

Office of Economic Research

Research Publications 2008

January 2009

Created by Congress in 1976, the Office of Advocacy of the U.S. Small Business Administration (SBA) is an independent voice for small business within the federal government. Appointed by the President and confirmed by the U.S. Senate, the Chief Counsel for Advocacy directs the office. The Chief Counsel advances the views, concerns, and interests of small business before Congress, the White House, federal agencies, federal courts, and state policy makers. Economic research, policy analyses, and small business outreach help identify issues of concern. Regional Advocates and an office in Washington, D.C., support the Chief Counsel's efforts.

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Research Publications 2008

Office of Advocacy
U.S. Small Business Administration
Washington, D.C.
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Foreword

Each year, the Office of Advocacy examines issues relevant to small businesses in the U.S. economy. This report summarizes the publications generated by independent contractors, as well as by staff economists of the Office of Economic Research in 2008.

Three reports highlight innovation and entrepreneurship, both crucial to U.S. economic revival and competitiveness in a global marketplace. A report by Zoltan Acs, William Parsons, and Spencer Tracy updates David Birch's groundbreaking research on "gazelles," or fast-growing, high-impact firms. The authors find that these firms account for almost all of the growth in private sector employment and revenue in the economy. Lawrence Plummer and Brian Headd's analysis shows that establishment birth rates are similar in rural and urban areas—a surprising result that illustrates the resilience of entrepreneurial ventures. Innovation is key to many of these firms' success; a study by Anthony Breitzman and Diana Hicks confirms the significance of small business patents, solidifying previous research published by this office.

The demographics of small business owners—women, minorities, immigrants, veterans—is key to small businesses' vitality and impact. Robert Fairlie's report documents in detail the substantial contributions that immigrant entrepreneurs make to our national economy; he shows that immigrant business owners generated nearly 12 percent of all U.S. business income. A study led by Vivek Wadhwa of Duke University finds that immigrants, particularly those in high-technology fields, are often more entrepreneurial than their native-born counterparts. Darrene Hackler, Ellen Harpel, and Heike Mayer detail the gains that self-employed women have made in recent years and demonstrate the importance of human capital.

For small businesses to contribute to our overall economy, they must be able to compete effectively at home and abroad. Advocacy examined international trade in two 2008 studies focused on the manufacturing sector. Robert M. Feinberg observes increased small firm exit rates as a result of fluctuations in currency exchange rates. The consulting firm StratEdge finds that large and small business have benefited and suffered from outsourcing, as well as the related practice of "insourcing." E.H. Pechan and Associates find that small entities in the manufacturing and construction sectors are disproportionately affected by higher energy costs. Advocacy also published research in 2008 on the effects of bankruptcy laws on entrepreneurship (a working paper by Seung-Hyun Lee, Yasuhiro Yamakawa, and Mike W. Peng) and the impact of antitrust enforcement on small businesses in the retail grocery and timber industries (a study by Innovation and Information Consultants).

There are other important publications from 2008 as well. In preparation for the change of presidential administrations in 2009, the office published the *Background Paper on the Office of Advocacy, 2001-2008*. This report documents Advocacy's accomplishments and provides a detailed recent history of the office for the next chief counsel for advocacy, as well as for other policy-makers.

A number of Advocacy's economists contributed original research in 2008, including Brian Headd, Chad Moutray, Charles Ou, Radwan Saade, and Victoria Williams.

All of the Office of Advocacy's research from the mid-1990s to the present can be found online at www.sba.gov/advo/research. To receive regular updates on Advocacy's research, join Advocacy's research Listserv by visiting <http://web.sba.gov/list>. Please direct all questions or suggestions for future studies to Advocacy at (202) 205-6533 or advocacy@sba.gov.

Chad Moutray, Ph.D.
Chief Economist
Director of Economic Research

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Office of Economic Research

Research Publications 2008

Banking and Financial Issues

Uncovering Knowledge Structures of Venture Capital Investment Decision Making

Pankaj Patel and Rodney D'Souza; a working paper released January 2008

2008 United States Association for Small Business and Entrepreneurship (USASBE) Advocacy Best Student Paper Award

www.sba.gov/advo/research/rs315tot.pdf

Entrepreneurs constantly seek capital for new and existing ventures although they face considerable constraints in obtaining financing. Venture capital from outside investors has been considered an important driver in the startup and growth of entrepreneurial firms. Understanding the specific investment criteria for venture capital funding is of foremost importance, since this may substantially improve these firms' chances of acquiring funding. The authors have chosen to predict funding by measuring the decisions on both funded and unfunded business plans. Overall, the study posits that venture capitalists (VCs) may be willing to fund a marginal team with better venture potential than a good venture team with limited venture potential. In other words, entrepreneurs need not only to assemble an effective team, but also to clearly demonstrate the venture potential of their proposed business. This finding contrasts with most prior studies, which identify the venture team as the key funding criterion.

