

Sequestration is not a smart strategy for reducing the deficit, say small business leaders

February 26 2013

More than two-thirds (67%) of small business leaders say basic research funded by the federal government is important to private sector innovation, according to a new nationwide survey of small business owners/operators commissioned by Research!America. In addition, nearly half (45%) say medical research funding to universities and other non-governmental research institutions should not be cut as part of sequestration, and a plurality (40%) say that such across-the-board cuts are not a smart strategy for reducing the deficit.

The survey findings also reveal that small businesses support the federal government's role in science, technology, engineering and math (STEM) education. Seventy percent of respondents say STEM education is important to the future of their business and the federal government should increase funding for those programs.

"It is striking that small business owners, the backbone of our economy comprising nearly 80% of business leaders nationwide, strongly value federal support for research and recognize the major role it plays in spurring private sector growth," said Research!America President and CEO Mary Woolley.

A majority of respondents (85%) say it's very important or somewhat important to reduce the federal debt and deficit and to cut federal corporate and individual tax rates (81%). Among the top strategies for

deficit reduction are entitlement reform (25%), eliminating targeted corporate tax breaks (22%) and closing tax loopholes (21%). Seventy-seven percent say the rising cost of health care, a major chunk of our [national debt](#), is important to their businesses, a concern that mirrors other components of the economy as well as individuals. A huge majority, 80%, say it's important for the government to support research that focuses on making our [health care system](#) more efficient.

The concern of small business owners is strikingly evident as it relates to our nation's world leadership status, with 90% describing research and development as important to our global competitiveness.

"[Small business](#) owners understand the critical role of federal government in giving small businesses a launching pad that includes the stimulus of innovation based on federally supported research and development," added Woolley. "Deep cuts to medical research funding would be detrimental to small businesses, our nation's economy and global competitiveness if policy makers allow the sequester to take effect."

The nationwide survey of [small business owners](#)/operators was conducted by Zogby Analytics for Research!America. Based on a confidence interval of 95%, the margin of error for the panel of 203 business owners is +/-7.0 percentage points.

More information: To view the poll, visit:
www.researchamerica.org/upload ... 13smallbizsurvey.pdf

Provided by Research!America

Citation: Sequestration is not a smart strategy for reducing the deficit, say small business leaders

(2013, February 26) retrieved 16 June 2024 from <https://phys.org/news/2013-02-sequestration-smart-strategy-deficit-small.html>

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