
Business.gov – BACKGROUND INFORMATION

One of the greatest challenges small businesses face in dealing with the government is the large number of different agencies they must work with, each with its own set of regulations. Each federal, state and local agency organizes its online information differently, requiring business owners to understand how the government is organized in order to get the resources and forms they need to run their operations. Business.gov was created as a “one-stop shop” to help small business owners quickly and easily locate information on complying with federal, state and local regulations, and for learning about government programs serving the needs of the nation’s small business community.

The U.S. Small Business Administration, in a partnership with 21 other federal agencies, manages Business.gov, the official business link to the U.S. government. This partnership, known as Business Gateway, is part of a Presidential e-government initiative of the U.S. federal government to utilize technology to improve how the federal government services citizens and businesses. The Small Business Paperwork Relief Act (SBPRA) of 2002 requires that agencies name a staff contact for help businesses comply with federal regulations. The Business.gov website provides easy, one-stop access to those federal contacts as well as information on similar assistance programs offered by state and local governments.

Reducing the Regulatory Burden on Small Business

All businesses are burdened by government regulations. Small businesses face the greatest burden of all, which is why Business.gov is so important for small businesses. Research conducted by the U.S. Small Business Administration, Office of Advocacy revealed the following:¹

- Very small firms with fewer than 20 employees spend 45% more per employee than larger firms to comply with federal regulations.
- These very small firms spend 4.5 times as much per employee to comply with environmental regulations and 67% more per employee on tax compliance than their larger counterparts.
- Businesses with less than 20 employees spend an average of \$7,647 per employee to stay in compliance.
- Firms with fewer than 500 employees represent **99.7%** of the 24.7 million businesses in the U.S.; the most recent data show there are only 17,000 large businesses.
- Small businesses generated 60-80% of net new jobs annually for the last decade.
- Small manufacturing firms pay double the cost of larger companies to stay in compliance with federal regulations.
- Small businesses must also comply with labor and safety regulations.

Business.gov provides a platform for online services -- feature articles, interactive compliance tools and specialized, Google-based search engine -- that help small businesses significantly reduce regulatory burdens.

¹ U.S. Small Business Administration, Office of Advocacy, “FAQ” <http://www.sba.gov/advo/stats/sbfaq.pdf>.