



# **NSBA Small Business Regulations Survey**

## **July 2025**

# Welcome

Thanks for your interest in the NSBA Small Business Regulations Survey. We aimed to cover a wide array of topics and provide a detailed perspective of how the federal regulatory regime is impacting America's smallest businesses.

While reading this report, I urge you to keep in mind that regulatory compliance falls overwhelmingly on the small-business owner, Only 1-in-10 small businesses have staff that help monitor the regulatory landscape.

Among the key findings from the survey:

- When asked approximately how much money they anticipate they would spend today in regulatory compliance costs if they were to start their exact same business, the average was a whopping \$53,305.
- More than half of respondents reported that compliance with DOL's Independent Contractor Rule was burdensome to their business.
- The #1 source of information on regulations: Business Associations like NSBA.
- The majority of respondents in this survey have fewer than 5 employees, yet "Labor" is still the top area they cite for deregulation.

Regulatory compliance goes beyond just reporting – small-business owners must read through any possibly relevant rules to determine if they even need to comply, and that takes a great deal of time. More information is NOT the same as good information.

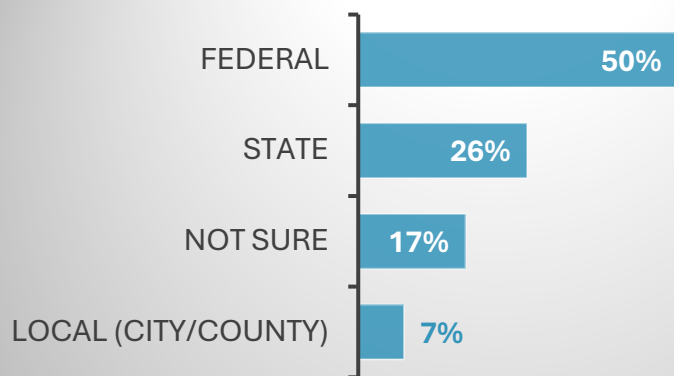
NSBA has long supported proposals to ease the regulatory burden small businesses face, including the use of plain language in writing rules, straightforward protocols and predictability, a National Regulatory Budget, and a strong and independent SBA Office of Advocacy.

I hope you find this survey informative. Please reach out to our media affairs department with any questions at [press@NSBAadvocate.org](mailto:press@NSBAadvocate.org) or visit us at [www.NSBAadvocate.org](http://www.NSBAadvocate.org).

Best,  
Todd McCracken



## Which source of regulation is most burdensome to your business?

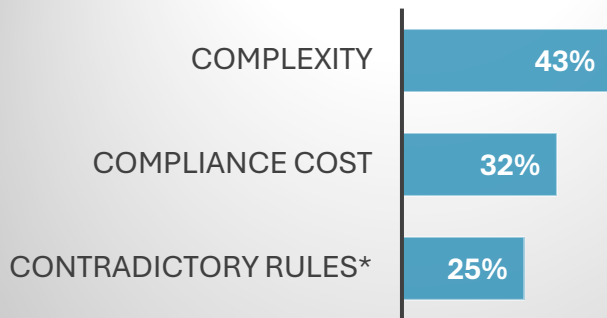


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➔ **By far, Federal Regulations are the most burdensome rules and regulations small businesses deal with. That said, it has improved slightly in the past 8 years.**



**Please select which of the following is the biggest cause of regulatory difficulty for your small business:**



*\*Either across federal agencies or between federal and state/local governments*

**Please rank each of the following areas in terms of the amount of total regulatory burden your business incurs:**

**\*Includes federal, state, and local**

1. Labor\*
2. Financial
3. Health Care and Health Insurance
4. Technology
5. Environment and Energy

*\*Includes worker classification, compensation, and workplace safety*



# Approximately how much time do you spend each year dealing with new and existing federal regulations?

**\*Includes time spent reading regulations, developing compliance protocol, adjusting operations, etc.**

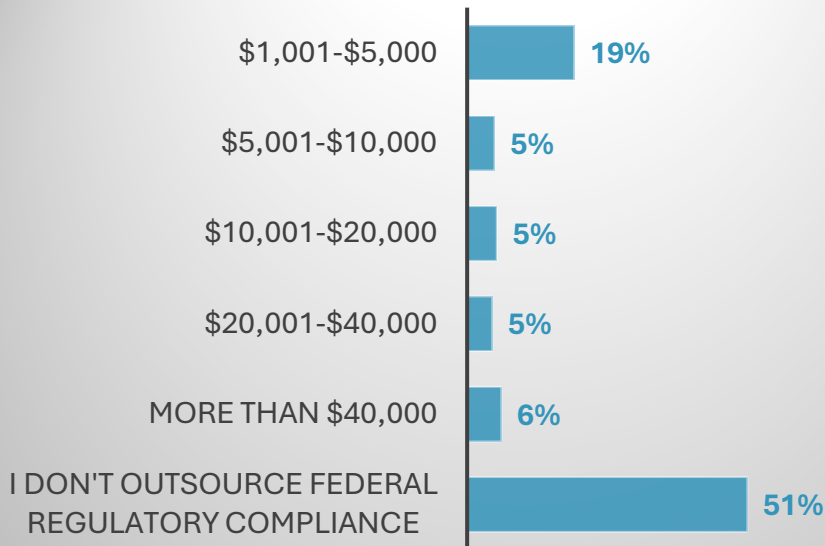


➡ **1-in-3 small businesses spend more than one full work week per year on federal regulations.**

