

## **The Agenda for America's Entrepreneurs: Entrepreneurship & independent economy**

Entrepreneurship is a potent force for positive change in a diverse society and economy—from addressing long-term unemployment to providing high quality jobs and helping revitalize distressed neighborhoods. A healthy entrepreneurial ecosystem provides an innovative pathway for women, people of color, youth, veterans and immigrants to enter the mainstream American economy and build income and independence. However, COVID-19 has undermined the trajectory of entrepreneurship in America, particularly for women and people of color.

To ensure all of America's current and aspiring entrepreneurs flourish, we recommend the following policies to support the growth of entrepreneurship and the freelance economy.

### **Top three priorities for Congress to support small business**

- Provide more funding and resources for business assistance centers that provide vital education and outreach to business owners and aspiring entrepreneurs such as Small Business Development Centers, Women's Business Centers, Procurement Technical Assistance Centers, and the Minority Business Development Agency.
- Support easy-to-implement mechanisms for the self-employed to access paid family and medical leave, retirement benefits and quality and affordable childcare.
- Pass legislation like the Lifelong Learning and Training Account Act, which would make lifelong learning more accessible for low- and moderate-income workers by establishing a tax-preferred savings account with a federal match. It would also help solo entrepreneurs invest in their own development and acquire skills without the aid of an employer.

### **Expand access to entrepreneurial assistance resources**

- Promote the U.S. Small Business Administration (SBA) and other programs that foster peer-to-peer mentoring and encourage expanded procurement opportunities for very small businesses, particularly those owned and run by women and entrepreneurs of color.
- Create a "Startup Visa" for foreign-born entrepreneurs who wish to start a business in the United States. A study by the Kauffman Foundation concluded that granting 75,000 such startup visas would create between 500,000 and 1.6 million new American jobs within 10 years.
- Fund programs that offer resources to encourage entrepreneurship from all populations, including justice-impacted individuals.
- Ensure programs that support rural entrepreneurs maintain full funding. For example, the 2018 Farm Bill provided funding for the Department of Agriculture's Rural Development programs, including the Rural Microentrepreneur Assistance Program, Rural Business Development Grants and the Intermediary Relending Program.
- Increase the cap on the SBA guarantee to Small Business Investment Companies (SBICs) to \$250 million to facilitate more financing opportunities for entrepreneurs.
- Support federal and state efforts to ensure that entrepreneurs can benefit from the Earned Income Tax Credit (EITC) program. As one of our nation's largest anti-poverty programs, expansion of the EITC can have a powerful effect on economic security for entrepreneurs and independent workers.

### **Position independent entrepreneurs for success**

- Identify and fix tax issues unique to micro-enterprises and freelancers, such as burdensome quarterly tax filings for freelance employees. This could also include aligning form 1099 reporting thresholds and streamlining income reporting for independent workers, as well as establishing a standard business expense deduction for independent workers.
- Pass healthcare tax equity for the self-employed, so that freelancers can deduct their healthcare expenses from their FICA tax obligations—just like other business entities.
- Ensure independent workers have full access to healthcare coverage provided by the Affordable Care Act, including fully funding outreach efforts to communicate the benefits of the individual healthcare insurance marketplaces to the self-employed.
- Equip underserved community institutions with greater access to funding and resources that encourage entrepreneurship.
- Create a student debt relief program for entrepreneurs.

### **Modernize licensing and certification requirements**

- Conduct regular reviews of state and local business licensing requirements and update outdated regulations.
- Amend state licensing and permitting costs in order to spur growth in key industries. For example, Connecticut established an [Entrepreneurial Learner's Permit program](#) that provides up to \$1,500 in reimbursements for state licensing and permitting costs to first-time entrepreneurs in areas with high growth potential.<sup>1</sup>

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<sup>1</sup> Connecticut Innovations, “Program helps first-time entrepreneurs with filing, licensing and permitting fees.” July 2016. <https://ctinnovations.com/news/ctnext-launches-entrepreneur-learners-permit-program>