regulations you must comply with?:

1. Very valuable for customers or consumers and worth the cost of compliance	15.7%	16.7%	16.7%	15.9%
2. Of moderate value for customers or consumers and worth the cost of compliance	23.4	29.5	29.2	24.6
3. Of limited value for customers or consumers but not worth the cost of compliance	20.0	19.2	19.4	19.9
4. Of little or no value for customers or consumers and not worth the cost of compliance	31.4	30.8	27.8	31.0
5. (DK/Refuse)	9.5	3.8	7.0	8.7
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

Regulations Demographics

Employee Size of Firm

	1-9 emp	10-19 emp	20-249 emp	All Firms
D1. What title best describes your position in the business?				
1. Owner and Manager	85.5%	62.0%	59.7%	80.5%
2. Owner, but not a Manager	2.5	5.1	5.6	3.1
3. Manager, but not an Owner	12.0	32.9	34.7	16.4
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750
D2. What is your age?				
1. Less than 25 years old	1.5%	1.3%	4.2%	1.7%
2. 25 – 34 years old	5.7	10.1	6.9	6.3
3. 35 – 44 years old	11.4	19.0	15.3	12.6
4. 45 – 54 years old	19.4	22.8	23.6	20.2
5. 55 – 64 years old	31.8	27.8	26.4	30.8
6. 65 years or older	26.3	13.9	18.1	24.2
7. (DK/Refuse)	4.0	5.1	5.6	4.3
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750
D3. What is your highest level of formal education?				
1. Did not complete high school	1.7%	1.3%	1.4%	1.6%
2. High school diploma/GED	14.4	13.9	11.1	14.0
3. Some college or an associate's degree	27.2	20.3	22.2	26.0
3. Vocational or technical school degree	2.5	3.8	1.4	2.5
4. College diploma	30.6	39.2	40.3	32.4
5. Advanced or professional degree	21.4	19.0	19.4	20.9
6. (DK/Refuse)	2.3	2.5	4.2	2.5
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

D4. How long have you owned, operated or been employed by this business?

1. 1 – 2 years	7.2%	10.1%	8.5%	7.6%
2. 3 – 5 years	12.0	11.4	15.5	12.3
3. 6 – 10 years	15.4	13.9	12.7	15.0
4. 11 – 20 years	27.4	31.6	22.5	27.4
5. 21 – 30 years	16.4	16.5	18.3	16.6
6. 31 or more years	19.4	13.9	19.7	18.8
7. (DK/Refuse)	2.3	2.5	2.8	2.4
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

D6. Is this business operated primarily from the home, including any associated structures such as a garage or a barn?

1. Yes	43.4%	11.4%	5.6%	36.4%
2. No	54.9	87.3	91.7	61.9
3. (DK/Refuse)	1.7	1.3	2.8	1.7
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

D7. Would you describe the primary or majority of your business locations as in areas that are:?

1. Downtown/Major city	14.0%	16.7%	19.4%	14.8%
2. Urban	13.4	12.8	15.3	13.5
3. Inner suburban	14.9	14.1	13.9	14.7
4. Outer suburban	11.4	9.0	11.1	11.1
5. Small town	25.4	29.5	23.6	25.7
6. Rural	14.0	14.1	11.1	13.8
7. (DK/Refuse)	6.8	3.9	5.6	6.4
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

D8. For the last calendar year, what were the gross sales for your business?

1. Less than \$250,000	31.6%	8.9%	4.2%	26.6%
2. \$250,000 - \$499,999	11.1	6.3	2.8	9.8
3. \$500,000 - \$999,999	9.2	13.9	5.6	9.3
4. \$1 million - \$4.9 million	14.3	29.1	36.1	18.0
5. \$5 million - \$9.9 million	2.0	5.1	8.3	2.9
6. \$10 million or higher	0.3	2.5	8.3	1.3
7. (DK/Refuse)	31.4	34.2	34.7	32.0
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

Employee Size of Firm
1-9 emp 10-19 emp 20-249 emp All Firms

D9. Over the last two years, how have your real volume sales changed?