➡ **The majority of small-business owners spend more than 20 hours per year on federal regulations.**



## If you outsource federal regulatory compliance, how much money do you spend each year on this expense?



➡ **2-in-5 small-business owners spend more than \$1,000 per year on outsourced regulatory assistance.**

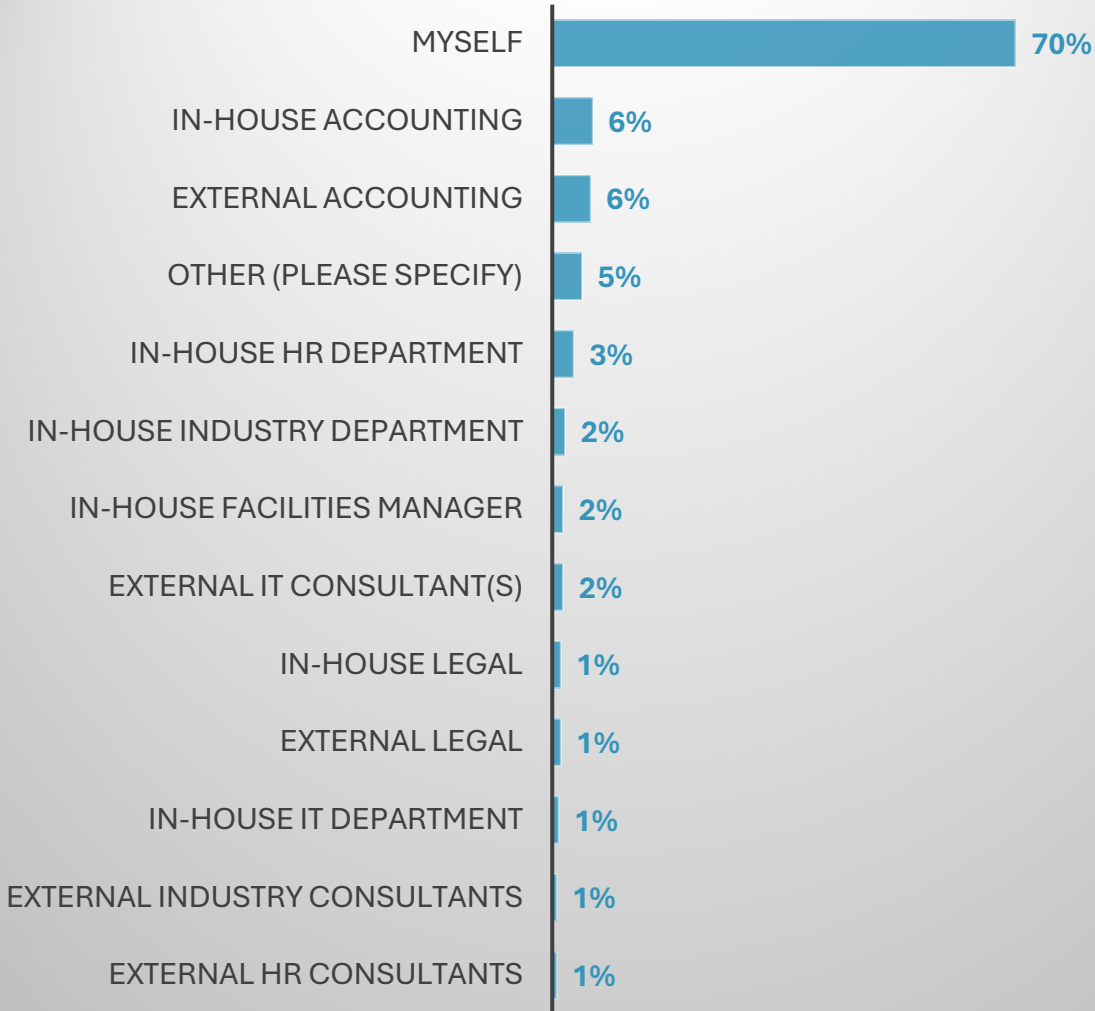
➡ **When asked approximately how much money they anticipate they would spend today if they were to start their exact same business, the average was a whopping \$53,305.**





# Which of the following people/departments in your business spends the most time on federal regulatory compliance?

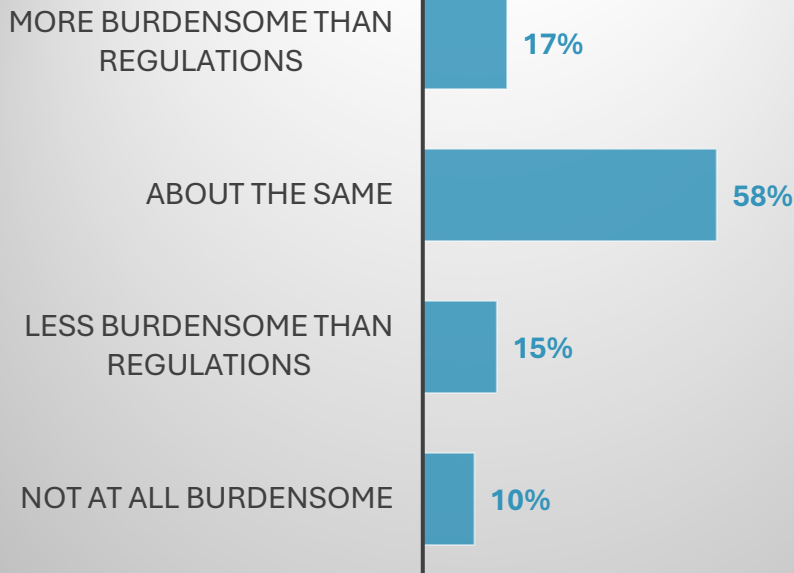
\* Includes reading new or proposed regulations, making adjustments in workflow to comply with new regulations, complying with existing regulations, and all reporting required for existing regulations.



