

## Advocacy Website Features Matrix of Small Business Data Resources

by Rebecca Krafft, Editor

Finding small business data just got easier. A new tool from the Office of Advocacy, the Small Business Data Resources webpage, combines 57 data series from 36 government and private sources. This trove of numbers is organized into a single hyperlinked matrix. The data series are also indexed by functional category, including demographics, employment, and finance.

“Over many years, Advocacy has used and helped develop some of the best business data available by firm size,” said Chief Counsel for Advocacy Winslow Sargeant. “We’re pleased to be able to provide researchers a concise summary listing of many of the most used data sources.”

Advocacy’s economists have mined federal and private data sources for more than 30 years.

From the Census Bureau to the Federal Financial Institutions Examination Council, they have searched far and wide to compile comprehensive and up-to-date materials. Now, this data wisdom has been distilled into a hands-on guide for small business researchers and policymakers. The matrix lists online databases by federal agency or private sector source, links to their respective websites, and indexes them by topic.

The databases referenced on the page provide a wealth of information from federal government agencies, as well as private sector, university, nonprofit, international, and other sources.

This new tool is available at [www.sba.gov/advocacy/847/125821](http://www.sba.gov/advocacy/847/125821).

Agency	Data Program	Demographic	Employment	Exports	Finance	Firm Size	Firms / Exports	Health	Index
Administrative Off. of U.S. Courts	Bankruptcy Filings								
Agriculture	Business and Industry Guaranteed Loans								
	Small Farms								
Commerce /	Corporate Profits								
Bureau of Economic Analysis	Proprietors' Income								
Commerce / Census	Annual Capital Expenditures Survey								
	Business Dynamics Statistics								
	Business Expenses								
	County Business Patterns								
	Nonemployer Statistics								
	Statistics of U.S. Businesses								
	Survey of Business Owners								
	Survey of Income & Program Participation								
Commerce / Int. Trade Admin.	Small & Medium-Sized Exporters								
Census & Bureau of Labor Stat.	Current Population Survey								
Export-Import Bank	Small Business Authorizations								
FFIEC	Community Reinvestment Act data								
FDIC/FFIEC	Call Report Data / Outstanding SB Loans								
Federal Proc. Data System	Small Business Goals Report								
Federal Reserve Board	Flow of Funds								
	Senior Loan Officer Opinion Survey								
	Survey of Consumer Finances								

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## Research Notes

### Veterans Own Nine Percent of U.S. Businesses, Advocacy Study Finds

by Kathryn Tobias, Senior Editor

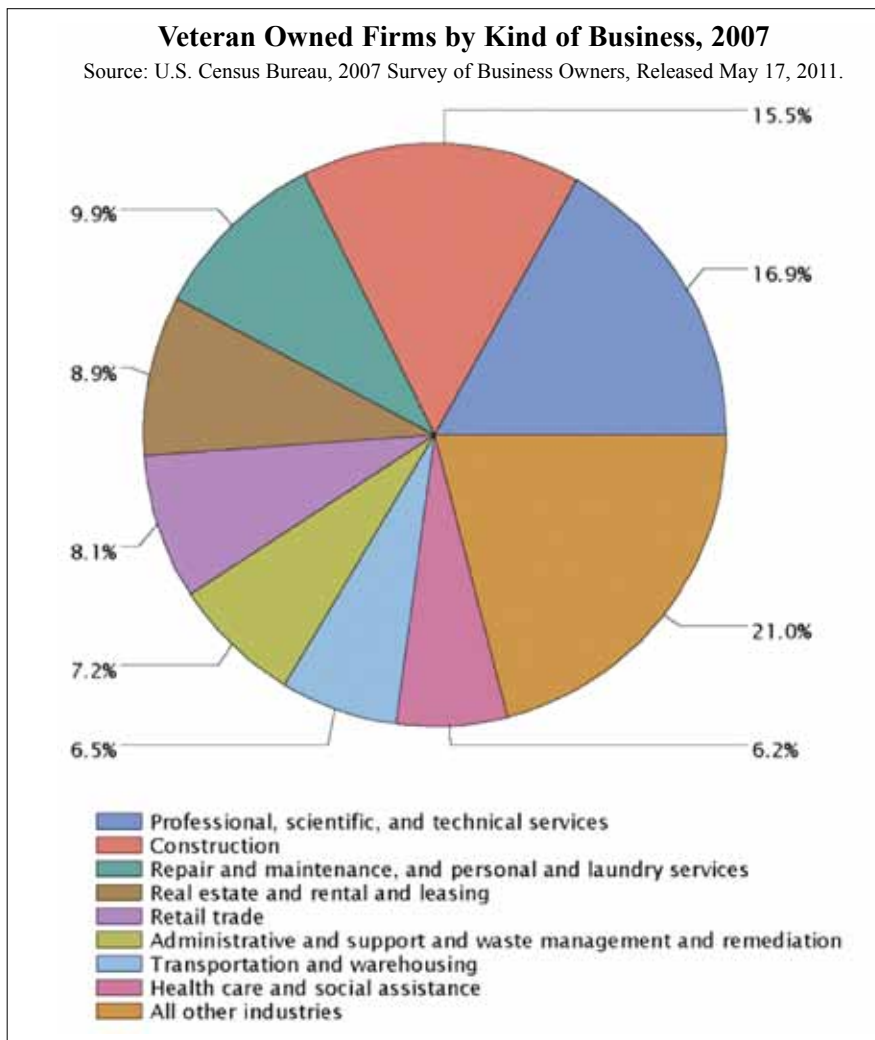
With his wife Trish, Gary Walker, Missouri Small Business Person of the Year for 2011, opened a cleaning service. Their company, Magic Touch Cleaning, has thrived using environmentally friendly cleaning products. The company's clients include banks, medical facilities, eye surgery centers, and car dealerships.