Small Business and Micro Business Lending in the United States

Victoria Williams and Charles Ou

For data years 2005-2006, released February 2008: **www.sba.gov/advo/research/sbl_06study.pdf**

For data years 2006-2007, released June 2008: **www.sba.gov/advo/research/sbl_07study.pdf**

The Office of Advocacy prepares an annual study of lending to small firms, using the most recent data available on small and micro business loans to small firms and on the lending institutions that serve them. This study provides a brief review of the lending activities based on two types of data reported by banks to their regulating agencies—Consolidated Reports of Condition and Income, often referred to as “call reports,” and reports required by the Community Reinvestment Act (CRA). Because data are available only by the size of the loan, small business loans are defined as business loans under \$1 million, and microbusiness loans are those under \$100,000.

The Tax Debts of Small Business Owners in Bankruptcy

Rafael Efrat; released February 2008

www.sba.gov/advo/research/rs317tot.pdf

The objective of this study is to investigate the burden tax obligations impose on small business owners (both individuals and entities) at the time of their bankruptcy filing. This is an important area to study given the existing documentation on the adverse impact tax debts have on the financial viability of petitioners both before and after bankruptcy filing. Overall, this study documents the pervasiveness and the magnitude of the tax burden among small business owners in bankruptcy. The data suggest that the tax burden is more pervasive among small business owners in bankruptcy than among consumer petitioners. While less than a quarter of all consumers in the bankruptcy sample reported tax debts, more than half of individual small business owners reported owing some tax debts. Individual small business owners in bankruptcy proceedings who are encumbered with high tax debts are generally in a precarious financial condition and are worse off financially than small business owners who have low or no tax debt.

What Do We Know About the Capital Structure of Privately Held Firms? Evidence from the Surveys of Small Business Finances

Rebel A. Cole; released May 2008

www.sba.gov/advo/research/rs324tot.pdf

This paper seeks to shed light on what factors determine the capital structure at privately held firms. The capital structure decision—a fundamental issue facing financial managers—is, in its simplest form, the selection of a ratio of debt to equity for the firm. This study contributes to the capital structure literature in at least three important ways. First, it provides results from the first test of two major competing hypotheses—the “pecking order theory” and the “trade-off theory”—based upon data from small privately held U.S. firms. Second, the study provides new evidence of the degree of leverage used by small privately held companies and how their use of leverage differs from small publicly traded firms. Samples of data on small privately held firms are compared with data on small publicly traded firms taken from the Compustat database. Third, the study presents new evidence on how the use of financial institutions influences capital structure, testing whether firms that obtain financial services from a larger pool of financial institutions are able to employ more leverage.

Banking and Financial Issues (cont'd)

The Importance of Angel Investing in Financing the Growth of Entrepreneurial Ventures

Scott Shane; a working paper released September 2008

www.sba.gov/advo/research/rs331tot.pdf

Many observers consider angel investments to be one of the key drivers behind the startup and the growth of new businesses, despite a paucity of information to confirm whether or not this is true. Unlike venture capital investments, angel investments are made by individual investors who do not make up a known population. Therefore, much of what is reported about angel investing comes from anecdotes and surveys of convenience samples, which are prone to biases and inaccuracies. Moreover, research on angel investment is plagued by definitional confusion, in which different investigators confound informal investors, friends and family who invest in startups, accredited and unaccredited angel investors, and individual and group investing. The variation makes it difficult to compare findings across studies. As a result, this paper finds that the angel capital market is smaller than is generally believed. Few companies are appropriate for angel financing, a fact that limits demand for this source of financing. Angel investments are smaller and less sophisticated and include more debt than is commonly thought. And the companies that receive angel financing are more similar to typical startups.