➔ **Regulatory compliance falls overwhelmingly on the small-business owner, taking time away from innovation, job creation, and business expansion.**



## Compared to regulations, how significant of a burden are guidance memos and updated interpretations of existing regulations on your business?



➔ **The overwhelming majority of small businesses say that guidance memos and other Agency documentation are similarly or more burdensome than the actual regulations. More information is NOT the same as good information. Small businesses need plain language, straightforward protocols, and predictability when it comes to rules and regulations.**





## Ranked, the most burdensome regulations facing small business today:

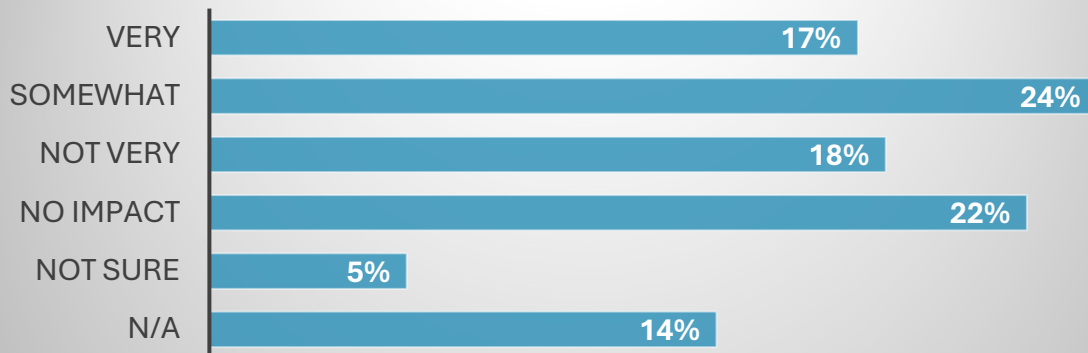
1. DOL Independent Contractor Rule
- 2. Compliance with the Affordable Care Act**
3. DOL Expanded E-Recordkeeping Rule
4. DOL Overtime Rule
5. NLRB Joint-Employer Status Standards
6. Compliance with the National Environmental Policy Act
7. EPA PFAS Reporting and Recordkeeping Rule
8. DOL Worker Walkaround Rule

➡ **Even though the ACA has been the law of the land for years now, its complexity has not waned whatsoever, and it continues to be a major source of frustration for America's smallest businesses.**

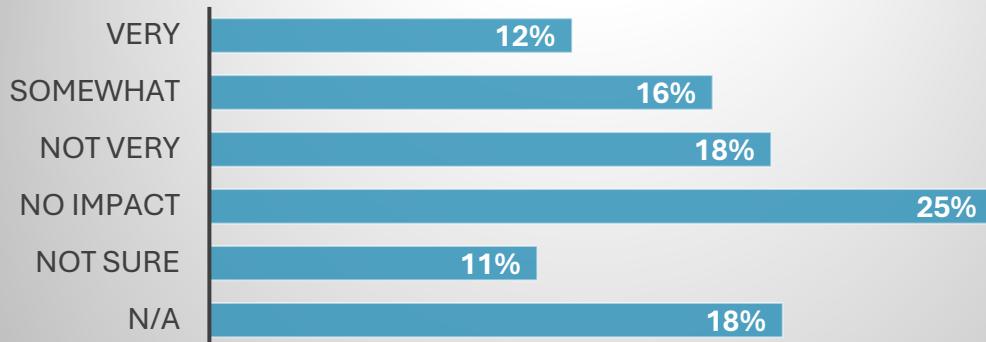


# How burdensome has compliance been with...

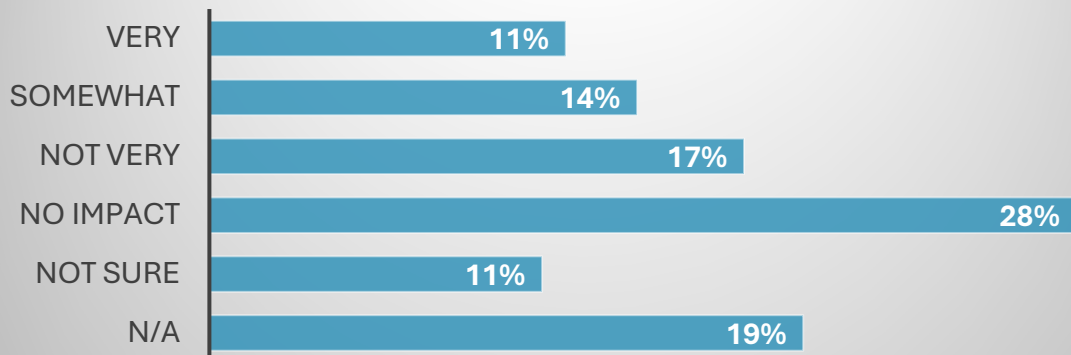
## Affordable Care Act (ACA)



