

DO I NEED TO DRAW YOU A PICTURE?  
OPPORTUNITIES FOR DATA VIZ TO  
IMPROVE SMALL ENTITY REGULATORY ANALYSIS

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1. WHAT IS SMALL  
ENTITY  
REGULATORY  
ANALYSIS?

2. IS DATA VIZ  
RELEVANT TO  
REGULATORY  
REVIEW?

3. WHAT HAS  
ADVOCACY CREATED  
TO START TO  
IMPROVE SMALL  
ENTITY ANALYSIS?

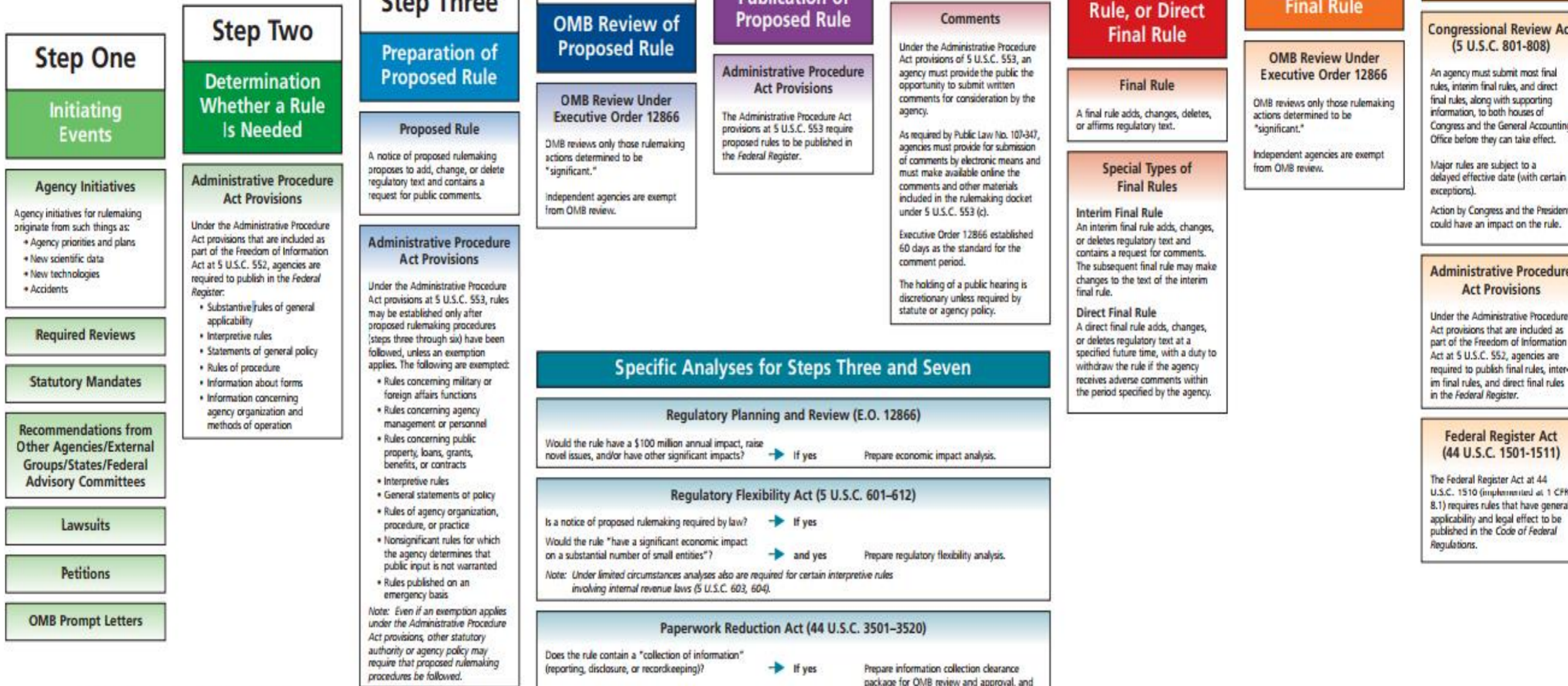
WHAT IS SMALL  
ENTITY  
REGULATORY  
ANALYSIS?

