

Road Trip



Leadership



On The Road Again

It seemed that every time I turned around last year, someone from the NASE was on a road trip.

We've always been a national organization, with members in all 50 states, the District of Columbia, and even several U.S. territories. But never before has that been more apparent than in 2008.

I crisscrossed the country meeting members, recruiting sales associates, developing relationships with new and existing benefit providers, and hiring new team members.

But I wasn't the only one traveling in 2008.

The NASE's chief advocate started a new grassroots program, where she went to the home districts of key Members of Congress. She'd meet with volunteer NASE Members and together they would attend a town hall meeting. The program was a huge success, allowing micro-business owners to ask their legislators face-to-face about the issues important to them.

The NASE TaxTalk seminar program doubled in scope in 2008, based on increased interest from members. Instead of traveling to five cities to spread tax tips and answer vexing questions, the NASE tax consultants and staff visited 10... in three weeks!

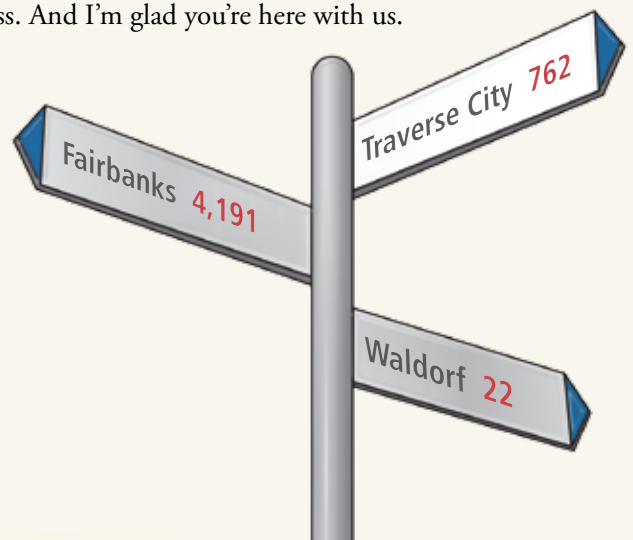
NASE Members who participated in our flagship programs also came from all across the country this year. Our NASE Future Entrepreneur scholarship recipient hails from New England. The \$4,000 scholarship recipients come from as far away as Fairbanks, Alaska. Our \$30,000 achievement award recipient resides in Northern Michigan, and our 18 other grant recipients are from Walla Walla, Wash., to Rocky Mount, N.C.

And for as many frequent flier miles and hotel points that were racked up last year, nobody at the NASE complained. We usually couldn't reach each other at our desks, since the out-of-office message seemed to be on more than it was off. But when you're traveling to surprise a sole proprietor with capital to grow their business, or showing a member how much of an impact they, individually, can have on the legislative process, the jet lag is a little easier to handle.

The busy schedules haven't stopped with the start of a new year, either. Someone is always "on the road again." On the road to success. And I'm glad you're here with us.

A handwritten signature in black ink, appearing to read "Robert Hughes".

Robert Hughes
President



National Leaders Govern Organization

The NASE board of directors sets all policy and determines the direction of the association.



Michael Beene

In over 20 years of private law practice, Mr. Beene tried in excess of 100 jury cases to verdict. After partnerships in two Dallas law firms, Mr. Beene operated his own trial firm for five years. Mr. Beene is board certified in civil trial law and a member of the American Board of Trial Advocates.



Robert Hughes

As president of the NASE, Mr. Hughes brings to the board 20 years experience as a small-business owner. His work as a certified public accountant provides him with an in-depth understanding of many of the issues facing the self-employed. Hughes is also the past secretary-treasurer and has served on the NASE board since 1986.



John Crowder, Jr.

A physician with 36 years of experience, Dr. Crowder specializes in ophthalmology. He has held various leadership roles in the medical community, including director of an emergency room, chief of staff of a community hospital, and positions on the board of a foundation and eye surgery center.



Charles Montgomery

Mr. Montgomery brings to the board of directors 32 years of sales, marketing and management experience in the insurance industry.



Keith Hall

As a certified public accountant, Mr. Hall has provided consulting and tax services to small businesses for the last 15 years as owner of his own accounting firm. Hall serves as the National Tax Advisor for the NASE and Chief Operating Officer and testifies on behalf of micro-business owners to the United States Congress on various small-business issues.



Scott Scribner

As a real estate professional and investor, Mr. Scribner has an extensive background in both sales and investment and currently leads a successful real estate sales team. Formerly a commercial bank president and CEO, he has broad experience in many of the issues surrounding small business, including finance, management and business strategy.



James Hambuchen

Currently serving as board treasurer, Mr. Hambuchen has held various leadership positions on the NASE board of directors, including chair. His small-business experience spans 31 years, largely through ownership of an electrical contracting company.