Energy

Characterization and Analysis of Small Business Energy Costs

Andy Bollman, E.H. Pechan and Associates, Inc.; released April 2008

www.sba.gov/advo/research/rs322tot.pdf

To add to the state of knowledge on small entity impacts of energy price increases, this report compiles available information to characterize the potential impact of energy price increases on small entities in individual industry sectors; and identify whether, and to what extent, small entities face higher energy prices by major economic sector. Overall, this study finds that small entities in the manufacturing and construction sectors pay higher prices for most, but not all, fuels. These price disparities are most pronounced for electricity and natural gas, with electricity in the manufacturing sector responsible for the greatest price differential. The smallest size establishment category (under 50 employees) pays 35 percent more for electricity than the sector average, while the largest establishment category (1,000 or more employees) pays 17 percent less than the sector average. Therefore, small manufacturing sector entities that use substantial amounts of electricity face a significant competitive disadvantage.

Quarterly Indicators: The Economy and Small Business

Chad Moutray

Fourth quarter 2007, released February 2008: www.sba.gov/advo/research/sbqei0704.pdf

First quarter 2008, released May 2008: www.sba.gov/advo/research/sbqei0801.pdf

Second quarter 2008, released August 2008: www.sba.gov/advo/research/sbqei0802.pdf

Third quarter 2008, released November 2008: www.sba.gov/advo/research/sbqei0803.pdf

This regular publication pulls together data from a variety of sources to highlight quarterly economic trends relevant to small businesses.

Rural and Urban Establishment Births and Deaths Using the U.S. Census Bureau's Business Information Tracking Series

Lawrence A. Plummer and Brian Headd; a working paper released February 2008

www.sba.gov/advo/research/rs316tot.pdf

This paper has two objectives focusing on local business dynamics. First, it documents a set of establishment birth and death tabulations now available from the U.S. Census Bureau's Company Statistics Division. These tabulations report establishment births and deaths by industry classification for every county in the United States from 1990 to 2003. In particular, tabulations report the total, single-unit, and multi-unit births and deaths. Second, it presents preliminary descriptive analysis of the establishment birth and death rates by rural and urban counties. The rural-urban analysis gives a surprising result.

When measured by either of two analytical methods (ecological or labor force) the differences in the average rates of establishment births and deaths for urban and rural areas are extremely small. While the difference is statistically significant, on average, the general dynamic of economic activities is not a function of rural versus urban conditions. This result has implications for the setting and study of economic development policy for both rural and urban areas, especially where such policies hinge on stimulating and supporting local entrepreneurial activity (i.e., "economic gardening").

High-Impact Firms: Gazelles Revisited

Zoltan Acs, William Parsons and Spencer Tracy; released June 2008
www.sba.gov/advo/research/rs328tot.pdf

This study revisits and expands upon some of the conclusions on rapidly growing firms made by the small business research pioneer, David Birch, in the 1980s. Birch found that rapidly growing firms, which he termed “gazelles,” are responsible for most employment growth. While Birch’s definition of gazelles was based on their revenue growth, this study examines firms with significant revenue growth and expanding employment. These are termed “high-impact firms” to distinguish them from gazelles. The research offers summary statistics helping to define the scope and characteristics of high-impact firms. Overall, it finds that high-impact firms are relatively old, rare and contribute to the majority of overall economic growth. On average, they are 25 years old, they represent between 2 and 3 percent of all firms, and they account for almost all of the private sector employment and revenue growth in the economy.

Do Business Definition Decisions Distort Small Business

Research Results?

Brian Headd and Radwan Saade; a working paper released August 2008
www.sba.gov/advo/research/rs330tot.pdf

One of the most basic assumptions underpinning research on small business status and performance (as well as the impact of other factors on small business) is the definition of a small business, or the choice of a business unit. This paper shows that mixing data on different kinds of businesses can distort research results. It accomplishes this by showing that differences exist among business types and emphasizing that the choice of business type at the outset of research is significant. Overall, the authors find that the typical nonemployer firm and employer firm differ. The most immediately obvious difference is their size and number. Employers are larger operations, but nonemployers outnumber employer firms by a three-to-one ratio. Pooling data on both groups creates hazards in results and interpretation. And using one group to deduce results for the other group or the group as a whole also poses logical problems. With nonemployers representing three out of four businesses, researchers should be aware that results of business studies that include nonemployers will tend to reflect trends among nonemployers because of their overwhelming number. On the other hand, the results of research focusing just on employers will most likely not apply to nonemployers.

