

## Small Business Economy Provides Details of Struggling 2008 Economy

by Myles MacDonald, Office of Advocacy Intern

*The Small Business Economy 2009* is the most recent in a 28-year-long series of annual reports to the President on the condition of American small businesses. Released recently and produced by the Office of Advocacy, it is intended to inform policymakers of the state of small businesses in America.

Since the mid-1990s, small businesses have accounted for 64 percent of net new employment. Each year they account for approximately half of the nation's private, non-farm GDP and half of private sector employment. Small businesses are more innovative than large ones, acquiring, on average, more valuable patents at a higher rate.

Although many positive signs have indicated that the economy is beginning to improve and recover, at the end of 2008 America was experiencing one of the largest quarterly drops in GDP since the Great Depression. The housing market had tanked, while the overexposed financial sector narrowly avoided collapse. By the end of the year, financial institutions worldwide were struggling, and the sudden plunge in available credit and household wealth had pulled the broad economy down. The recession began with plummeting home values, and the construction industry, composed primarily of small businesses, has been the hardest hit.

*Continued on page 4*



Participating in Advocacy's finance symposium were, from left, Senior Economist Charles Ou, Georgetown University Professor David Walker, DePaul University Professor Rebel Cole, Advocacy Economist Victoria Williams, and Montana State University Professor George Haynes. (See article on page 3.)

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### Frequently Asked Questions about Small Business Newly Revised

Newly revised data on the most popular small business topics are now available on the Office of Advocacy website. A copy of the new FAQ also appears on pages 5 and 6 of this edition.

### Roundtable Examines Pension and Retirement Plan Issues

by Dillon Taylor, Assistant Chief Counsel

On July 15, Advocacy hosted a roundtable where representatives from the federal government and small businesses discussed a number of important pension and retirement plan issues.

Leading off was a presentation by a Treasury Department official describing President Obama's 2010 budget proposal to pair Individual Retirement Accounts (IRAs) with a workplace payroll system that would enable employees to make IRA contributions via payroll deductions through their employers. The proposal is intended to expand retirement savings to those who currently do not have employer-sponsored retirement plans available. The proposal is also intended to be simple and inexpensive for employers to implement. Employers with 10 employees or fewer would be exempted from the automatic IRA proposal. The proposal would also make available a tax credit for employers that offer employees automatic IRAs.

A second presenter, Denise Farris of the Farris Law Firm, discussed why she supported this proposal regarding contributions to IRAs.

Paula Calimafde of the Small Business Council of America discussed several proposals to reduce unnecessary burdens on employers with respect to retirement plans. These proposals included eliminating the requirements for the Annual Notice of 401(k) Match, the Annual Summary Plan Document, and quarterly 401(k) statements. Calimafde also proposed revising the "top-heavy" rules and actual deferral percentage (ADP) testing rules.

Gary Kushner, from Kushner & Company, made a presentation on Internal Revenue Code Section

125 "cafeteria plans." Kushner described several Internal Revenue Service rules related to cafeteria plans that would benefit from revision. One of these rules prevents many employers from participating in the cafeteria plans that they sponsor for their employees. Second are the IRS 1984 "use it or lose it" rules, which should be updated to permit an employee who separates from service to roll over benefits to a different employer's plan. Third are the IRS 1987 employer "at-risk" rules, which Kushner also felt should be revised. Kushner discussed other legislative revisions including: permitting long-care insurance for cafeteria plans; raising the dependent-care monetary limit for cafeteria plans; and legislating less burdensome "nondiscrimination rules" for cafeteria plans.

Judy Miller of the American Society of Pension Professionals and Actuaries discussed defined benefit plan funding, and Sam Gilbert of the Pension Forum discussed small business issues with bonding and the annuity provider rules. Because roundtable participants raised a number of additional issues, Advocacy looks forward to hosting another pension roundtable later this year.

For information on future roundtables contact Assistant Chief Counsel Dillon Taylor at (202) 401-9787 or [dillon.taylor@sba.gov](mailto:dillon.taylor@sba.gov).