Kelly Terrien, 2011 Small Business Person of the Year for Colorado, went from dress blues to a civilian businesswoman's suit after 10 years of military service.

Today, Summit Technical Solutions employs more than 380 people.

Walker and Terrien are just two of the many veterans of U.S. military service who own more than 9 percent of U.S. businesses—an estimated 2.45 million firms in all. Advocacy's new study on business ownership by veterans, *Veteran-owned Businesses and their Owners—Data from the Census Bureau's Survey of Business Owners*, uses recently released data to examine veteran-owned firms.

The study's highlights include:



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- Of the total, 491,000 veteran-owned firms were employers, and 1.96 million were nonemployers.
- Veteran-owned firms had sales receipts of \$1.2 trillion, 5.8 million employees, and annual payroll of \$210 billion. Employer firms were responsible for 92 percent of the receipts, or \$1.1 trillion.
- Nearly one-third of all veteran-owned firms were in two industry groups: the construction industry and professional, scientific and technical services.
- By state, California, Texas, Florida, New York, and Georgia had the largest numbers of veteran-owned businesses. The five states with the highest concentrations of veteran-owned businesses were South Carolina, West Virginia, Virginia, Tennessee, and Alabama.
- Of the veteran business owners who responded to the survey, 8.3 percent had service-connected disabilities.
- Veteran business owners were overwhelmingly male (94.8 percent) and white (89.7 percent); 7.6 percent of veteran-owned firms were owned by African Americans and 4.6 percent by Hispanic Americans.

*Continued on page 5*

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## Message from the Chief Counsel

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### Overall Record of Accomplishment Supports Advocacy's 2013 Budget Request

by Dr. Winslow Sargeant, Chief Counsel for Advocacy

*On March 29, I had the honor of testifying before the U.S. Senate Committee on Small Business and Entrepreneurship to present the Office of Advocacy's budget request for fiscal year 2013. I want to bring you up to date on Advocacy's request by providing excerpts from my remarks before the committee.*

The 2010 Small Business Jobs Act (Public Law 111-240) included a provision establishing in the Treasury a new separate account for Advocacy and a requirement that SBA continue to provide operating support for our office. Advocacy now has statutory line-item funding that is not commingled with other SBA funding.

As chief counsel, my top priority remains ensuring that small businesses are considered in the regulatory process. We continue to work with agencies across government to help them mitigate the potential costs of regulation on small entities. I am pleased to report that during FY 2011, Advocacy achieved \$11.7 billion in first-year cost savings, \$10.7 billion of which will also be annually recurring savings. Although our annual regulatory cost savings can vary considerably from year to year, our five-year average for one-time cost savings is an impressive \$9.4 billion.

Since I have been chief counsel, I have signed 66 public comment letters to 27 departments and agencies on a wide variety of issues, in addition to one memorandum to all agencies on RFA issues generally.