## National Environmental Policy Act (NEPA)



## Environmental Protection Agency (EPA) PFAS Reporting and Recordkeeping Rule

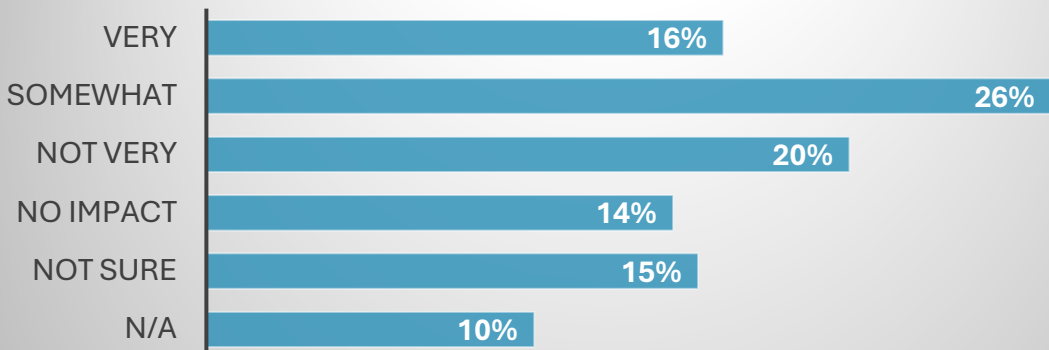


# How burdensome has compliance been with...

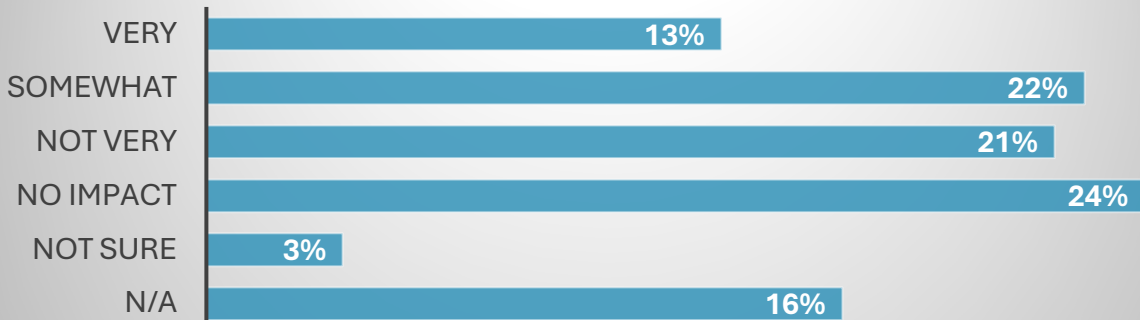
## National Labor Relations Board (NLRB) Joint-Employer Status Standards



## OSHA Expanded E-Recordkeeping Rule

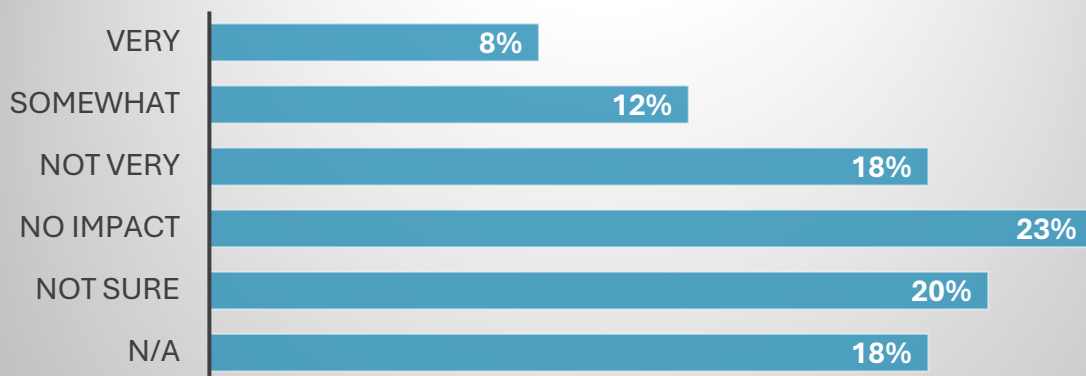


## DOL Overtime Rule

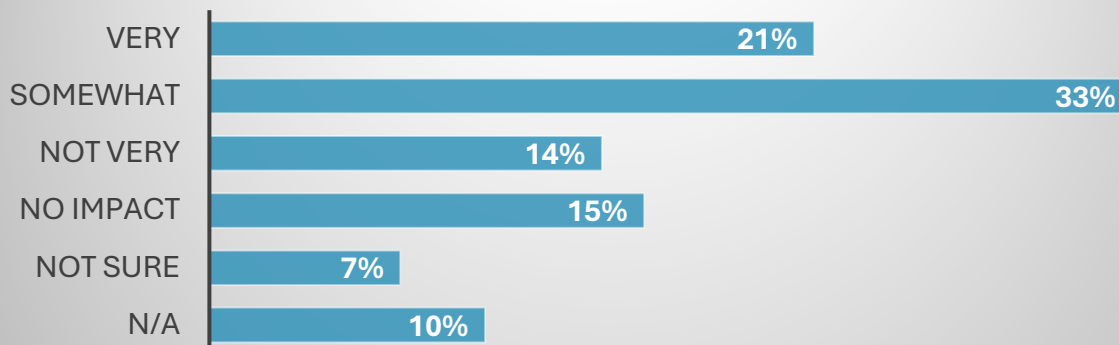


## How burdensome has compliance been with...

### DOL Worker Walkaround Rule



### Department of Labor (DOL) Independent Contractor Rule



➡ **More than half of respondents reported that compliance with DOL's Independent Contractor Rule was burdensome to their business.**