#### The Small Business Advocate

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*The Small Business Advocate* (ISSN 1045-7658) is published monthly by the Office of Advocacy and is distributed to SBA field staff and members of Congress. *The Small Business Advocate* is available without charge from the Office of Advocacy, U.S. Small Business Administration, MC 3114, Washington, DC 20416; [advocacy@sba.gov](mailto:advocacy@sba.gov); (202) 205-6533. For delivery changes, send your current address label with your request to the above address. For electronic delivery visit, [www.sba.gov/advo/newsletter.html](http://www.sba.gov/advo/newsletter.html).



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## Message from the Acting Chief Counsel

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### Advocacy Hosts Finance Event, Launches New Series, and Celebrates a Long Career

by Shawne McGibbon, Acting Chief Counsel for Advocacy

On July 9, the Office of Advocacy celebrated the tenure of Senior Economist Charles Ou at an event that began, appropriately, as a symposium on small firm financing. An original member of Advocacy's staff, Charles retired after a 32-year career in small business financial research in July. The symposium launched *Small Business in Focus: Finance*, the first in a new Advocacy series examining small business topics in depth. Future editions will compile research examining other issues of concern to small firms.

One of the research tasks outlined in Advocacy's 1976 authorizing legislation was to "study the ability of financial markets and institutions to meet small business credit needs." Among Advocacy's most significant accomplishments is its focus on small business finance over the long term and its success at tackling the challenge of scarce financial data. Much of this is due to the resources developed by an excellent research team, in no small part thanks to Charles Ou.

Ou and three of the contributors to *Small Business in Focus: Finance* participated in the July symposium. Dr. Rebel Cole, professor at DePaul University, and Dr. George Haynes, professor at Montana State University, were panelists, while Advocacy economist Victoria Williams moderated the panel. Dr. David Walker, professor at Georgetown University, was the discussant.

Ou described the challenge of compiling data on small business finance. An examination of the small business financial markets that is both current and comprehensive is difficult, he explained, because of the complexity of the

markets and the lack of data to study them. Small business financing is delivered in thousands of segmented markets—some national or regional, and most local. Small businesses rely on debt and equity

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**“Among Advocacy’s most significant accomplishments is its focus on small business finance over the long term.”**

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financing from banks and finance companies, public offering markets, angel investors and venture capitalists, families, friends, and the founders themselves.

The Office of Advocacy works to find and make use of as many data sources as it can. Advocacy worked with the Federal Reserve Board to develop the Survey of Small Business Finances (SSBF), which has been discontinued. The Federal Reserve Board now offers the Survey of Consumer Finances as one alternative. Advocacy's annual study of small business lending and the Kauffman Firm Survey also provide information. The bottom line, according to Ou: we have acquired some useful knowledge about small business financing—and we will need much more data for an adequate understanding of small business financing needs in the 21st century.

George Haynes discussed the findings of two studies conducted in collaboration with Dr. James Brown, assistant professor at Iowa State University. Their descriptive study compares SSBF samples from 1993, 1998, and 2003 with respect

to characteristics of the business owners sampled and changes in their financing patterns. An analytical section focuses on commercial banks and finance companies. A second study by Brown and Haynes examines firm growth, noting the critical importance of internal funds to small businesses, in contrast with the outside capital used by publicly traded firms.

Rebel Cole's study also used data from the SSBF. Cole classifies small businesses into four groups based on their credit-seeking history: nonborrowers, discouraged borrowers, denied borrowers, and approved borrowers. He finds significant differences between denied borrowers and discouraged borrowers, and finds that minority-owned firms, and especially black-owned firms, have been denied credit at a far higher rate than firms whose owners were white.

The symposium also included a special presentation by SBA Administrator Karen Mills to Dr. Ou upon the occasion of his retirement. Administrator Mills praised Ou's dedication and contribution to the study of small business finance.

Those in attendance at the symposium represented the breadth of the impact Ou has had on the study of small business finance. They included former Chief Counsels for Advocacy Thomas Sullivan and Jere Glover, Art Kennickell and Traci Mach of the Federal Reserve Board, and former Advocacy Chief Economist Bob Berney.

