

Gulf Coast Entrepreneurship Conference Proceedings Released

Entrepreneurial small businesses will play a key role in the rebuilding of New Orleans and the Gulf Coast, according to the proceedings of a conference on Entrepreneurship: The Foundation for Economic Renewal in the Gulf Coast Region. The conference, sponsored by the Office of Advocacy in conjunction with the Ewing Marion Kauffman Foundation, the Public Forum Institute, and the Urban Entrepreneur Partnership (UEP), was held in New Orleans in April 2006. The proceedings were released in New Orleans at the opening of the Gulf Coast Urban Entrepreneur Partnership Center on September 21.

The areas affected by Hurricanes Katrina and Rita were home to

more than 635,000 businesses, according to Urban Markets Initiative Director Pari Sabety. Conference participants discussed the effects of the disaster, as well as rebuilding efforts and entrepreneurial opportunities. All agreed that there will be many small business opportunities in the rebuilding effort throughout the region.

Conference participants came from small and large businesses; think tanks and universities; business organizations and trade associations; financial institutions; nonprofits; and federal, state, and local governments. A creative mix of ideas and views emerges from the pages of the proceedings.

“This conference brought together the best entrepreneurial thinkers and doers from across

the region and the United States,” said Chad Moutray, chief economist for the Office of Advocacy. “They were united on one major point: entrepreneurs will play a key role in rebuilding the Gulf Coast Region.” According to Gulf Coast Rebuilding Federal Coordinator Donald Powell, “This is going to be a unique opportunity that only comes along not in a lifetime, not in a generation, but maybe once every hundred years.”

UEP National Director Daryl Williams spoke of opening three UEP offices in the Gulf Coast region that will provide fast-track training to those who choose entrepreneurship post-Katrina. While government has a key role, Williams said, “I really believe that the final version, the final chapter

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Present at the opening of the UEP Gulf Coast office were Chad Moutray, chief economist for Advocacy; Alexander West, lead coach for UEP; Michael Dayton, deputy national director of UEP; Daryl Williams, national director of UEP; Sherman Copelin, a New Orleans entrepreneur; Don Powell, federal coordinator for Gulf Coast rebuilding; and Kevin Lockett, manager of the Kauffman Foundation's Minority Entrepreneurship Program. *Photo courtesy of Alphonso Potter, Jr.*

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Regulatory News

Advocacy Looks at Two Proposed Rules Through Small Business Review Panels

The Office of Advocacy is participating in the review of two regulatory proposals to examine their potential impact on small business. This review process is mandated by the Regulatory Flexibility Act, as amended by the Small Business Regulatory Enforcement Fairness Act.

On August 16, the Occupational Safety and Health Administration (OSHA) formally commenced a Small Business Advocacy Review (SBAR) panel for its Cranes and Derricks in Construction Standard. OSHA's proposal would strengthen training and certification requirements for crane operators, impose new safety requirements for the assembly and disassembly of cranes, and mandate additional inspection requirements.

Meanwhile, on August 17, the Environmental Protection Agency (EPA) commenced a SBAR panel to review its planned rule to further control air pollution from small gasoline-powered engines and equipment. The rule would require new emission controls on engines used in lawn and garden equipment, as well as engines used in boats. The panel met with small business engine and equipment manufacturers on September 12 to formally

hear their views on how the rule would affect their operations.

Both SBAR panels consist of officials from the agency that will propose the rule (OSHA or EPA), the Office of Advocacy, and the Office of Information and Regulatory Affairs within the Office of Management and Budget. In addition to these three federal agencies, a number of small entity representatives from the affected industries reviewed the draft proposal and provided comments to the panel. The panels consider how the proposed rules would affect small businesses and how these rules might be made less costly and burdensome. SBAR panels are required for all OSHA and EPA rules that are expected to have a significant impact on a substantial number of small entities.

OSHA's draft proposal was developed by its Cranes and Derricks Advisory (C-DAC) panel, which met in 2003 and 2004 and drafted the rule. The rule would clarify OSHA's crane safety standards for construction, which consist of incorporated industry consensus standards dating to the 1970s and earlier. The C-DAC felt that a single, revised rule would

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Advocacy Economist Participates in White House Summit

The Office of Advocacy's Senior Economist Ying Lowrey recently participated in the Washington, D.C., summit of the White House Initiative on Asian American and Pacific Islanders. The summit took place September 29 at the Ronald Reagan Building and International Trade Center. The summit brought federal government officials together with representatives of corporations and community organizations to focus on utilizing federal resources to strengthen faith-based and community initiatives and to form effective government partnerships. To learn more about the White House Initiative on Asian American and Pacific Islanders, visit www.aapi.gov.

promote safety and be easier to comply with. The OSHA panel hosted conference calls with small entity representatives on August 19–20 and received input on the proposal.