John Wright

Mr. Wright created, developed and managed his own business center/travel agency for 15 years. Prior experiences include 22 years within the air transportation industry where he has held various positions in sales and management. Mr. Wright is chair of the NASE board of directors.

NASE Awards \$115,000 To Member Businesses

Grants Grow 18 Enterprises



NASE Member Chris Hutcheson



NASE Member Melodie Ellis

The economic numbers didn't look so good. Credit tightened for micro-businesses, making capital even tougher to find than in years past. Retail sales continued to shrink. Consumers cut back their spending and businesses closely watched their budgets.

But not all micro-business owners bought into the bad economic news.

In 2008, the NASE awarded Business Development Grants to 18 NASE Members, for a total of \$85,772. Those dollars helped members stock stores with inventory, purchase new equipment, kick off marketing campaigns and more.

"These grants are our way of providing a little stimulus to our micro-business

members," said Robert Hughes, president of the NASE. "The smallest businesses don't have access to bailout money. We're doing what we can to give them working capital so they can keep their businesses growing."

Since initiating the Business Development Grant Program in 2006, the NASE has awarded more than \$350,000 to members.

In 2008, an accounting service, a fitness center, a trucking company and other micro-businesses across the country enjoyed a financial boost from an NASE Business Development Grant. Here are the grant recipients for 2008.

Joseph Carr

Carr Development Group Inc.
Oklahoma City, Okla.
www.carrdg.com

Gina Covello

Habla Language Services
San Jose, Calif.

Robert Crosser

Southwest Hauling, LLC
Eloy, Ariz.

Cheryl Cruson

Oregon Trail Hobbies & Gifts
Ontario, Ore.
www.oregontrilhobbies.com

Jill Dittrich

Thresholds of Madison, LLC
Madison, Wis.

Karen Dorsey

The Paint Gallery
Moorefield, W.V.

Scott Dulloek

The House Doctors
Jackson, Mich.

Lora Edelman

Curves of Walla Walla
Walla Walla, Wash.

Melodie Ellis

Melodie's Music and Dance
Trophy Club, Texas
www.learnpianoinyourhome.com,
www.piano-pals.com

Kathy Hester

Kathy Hester's On Target
Golf Schools
Vicksburg, Miss.
www.ontargetgolfschools.com

Chris Hutcheson

Peachtree Restoration LLC
Manchester, N.H.
www.peachtreerestoration.com

Richard Hylan

Hylan Plumbing Co.
Rocky Mount, N.C.

Regina Milan

Ideation Ink LLC
Santaquin, Utah
www.ideationink.com

Dawn O'Neil

Dawn O'Neil's Family Child Care
Ashley Falls, Mass.

Jennifer Peace

Peaceful Images Styling Salon
Great Falls, Mont.

Gregory Steeg

Steeg's Haul-Away Service Inc.
Rock Falls, Ill.

Carlene Thompson

D & C Entertainment LLC
Delafield, Wis.

Tiffany Washington

Washington Accounting Services
Waldorf, Md.
www.washingtonaccountingservices.com

Achievement Award Outfits Online Toy Store

More children will be playing with safe, earth-friendly toys thanks to 2008 NASE Achievement Award recipient Sheri Novak.

Novak sells kid-safe toys online. And her micro-business got a big boost from the NASE.

After receiving a \$5,000 Business Development Grant from the NASE in April 2007, Novak moved her company, Hazelnut Kids, out of her home. She used the grant money to outfit a new warehouse with shelving, packaging tables and supplies. The funds also helped pay for space and computers for two new employees.

The bottom line: Novak was able to triple her business in less than a year with the help of the NASE grant.

The NASE recognized the powerful push the grant gave to Novak and her business. To help Hazelnut Kids continue to grow, the association presented her

with an additional \$30,000 as the 2008 Achievement Award recipient.

Hazelnut Kids opened in 2005 as an alternative to the world of mass-produced, plastic and battery-operated toys.

"I wanted toys that were safe and that stimulated my children's imagination, so I thought other parents might be looking for the same thing," Novak says. Little did she know that in 2007, toy recalls would soar as a result of high levels of lead in paint and plastics used in toys manufactured in China. Her business instantly spiked, doubling from the previous year.

Customers began e-mailing and writing letters, thanking Novak for offering a safe alternative.

Fortunately, the \$5,000 NASE Business Development Grant arrived just in time to help her meet the new demand.

"Being able to hire two employees to help with the increased order fulfillment

and customer service freed me up to focus on marketing and search engine optimization," she says. "I really don't know how I would have done it without the grant."



As sales continued to rise in 2008, Novak found herself in that bittersweet place so many micro-business owners encounter – increased business required more inventory, space and employees, but finding the capital to meet those demands was a challenge.

Already, Novak had outgrown her new warehouse and was taking steps to move into a larger space.