For a summary of *Small Business in Focus: Finance*, see the Advocacy website at [www.sba.gov/advo/research/rs348.pdf](http://www.sba.gov/advo/research/rs348.pdf). The full compendium is available at [www.sba.gov/advo/research/09finfocus.pdf](http://www.sba.gov/advo/research/09finfocus.pdf).

## Regulatory News

### Advocacy Works with Department of Education to Address Concerns of Small Jurisdictions

by Kate Reichert, Regulatory and Legislative Counsel

In recent months, the Department of Education has begun drafting rules implementing education provisions in the Recovery Act. These provisions allow for over \$100 billion in spending with the immediate goal of creating and saving jobs. Over the long term, these provisions aim to improve student achievement through school investment and reform.

Advocacy has renewed its cooperative efforts with the agency to ensure that the concerns of small entities are taken into account in the rulemaking process. Advocacy's involvement arises from the Regulatory Flexibility Act's definition of "small entities," which extends to small governmental jurisdictions and school districts in areas with populations under 50,000. Many of

these will be affected by the rules currently being proposed. Advocacy has begun working with the agency on rules implementing not only Recovery Act provisions, but also provisions of the Higher Education Act of 1965 as amended by the Higher Education Opportunity Act of 2008, and others.

Advocacy will continue to work with the Department of Education as it prepares and implements these important programs. Small entities that may be affected by these rulemakings should contact Regulatory Counsel Kate Reichert at (202) 205-6972 or [kate.reichert@sba.gov](mailto:kate.reichert@sba.gov).

### r3 Six-month Update Now Available

The Office of Advocacy has posted the latest update to its Regulatory Review and Reform (r3) Top Ten list at [www.sba.gov/advo/r3](http://www.sba.gov/advo/r3).

### Small Business Economy, from page 1

Small businesses throughout the economy face greater costs to comply with federal regulation, have greater difficulty providing healthcare to their workers, and have more difficulty recruiting and retaining employees than large companies. Moreover, as Chapter 2 explains, the most pressing issue faced by small businesses in 2008 was financing, which had dried up for many companies and innovative entrepreneurs. Borrowing dropped more than 50 percent for corporate borrowers and more than 80 percent for non-corporate borrowers, which are generally smaller firms. Meanwhile, government borrowing surged to unprecedented levels in the second half of 2008, as Congress took action to prevent the collapse of the financial markets.

Small businesses have been the key to economic recovery in the past, and likely will be in this recession. With the focus of the economy shifting out of the

financial and housing sectors, and toward health care and green energy, innovative entrepreneurs have great opportunities, while established small businesses have a chance to grow. This newest edition of the *Small Business Economy* will

help illuminate the challenges that small businesses face while providing policymakers with the information they need.

The full report, can be found at [www.sba.gov/advo/research/sb\\_econ2009.pdf](http://www.sba.gov/advo/research/sb_econ2009.pdf).

Credit Market Borrowing by the Nonfinancial Sector, 2005-2008 (billions of dollars)\*

	2005*	2006*	2007*	2008*	2008			
					Q1	Q2	Q3	Q4
<b>Total domestic borrowing</b>	2,326.6	2,392.8	2,499.9	1,845.1	1,661.2	1,003.9	2,627.0	2,088.5
<b>Government</b>								
Federal	306.9	183.4	237.1	1,239.2	412.7	310.4	2,078.5	2,155.2
State and local	171.7	151.2	185.7	48.0	76.1	20.6	68.7	26.7
<b>Business</b>								
Farm	12.8	10.8	16.2	11.3	29.6	25.6	-15.7	5.7
Nonfarm noncorporate	331.6	408.7	410.8	172.0	316.2	186.8	162.1	22.8
Nonfinancial corporate	332.5	469.5	801.3	323.7	417.2	416.1	304.8	156.8
Total	676.9	889.0	1,228.3	507.0	763.0	628.5	451.2	185.3
<b>Households</b>	1,171.1	1,169.2	848.8	50.9	409.4	44.4	28.6	-278.7
Home mortgages**	1,040.7	964.1	651.5	-46.2	251.7	-32.4	-241.3	-163.0
Nonmortgages	130.4	205.1	197.3	97.1	157.7	76.8	269.9	-115.7
<b>Foreign borrowing in the United States</b>	112.6	331.3	124.3	-157.9	281.3	78.5	539.7	451.6

\* Annual revision for statistics, 2005-2008.