Small business advocacy review panels remain a critical activity in ensuring early participation by small entities in the rule development process. In FY 2011,

Advocacy participated in eight panels convened on EPA rules, and did preliminary work on another seven panels planned by EPA. On March 6, we participated in the first panel convened by the Consumer Financial Protection Bureau.

Advocacy continues to provide Regulatory Flexibility Act (RFA) compliance training to regulatory agencies pursuant to Executive Order 13272. In FY 2011, 189 regulatory and policy officials received RFA training, and 107 more officials have been trained so far this fiscal year.

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We continue to work closely with our colleagues in OMB's Office of Information and Regulatory Affairs to ensure that small business concerns are heard early in the regulatory development process, in furtherance of the RFA and Executive Order 13272.

Advocacy hosted 32 small business roundtables in FY 2011, and we have had another 14 so far this year.

Our economic research team published 25 research or data products in FY 2011. So far this year, Advocacy has released another 11 research or data products.

Our information team keeps in touch with concerned stakeholders

through Advocacy's website, print, email, and social media. Our monthly newsletter, *The Small Business Advocate*, reaches 8,000 print subscribers and 28,000 electronic subscribers. We also provide frequent information updates via Facebook, Twitter, and Advocacy's blog, “The Small Business Watchdog.”

In January 2011, President Obama signed Executive Order 13563, which among other provisions, directed departments and agencies throughout government to review existing significant regulations and consider how best to promote retrospective analysis of rules. Advocacy is currently working with OMB and regulatory agencies to identify regulations where regulatory cost savings can be achieved.

Since my appointment in August 2010, I have had the honor of visiting 25 states to hear directly from small businesses and their representatives. Also, Advocacy's 10 regional advocates have visited all 50 states to listen to stakeholders.

In recognition of the need for federal agencies to reduce their budget requests during the current economic conditions, the Office of Advocacy requests \$8.9 million for its direct expenses in FY 2013, a \$220,000 reduction from its FY 2012 enacted level. This amount includes \$7.65 million for personnel costs. Advocacy's professional staff is our most important asset, and it is appropriate that the largest share of our budget goes to human resources. The FY 2013 budget request also will support new economic research program funding of \$800,000. The balance of our request, \$450,000, covers all other direct expenses. Together,

*Continued on page 5*



## Regulatory News

### Consumer Financial Protection Bureau Kicks Off First Small Business Review Panel

by Jennifer Smith, Assistant Chief Counsel

When consumers take out a mortgage loan, they receive disclosure forms regarding the loan's terms and costs from their lenders and settlement agents. These disclosure forms are requirements of the Truth in Lending Act (TILA) and the Real Estate Settlement Procedures Act (RESPA). Unfortunately the forms are different, and they are confusing and time consuming for consumers and industry. Because the forms have been problematic, the Dodd-Frank Act requires the Consumer Financial Protection Bureau (CFPB) to develop a single integrated form to meet the requirements of RESPA and TILA. Since the rulemaking will have a significant economic impact on a substantial number of small entities, the proposed disclosure form is the subject of a Small Business Advocacy Review panel, the first to be convened by the CFPB.

The CFPB convened the RESPA/TILA panel on February 21. The panel consists of representatives of the CFPB, the Office of Advocacy and the Office of Management and Budget (OMB).

As part of the process, small entity representatives give feedback about the potential impact of the actions CFPB is considering, and they propose less costly alterna-



The CFPB's small business advocacy review panel included a meeting with small entity representatives on March 6. From left are Benjamin K. Olson, CFPB's managing counsel for regulations research, markets and regulations; Richard Cordray, CFPB director; Winslow Sargeant, chief counsel for advocacy; and Jennifer Smith, assistant chief counsel.

tives. The small entity representatives for this panel were settlement service providers, mortgage brokers, mortgage bankers, banks, and credit unions. The small entity outreach meeting took place on March 6, and afterward some small business representatives submitted written comments.

The CFPB, Advocacy, and OMB are currently working on the panel report. The report will include the small entity recommendations, and is due on April 23.

The CFPB will consider the panel report and the small entity recommendations when it drafts the proposed rule. The agency must issue a proposed rule by July 2012. At that time, the public will be able to provide comments on the proposal. Advocacy will continue to monitor this rulemaking and will issue a regulatory alert when the draft rule is proposed later this year.