Among her plans for the \$30,000, Novak is considering investing heavily in marketing efforts and incorporating traditional media into what has been a strictly online marketing program. She also recognizes a need for a fulltime book keeper and a more extensive inventory so that she can meet higher demands, particularly for the holiday rush.

The Achievement Award may allow her to achieve those goals.

"When I joined the NASE, I was amazed by how many benefits were available to me," Novak says. "But I never dreamed they would include something like [the Achievement Award]. I am so grateful for the opportunities this money will provide, and I am grateful to the NASE for being a continual resource to my small-business needs."



NASE Gives \$104,000 Towards College Education

NASE Future Entrepreneur Sends Hope To Troops Abroad

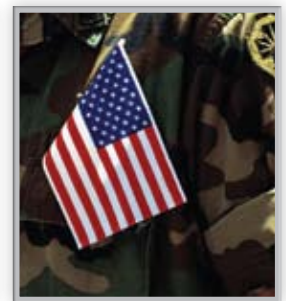
When Patrick Kaltenbach left for the National Boy Scout Jamboree in July 2005, he had no idea that it would change his life.

The Newtonville, Mass., resident was already a straight-A student at St. Sebastian's School in Needham and president of the freshman class. He was also a competitive skier and spent weekends on community service such as collecting food for the hungry.

But that ill-fated Jamboree was marred by the death of four adult leaders in a freak accident while pitching a tent and 110-degree temperatures that sickened hundreds of Scouts.



"It was the most frightening experience of my life," Patrick says. "Struggling against the dizziness of dehydration, surrounded by boys vigorously shaking



their friends just to determine if they were conscious. I slipped an arm around a younger Scout but I was barely strong enough to help him."

Suddenly two soldiers arrived to help. The U.S. military sent troops, helicopters, trucks, ambulances and buses to give emergency treatment to the sick and transport them to hospitals.

"I will never forget their quick and professional action," Patrick says. "I offered my feeble thanks but I knew this was not enough. It really hit me because just hours earlier I had been chatting with other soldiers about their own scouting experiences. They seemed like kids. Just like me."

Less than a month later, Patrick watched on television as other U.S. soldiers helped victims of Hurricane Katrina. He took greater interest in stories of U.S. soldiers overseas. He wanted to do something to let them know they were appreciated and not forgotten. Then he got an idea, based on soldiers' memories of relishing Boy Scout popcorn heated over a campfire. Why not help them relive those memories by sending them some microwave popcorn?

Patrick's business-like approach to the project, which became known as TroopTreats, would make any entrepreneur proud. His hard work, perseverance in the face of adversity, and ability to rally others to his vision contributed to his selection as recipient of the 2008 NASE Future Entrepreneur Scholarship.

Patrick wanted TroopTreats to have broad support, so rather than seek large contributions, he asked individuals for just \$1. Each dollar sent one bag of popcorn overseas and earned money for local Scout troops, a win-win proposition.

In three years, TroopTreats has sent 40,000 bags of popcorn to military personnel overseas. In 2008 Patrick was named Massachusetts' top high school volunteer. The Boy Scouts are also rolling out a national Support Our Troops program based on TroopTreats.

Patrick received \$12,000 toward his education at Rensselaer Polytechnic Institute in Troy, N.Y. He can renew the scholarship for \$4,000 in each of the next three years.

NASE Scholarship Helps 20 Students Attend College All Over The Country

In 2008, the NASE awarded a \$4,000 college scholarship to 20 deserving students of NASE Members. These students can use their scholarship funds to study any subject at the college of their choice.

“We started the scholarship program in 1989 as a way of helping our members ensure that their children get a higher education,” says NASE President Robert Hughes. “We’re proud we can help make their college dreams come true.”