\*\*Includes loans made as home equity lines of credit and home equity loans secured by junior liens. Source: Small Business Economy, 2009, Table 2.2, from Federal Reserve Board.

## What is a small business?

The Office of Advocacy defines a small business for research purposes as an independent business having fewer than 500 employees. Firms wishing to be designated small businesses for government programs such as contracting must meet size standards specified by the U.S. Small Business Administration (SBA) Office of Size Standards. These standards vary by industry; see [www.sba.gov/size](http://www.sba.gov/size).

## How important are small businesses to the U.S. economy?

### Small firms:

- Represent 99.7 percent of all employer firms.
- Employ just over half of all private sector employees.
- Pay 44 percent of total U.S. private payroll.
- Have generated 64 percent of net new jobs over the past 15 years.
- Create more than half of the nonfarm private gross domestic product (GDP).
- Hire 40 percent of high tech workers (such as scientists, engineers, and computer programmers).
- Are 52 percent home-based and 2 percent franchises.
- Made up 97.3 percent of all identified exporters and produced 30.2 percent of the known export value in FY 2007.
- Produce 13 times more patents per employee than large patenting firms; these patents are twice as likely as large firm patents to be among the one percent most cited.

Source: U.S. Dept. of Commerce, Bureau of the Census and International Trade Admin.; Advocacy-funded research by Kathryn Kobe, 2007 ([www.sba.gov/advo/research/rs299tot.pdf](http://www.sba.gov/advo/research/rs299tot.pdf)) and CHI Research, 2003 ([www.sba.gov/advo/research/rs225tot.pdf](http://www.sba.gov/advo/research/rs225tot.pdf)); U.S. Dept. of Labor, Bureau of Labor Statistics.

## What share of net new jobs do small businesses create?

**Firms with fewer than 500 employees accounted for 64 percent (or 14.5 million) of the 22.5 million net new jobs (gains minus losses) between 1993 and the third quarter of 2008.** Continuing firms accounted for 68 percent of net new jobs, and the other 32 percent reflect net new jobs from firm births minus those lost in firm closures (1993 to 2007).

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. Note that the methodology used for the figures above counts job gains or losses in the actual class size where they occurred.

## How many businesses open and close each year?

**An estimated 627,200 new employer firms began operations in 2008, and 595,600 firms closed that year.** This amounts to an annual turnover of about 10 percent for entry and 10 percent for exit. Nonemployer firms have turnover rates three times as high as those of employer firms, mostly because of easier entry and exit conditions.

## Starts and Closures of Employer Firms, 2004–2008

Category	2004	2005	2006	2007	2008
Births	628,917	644,122	670,058	663,100e	627,200e
Closures	541,047	565,745	599,333	571,300e	595,600e
Bankruptcies	34,317	39,201	19,695	28,322	43,546

Notes: e = Advocacy estimate. Bankruptcies include nonemployer firms. For a discussion of methodology, see Brian Headd, 2005 ([www.sba.gov/advo/research/rs258tot.pdf](http://www.sba.gov/advo/research/rs258tot.pdf)).

Source: U.S. Dept. of Commerce, Bureau of the Census; Administrative Office of the U.S. Courts; U.S. Dept. of Labor, Employment and Training Administration.

## What is small firms' share of employment?

**Small businesses employ just over half of U.S. workers.** Of 119.9 million nonfarm private sector workers in 2006, small firms with fewer than 500 workers employed 60.2 million and large firms employed 59.7 million. Firms with fewer than 20 employees employed 21.6 million. While small firms create a majority of the net new jobs, their share of employment remains steady since some firms grow into large firms as they create new jobs. Small firms' share of part-time workers (21 percent) is similar to large firms' share (18 percent).