#### Small Entity Presence in RESPA/TILA Panel

The Consumer Financial Protection Bureau shared several documents with the small entity representatives in preparation for the March 6 outreach meeting.

- An overview of the proposals under consideration,
- A fact sheet summarizing the small business advocacy review panel process, and
- A list of questions and issues on which the CFPB will seek input.

Links to these three documents are contained in a CFPB blog post titled "SBREFA, Small Providers, and Mortgage Disclosure," dated February 21, 2012:

[www.consumerfinance.gov/blog/sbrefa-small-providers-and-mortgage-disclosure/#more-12152](http://www.consumerfinance.gov/blog/sbrefa-small-providers-and-mortgage-disclosure/#more-12152).

## March Roundtable Madness

by Sarah Bresolin Silver, Assistant Chief Counsel

In March, the Office of Advocacy hosted five roundtables on a range of matters that affect small businesses. Advocacy's roundtables facilitate dialogue between small businesses and government agencies. This month these exchanges concerned issues related to the Environmental Protection Agency (EPA), the Paperwork Reduction Act, the financial industry, employee benefit plans, and occupational health and safety. The roundtables are a key opportunity for small businesses to make their concerns known, and the range of matters discussed highlights the breadth of the issues Advocacy addresses.

On March 16, Advocacy hosted its environmental roundtable led by Assistant Chief Counsels Kevin Bromberg, David Rostker, and Sarah Bresolin Silver. The roundtable focused on chemicals in federal agency rulemakings and programs. Representatives from the American Chemistry Council, Regulatory Checkbook, and IPC discussed the anticipated EPA Confidential Business Information rulemaking. They also shared concerns about the Department of Health and Human Services' Report on Carcinogens, and provided an update on EPA's Chemical Data Reporting Rule. In attendance were small businesses, small business trade representatives, and staff from EPA and OMB.

On March 19, Advocacy hosted a roundtable to discuss the Paperwork Reduction Act and its benefits to small businesses. Assistant Chief Counsel David Rostker led the roundtable. Notably, discussion also focused on the Administrative Conference of the United States's draft report and recommendations for reform of the Act.

Advocacy held a roundtable on March 20 on issues affecting the

financial industry. Assistant Chief Counsel Jennifer Smith led the roundtable, and participants came from the banking, mortgage, settlement services, homebuilding, credit reporting, and financial services industries. The agenda included a report on the recent small business outreach meeting for the Consumer Financial Protection Bureau's small business advocacy review panel on the Real Estate Settlement Procedures Act/Truth in Lending Act rulemaking. Participants also provided feedback on remittance transfers, qualified mortgages, and the definition of larger participants' rulemakings.

On March 21 Advocacy hosted a pension roundtable where small business owners, small business trade representatives, and staff from the Department of Treasury and the Senate Finance Committee met to discuss issues related to employee benefit plans. Assistant Chief Counsel Dillon Taylor organized the roundtable. The employee benefit issues discussed included: the Internal Revenue Code section

409A penalty on deferred compensation arrangements; the top-heavy rules for section 401(k) plans; cafeteria plans; and how tax reform could deter employers from offering employee benefit plans.

On March 30, Assistant Chief Counsel Bruce Lundegren hosted Advocacy's roundtable on occupational safety and health issues. One key issue discussed was the recent publication of the Occupational Safety and Health Administration's (OSHA) final Globally Harmonized System of Classification and Labeling of Chemicals (GHS) rule. This rule revises OSHA's Hazard Communication Standard to adopt the United Nations' negotiated GHS framework. Also discussed were OSHA's revised policy on employee incentive programs and the status of OSHA's contemplated injury and illness prevention programs (I2P2) rulemaking.

If you would like to be added to Advocacy's roundtable notification list, please contact the office at (202) 205-6533 or at [advocacy@sba.gov](mailto:advocacy@sba.gov).

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### Veterans' Report, *from page 2.*

- About 75 percent of owners were over the age of 55, reflecting the ages of veterans overall. As a group they tended to be better educated than other business owners.

- By far the largest source of capital for veteran-owned business startup or acquisition was personal or family savings: 61.7 percent of respondents reported using this source. Business loans from banks or other commercial lenders were a distant second, at 9.8 percent.