General Small Business
and Entrepreneurship
(cont'd)

Frequently Asked Questions

Chad Moutray; released September 2008

www.sba.gov/advo/stats/sbfaq.pdf

This document serves as a summary of other research materials and provides a series of quick, easy-to-recite facts for an external audience to recognize the importance of small business to the economy. As such, it is an excellent “introductory” publication for individuals to acquaint themselves with Office of Advocacy research and data.

***Looking Ahead: Opportunities and Challenges for
Entrepreneurship and Small Business Owners***

Chad Moutray; a working paper released October 2008

www.sba.gov/advo/research/rs332tot.pdf

This paper was prepared for presentation at “Entrepreneurship in a Global Economy,” a conference sponsored by the Western New England College’s Law and Business Center for Advancing Entrepreneurship, held in Springfield, Massachusetts, on October 17, 2008. It outlines some of the most important issues and opportunities facing small business owners and entrepreneurs in this election year. While it does not delve into policy solutions, the incoming administration will almost certainly need to address many of them.

Small Business Profiles for the States and Territories

Brian Headd and Victoria Williams; released November 2008

www.sba.gov/advo/research/profiles

The economic condition of small businesses in the United States overall and in each of the 50 states, the District of Columbia, and the U.S. territories is illustrated. Each state profile contains sections on the following topics: the number of firms, industry composition, small business income, banking, women’s and minority business ownership, and employment.

Human Capital and Employment Benefits

Changes in Family Health Insurance Coverage for Small and Large Firm Workers and Dependents: Evidence from 1995 to 2005

Eric E. Seiber and Curtis S. Florence; released March 2008

www.sba.gov/advo/research/rs321tot.pdf

Access to and affordability of health insurance offered by business owners to employees continue to be of great concern. The cost of employer-sponsored health insurance is often cited as one of the most pressing problems affecting the provision of health insurance for small business owners. The objective of this study is to determine whether the decline in family health insurance coverage at large firms has increased financial pressure on plans sponsored by small firms. The study addresses family health insurance coverage from the worker's perspective. Overall, this study finds that family health insurance coverage for workers in both small and large firms is decreasing, and that firm size plays a role in the type of dependent coverage children have. Access to coverage through a large firm as a dependent remains very important to small firm employees.

Human Capital and Women's Business Ownership

Darrene Hackler, Ellen Harpel, and Heike Mayer; released April 2008

www.sba.gov/advo/research/rs323tot.pdf

This analysis shows that self-employed women differ on most human capital variables compared to women who are wage and salary-earning earners. The study finds that self-employed women have more education and increased their educational attainment at a faster rate compared to other working women. The percentage of self-employed women in managerial occupations consistently exceeded the rate for other working women, and self-employed women participated in different industries than other working women. Self-employed women were also more likely to be self-employed in the previous year, were older than wage-and-salary-earning women, and had greater income diversity.

Self-employed men and women differ little in education, experience and preparedness—at least by the end of the study period. Important differences remain when considering occupational and industry experience. A lower percentage of self-employed women hold managerial occupations than do self-employed men, and there are lower rates of self-employment in industries where there is less overall female participation (such as communications, transportation, wholesale trade, manufacturing, and construction).

Human Capital and
Employment Benefits
(cont'd)

Baccalaureate Education and the Employment Decision: Self-Employment and the Class of 1993

Chad Moutray; a working paper released October 2008

www.sba.gov/advo/research/rs333tot.pdf

This paper delves into the relationship of collegiate education to the employment decision. We are able to identify specific characteristics of the individuals who are self-employed versus those who opt to work for a for-profit business, a not-for-profit entity, or the government (including the military). Specifically, this research utilizes the U.S. Department of Education's Baccalaureate & Beyond (B&B) data series, which tracks college and university graduates in the class of 1993. This longitudinal survey asks a number of questions to a nationally representative sample of college and university students who were seniors during the 1992-1993 academic year. The same students answer follow-up questions periodically. In the case of the B&B data, there is information from subsequent questionnaires in 1994, 1997, and 2003. Much of the analysis in this paper focuses on employment in 2003, i.e., ten years after graduation. Overall, this study shows that the self-employed closely resemble the larger population in many ways. Unlike others who pursue wage-and-salary occupations in the not-for-profit or government sectors, students in the class of 1993 who were self-employed in 2003 were less likely to have earned or be currently enrolled in graduate education. Graduates with social science and "other" majors were more likely to be self-employed. In addition, those individuals who chose self-employment had shorter job tenures than others, such as those who now work for government or the military.