## SBA OFFICE OF ADVOCACY

- ▶ Independent voice for small business
- ▶ Independent research and regulatory flexibility
- ▶ Work with agencies, the White House, and small businesses
- ▶ Bolstered by the Regulatory Flexibility Act and EO 13272

# The Reg Map

## Informal Rulemaking



### Using The Reg Map

The Reg Map is based on general requirements. In some cases, more stringent or less stringent requirements are imposed by statutory provisions that are agency specific or subject matter specific. Also, in some cases more stringent requirements are imposed by agency policy.

In a typical case, a rulemaking action would proceed from step one through step nine with a proposed rule and a final rule.

However, if a rulemaking action is exempt from the proposed rulemaking procedures under the

### Optional Supplementary Procedures to Help Prepare a Proposed Rule

**Advance Notice of Proposed Rulemaking**  
An advance notice of proposed rulemaking requests information needed for developing a proposed rule.

**Negotiated Rulemaking**  
Negotiated rulemaking is a mechanism under the Negotiated Rulemaking Act (5 U.S.C. 561-570) for bringing together representatives of an agency and the various interests to negotiate the text of a proposed rule.

**Drafting Requirements for Rulemaking Documents**

**Regulatory Planning and Review (E.O. 12866)**  
Rulemaking documents must comply with the specified regulatory philosophy and principles of regulation.

**Agendas for Rules Under Development or Review**

**Unified Regulatory Agenda**  
The Unified Regulatory Agenda provides information concerning agency rules under development or review.  
The Unified Regulatory Agenda is published in the Federal Register.

## ADVOCACY'S ROLE

- ▶ Review regulations before they are finalized
- ▶ Help agencies enforce the RFA
- ▶ Identify whether a rule will have a significant impact on a substantial number of small entities
- ▶ Help agencies consider alternatives to their proposal that can reduce the regulatory burden while meeting agency objectives



## KEY DATA POINTS FOR SMALL BUSINESS REGULATORY ANALYSES

- ▶ How many small businesses are affected?
  - ▶ How many small businesses are in an industry?
  - ▶ Who counts as a small entity- SBA size standards
- ▶ The significance of the economic impact of the regulation
  - ▶ Revenues of small businesses- many agencies look for costs exceeding 1% of revenues

## SMALL ENTITY ANALYSIS PROCESS

- ▶ Advocacy and agency want to make sure policies do not unnecessarily burden small entities
- ▶ Have a legal obligation to perform small entity analysis
- ▶ Need to quantitatively analyze small business impacts
- ▶ More in depth data and cleaner analysis allows for more effective and efficient regulatory alternatives to improve policy

IS DATA VIZ  
RELEVANT TO  
SMALL ENTITY  
ANALYSIS?

PACIFIC'S

CINERAMA

THEATRE



## DOJ/ADA MOVIE THEATER CAPTIONING COST AND REVENUE ESTIMATES BY FIRM SIZE (2015)

Cost	Firms \$499,999 and under	Firms \$500,000 to \$4,999,999	Firms \$5,000,000 to \$35,500,000
Average receipts per firm	\$188,384 to \$201,973	\$1,471,549 to \$1,484,995	\$9,705,377 to \$12,437,259
Average cost per theater	\$3,198 to \$3,966	\$10,063 to \$10,586	\$13,984 to \$17,281
Average cost per firm	\$3,233 to \$3,992	\$12,539 to \$14,454	\$81,176 to \$103,309
Ratio of average cost/receipts	1.6% to 2.1%	0.8% to 1.0%	0.7% to 1.1%

