Small Business Owner Opinions on Regulations: Fact Sheet

Rhetoric blaming government regulations for a lack of small business growth and our stagnant economy has reached a fever pitch. But small businesses don’t see regulations as their No. 1 concern. Instead, the vast majority of small business owners believe weak demand is the primary problem for their business right now, not regulations.

When asked what they believe would do the most to create jobs, the majority cited eliminating incentives for employers to move jobs overseas. Next was cutting taxes and then increasing consumer purchasing power. Reducing regulations ranked fifth on their list, behind improving infrastructure.

In fact, small business owners believe certain government regulations play an important role: 86% believe some regulation is necessary for a modern economy and 78% of small employers agree regulations are important in protecting small businesses from unfair competition and to level the playing field with big business.

Key Findings

• Weak demand is small business owners’ biggest problem: 34% of respondents said weak demand is their biggest problem, while 15% cited the cost of health coverage and other benefits. Only 14% said it is the level of government regulation. The level of taxes came in fourth place with 12% and competition with larger companies garnered 10%.

Figure 1: Small businesses’ top concern is weak demand

Which of the following is the most important problem right now for your small business?

- Weak customer demand 34%
- The cost of health coverage and other benefits 15%
- The level of government regulation 14%
- The level of taxes 12%
- Competition from larger companies 10%
- Availability of credit to invest in your business 6%
- Quality and skills of available workers 5%
- Don’t know 4%
Small business owners believe eliminating incentives to move jobs overseas would do the most to create jobs: 24% of small business owners said eliminating incentives for employers to move jobs overseas would do the most to create jobs, and 14% called for tax cuts. Thirteen percent of respondents said increasing consumer purchasing would be the biggest job creator and 12% believe jobs lie in improving infrastructure like roads and bridges. Only 10% of respondents said reducing regulation would do the most to create jobs.

**Figure 2: Moving fewer jobs overseas means more jobs here**

Which of the following would do the most to create jobs?

- Eliminating incentives for employers to move jobs overseas: 24%
- Cutting taxes: 14%
- Increasing consumer purchasing power: 13%
- Improving infrastructure like roads, bridges, and water systems: 12%
- Reducing regulation: 10%
- Reducing the budget deficit: 8%
- Making more credit available for small businesses: 7%
- Improving education: 5%
- Investing in clean energy and technology: 3%
- Don’t know: 5%

Small business owners believe some regulation is necessary for a modern economy. Eighty-six percent supported this statement, and a sweeping 93% said their business can live with regulations that are fair, manageable and reasonable.

**Figure 3: Small businesses can live with fair, manageable regulations**

My business can live with some regulation if it is fair, manageable, and reasonable.

- Agree: 93%
- Disagree: 7%
• **Small businesses believe some level of regulation is needed to level the playing field.** Four in five small employers said some level of regulation is important in curbing unfair competition and in leveling the playing field between small business and corporations. The majority of small business owners, 76%, said regulations already on the books should be enforced.

**Figure 4: Small businesses support regulations that level the playing field**

Some regulations are important to protect small businesses from unfair competition and to level the playing field with big business.

- **Respondents were politically diverse:** 50% identified as Republican, 32% as Democrat and 15% as independent.