**Charles Arena Jr.,
Sanbornton, N.H.**
Dependent of NASE
Member Charles Arena Sr.



**Emily Rapp,
Sharon, N.H.**
Dependent of NASE
Member Tina Rapp



**Jansen Williams,
Dexter, Mo.**
Dependent of NASE
Member Gary Williams



**Hallie Arrigon,
Hamilton, Ohio**
Dependent of NASE
Member Gwen Arrigon



**Malorie Rhoderick,
Mt. Airy, Md.**
Dependent of NASE
Member Wayne Rhoderick

**Not Pictured:
Meredith Ekberg, Incline Village, Nev.**
Dependent of NASE Member Merilee Turner



**Kelsey Duplaga,
Valley City, Ohio**
Dependent of NASE
Member Robert Duplaga



**Raphael Shapiro,
Sag Harbor, N.Y.**
Dependent of NASE
Member Julian Shapiro

Robin Johnson, Fairbanks, Alaska
Dependent of NASE Member Lea Anne Jensen



**Adrienne Giguere,
East Longmeadow, Mass.**
Dependent of NASE
Member Donald Giguere



**Jacob Sleyster,
Sandpoint, Idaho**
Dependent of NASE
Member Tina Sleyster

**Chantra Mont Pimolwatana,
Middletown, R.I.**
Dependent of NASE Member Denise Montoya



**Heather Kehrli,
Cathlamet, Wash.**
Dependent of NASE
Member Scott Kehrli



**Russell Stockman,
Weatherford, Texas**
Dependent of NASE
Member David Stockman



**Jessica Laplante,
Van Buren, Maine**
Dependent of NASE
Member Cathy Laplante



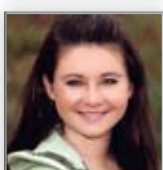
**Alicia Tremaine,
Lynden, Wash.**
Dependent of NASE
Member Erin Tremaine



**Philip Mayhoffer,
La Junta, Colo.**
Dependent of NASE
Member David Mayhoffer



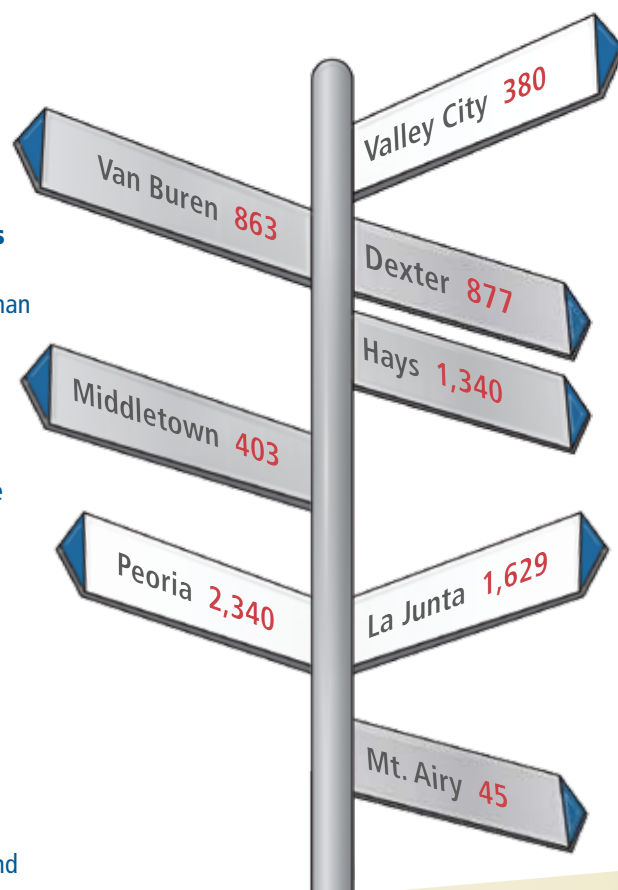
**Kathryn Unruh,
Hays, Kan.**
Dependent of NASE
Member Stan Unruh



**Kristen Nevins,
Fairfield, Calif.**
Dependent of NASE
Member Anita Nevins



**Amanda Wieland,
Peoria, Ariz.**
Dependent of NASE
Member Randy Wieland



Advice From NASE Reaches Far And Wide

TaxTalk Seminar Series Travels The Country

When it comes to navigating business taxes, micro-business owners need easy-to-understand, reliable resources that can help them file. That's why the NASE took tax strategies to members and other micro-business owners during a coast-to-coast road trip in March.

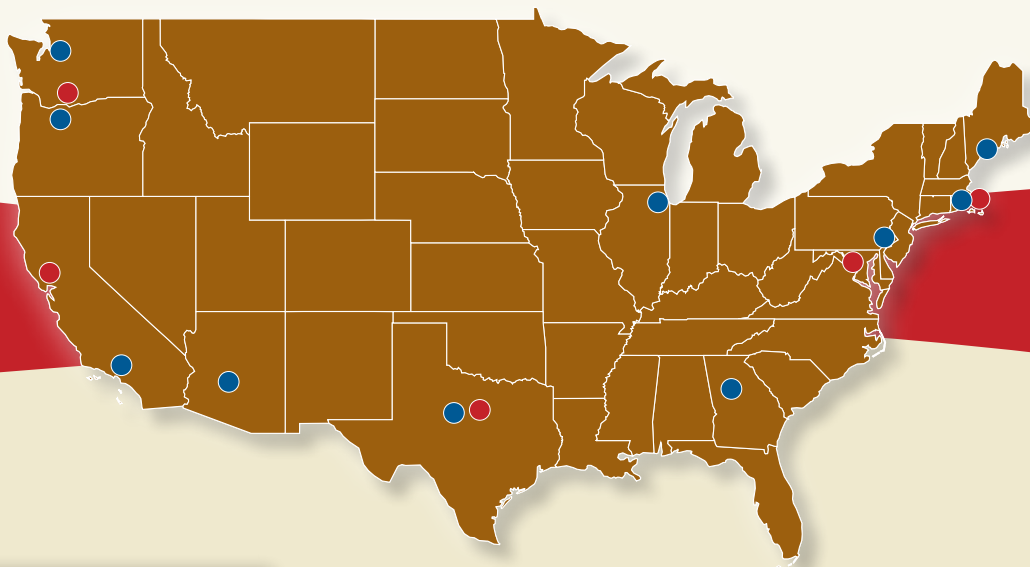
Following the success of the TaxTalk seminars with National Tax Advisor Keith Hall in 2007, the NASE doubled the program's reach in 2008. Hall shared micro-business tax strategies and

