



The Daily Dish

The Coming Small Business Optimism Boom

DOUGLAS HOLTZ-EAKIN | NOVEMBER 26, 2024

The latest [issue](#) of AAF's Week in Regulation arrived yesterday and, unsurprisingly, the combination of Environmental Protection Agency and Federal Aviation Administration rules produced another red-tape-heavy week in the life of the Biden Administration. As always, the issue features a comparison across the past three administrations in final rulemakings, their cost burdens, and their paperwork hours. These are measured on an apples-to-apples basis; i.e., from inauguration day to the same day in each administration.

The comparison is reproduced below. As has been the case for years, the Biden Administration has lapped the field in burdening the private sector with the costs of its regulations. Its indifference to the consequences of regulation is likely one prong in the broad rejection of the Biden-Harris economic agenda that occurred in the most recent election.

But what happens next?

TRACKING THE ADMINISTRATIONS

REGULATORY ACTIVITY FROM INAUGURATION DAY TO NOVEMBER 22nd (Year 4)

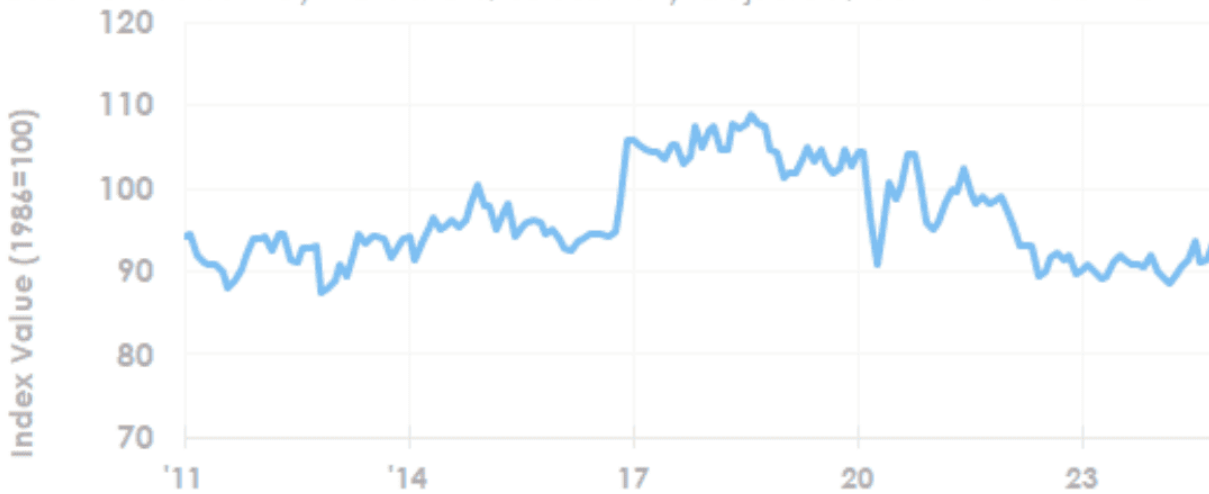
	FINAL RULES	FINAL RULE COSTS	PAPERWORK HOURS
BIDEN <i>2021</i>	1086	\$1.7T	349.4M
TRUMP <i>2017</i>	1207	\$3.7B	351.1M
OBAMA <i>2009</i>	1458	\$491.4B	290.6M

LAST UPDATED: NOVEMBER 22ND, 2024 AMERICANACTIONFORUM.ORG

If history is any guide, what happens next is that the small business sector celebrates its freedom from the yoke of its red-tape masters. Shown below is the National Federation of Independent Business (NFIB) Small Business Optimism Index from 2011 to the present. Of particular note is the sharp jump in November and December of 2016 - after the election but prior to the inauguration.

Small Business Optimism Index at 93.7

Based on 10 survey indicators, seasonally adjusted, Jan. '10 – Oct. '24



NFIB.com/sboi

Source: [NFIB Small Business Optimism Index](#)

The small business sector was thrilled to put the Obama Administration in the rearview mirror and celebrate the anticipated regulatory easing. (This was prior to any actions taken by the incoming Trump Administration.)

It would hardly be surprising to see a re-run of this movie, especially because Mr. Trump enters with a track record of success on this front. This surge in optimism, combined with the 2017 tax reform and pretty heavy dose of federal spending, produced a sharp uptick in growth. The expectation of a similar environment is a tailwind to the incoming administration's economic plans.