The study is available at [www.sba.gov/advocacy/7540/132031](http://www.sba.gov/advocacy/7540/132031).

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### Advocacy 2013 Budget, *from page 3.*

staffing and research account for 95 percent of Advocacy's total request, and any significant reduction from the amounts requested would necessarily come from one or both of these areas.

In conclusion, let me again thank the committee and its staff for the tremendous support you have given the Office of Advocacy for so many years. It helps us immeasurably in our work to know that we have this support. I look forward to continuing to work with you on issues of importance to small business.

## Research Notes

### The Small Business Economy, 2011

by Kathryn Tobias, Senior Editor

Quarter by quarter, small businesses with fewer than 500 workers continued to outperform large firms in net job creation three out of four times from 1992 through 2010, when private-sector employment rose, according to data in the latest edition of *The Small Business Economy*.

The newest edition is formatted to improve the accessibility of the data in an online series of tables on small business in the economy and small business financing. This rich collection of information about small business contributions to the economy and trends over time is

offered this year, for the first time, in tabular form online in place of the paperback report.

The latest years covered in this summary were challenging for small businesses, as the economy recovered from the recent recession. Section A documents various aspects of small business participation in the American economy. Many economic indicators began to show positive improvement in the months following the end of the recession.

The Office of Advocacy also tracks small business financing trends in *The Small Business*

*Economy*. This year the key financial data in Section B track trends such as movements in interest rates, credit market borrowing by businesses, their sources and uses of funds, finance company borrowing, initial public offerings of common stock, and venture capital.

Overall, the period covered in the report shows improvement over the previous period, as small firms increasingly started up, created jobs, and stimulated economic growth. The report is available online at [www.sba.gov/advocacy/849/6282](http://www.sba.gov/advocacy/849/6282).

### Five Comment Letters Filed, January–March 2012

In the first quarter of 2012, the Office of Advocacy filed five regulatory comment letters with federal agencies. These can be found on Advocacy's website at [www.sba.gov/advocacy/816](http://www.sba.gov/advocacy/816). Each letter is accompanied by an explanatory fact sheet summarizing key points. Here is a list of the dates, agencies, and rule/proposals.

#### Regulatory Comment Letters Issued by the Office of Advocacy, January–March 2012

Date	Agency	Rule or Topic
March 14, 2012	Environmental Protection Agency	Integrated Risk Information System's Toxicological Review of Hexavalent Chromium
March 12, 2012	Department of Labor, Wage and Hour Division	Application of the Fair Labor Standards Act to Domestic Service-Notice of Proposed Rulemaking
March 12, 2012	Environmental Protection Agency	National Emission Standards for Hazardous Air Pollutant Emissions: Hard and Decorative Chromium Electroplating and Chromium Anodizing Tanks; and Steel Pickling-HCl Process Facilities and Hydrochloric Acid Regeneration Plans
February 21, 2012	Environmental Protection Agency	Non-Hazardous Secondary Materials that Are Solid Waste
January 21, 2012	Office of Federal Procurement Policy	Request for a review of current acquisition policies and practices regarding the acquisition tool of reverse auctions and the impact of such policies and practices on small businesses



## Regional Update

### Chief Counsel Visits Three Southern States

In March, Chief Counsel for Advocacy Winslow Sargeant, Senior Advisor Michael Landweber, Region IV Advocate Mark Berson, and Region VI Advocate Caitlin Cain participated in a listening tour to locations in Tennessee, Mississippi, and Louisiana.



Dr. Sargeant was a keynote speaker at the Nashville Area Chamber of Commerce's annual summit. Introducing him is Don Klein, chief executive officer of the Greater Nashville Association of Realtors. Dr. Sargeant drew on his personal experience as an entrepreneur in explaining the Office of Advocacy's role in speaking out on behalf of small business within the federal government. *Photo courtesy Nashville Area Chamber of Commerce.*



Advocacy staff toured the Mississippi Enterprise for Technology (MSET) Small Business Technology Incubator at the Stennis Space Center in Hancock County, Miss. Standing, from left, are Dr. Sargeant; Julio Melhado, President Melhcorp, (MSET incubator company) Stennis Space Center; Advocacy Senior Advisor Michael Landweber; and Mark Henderson, Loglinear Group, Waveland, Miss. Seated is Michael Ricks, SBA Louisiana District Office director. *Photo courtesy Stennis Space Center.*