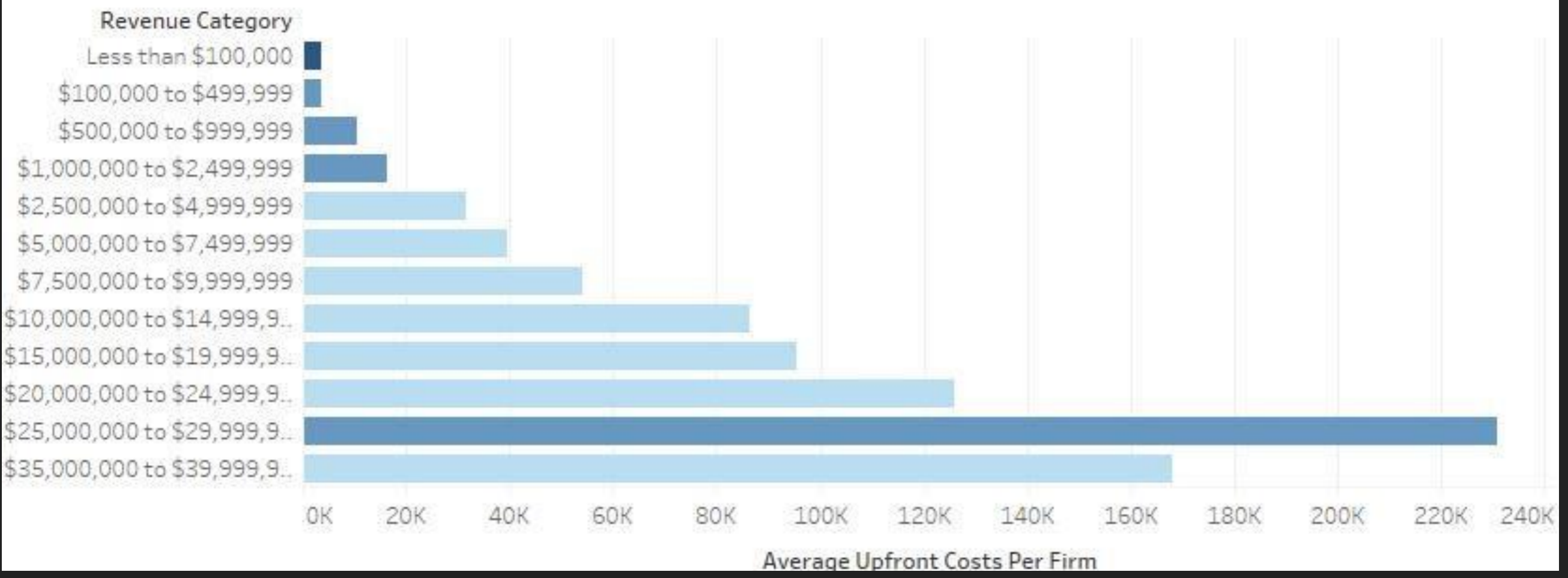
## WHAT DO THE TABLES TELL US?

- ▶ High burden on smallest entities
- ▶ Not clear if other small businesses are affected as heavily
- ▶ We need more information

DOES VISUALIZING  
THE DATA GIVE US  
MORE  
INFORMATION?

