

Cybersecurity & Financial Protection

Small businesses face unique challenges and vulnerabilities when it comes to digital security

Problem:

Small businesses rely on information technology more than ever, yet the very tools that make small businesses competitive have also put them in the crosshairs of cyber attackers. The security of our online data and finances is a huge concern for America's small businesses, both in terms of being targeted by a cyber-attack as well as the potential for unnecessary regulatory burdens that could accompany efforts to stem online attacks.

- Ninety-four percent of small-business owners are concerned about being targeted by cyber-attacks, and 42 percent indicated that they had been the victim of a cyber-attack.
- The most common kind of cyber-attacks for small businesses are general computer hacks, stolen credit card information and website hacks.
- In almost a third of those attacks on NSBA members, credit card information was stolen. In 13 percent of the attacks the company's entire network was compromised and in 10 percent their banking accounts were breached.
- Cyber-attacks cost small businesses on average \$7,115.26.
- Congress has unsuccessfully taken up legislation to address our nation's cybersecurity by instituting voluntary standards to encourage business owners and operators of the country's most critical infrastructure systems to meet certain data protection requirements.
- Business checking accounts are not protected when it comes to online hacking the way consumer accounts are – for those firms whose business banking accounts were hacked, the average losses were \$32,020.

Solution:

NSBA urges Congress to move forward on establishing streamlined guidelines and protocols to ensure the protection and security of our online data and financials, but cautions against a knee-jerk reaction that would unfairly place a disproportionate burden on America's smallest firms.

- Legislation to enhance America's cybersecurity should provide clear, simple steps for companies to follow when their data is breached and must balance the need for greater information sharing with privacy rights.
- Any federal discussion on cybersecurity or development of a private-public partnership or advisory board must include representatives of small business.
- Extend consumer banking protections to the banking accounts held by America's smallest firms.

Learn More:

- [Click here to download NSBA's Economic Report Special Section on Cybersecurity](#)