

Health insurance, fuel costs among top small biz owners burdens

by *Business-Journal*

The rising cost of health insurance, fuel and energy and inflation are the top worries among small business owners, according to a survey done every four years by the National Federation of Independent Business and Wells Fargo.

The new Small Business Problems and Priorities survey shows 42.3 percent of American small business owners rank the cost of natural gas, propane, gasoline, diesel and fuel oil as a "critical" concern. That's up from 26.1 percent on the previous survey conducted in 2004. Both surveys rank the cost of health insurance as the No. 1 issue facing small business owners.

Half of the top 10 problems worrying small business owners deal with costs, with the price of health insurance continuing its 20-year reign as the number one problem for small business owners. More than 56 percent say it is a "critical problem." Other cost issues in the top 10 include fuels and electricity, supplies, inventories and worker's compensation insurance.

The remaining top 10 problems relate to taxes -- federal taxes on business income, property tax (real, inventory or personal property), tax complexity and state taxes on business income. Tax complexity, a new problem on this year's survey, ranks fifth on the survey and is a "critical" problem for 23 percent of business owners.

"For four years, the economy provided a good, stable foundation for small business owners to do business, but as it started to take a negative turn over the last several months, they felt the effects of rising costs of doing business as reflected by these results," says Bruce D. Phillips, senior fellow at the NFIB Research Foundation and co-author of the report. "As the economic outcome remains uncertain, small business owners are searching for innovative ways to reduce expenses and increase sales."

The survey results are based on 3,530 small business owner responses to a mail survey circulated in the first three months of this year.

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