SBAR panels are regulated by statutory deadlines. Reports containing panel recommendations must be issued no later than 60 days after the review panel convenes; therefore, the OSHA panel must issue its report by October 15, and the EPA panel must issue its report by October 16. After the panel reports are made final, OSHA and EPA will issue proposed rules for public comment before finalizing their respective regulations. Each proposed rule will discuss the findings of the SBAR panel and

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Message from the Chief Counsel

Smile! Your State's Picture Is Featured in Newest Small Business Profiles

by Thomas M. Sullivan, Chief Counsel for Advocacy

At the end of September, Advocacy's Office of Economic Research completed the 2006 edition of the *Small Business Profiles for the States and Territories*. This is a daunting task, and an interesting one too. As those who have worked with small business data know, no single agency or institution keeps track of small businesses' vital statistics: how many there are, how many jobs they create, and how much they contribute to the economy. So Advocacy's economists track related data issued by a half dozen federal agencies to create their estimates, proxies, and benchmarks. Tracking a few of these numbers is a challenge; but once a year, Advocacy's economists compile and dissect the data to provide

the key small business indicators on the state level.

Each state's profile gives an estimate of the overall number of small businesses in each state, the number of small employer and non-employer firms, and the number of incorporated and unincorporated self-employed. The demographics of business owners are also described: number of businesses, employees, and income statistics are provided for women and various minority ownership categories. Business turnover—starts, stops, and bankruptcies—are given, along with business income. Finance information has been changed this year to cover the number of bank branches in a given state.

While the text of the profile covers the major small business job creation facts, don't cruise by the numbers on the back—that's where the beef is! Table 1 shows state employment totals broken out by company size and by major industry. Table 2 provides key data showing the role of small business in job creation in your state.

The *Small Business Profiles for the States and Territories* include a national snapshot, providing all the data at the aggregate level, and they also give available information for each of the territories. The current year is available on Advocacy's website at www.sba.gov/advo/research/profiles, along with the previous four years' editions.

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any changes made by OSHA or EPA. For further information on the OSHA rule, please contact Assistant Chief Counsel Bruce Lundegren at (202) 205-6144 or bruce.lundegren@sba.gov. For information about the EPA rule, please contact Assistant Chief Counsel Keith Holman at (202) 205-6936 or keith.holman@sba.gov.

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of the story is going to be told by entrepreneurs.”

Idea Village President Tim Williamson saw opportunities for businesses engaged in disaster management. Deborah Tootle, Dorothy Terrell, and Elaine Edgcomb stressed the needs and contributions of rural, inner city, and very small businesses. Tulane Professor John Elstrott proposed a New Orleans corps of business school students focused on supporting the recovery and growth of the business community. Critical to the success of all such efforts will be a basic foundation of safety—starting with secure levees, said both Powell and Ron Utt of the Heritage Foundation.

The proceedings include a summary of remarks, a list of participants, copies of slides used by presenters, and an edited transcript featuring website citations for more than 100 organizations with initiatives relevant to the Gulf Coast business community and the rebuilding effort. The websites are all hotlinked in the electronic version posted on Advocacy's website at www.sba.gov/advo/research/proceedings06.pdf. The print version may be requested from the Office of Advocacy by contacting Dawn Crockett at (202) 619-2310 or dawn.crockett@sba.gov.

Census Delivers Final Installment in 2002 Survey of Business Owners

On September 27, the U.S. Bureau of the Census released the final two reports in the 2002 Survey of Business Owners. Previous releases included counts of businesses by demographic group, gender, industry, and location.

The newest releases, the Characteristics of Businesses and Characteristics of Business Owners, provide detailed ownership information. The reports show that in 2002, 51.5 percent of businesses were home-based; 2 percent were franchises; 24.3 percent were family-owned businesses; 14.8 percent were owned by veterans; and 1 percent by service-disabled veteran-owned businesses. The reports also have breakouts for size of business, and they make the important distinction of between businesses with employees and those without.

The reports also show how businesses operate. Surprisingly, 28.8 percent of business ventures didn't use startup capital. Most used savings (56.8 percent); a much smaller portion used bank loans (11.8 percent); and even fewer used credit cards (9.2 percent). Plans for expansion and capital purchases were financed in a similar manner. While 26.2 percent of firms hired full- or part-time employees, 23.4 percent of firms used contract labor.

Household consumers were the largest market for businesses; 53.4 percent of businesses had 10 percent or more of their sales with this group. A much smaller share (2.2 percent) had federal government sales of 10 percent or more; 5.8 percent made more than 10 percent of sales with state and local government customers.

The Survey of Business Owners is part of the Census Bureau's larger Economic Census, which is based on data collected in years ending in 2 and 7. It is available at www.census.gov/csd/sbo. Note that the reports are not for the faint of heart. The combined volumes contain 1,500 pages. The Census search engine, American Fact Finder (which is linked to the previous page) can be used to generate individual reports on specific topics.

The Office of Advocacy is working with the U.S. Census Bureau to create cross tabulations to obtain more data on such topics as veteran owners, home-based businesses, franchises, and age of business. For more information, contact Advocacy Economist Brian Headd, (202) 205-6953 or brian.headd@sba.gov.

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