



# Q & A

## Why Government Advocacy?

By Eileen Anderson, Director, Government Relations

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### **Q. Why is Government Advocacy important for small businesses?**

**A.** Small business issues and barriers to growth must be heard by those who write the laws and regulations that impact our businesses. If we are silent it means that we are “OK” with the status quo.

### **Q. Do elected officials know that small businesses are the backbone of the economy?**

**A.** Elected officials must continually be reminded of our importance. They need to know how many employees we have, how we get customers, how we meet payroll, and our barriers to growth. There are 1 million small businesses who make up 99.6% of all PA businesses and 2.5 million small business employees who make up 46.8% of all employees in PA.

### **Q. Does advocacy really work? Is there an ROI or is it just like throwing money down a rabbit hole?**

**A.** It works but it’s not always tangible like a P & L. Success is framed differently. Results take persistence and a continual show of force. For example, SMC and other organizations lobbied long and hard to repeal the 1099 Expanded Corporate Information Reporting provision in the ACA. Without repeal, the provision would have added an extraordinary amount of administrative expense. It required businesses to file 1099 forms with the IRS for every business where they spent more than \$600/yr. Imagine the consequences if that provision was not repealed. That’s what’s meant by intangible - not easily seen or felt but meaningful when implemented.

### **Q. Can’t I just go out and hire a lobbyist for my own business?**

**A.** Sure, but you would pay a mint compared to SMC dues. A contract lobbyist may cost \$2,000 or more per month. If you add a lobbyist to your staff the median annual lobbyist salary may range from \$87,044 to \$148,948. It’s tough to go it alone; the collective voice of many businesses is much more potent than the voice of one individual business.

### **Q. I belong to an industry trade group. Isn’t that adequate?**

**A.** That type of advocacy covers the issues very specific to your industry. SMC focuses on broad business issues such as tax, labor, regulations, energy, and health care that are beyond the scope of a tightly focused industry trade group. SMC’s goal is competitiveness; we want to build a pro-business environment in PA.

### **Q. Won’t we just be drowned out by the voices of large businesses? What is the best we can hope for?**

**A.** Small businesses don’t have enough clout to get all barriers completely removed. The best outcome is “shaving something off” or not paying as much. The reality is if we don’t push back then it’s the status quo or worse and nothing gets “shaved off” or removed!

### **Q. How Does SMC Government Relations build a pro-business environment in PA? Will it take up a lot of my time?**

**A.** You can engage as much or as little as your time allows. There are 3 goals.

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**Q. How Does SMC Government Relations build a pro-business environment in PA? Will it take up a lot of my time?**

A. You can engage as much or as little as your time allows. There are 3 goals.

1. **ACTIVATE MEMBERS** - Create opportunities for members to speak with lawmakers. Example: Annual Legislative Reception, Small Business Issues Forum and the Spring Candidates Luncheon.
2. **ENGAGE MEMBERS in GRASSROOTS LOBBYING** - Members educate lawmakers about the issues of top concern to small business. Example: Annual Harrisburg Grassroots Lobbying Trip
3. **EDUCATION & COMMITTEES** - Educate members about the issues and government.
  - Programs - Example: “Learn from Lawmakers How the State’s Pension Crisis Impacts Your Bottom Line.”
  - Committees - Members have the opportunity to have a voice and help shape policy via the Government Relations Committee conference calls which are open to all. There are also Working Groups on 1) Health Care/Labor/Regulations; 2) Tax; and 3) Energy & Environment. All phone conferences are held on an as-needed basis.
  - Reading - Stay on top of relevant state and federal small business issues by reading SMC’s Monthly Newsletter, Government Advocacy Section and Brief SMC Government News monthly emails.

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