brought together NASE Members in 10 cities across the country:

- Atlanta, Ga.
- Boston, Mass.
- Chicago, Ill.
- Fort Worth, Texas
- Los Angeles, Calif.
- Philadelphia, Pa.
- Phoenix, Ariz.

- Portland, Maine
- Portland, Ore.
- Seattle, Wash.

Tackling the cross-country tour in just three weeks, the seminar included topics such as finding hidden deductions, employing a spouse or child, and learning Tax Code changes for 2007. All participants also received a free copy of the updated "Schedule C: from A to Z" book, authored by Hall and NASE President Robert Hughes.



2007

- Boston, Mass.
- Burlington, Md
- Dallas, Texas
- Oakland, Calif.
- Vancouver, Wash.

2008

- Atlanta, Ga.
- Boston, Mass.
- Chicago, Ill.
- Ft. Worth, Texas
- Los Angeles, Calif.

- Philadelphia, Penn.
- Phoenix, Ariz.
- Portland, Maine
- Portland, Ore.
- Seattle, Wash.

Nationwide Media Outlets Tap NASE For Advice

The NASE provided the voice of micro-business in media outlets across the country in 2008. Interviews with the NASE business and tax consultants, advocacy chief and members ran in newspapers nationwide.

From Kristie Darien Arslan, NASE Executive Director of the Legislative Offices

On the needs of small businesses, quoted in Forbes.com, Yahoo!, and others:

“The 24 million micro-businesses in the U.S., which comprise a huge portion of our nation’s economy, are struggling with high health care costs and looking for solutions from our next President,” said Kristie Darien, Executive Director of the NASE. “Neither candidate has developed a comprehensive small-business policy to address issues such as health care, taxes and retirement affecting this important demographic. These entrepreneurs are examining both candidates closely and will be making decisions in November based on these issues that affect their business and their families in very real and measurable ways.”

On lack of detail in small-business proposals set forth by presidential candidates, quoted in the New York Times:

“Neither candidate has developed a comprehensive small-business policy to address issues such as health care, taxes and retirement affecting this important demographic,” Kristie Darien, the group’s executive director, said.

On concerns regarding cost and taxpayer impact of federal bailout initiatives, quoted in bizjournals.com:

“Big business, just like small business, should be held accountable for the actions that have led to this current

financial crisis,” said Kristie Darien, executive director of NASE’s legislative offices. “Our policymakers need to be responsible to our nation’s taxpayers in their actions to shore up our economy and work to keep this kind of disaster from occurring again.”

From Gene Fairbrother, lead consultant for the ShopTalk 800 member benefit

On access to health insurance, quoted in Fortune Small Business and CNN Money:

“Finding a plan for your small business is not as much of a challenge as it was 10 years ago, though finding an ‘affordable’ option can take some legwork,” says Gene Fairbrother.

From Keith Hall, NASE National Tax Advisor and consultant for the TaxTalk member benefit

On starting tax preparation early, quoted in the New York Times:

“Trying to stay organized might be the hardest part,” Keith Hall said. “Start building your own paper fort, with W-2s and 1099s, and your bank and mortgage statements and 401(k) reports. Put it in the same place, and this will also jog your memory to chase down any missing forms.”

On hiring a tax professional, quoted in the Washington Post:

“Many small firms balk at the cost of a pro, figuring they don’t have the \$200 or \$300 to spend for someone to do their tax return,” Keith Hall said. “But remember you’re going to spend a large number of hours working on that return rather than getting a new client or spending time with your spouse or kids.”



On using last year’s tax return as a “road map,” quoted in BusinessWeek:

“If you had an item of income or expense last year, you’ll probably have the same thing or similar this year,” says Keith Hall, a national tax adviser for the Dallas-based National Association for the Self-Employed. “It’s a good way to check off the documents you need to file and go searching for the ones you’re missing.”

From NASE Members

NASE Member Micheal Frome on the effect of the economic downturn, quoted in the New York Times:

“I think my customers are quickly reducing their discretionary spending to near zero and squirreling away money,” Mr. Frome said. “Fear and uncertainty grip them.”

