

New Study Shows Smallest Firms Still Bear Disproportionate Share of Burden

America's smallest firms bear the largest per employee burden of federal regulatory compliance costs, according to a study released on September 19 by the Office of Advocacy. Firms with fewer than 20 employees spend \$7,647 per employee annually to comply with federal regulations. By comparison, firms with 500 or more employees spend \$5,282 per employee. The report measures the disproportionate regulatory compliance impact on small business. The study finds that small businesses face a 45 percent greater burden than their larger business counterparts. The report thoroughly analyzes compliance costs for economic, workplace, environmental, and tax regulations. It details regulatory costs for five major sectors of the U.S. economy: manufacturing, wholesale and retail trade, services, health care, and other (a residual category). It reveals that the disproportionate cost burden on small firms is particularly stark for the manufacturing sector. The compliance

cost per employee for small manufacturers is at least double the compliance cost for medium-size and large firms. Among its other findings, the report also shows that the annual cost of federal regulations in the United States totaled \$1.1 trillion in 2004. The peer-reviewed study, *The Impact of Regulatory Costs on Small Firms*, was written by W. Mark Crain with funding from the Office of Advocacy. Crain's new report updates two earlier reports, from 1995 and 2001, which documented similar patterns of disproportionate regulatory burden borne by small businesses. For a complete copy of the report, visit the Office of Advocacy website at

www.sba.gov/advo/research/rs264tot.pdf.

(This article was borrowed from the October 2005 issue of the *Small Business Advocate*. To review this newsletter, please click on this web site link): <http://www.sba.gov/advo/oct05newsletter.pdf>

The Impact of Federal Regulation on Small and Large Firms

Type of Regulation	All Firms	Cost per employee for firms with:			
		<20 employees	20-499 employees	500+ employees	
All Federal Regulations	\$ 5,633	\$ 7,647	\$ 5,411	\$ 5,282	
Economic	\$ 2,567	\$ 2,127	\$ 2,372	\$ 2,952	
Workplace	\$ 922	\$ 920	\$ 1,051	\$ 841	
Environmental	\$ 1,249	\$ 3,296	\$ 1,040	\$ 710	
Tax Compliance	\$ 894	\$ 1,304	\$ 948	\$ 780	

Source: W. Mark Crain, *The Impact of Regulatory Costs on Small Firms*(U.S. Small Business Administration, Office of Advocacy: 2005) www.sba.gov/advo/research/rs264tot.pdf.

How Many Businesses Open and Close Each Year?

Estimates for businesses with employees indicate there were 580,900 new firms and 576,200 closures (both about 10 percent of the total) in 2004.

Starts and Closures of Employer Firms, 2000-2004

Category	2000	2001	2002	2003	2004
New Firms	574,300	585,140	569,750	553,500e	580,900e
Firm Closures	542,831	553,291	586,890	572,300e	576,200e
Bankruptcies	35,472	40,099	38,540	35,037	34,317

e = Estimate.

For more information, see "Business Estimates from the Office of Advocacy: A Discussion of Methodology," a working paper by Brian Headd, June 2005 (Research Summary #258).

Sources: U.S. Bureau of the Census; Administrative Office of the U.S. Courts; U.S. Department of Labor, Employment and Training Administration.

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Labor Force Estimates Iredell County

	July 2005	August 2005	September 2005
Labor Force	71,789	71,241	70,817
Employed	67,886	67,520	67,411
Unemployed	3,903	3,721	3,406
Rate %	5.4	5.2	4.8

Source: *Employment Security Commission* www.ncesc.com

Existing Industry Employer Seminar

The Greater Statesville Development Corporation and Iredell County JobLink Partners (Employment Security Commission, Mitchell Community College, Vocational Rehabilitation, I-CARE and Iredell Co Dept. of Social Services) sponsored an Existing Industry Employer Seminar on Oct 20, 2005 at the New Technology and Workforce Development Building at Mitchell Community College. Employers had the choice of attending three of the four workshops provided. The workshop choices were:

1. Dispelling the Myths of the Disabled, presented by Brenda Vikojan and Frances Robinson of Vocational Rehabilitation;

2. Appeals Hearings-How to Prepare and What to Expect-presented by Robin Bost, an appeals referee with Employment Security Commission;



3. Business Services through the JobLink, presented by David Hollars, Executive Director of Centralina Workforce Development Board;



4. Labor Market Information-presented by Patrick McKemie of the Labor Market Information Unit from the Raleigh Central office of Employment Security Commission.

After the workshops, we had a boxed lunch together and informal discussions. Employer responses to the surveys indicated that they did like this type of format and that the workshops were relevant and helpful. We were very appreciative of the Employer turnout and the presenters for each of the workshops.

Submitted by Jean Manall, Manager ESC/JobLink Center (704) 878-4241 jean.manall@ncmail.net

Do You Want More Business Opportunities

As a benefit of your Chamber

membership, we are

prepared to register your business on the FREE MatchForce.org portal, a web-based tool of the North Carolina Military Business Center. This portal, provided to you FREE by the State of North Carolina, will promote economic development and quality of life by connecting your business with military and other federal business opportunities. The Greater Statesville Chamber of Commerce will be the third Chamber in the state of North Carolina to offer this service to its members.



Your registration in MatchForce.org has a number of benefits.

These include:

- A FREE one-stop resource for millions in government contracts and smaller purchase opportunities – over \$2 billion in North Carolina every year
- Automatic matching to government contracting opportunities from federal sources and North Carolina military installations. Your product/service will be key worded utilizing the classification as found in the Chamber's Buyer's Guide.
- Automatic matching to government purchase card opportunities
- Notice of contracting and purchase card opportunities that match your profile
- Automatic matching to individuals that meet your human resource needs
- Search for contracting opportunities, purchase card opportunities, and profiles of potential employees and business partners

After we register your company in MatchForce.org, you will receive a username and password by e-mail. Then, simply log on to MatchForce.org to revise your keywords if necessary, to search for opportunities, and to post jobs. If you have any concerns, please contact us within 7 days. If you have any questions about MatchForce.org, contact the North Carolina Military Business Center.

North Carolina Military Business Center
P.O. Box 1748
Fayetteville, NC 28302
(910) 323-4587 or Toll Free (877) 245-5520
www.ncmbc.us www.MatchForce.org

Please note that this service is only available via email and you will only receive contract notification via email. Should you wish to opt out of this initiative, please notify David Bradley at dbradley@statesvillechamber.org

Submitted by David Bradley, Chamber President (704) 873-2892 dbradley@statesvillechamber.org

Business & Industry (August-October 2005)

New Business:

Marlowe Racing Chassis

Square Footage: 7,844
Jobs: 2

Tarheel Yarn

Square Footage: 17,200
Jobs: 7

Robinson Steel

Square Footage: 62,502
Jobs: 20
Investment: \$3 million

Expansions:

Slade, Inc.

Square Footage: 61,352
Jobs: 15

COMMITTEE OF 100 QUARTERLY MEETING



**November 16, 2005 /12:00 p.m.
Technology & Workforce Development Center
Mitchell Community College / 701 W. Front St.**

Guest Speakers:

Dr. Douglas Eason, President/Mitchell Community College
Mr. Kenny McDonald, Sr. V.P-Economic Dev. Services/Charlotte Regional Partnership



Greater Statesville Area Committee of 100
115 E. Front St., Statesville, NC 28677
(704-871-0062)
www.gsd.org
info@gsdc.org