# TABLEAU VISUAL OF COSTS WITH SALES TEST

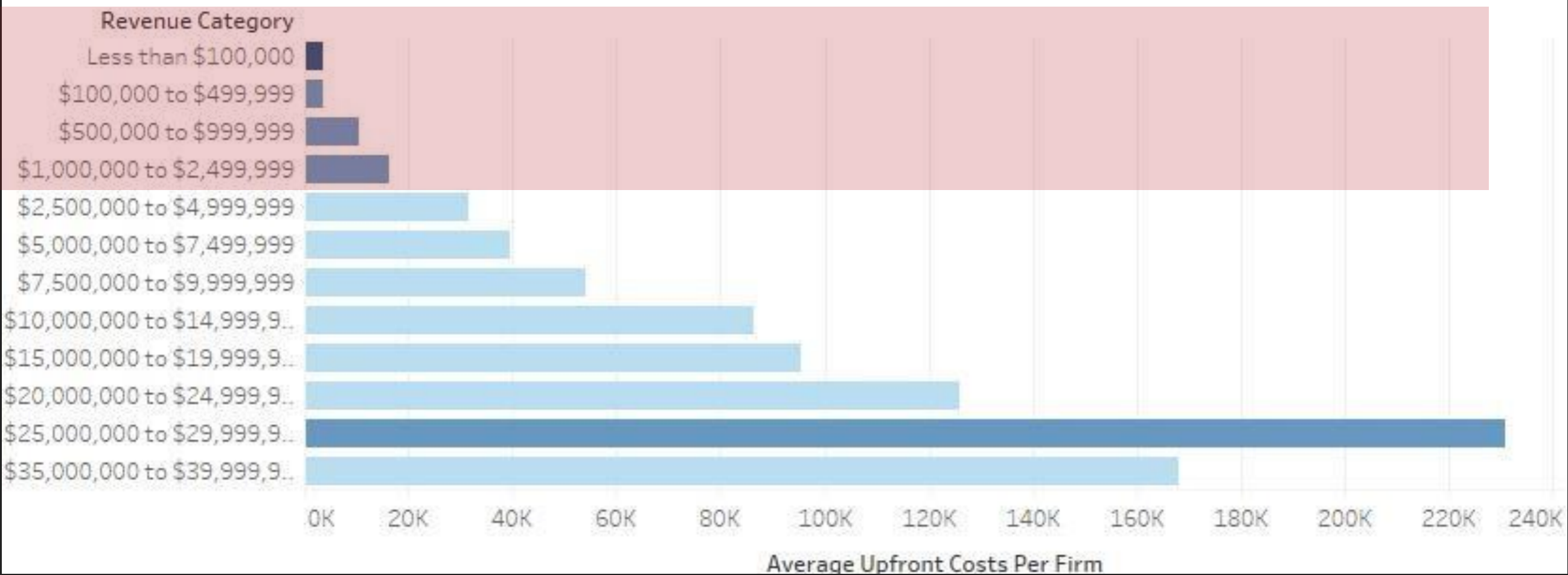
Cost per firm with sales test