NASE Member J.M. Ivler on small-business financing, quoted in the Wall Street Journal:

“I can’t get the banks to give me a loan,” complains Mr. Ivler, whose Las Vegas company is profitable and produced \$350,000 in sales last year.

National Health Care Survey Educates Lawmakers

In a 2008 survey, the NASE asked micro-business owners their opinions about the increasing cost of health care and its effect on their businesses. We got an earful:

- “Health care for our family of five and self-employment taxes are the two biggest stumbling blocks for our business financially. We struggle financially as individuals because of the huge bite these two things take out of our income.”
- “The health care system should be driven with the mentality and support for health wellness not health care.”
- “I think small businesses subsidize the lower cost of health insurance for corporations by our higher premiums and higher tax assessment. We bear the brunt of the economy and feel the pinch more deeply.”

These are just a few of many opinions voiced in the most extensive nationwide

survey of its kind, Health Coverage: A Micro-Business Perspective. The NASE conducted the survey in 2008 to assess the impact of rising health care costs on the smallest businesses.

The survey of nearly 4,000 micro-businesses, a follow-up to research conducted in 2005, found that high cost continues to be the most significant barrier to offering health insurance. The survey clearly showed that finding affordable, quality health insurance is a serious problem for micro-business owners and their employees.

A few key findings from the survey:

- Of the more than 46 percent of responding businesses offering health insurance, only 19 percent cover full-time employees, down from 47 percent in 2005.
- Results show a significant increase in the percentage spent on health insurance premiums since 2005, with

median costs rising from 4 percent of total revenue to 6 percent.

- In the 2008 survey, one in 10 of the respondents said they spend 25 percent or more of their gross revenue on health insurance, compared to spending 10 percent in 2005. In addition, median health insurance premium costs rose from 3.7 percent of total revenue to 5.5 percent in 2008. This equates to a 48.6 percent increase. The increase is most strongly felt by the smallest companies — they are presently spending 28.1 percent more of their total sales on health insurance than they spent three years ago.
- Two issues respondents feel have the greatest impact on high health care costs are “insurance companies making too much profit” (29 percent) and “doctors/hospitals charging too much for services” (22 percent).

Health Care Cost Drivers

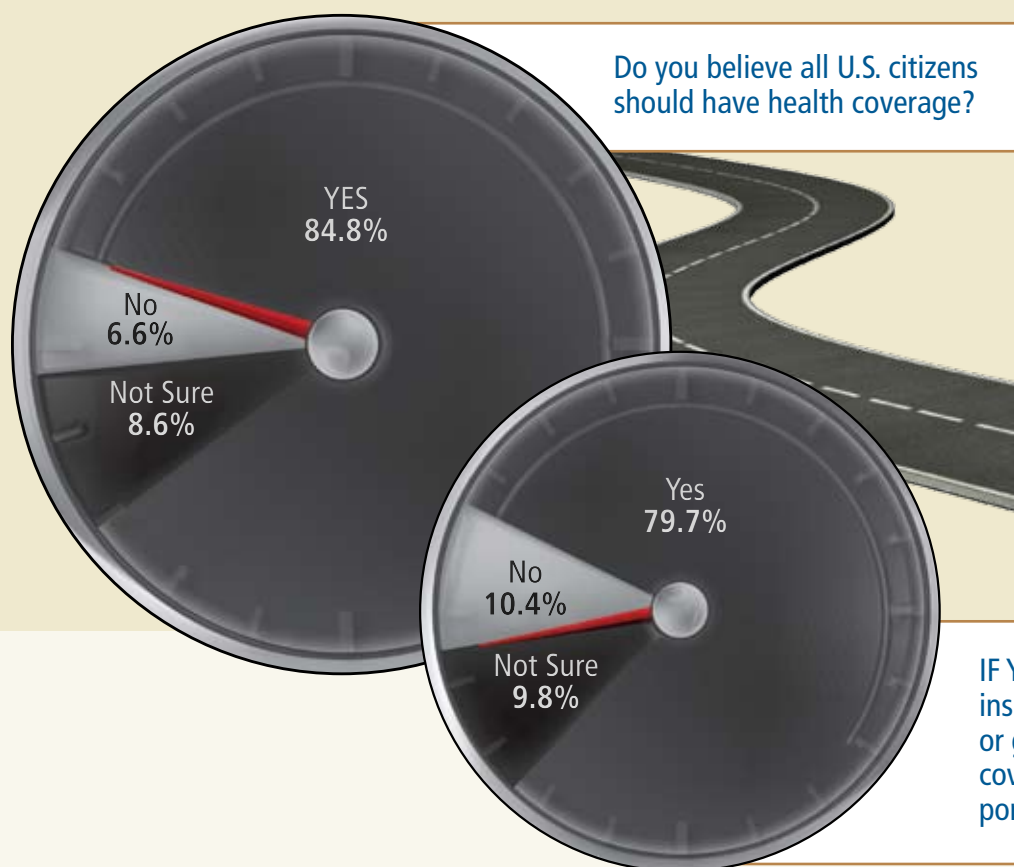
Insurance companies making too much profit	28.8%
Doctors/Hospitals charging too much for services	21.7%
Medical malpractice lawsuits	13.2%
Other*	9.5%
Unhealthy lifestyles requiring people to need more care	7.1%
Prescription drug costs	4.6%
People getting tests and treatment they don't need	4.0%