Source: U.S. Dept. of Commerce, Bureau of the Census: Statistics of U.S. Businesses, Current Population Survey.

## How many small businesses are there?

**In 2008, there were 29.6 million businesses in the United States, according to Office of Advocacy estimates.** Census data show that there were 6.0 million firms with employees in 2006 and 21.7 million without employees in 2007 (the latest available data). Small firms with fewer than 500 employees represent 99.9 percent of the 29.6 million businesses (including both employers and nonemployers), as the most recent data show there were about 18,000 large businesses in 2006.

Source: Office of Advocacy estimates based on data from the U.S. Dept. of Commerce, Bureau of the Census, and U.S. Dept. of Labor, Employment and Training Administration.

## What is the survival rate for new firms?

**Seven out of ten new employer firms last at least two years, and about half survive five years.** More specifically, according to new Census data, 69 percent of new employer establishments born to new firms in 2000 survived at least two years, and 51 percent survived five or more years. Firms born in 1990 had very similar survival rates. With most firms starting small, 99.8 percent of the new employer establishments were started by small firms. Survival rates were similar across states and major industries.

Source: U.S. Dept. of Commerce, Bureau of the Census, Business Dynamics Statistics. Note that the figures could be skewed slightly by the rare occurrence of new firms opening multiple establishments in their first few years.

## How are small businesses financed?

**Commercial banks and other depository institutions are the largest lenders of debt capital to small businesses.**

They accounted for almost 65 percent of total traditional credit to small businesses in 2003. (This includes credit lines and loans for nonresidential mortgages, vehicles, equipment, and leases.) Credit cards account for much of the growth in small business lending over the past few years. For more information, see Advocacy's annual publication, *Small Business Lending in the United States* ([www.sba.gov/advo/research/lending.html](http://www.sba.gov/advo/research/lending.html)).

## How do regulations affect small firms?

**Very small firms with fewer than 20 employees annually spend 45 percent more per employee than larger firms to comply with federal regulations.** These very small firms spend four and a half times as much per employee to comply with environmental regulations and 67 percent more per employee on tax compliance than their larger counterparts. For data broken out by industry, see [www.sba.gov/advo/research/rs264tot.pdf](http://www.sba.gov/advo/research/rs264tot.pdf).

### Annual Cost of Federal Regulations by Firm Size, All Business Sectors (Dollars)

Type of Regulation	Cost per Employee for Firms with:	
	<20 Employees	500+ Employees
All Federal Regulation	\$7,647	\$5,282
Environmental	3,296	710
Economic	2,127	2,952
Workplace	928	841
Tax Compliance	1,304	780

Source: *The Impact of Federal Regulations on Small Firms*, an Advocacy-funded study by W. Mark Crain, 2005 ([www.sba.gov/advo/research/rs264tot.pdf](http://www.sba.gov/advo/research/rs264tot.pdf)).

## Whom do I contact about regulations?

**To submit comments on proposed regulations, send email to [advocacy@sba.gov](mailto:advocacy@sba.gov) or visit Advocacy's regulatory alerts page at [www.sba.gov/advo/laws/law\\_regalerts.html](http://www.sba.gov/advo/laws/law_regalerts.html).** To inquire about unfair regulatory enforcement, contact SBA's Office of the National Ombudsman at [ombudsman@sba.gov](mailto:ombudsman@sba.gov).

## What is the role of women, minority, and veteran entrepreneurs?

Of the 23 million nonfarm businesses in 2002, women owned 6.5 million businesses, generating \$940.8 billion in revenues, employing 7.1 million workers, and paying \$173.7 billion in payroll. Another 2.7 million firms were owned equally by both women and men. Also in 2002, minorities owned 4.1 million firms that generated \$694 billion in revenues and employed 4.8 million people. Hispanic Americans owned 6.6 percent of all U.S. businesses; African Americans, 5 percent; Asian Americans, 4.6 percent; American Indians or Alaska Natives, 0.8 percent; and Native Hawaiian or other Pacific Islanders, 0.1 percent. Veterans made up 14 percent of all owners in 2002, and 7 percent of them were service-disabled.