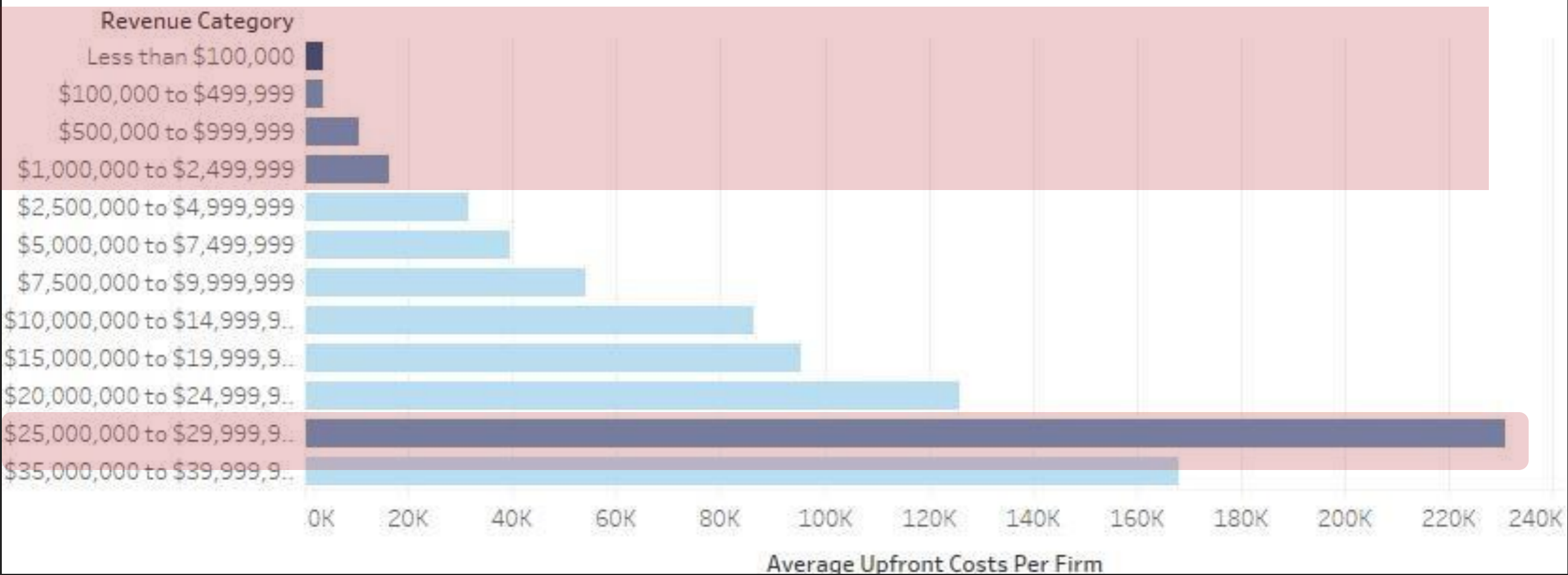
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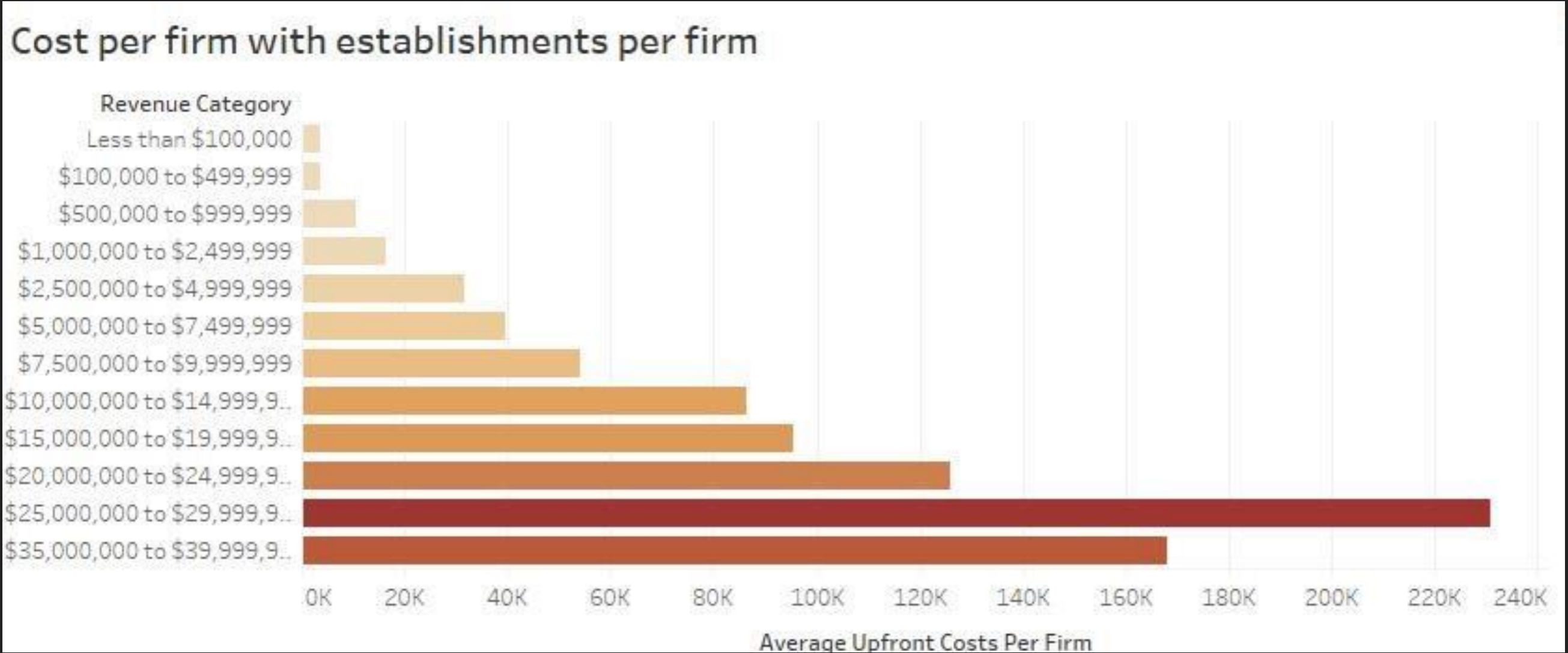