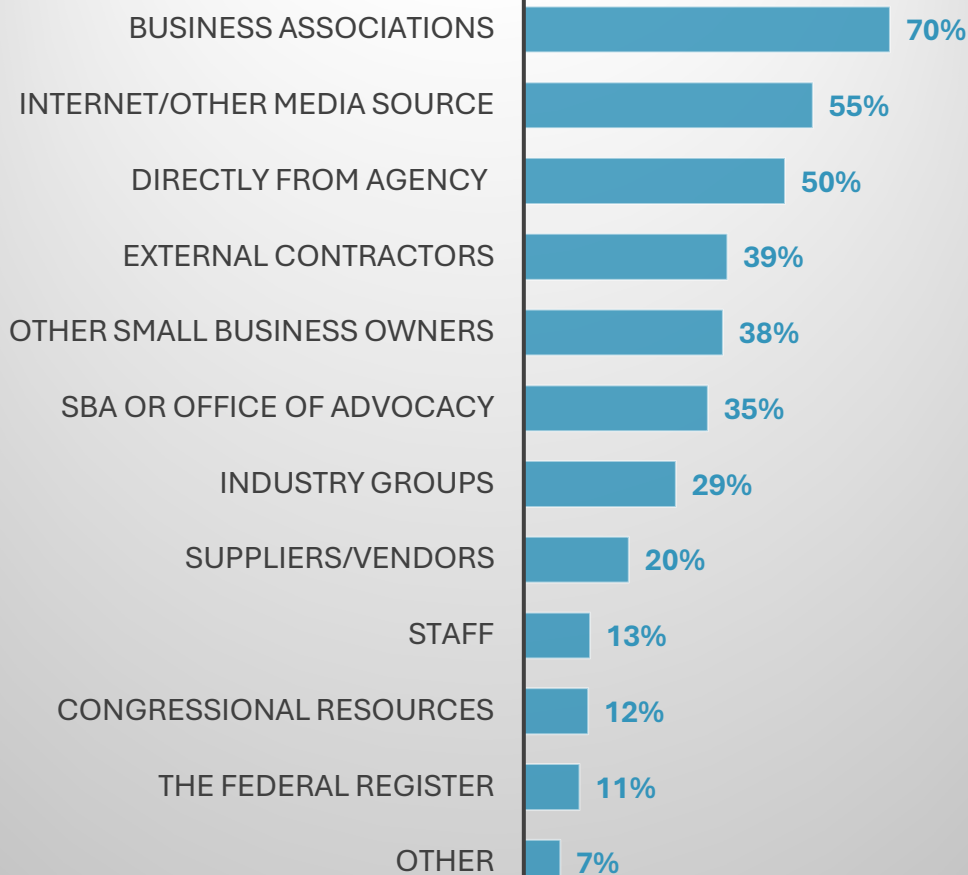
## Please select how regulatory burdens and their associated costs impact your business overall. (Check all that apply)



**➔ Burdensome, unclear, and unfair regulations have real-world costs: small-business job creation and business-growth.**



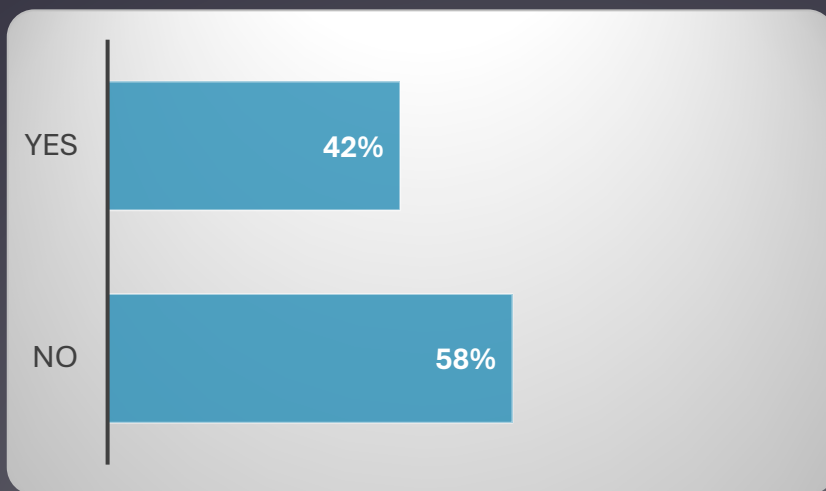
## Where do you find out about regulations that may impact your business? (Check all that apply)



**➔ The #1 source of information on regulations: Business Associations like NSBA. Only 1-in-10 small businesses have staff that help monitor the regulatory landscape.**