1. Increased by 30 percent or more	5.5%	6.3%	5.6%	5.6%
2. Increased by 20-29 percent	7.2	10.0	7.0	7.5
3. Increased by 10-19 percent	15.4	21.3	19.7	16.4
4. Increased by less than 10 percent	7.7	8.8	14.1	8.4
5. Decreased by less than 10 percent	10.9	13.8	9.9	11.1
6. Decreased by 10 percent or more	15.7	10.0	7.0	14.3
7. Stayed about the same	24.0	21.3	16.9	23.1
8. (DK/Refuse)	13.7	8.8	19.8	13.7
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

D10. Gender

1. Male	63.9%	58.2%	62.5%	63.2%
2. Female	36.1	41.8	37.5	36.8
Total	100.0%	100.0%	100.0%	100.0%
N	350	200	200	750

Table Notes

1. All percentages appearing are based on **weighted** data.
2. All “Ns” appearing are based on **unweighted** data.
3. Data are not presented where there are fewer than 50 unweighted cases.
4. ()s around an answer indicate a volunteered response.

WARNING – When reviewing the table, care should be taken to distinguish between the percentage of the population and the percentage of those asked a particular question. Not every respondent was asked every question. All percentages appearing on the table use the number asked the question as the denominator.

Data Collection Methods

The data for this survey report were collected for the NFIB Research Foundation by Susquehanna Polling and Research. The interviews for this edition of the *Poll* were conducted between August 29 - October 14, 2016 from a sample of small employers. “Small employer” was defined for purposes of this survey as a business owner employing no fewer than one individual in addition to the owner(s) and no more than 249.

The sampling frame used for the survey was drawn at the Foundation’s direction from the files of the Dun & Bradstreet Corporation, an imperfect file but the best currently available for public use. A random stratified sample design was employed to compensate for the

highly skewed distribution of small business owners by employee size of firm (Table A1). Almost 60 percent of employers in the United States employ just one to four people meaning that a random sample would yield comparatively few larger small employers to interview. Since size within the small business population is often an important differentiating variable, it is important that an adequate number of interviews be conducted among those employing more than 10 people. The interview quotas established to achieve these added interviews from larger, small-business owners were arbitrary but adequate to allow independent examination of the 10-19 and 20-249 employee size classes as well as the 1-9 employee size group.

TABLE A1
SAMPLE COMPOSITION UNDER VARYING SCENARIOS

Employee Size of Firm	Expected from Random Sample*		Obtained from Stratified Random Sample			
	Interviews Expected	Percent Distribution	Interview Quotas	Percent Distribution	Completed Interviews	Percent Distribution
1-9	599	80	350	47	350	46
10-19	79	11	200	27	200	27
20-249	72	10	200	27	200	27
All Firms	750	101	750	101	750	100

* Sample universe developed from the U.S. Small Business Administration’s Office of Advocacy data on Statistics of U.S. Businesses.

The Sponsors

The **NFIB Research Foundation** is a small business oriented research organization affiliated with the National Federation of Independent Business, the nation's largest small and independent business advocacy organization. Located in Washington, D.C., the Foundation was established in 1980 to explore the policy related problems small business owners encounter. It's periodic reports include ***Small Business Economic Trends, Small Business Problems and Priorities***, and the ***National Small Business Poll*** series. The Foundation also produced ad hoc reports on issues of concern to small-business owners including regulatory analyses of selected proposed regulations through its Business Size Insight Module (BSIM).

NFIB | Research
The Voice of Small Business. | Foundation

1201 "F" Street, NW
Suite 200
Washington, DC 20004
nfb.com



NFIB | Research
The Voice of Small Business. | Foundation

1201 "F" Street, NW
Suite 200
Washington, DC 20004
nfib.com