In 2007, the overall rate of self-employment (unincorporated and incorporated) was 10 percent, and the rate was 7.1 percent for women, 7.4 percent for Hispanic Americans, 5.2 percent for African Americans, 10.1 percent for Asian Americans and Native Americans, and 14.4 percent for veterans. According to a recent study, service-disabled veterans were less likely than non-service-disabled veterans to be employed, and they had lower self-employment rates.

Source: U.S. Dept. of Commerce, Bureau of the Census, Survey of Business Owners; Office of Advocacy: *Women in Business* ([www.sba.gov/advo/research/rs280.pdf](http://www.sba.gov/advo/research/rs280.pdf)) and *Minorities in Business* ([www.sba.gov/advo/research/rs298.pdf](http://www.sba.gov/advo/research/rs298.pdf)); Open Blue Solutions, 2007 ([www.sba.gov/advo/research/rs291tot.pdf](http://www.sba.gov/advo/research/rs291tot.pdf)), and Office of Advocacy: *The Small Business Economy, 2009* (Table A.13, [www.sba.gov/advo/research/sbe.html](http://www.sba.gov/advo/research/sbe.html)).

## What research exists on the cost and availability of health insurance?

For many years, the cost and availability of health insurance have been top small business concerns. These concerns are driven by premium increases and administrative costs. Advocacy research shows that: (1) insurers of small health plans have higher administrative expenses than those that insure larger group plans, and (2) employees at small firms are less likely to have coverage than the employees of larger entities.

A Kaiser Family Foundation study confirmed the connection between the size of a firm and whether it offers health insurance. The Kaiser survey shows that about half of businesses with fewer than 10 workers offer health benefits to their employees. The ratio grows to about three-fourths for firms with 10–24 employees, to almost 90 percent for firms with 25–49 employees, and to 98 percent for firms with 200 employees or more. Two-thirds of workers in firms of all sizes take health insurance coverage when offered.

Overall in 2007, small firm employees were almost twice as likely as large firm employees to be uninsured (24.6 percent vs. 12.6 percent, respectively).

Source: National Federation of Independent Business; Kaiser Family Foundation; Advocacy-funded research by Rose C. Chu and Gordon R. Trapnell, 2003 ([www.sba.gov/advo/research/rs224tot.pdf](http://www.sba.gov/advo/research/rs224tot.pdf)); Joel Popkin and Company, 2005 ([www.sba.gov/advo/research/rs262tot.pdf](http://www.sba.gov/advo/research/rs262tot.pdf)); and Econometrica, Inc., 2007 ([www.sba.gov/advo/research/rs295tot.pdf](http://www.sba.gov/advo/research/rs295tot.pdf)); and Office of Advocacy: *The Small Business Economy, 2009* ([www.sba.gov/advo/research/sbe.html](http://www.sba.gov/advo/research/sbe.html)).

## How can I get more information?

**For more information, visit Advocacy's website:**

[www.sba.gov/advo](http://www.sba.gov/advo). Specific points of interest include:

- Economic research: [www.sba.gov/advo/research](http://www.sba.gov/advo/research).
- Firm size data (U.S., state, and metropolitan static and dynamic data): [www.sba.gov/advo/research/data.html](http://www.sba.gov/advo/research/data.html).
- Small firm lending studies: [www.sba.gov/advo/research/lending.html](http://www.sba.gov/advo/research/lending.html).
- Small business profiles by state and territory: [www.sba.gov/advo/research/profiles](http://www.sba.gov/advo/research/profiles).
- *The Small Business Advocate* newsletter: [www.sba.gov/advo/newsletter.html](http://www.sba.gov/advo/newsletter.html).

For email delivery of Advocacy's newsletter, press, regulatory news, and research, sign up at <http://web.sba.gov/list>. For RSS feeds, visit [www.sba.gov/advo/rsslibrary.html](http://www.sba.gov/advo/rsslibrary.html).