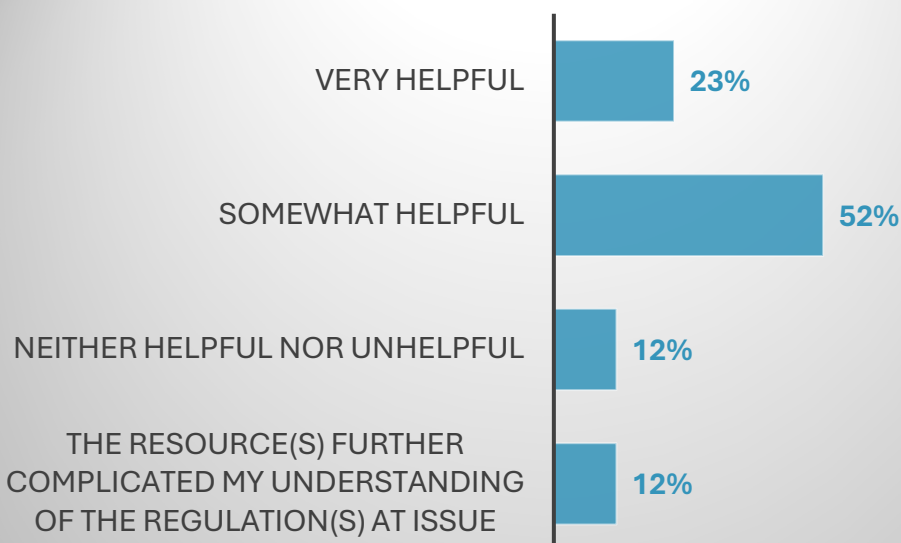


## Have you ever used a federal agency resource for small-business compliance?



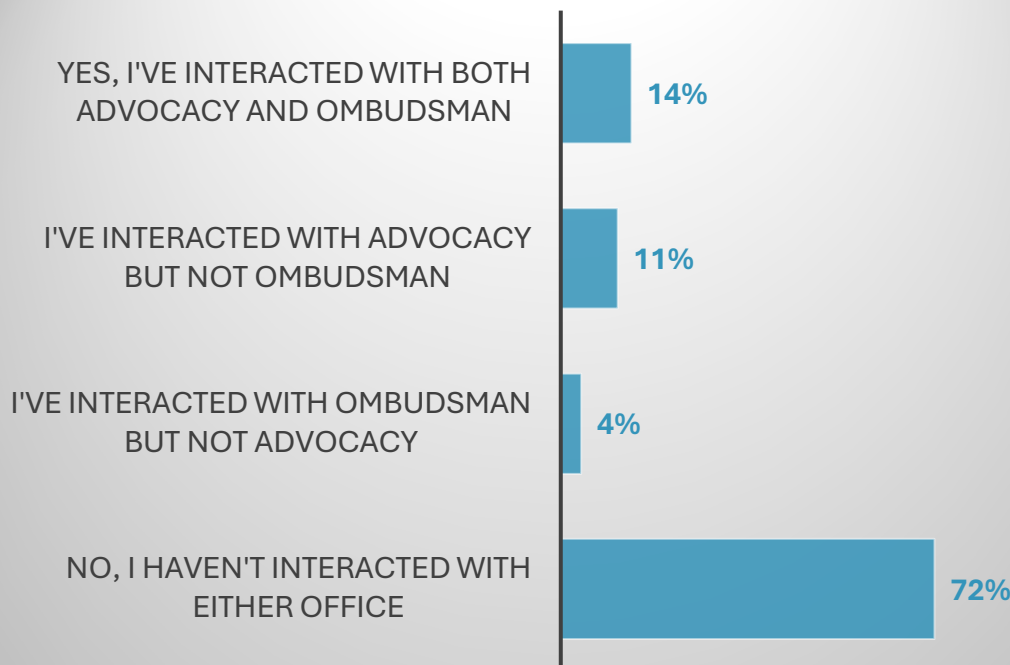
➡ **3-in-5 small businesses have never used a federal agency resource to help with compliance.**