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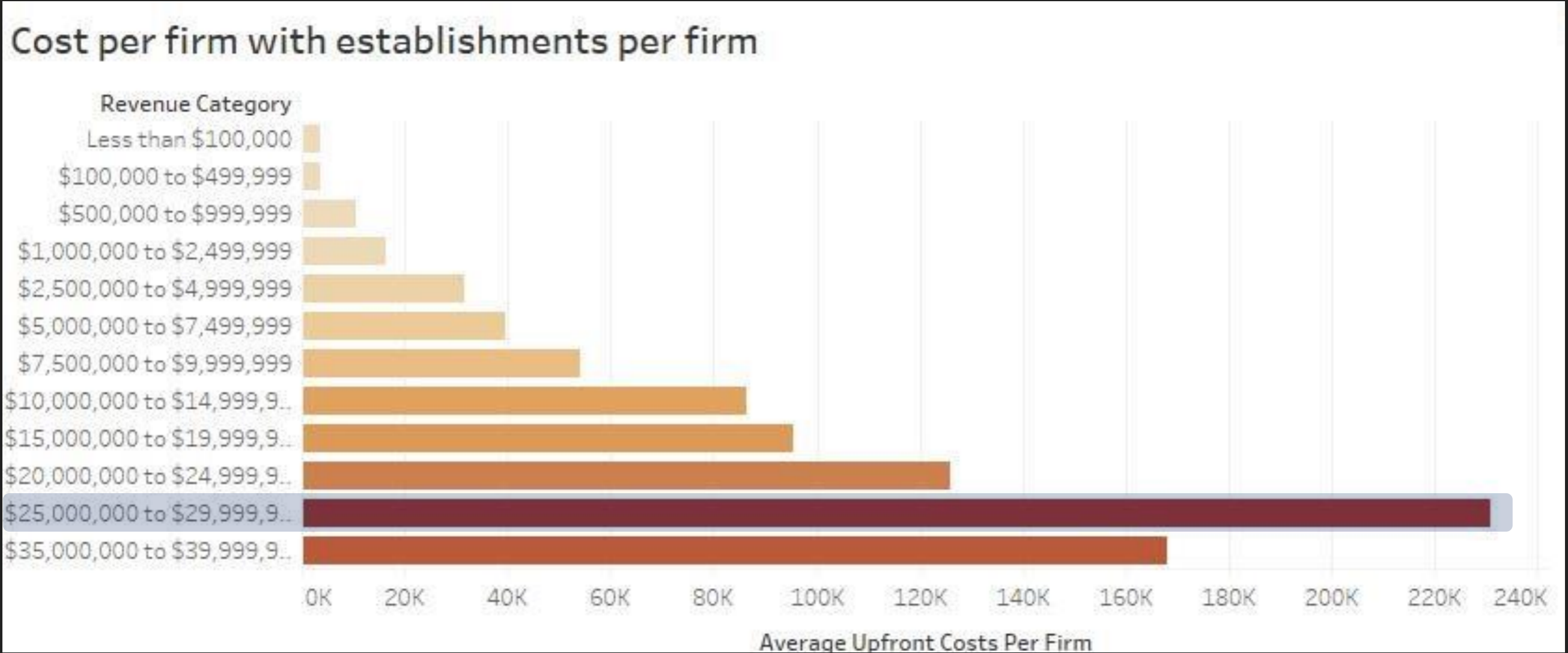
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# TABLEAU VISUAL OF COSTS WITH ESTABLISHMENTS



# TABLEAU VISUAL OF COSTS WITH ESTABLISHMENTS



WHAT HAS  
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TO START TO  
IMPROVE SMALL  
ENTITY ANALYSIS?