The Impact of International Competition on Small-Firm Exit in U.S. Manufacturing

Robert M. Feinberg; released March 2008

www.sba.gov/advo/research/rs320tot.pdf

This econometric study uses Statistics of U.S. Businesses (SUSB) data to examine the impact of trade on small manufacturers. As global trade increases and currency exchange rates fluctuate, concerns about their impact on small U.S. manufacturers increase. Small manufacturers, by the nature of their scale of operations, are less able to insulate themselves from foreign competition than large manufacturers. Although not without costs, large manufacturers have greater leeway in managing the effects of international competition: they can move production offshore, sign long-term commodity contracts in foreign currencies, or use other tactics to weather global shifts. Overall, this study finds that increased international pressures in the form of currency exchange rates lead to increased exit rates among very small manufacturers (those with fewer than 20 employees). Slightly bigger manufacturers (20-499 employees) are less sensitive to changing conditions in the international marketplace. High-tech industries are more insulated from international pressures than low-tech industries are.

Offshoring and U.S. Small Manufacturers

StratEdge; a working paper released December 2008

www.sba.gov/advo/research/rs336tot.pdf

At present, little is known about the effects of outsourcing, insourcing, or offshoring on small business, or for that matter, what role small firms play in the phenomenon. This study finds that offshoring, outsourcing, and insourcing do not follow any constant pattern across small firms, but rather vary greatly by industry, just as with larger firms. Results of empirical tests of changes in small firm employment do not yield significant results with respect to the effects of outsourcing, offshoring, or insourcing. The preliminary results in this paper should not be taken as the final word on how changes in the alignment of global production capacity have affected small American businesses. It would be more accurate to say that these results show that there is no simple answer to this difficult puzzle. Importantly this paper can at least lay to rest any claim that globalization is either universally detrimental or beneficial to small firms. It appears that a more accurate statement would be that both large and small firms located in the United States have benefited and suffered from outsourcing. The case studies in the second part of the paper drive home this fact.

Innovation and Technology

High-Impact Firms: Gazelles Revisited

Zoltan Acs, William Parsons and Spencer Tracy; released June 2008

www.sba.gov/advo/research/rs328tot.pdf

See entry description, page 11.

An Analysis of Small Business Patents by Industry and Firm Size

Anthony Breitzman and Diana Hicks; released November 2008

www.sba.gov/advo/research/rs335tot.pdf

This study is the third in a series that examines small business patent activity. The authors find that small firms are a significant source of innovation and patent activity. Small businesses develop more patents per employee than larger businesses, with the smallest firms, those with fewer than 25 employees, producing the greatest number of patents per employee. Furthermore, small firm patents tend to be more significant than large firm patents, outperforming them in a number of categories including growth, citation impact, and originality. Finally, small firms tend to specialize in high tech, high growth industries, such as biotechnology, pharmaceuticals, information technology, and semiconductors.

Owner Demographics

Human Capital and Women's Business Ownership

Darrene Hackler, Ellen Harpel, and Heike Mayer; released April 2008

www.sba.gov/advo/research/rs323tot.pdf

This analysis shows that self-employed women differ on most human capital variables compared to women who are wage and salary-earning earners. The study finds that self-employed women have more education and increased their educational attainment at a faster rate compared to other working women. The percentage of self-employed women in managerial occupations consistently exceeded the rate for other working women, and self-employed women participated in different industries than other working women. Self-employed women were also more likely to be self-employed in the previous year, were older than wage-and-salary-earning women, and had greater income diversity.

Self-employed men and women differ little in education, experience and preparedness—at least by the end of the study period. Important differences remain when considering occupational and industry experience. A lower percentage of self-employed women hold managerial occupations than do self-employed men, and there are lower rates of self-employment in industries where there is less overall female participation (such as communications, transportation, wholesale trade, manufacturing, and construction).