## If you have utilized a federal agency resource, how helpful did you find the resource(s)?



# Have you interacted with the SBA Office of Advocacy or Office of the National Ombudsman?

**\*Includes visiting their websites.**

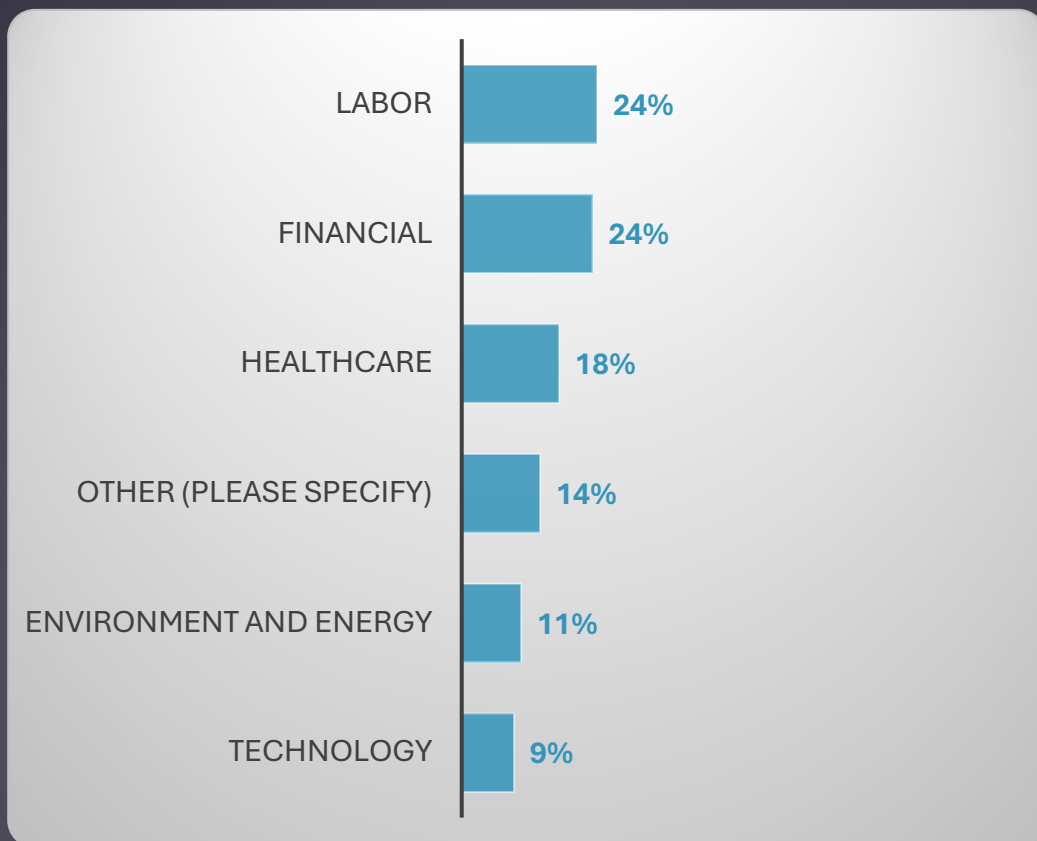


➡ **While the majority of small businesses haven't interacted with the SBA Office of Advocacy or the Ombudsman, it is worth noting that the Ombudsman's office is traditionally where people turn for help with major regulatory problems.**

➡ **Furthermore, the Office of Advocacy remains one of NSBA's closest partners in ensuring federal regulations don't unfairly burden small businesses.**



# In which of the following policy areas would you most support deregulation?



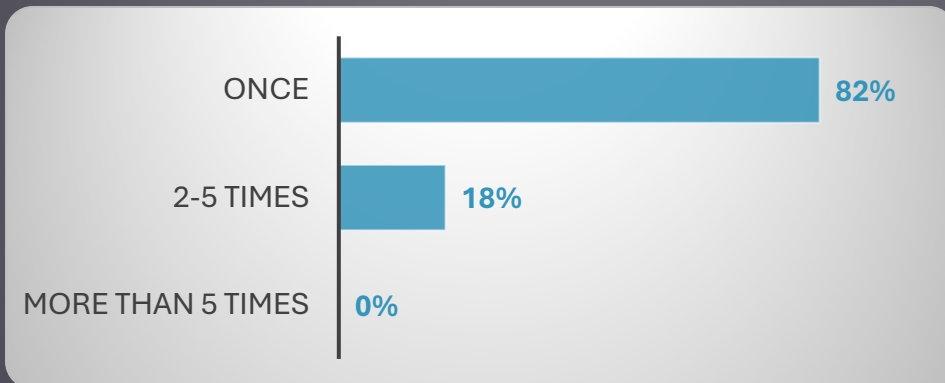
➔ **The majority of respondents in this survey have fewer than 5 employees, yet “Labor” is still the top area they cite for deregulation. Clearly labor laws aren’t impacting only big businesses – they are a big headache for even the smallest businesses.**



## Has your business ever been fined for regulatory noncompliance?



## If yes, how often in the last five years has your business been fined?

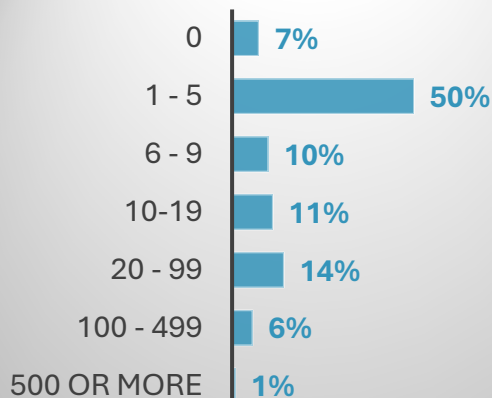


➡ **Less than 1-in-10 small businesses have been fined for regulatory noncompliance, and the majority of those fined have only received one citation in the last five years. This is why safe-harbor clauses in regulations are so critical: to account for the complexity facing small-business owners who double as the chief regulatory officers.**