## RECALL KEY DATA POINTS FOR SMALL BUSINESS REGULATORY ANALYSES

- ▶ How many small businesses are affected
  - ▶ How many small businesses are in an industry
- ▶ The significance of the economic impact of the regulation
  - ▶ Revenues of small businesses
- ▶ Other economic impacts on employment and entrepreneurship

## COMMON BARRIERS TO THOROUGH SMALL BIZ ANALYSIS

- ▶ Difficult to access data if unfamiliar
- ▶ Data does not always work well together
- ▶ Various definitions for small business- rely on size standards
- ▶ Agencies and researchers can be pressed on time and resources

## ADVOCACY'S TABLEAU SUSB DATA SOLUTION

- ▶ Relies on most up-to-date SUSB data
- ▶ Integrates SBA size standards
- ▶ On Tableau data visualization software
- ▶ Automatically calculates key small business analysis data points



How many small businesses are in a given industry?

What is the industry-wide distribution of firms...

What is the breakdown for just small businesses?

What is the breakdown for all businesses?

What does employment look like by business size?

What does the employment distribution look like?

S Code	Industry	Business Size	# of Firms	Cumulative % of Firms	Employment	Estimated Receipts	Receipts Per F
31	Motion Picture Theaters (except Drive-Ins)	Small	1,827	97%	34,063	\$2,507M	\$82.
		Between Size Standard	6	98%	1,563	\$165M	\$27.
		Large	43	100%	86,998	\$10,520M	\$704.
		All Businesses	1,876		128,089	\$13,325M	\$7.

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NAICS Code	Industry	Receipt Size Category	Business Size	# of Firms	Running # of Firms	Running % of Total Firms	Employment
512131	Motion Picture Theaters (except Drive-Ins)	Less Than \$100K	Small	244	244	13%	619
		\$100K-\$499.9K	Small	618	862	46%	4,067
		\$500K-\$999.9K	Small	332	1,194	64%	4,303
		\$1M-\$2.49M	Small	399	1,593	85%	8,773
		\$2.5M-\$4.9M	Small	125	1,718	92%	4,791
		\$5M-\$7.49M	Small	35	1,753	93%	2,249
		\$7.5M-\$9.9M	Small	19	1,772	94%	1,582
		\$10M-\$14.9M	Small	26	1,798	96%	3,326
		\$15M-\$19.9M	Small	9	1,807	96%	1,407
		\$20M-\$24.9M	Small	10	1,817	97%	1,573
		\$25M-\$29.9M	Small	6	1,823	97%	1,373
		\$30M-\$34.9M	Small	4	1,827	97%	Suppressed
		\$35M-\$39.9M	Between Size Standa...	6	1,833	98%	1,563
		\$40M-\$49.9M	Large	6	1,839	98%	Suppressed
		\$50M-\$74.9M	Large	14	1,853	99%	6,317
		Over \$100M	Large	17	1,876	100%	75,368
		\$75M-\$99.9M	Large	6	1,859	99%	5,313

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## Number of Firms by Employment

NAICS Code

All

Industry

Motion Picture Thea..