The growing number of older Americans	3.3%
Use of costly new treatments and technology	1.9%
Not sure/no opinion	5.9%

*The “other” category is quite varied, with no single issue dominating the list. Popular themes addressed by the respondents include a combination of the other factors (i.e., ‘all of the above’), fraud, wasteful spending, government intervention/regulation, illegal immigration, the need to support the uninsured, and insurance company management.

From the National Association for the Self-Employed's Health Coverage: A Micro-Business Perspective Survey. Published June 2008.

Universal Coverage Perceptions



IF YES: Regardless of whether health insurance is through private insurance or government assistance, should covered individuals have to pay some portion of their health care cost?

Searching For Answers

When asked how the nation's health care system could be improved, survey respondents said that patients need flexibility and information. Micro-business owners want more say in the benefits included in a health insurance policy and more information on treatment options. One way to save health care dollars is more awareness of what each procedure and treatment costs beforehand, or greater transparency within the health care system. Survey respondents agreed that they want to be able to compare the costs of items like prescription drugs before making the trip to the pharmacy.

A majority also throw their support behind greater access to data on provider quality, such as ratings for their current and future physicians or hospitals.

The implementation of technology — electronic medical records or online referrals and scheduling, to name a few — also scored big among micro-businesses as a way the current health care system could be improved.

Over the past few years, political leaders have continued to talk about major reforms. One idea has been to structure a new government-run system that provides care to its citizens.

Two in five business owners said they would pay additional taxes to help fund a health care system of this magnitude. However, micro-business owners voiced concerns about a universal, government-run health care system. At the top of this list is the worry that the quality of health care will decline if the government takes the lead.

Spreading The Word

Armed with the survey results, the NASE advocacy team stormed Capitol Hill. All legislators on the key committees the NASE works with — Senate Committee on Health, Education, Labor and Pensions; Senate Committee on Finance; Senate Committee on Small Business and Entrepreneurship; House Committee on Ways and Means; House Committee on Energy and Commerce; and the House Committee on Small Business — received copies of the survey. The NASE met with a number of staff to discuss the results and what actions could be taken. In addition, the results were shared with the Bush Administration and campaign staff of the presidential candidates at the time.

NASE Puts Members Face-To-Face With Legislators

Advocacy Office Launches Nationwide Town Hall Meeting Tour



NASE Member Janice Kajanoff



Representative Jim McDermott

The NASE advocacy team hit the open road in 2008, taking entrepreneurs to local town hall meetings hosted by legislators. The goal of the new grassroots program is to engage micro-business in advocacy efforts and give Members of Congress the opportunity to hear firsthand the issues affecting this important demographic of the small business population.

A town hall serves as an open forum where legislators meet with constituents and listen to the issues they face. Whether the topic is access to affordable health care or business tax breaks, these events offer constituents a chance to thank policymakers for a job well done or ask them to defend a lack of progress in Washington, DC.

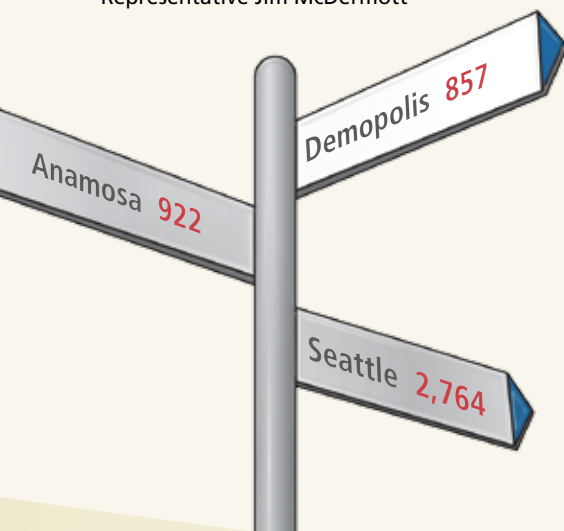
With 2008 being an election year, legislators spent as much time as possible in their home states talking to potential voters. The NASE's Town Hall Program gave a platform to micro-business owners who had something to say to their elected officials. Through the program, NASE Members and staff from the NASE legislative office met up at local town hall meetings to speak out about issues that impact the self-employed.