Direct questions to (202) 205-6533 or [advocacy@sba.gov](mailto:advocacy@sba.gov).

The SBA's Office of Advocacy was created by Congress in 1976 to protect, strengthen, and effectively represent the nation's small businesses within the federal government. As part of this mandate, the office conducts policy studies and economic research on issues of concern to small business and publishes data on small business characteristics and contributions. For small business resources, statistics, and research, visit the Office of Advocacy's home page at [www.sba.gov/advo](http://www.sba.gov/advo).

## Advocacy's Staff Expands Over the Summer

by John McDowell, Press Secretary

The Office of Advocacy is pleased to have hired three interns and a new Mercatus Fellow this summer. The four students are joining our current Mercatus Regulatory Studies Fellow, Anna Rittgers (see the April 2009 issue of *The Small Business Advocate*), as researchers and advocates working on behalf of small business.

Jesse Chang will be a third-year law student this fall at The George Washington University Law School in Washington, D.C. Jesse joined Advocacy's Interagency Affairs team due to his interest in protecting small businesses and their employees, as well as his previous experience as an intern in the Federal Communications Commission's Wireless Telecommunications Bureau.

Although born in Los Angeles, Jesse spent much of his childhood in the Republic of China and his fluency in Chinese allowed him to be a live translator for the Bread of Life Christian Church in Washington.

Julia Seider hails from Florida, by way of Boston, Massachusetts. She will be a second-year student at Harvard Law School in the fall. Her interest in Advocacy's interagency affairs work stems from a class she took last year that focused on the Administrative Procedure Act (APA). She feels lucky that she found an internship that allows her to work on issues dealing with federal agency compliance with aspects of the APA as it relates to small business.

In her free time Julia enjoys playing sports and watching her beloved Florida Gators. Her whole family attended the University of Florida, and she is told that she could make the Gator "chomp" sign almost before she could talk. While in high school, Julia was on the tennis team that claimed second in the

state during her senior year. And as a youngster she competed mightily in her local youth soccer leagues.

Advocacy's undergraduate intern this summer attends Claremont McKenna College in Southern California. Myles MacDonald is studying economics and was excited about the chance to work with a team of senior economists in the Office of Economic Research, especially since he intends to pursue a Ph.D in economics. Myles divided his time this summer between the Office of Economic Research and the Office of Information.

When he wasn't researching or recounting his observations about Washington, D.C. on Advocacy's blog, Myles found time to play chess (his high school team placed first in Tennessee), go rock climbing, and practice yoga. He found that his Advocacy experience has exposed him to the practical ways that federal agencies and the Congress work, which is something that cannot be learned in the classroom.

Stefanie Haeffele-Balsch is a graduate student studying economic policy at George Mason University in Fairfax, Virginia. Her internship in the Office of Economic Research comes by way of her master's fellowship in the Regulatory Studies program of the Mercatus Center.

Stefanie is a graduate of the University of North Alabama, with a major in finance and economics. Her leadership experience includes serving as president of her campus's chapter of Habitat for Humanity. She has done administrative and accounting work in several small businesses, including a coffee company and a fireworks company.

The Office of Advocacy provides a strong internship program to help train the next generation of small business economic researchers and regulatory experts. For information about Advocacy internships, contact Assistant Chief Counsel Jennifer Smith at (202) 205-6943 or [jennifer.smith@sba.gov](mailto:jennifer.smith@sba.gov).



Advocacy's 2009 intern staff at a reception in their honor: Myles MacDonald, Jesse Chang, Acting Chief Counsel Shawne McGibbon, Ana Rittgers, Stefanie Haeffele-Balsch, and Julia Seider.

# Small Business: Your issues are our issues at the SBA Office of Advocacy.

Access Advocacy Listservs for the latest regulatory alerts and small business statistics. Email notices will provide a hotlink to the new material, so your in-box won't fill up with large documents. At <http://web.sba.gov/list>, check:

- Advocacy Newsletter
- Advocacy Press
- Advocacy Regulatory News
- Advocacy Research



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