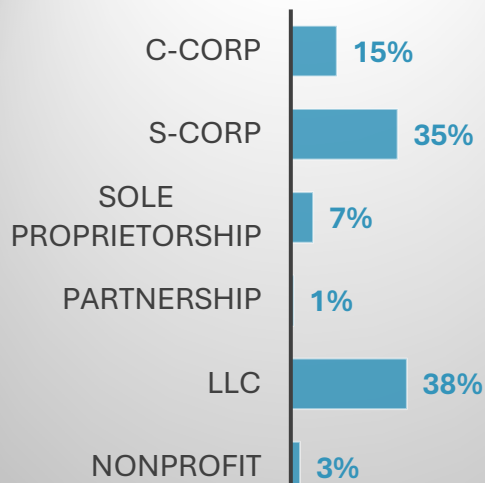


# DEMOGRAPHICS

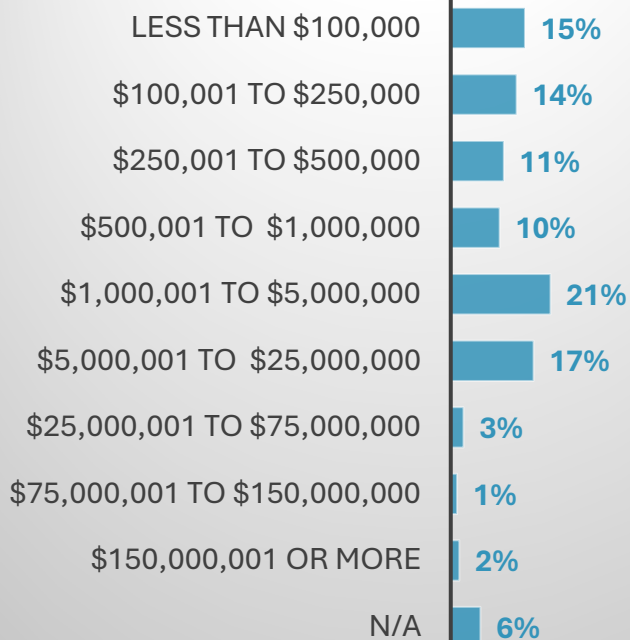
**How many total full-time personnel are currently employed by your business?**



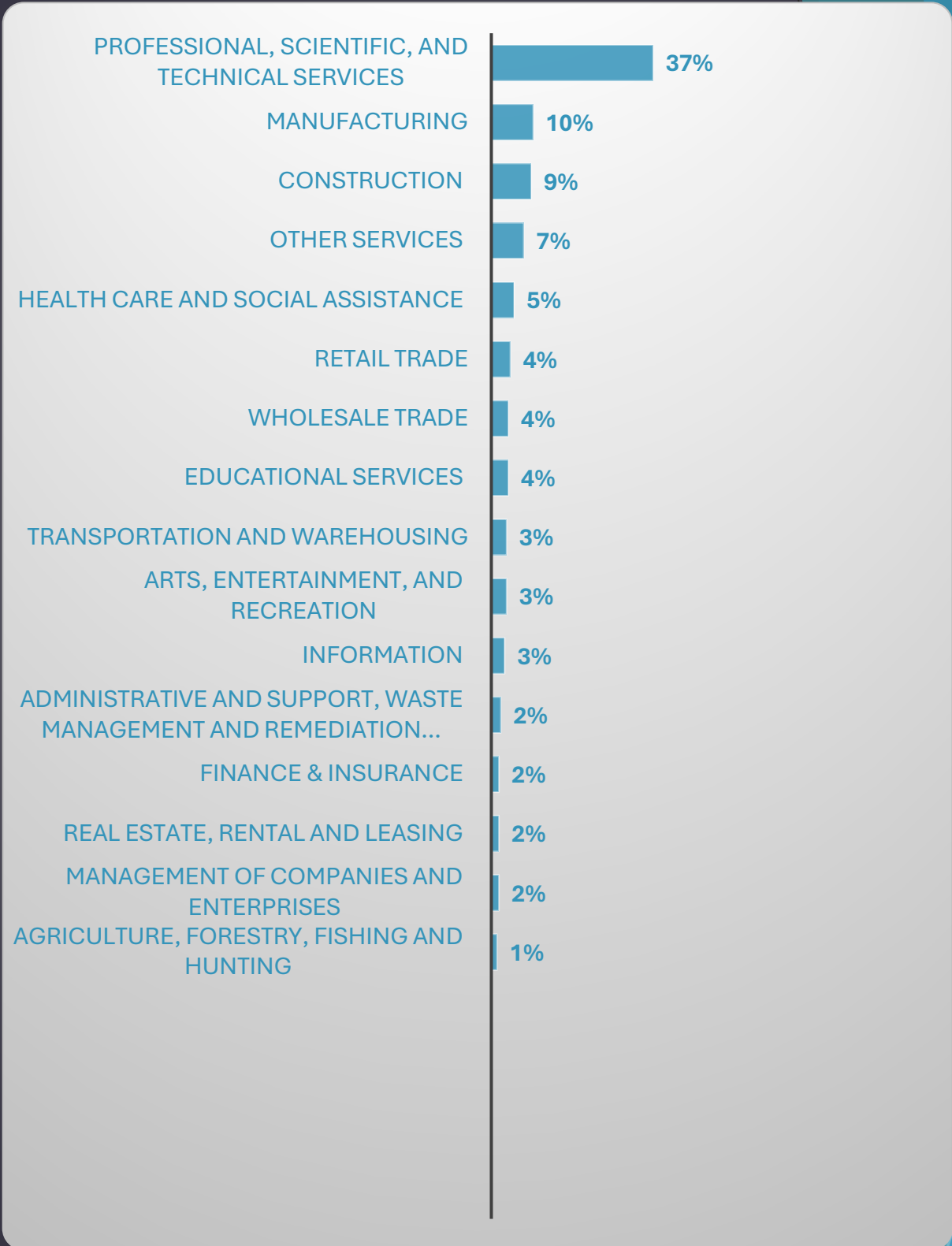
**Which of the following best describes the structure of your business?**



**What were your gross sales or revenues for your most recent fiscal year?**



# Which of the following best describes the industry or sector in which your business operates?







## Methodology

The NSBA Regulations Survey of Small Business was conducted online from May 13 to June 13, 2025, among more than 325 small-business respondents.



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### **July 2025**

Please contact us at [press@NSBAadvocate.org](mailto:press@NSBAadvocate.org) with any questions.

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