Headed up by Kristie Arslan, NASE executive director of the legislative offices, the NASE attended events in Perry, Okla.; Irving, Texas; Anamosa, Iowa; Demopolis, Ala.; Seattle,

Wash.; and Kenosha, Wis. During the inaugural town hall meeting in Oklahoma, NASE Member Carol Moody of Sapulpa, Okla. asked her legislator about improving access to health care. Afterwards, she shared how the struggle for coverage is a constant issue among micro-businesses:

"Do I believe it is important for self-employed and micro-business owners to participate in advocacy activities such as this one? More now than ever. There are more and more people becoming self-employed because of necessity. Being a single self-employed business owner, I have not been able to afford quality health care."

The NASE encouraged all members to participate in the Town Hall Program through e-mails, postcards and alerts in the NASE Member magazine. A portion of the NASE Web site was devoted to the program, including an interactive map to track the advocacy team's progress, a journal of Arslan's experiences and photos and videos from the events.



NASE's Voice In Washington

The NASE advocacy team meets day in and day out with legislators and their staff on behalf of micro-business. Here are some highlights from the 2008 advocacy efforts:

- The IRS Taxpayer Advocate cites NASE research in annual report to Congress. She used it to support the idea of the standard home office deduction. Later in 2008, the House of Representatives introduced legislation, the Home Office Deduction Simplification Act (H.R. 6214), that would make it easier for home businesses to deduct office expenses by offering an optional \$1,500 standard deduction to eligible taxpayers, with that amount also indexed for inflation.
- The home office deduction made it onto the Small Business Administration's (SBA) Office of Advocacy's "2008 Top 10 Rules for Review and Reform" thanks to nominations by small business owners and their representatives. NASE Member Josh Levine, owner of Electra Entertainment in Maryland, took part in the Top 10 unveiling to lend his support to the reform effort.
- Kristie Arslan, NASE Executive Director of the Legislative Office, testified to the House Small Business Committee that requiring credit and debit card issuers to report business owners' annual electronic payment transactions to the IRS would increase tax regulation on small business.
- Keith Hall, NASE National Tax Advisor, testified before Congress in support of the "Plain Language in Government Communications Act." The legislation would help micro-businesses spend more time and money on their business instead of complying with confusing regulations.
- Scott Scribner, a member of the NASE board of directors, testified before the House Small Business Committee Subcommittee on Regulation, Health Care and Trade in support of a standard home office deduction.
- The NASE submitted written testimony on a number of small-business issues:
 - To the Senate Finance Committee on proposals to reduce the tax gap.
 - To the House Ways and Means Committee in opposition to the Alternative Minimum Tax legislation proposals that would increase the tax compliance burden on small business.
 - To the entire U.S. Congress, encouraging passage of the economic stimulus package.



NASE Member Scott Scribner



NASE Member Josh Levine (above right and far right)



Finances Strengthen Association

NASE Inc. Financial Report December 31, 2008 and for the year then ended

Balance Sheet

Assets

Cash & Cash Equivalents	\$ 13,729,050
Land & Equipment (Net of Depreciation)	\$ 1,565,103
Other Assets	\$ 1,307,288

Total Assets	\$ 16,601,441
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Liabilities and Fund Balance

Accrued Expenses	\$ 5,753,862
Deferred Revenue	\$ 1,040,322
Total Liabilities	\$ 6,794,184
Unrestricted Fund Balance	\$ 9,807,257

Total Liabilities and Fund Balance	\$ 16,601,441
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Cost Allocation



Statement of Revenues, Expenses and Changes in Fund Balance

Revenue

Membership Dues (Net of Distribution)	\$ 30,411,235
Other Income	\$ 304,566
Total Revenues	\$ 30,715,801

Expenses

Member Benefits	\$ 21,061,108
Member Management Systems	\$ 4,705,371
Washington Advocacy	\$ 1,177,709
Salaries, Facilities and Administration	\$ 4,026,228
Total Expenses	\$ 30,970,416

Net Change In Fund Balance	\$ (254,615)
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The NASE Value

What's An NASE Membership Worth?

It's a question the NASE set out to answer several years ago by asking an independent economist to review the value of the NASE benefits package. He found that by using the NASE benefits, instead of buying the products and services on the open market, a micro-business owner could save over \$15,000 a year.

That's a great answer, but not the full one. A \$15,000 value on products does not capture the individual success stories of members that received support and help from the NASE.

In an attempt to create a fuller picture of the membership value, NASE traveled the country in 2008 to collect those stories in person. Staff gave their insight as well, describing encounters with members over the years.

The end result is a 15 minute video featuring the stories of five members and the ways the NASE has helped grow their business. View the video at www.NASE.org.



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