Advocacy staff visited with Louisiana fishermen. (Above: shrimping vessels and, right, an oyster boat, all moored at the marina in Port Sulphur, La.) Louisiana provides over one-third of all seafood to the United States. The fisheries represent an important component of the state's culture and are a building block of the entrepreneurial and small business community. *Photo: Caitlin Cain.*



Additionally, Dr. Sargeant hosted a fisheries roundtable with a broad array of stakeholders to discuss the regulatory challenges faced by this industry. This gathering was a first step in creating a more open dialogue about what works and what doesn't, and how regulating agencies can work more effectively with the Louisiana fishing industry. *Photo: Caitlin Cain.*

## Bookmark This!

Thanks to the Small Business Data Resources webpage, dozens of authoritative data streams are accessible from one location. One enthusiastic user has christened it, “The Killer Small Business App.”

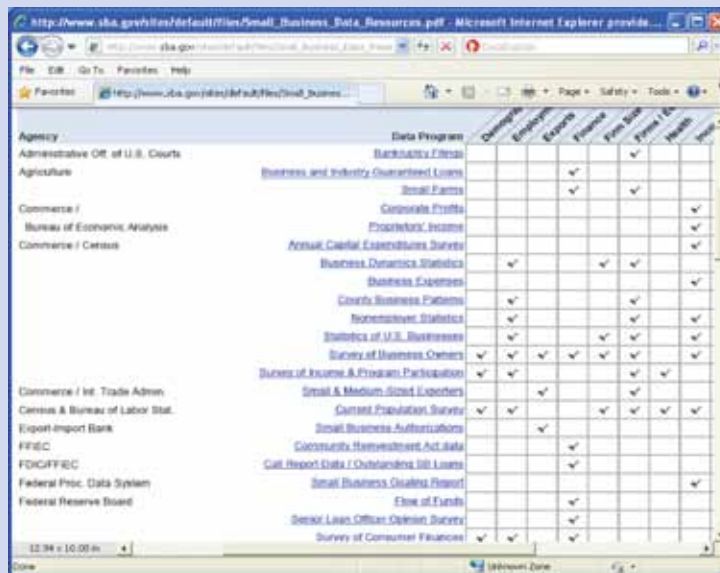
Now anyone—not just the anointed few—can find statistics on small business lending or venture capital, for example, by checking the “Finance” column. There you’ll find the sources for SBA lending data, as well as Call Report Data from the Federal Financial Institutions Examination Council, and the National Venture Capital Association’s Total Venture Capital Investments.

- If you’re looking for data on businesses owned by women, veterans, or minorities, scan the checkmarks under “Demographics,” and you’ll find links to the Survey of Business Owners (Census Bureau) and the Current Population Survey (Census Bureau/Bureau of Labor Statistics).

- For data on benefits offered by small businesses, check out the Survey of Income and Program Participation offered by Census, or the Employee Benefits Research Institute’s Small Employer Retirement and Small Employer Health Benefits Surveys.

These are just a few of the rich veins of small business-related data you can mine from this new Office of Advocacy site: [www.sba.gov/advocacy/847/125821](http://www.sba.gov/advocacy/847/125821). Let us know what else you need to know!

—Kathryn Tobias, Senior Editor



Agency	Data Program	Demographics	Finance	Programs	Partners	Partners	Partners
Administrative Off. of U.S. Courts	Bankruptcy Filings						
Agriculture	Business and Industry Characteristics						
	Small Farms						
Commerce /	Corporate Profits						
Bureau of Economic Analysis	Producers' Income						
Commerce / Census	Annual Capital Expenditures Survey						
	Business Dynamics Statistics						
	Business Expenses						
	County Business Patterns						
	Nonretailer Statistics						
	Statistics of U.S. Businesses						
	Survey of Business Centers						
Commerce / Int. Trade Admin.	Survey of Income & Program Participation						
Census & Bureau of Labor Stat.	Small & Medium Sized Exporters						
Export-Import Bank	Current Population Survey						
FINEC	Small Business Authorizations						
FDIC/FDIC	Cooperatives, Homebased, Act Data						
Federal Finic. Data System	Call Report Data / Checkbook Bill Loans						
Federal Reserve Board	Small Business Credit Report						
	Flow of Funds						
	Senior Loan Officer Opinion Survey						
	Survey of Consumer Finances						

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