Owner Demographics
(cont'd)

Estimating the Contribution of Immigrant Small Business Owners to the U.S. Economy

Robert W. Fairlie; released November 2008
www.sba.gov/advo/research/rs334tot.pdf

The objective of this study is to provide a set of estimates of immigrant business owners in the U.S. economy. Using data from three large nationally representative government datasets—the 2000 Census 5 Percent Public Use Microdata Sample (PUMS), the 1996-2007 Current Population Survey (CPS), and the 1992 Characteristics of Business Owners (CBO)—this study also examines the contribution of immigrant businesses to the U.S. economy. The author finds that according to Census 2000, immigrants constitute 12.2 percent of the total U.S. work force, and 12.5 percent of the total population of U.S. business owners. The total business income generated by immigrant business owners is \$67 billion, representing 11.6 percent of all business income in the United States. Immigrant business ownership is geographically concentrated in a few states.

Procurement

The HUBZone Program Report

Henry Beale and Nicola Deas, Microeconomic Applications, Inc.; released May 2008
www.sba.gov/advo/research/rs325tot.pdf

Public Law 108-447 directed the Office of Advocacy to conduct a study measuring the effectiveness of the definitions under Section 3(p)(4) of the Small Business Act (15 U.S.C. 632(p)(4)) for the purposes of economic impact on small business development and job creation. This section of the law is commonly referred to as the HUBZone program. This study examines the impact of the definitional changes to the HUBZone program.

Regional Economic
Development

Rural and Urban Establishment Births and Deaths using the U.S. Census Bureau's Business Information Tracking Series

Lawrence A. Plummer and Brian Headd; a working paper released February 2008
www.sba.gov/advo/research/rs316tot.pdf

See entry description, page 10.

Entrepreneurship and the Barrier to Exit: How Does a Bankruptcy-Friendly Law Affect Entrepreneurship Development at a Societal Level?

Seung-Hyun Lee, Yasuhiro Yamakawa, and Mike W. Peng; a working paper released June 2008

2008 Babson Entrepreneurship Research Conference Advocacy Best Paper Award

www.sba.gov/advo/research/rs326tot.pdf

How a society's formal institutions, such as bankruptcy laws, govern bankrupt entrepreneurs and firms is an important component of the institutional framework within which entrepreneurs and firms operate. The authors examine the relationship between bankruptcy law and the value-creating activities in a society associated with risk-taking behaviors by entrepreneurial firms. They find that a lenient, entrepreneur-friendly bankruptcy law encourages entrepreneurs to take risks and thus lets entrepreneurship prosper. This risk-taking can generate variety in the economy by increasing the number of firms with high growth potential, which may lead to more entrepreneurship and economic development—in short, failure may be good for the economy. The study supports a more informed understanding of how formal institutions governing bankruptcy influence entrepreneurial behavior and outcomes. It emphasizes that a society that is not willing to absorb the “pain” of having a large number of entrepreneurial failures, via an entrepreneur-friendly bankruptcy law, is not likely to reap the “gain” of vibrant entrepreneurship development and economic growth.

Analyzing the Impacts of Antitrust Laws and Enforcement on Small Business

Innovation and Information Consultants, Inc.; released July 2008

www.sba.gov/advo/research/rs329tot.pdf

The study investigates how antitrust laws and enforcement in the retail grocery and timber industries affect small firms. Looking at two industries (retail grocery and timber), the researchers find that, independent of the type of enforcement activity, the number of small grocery retailers declined over time. In the timber industry, the vertically integrated dominant firm hoarded the input of its small competitors downstream, forcing their exit.

Taxation

The Tax Debts of Small Business Owners in Bankruptcy

Rafael Efrat; released February 2008

www.sba.gov/advo/research/rs317tot.pdf

See entry description, page 8.

Other Office of
Advocacy Publications

Report on the Regulatory Flexibility Act, FY 2007

Cheryl Johns, editor; released February 2008

www.sba.gov/advo/laws/flex/07regflx.pdf

The Regulatory Flexibility Act (5 U.S.C. 601-612) requires federal agencies to consider the effects of their regulatory actions on small businesses and other small entities and to minimize any undue disproportionate burden. The chief counsel for advocacy of the U.S. Small Business Administration is charged with monitoring federal agencies' compliance with the act and with submitting an annual report to Congress. This annual report illustrates the regulatory flexibility accomplishments of FY 2007.

Background Paper on the Office of Advocacy, 2001-2008

Joseph Sobota, editor; released November 2008

www.sba.gov/advo/backgr08.pdf

This report summarizes the mission, activities, and accomplishments of the Office of Advocacy from 2001 to 2008.