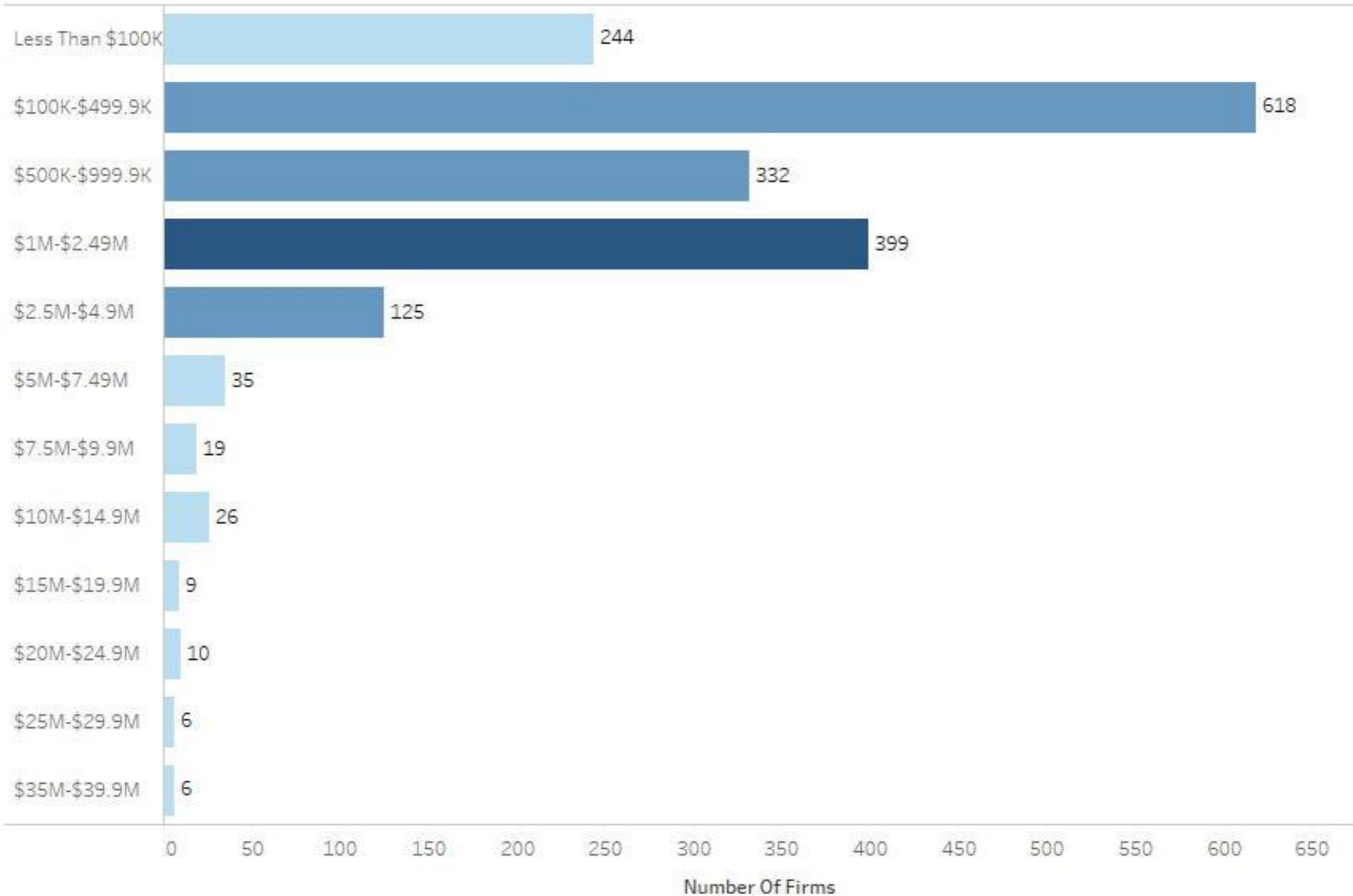
Receipt Size Category

Multiple values

Business Size

Multiple values

Sum of Employment



## KEY TAKE AWAYS

1. We can apply data analysis and visualization concepts to bolster small entity regulatory analysis
2. Data analysis and visualization concepts add value to small entity analysis
3. Advocacy's SUSB data solution is a good first step in making use of the value added

