

## The Agenda for America's Entrepreneurs: Infrastructure and economic development

The COVID-19 pandemic has highlighted that small businesses are the drivers of our economy, which is why investments in economic development and infrastructure should reflect their importance. This means ensuring community development and infrastructure initiatives benefit small businesses and their local communities, rather than large corporations. Moreover, these investments must be targeted to meet the needs of traditionally underserved business owners like women, entrepreneurs of color and rural entrepreneurs.

More than 54,000 of our country's bridges are structurally deficient, one of every five miles of America's roads are in poor condition and much of rural America lacks crucial access to broadband technology. Investing in both our physical and broadband infrastructure supports access to customers and suppliers, enhances business operations and creates demand for the goods and services small businesses have to sell. What's more, infrastructure investments like broadband support the growth of a vibrant freelance and entrepreneurial economy that relies on the Internet for access to markets, customers and services to support operations, a business structure that has been particularly important during the COVID-19 pandemic. [Our polling](#) shows a majority of small business owners agree that robust investment in our nation's infrastructure is crucial to the success of their business.<sup>1</sup>

### Top priorities for Congress to support small business

- Ensure federal support for physical infrastructure projects that directly benefit small business commercial enterprises and include sufficient small business contracting opportunities.
- Promote supply chain diversity as part of any comprehensive infrastructure proposal to ensure small firms, especially those in rural and underserved communities, are able to participate in infrastructure investments.

### Build our infrastructure through robust and innovative investments

- Create an "infrastructure bank" or other sustainable infrastructure financing entity to drive continued investment from the public and private sectors into the nation's roads, bridges and other infrastructure.
- Pass the ACCESS Broadband Act, which would expand broadband availability in underserved and rural areas and simplify the process for small businesses and other local economic development actors to utilize federal broadband resources.
- Support legislation, particularly at the state level, to counteract the FCC's repeal of net neutrality. Without a fair and open Internet, small businesses will be at a disadvantage when trying to compete with larger corporations that have the resources to ensure their websites receive special prioritization from their Internet service providers.
- Expand access to shared workspaces, accelerators and incubators that provide the physical and operational infrastructure for entrepreneurs to start and grow new businesses.
- Reauthorize the Export-Import Bank in order to continue allowing small businesses to engage in exporting activities. Small and medium-sized businesses [account for 98%](#) of the 300,000

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<sup>1</sup> Small Business Majority, "Small Business Owners Say Infrastructure Investments Important to their Business, Favor Robust Federal Support" September 2018. <https://smallbusinessmajority.org/our-research/infrastructure/small-business-owners-say-infrastructure-investments-important-their-business-favor-robust-federal-support>

American companies that export.<sup>2</sup> The Ex-Im Bank fills in the gaps offered by traditional financing by partnering with private-sector lenders to provide loans, loan guarantees and credit to aid foreign purchasers in buying American-made goods.

- Strengthen investments by federal agencies to spur growth and support small businesses that are key players in the clean energy economy's supply chain through economic clusters and other related programs.
- Extend renewable energy tax credits that can benefit small businesses. Businesses that operate facilities that produce electricity from wind and other renewable resources can choose either the Production Tax Credit or the Energy Investment Tax Credit. These credits are set to expire in 2019 and 2021 respectively.

### **Ensure local economic development benefits small businesses, rather than large national or multinational corporations**

- Oppose state and local tax policies that amount to "giveaways" to large corporations at the expense of investing in Main Street small businesses.
- Fully disclose incentive packages offered to large companies interested in making job deals with communities. It is important that a community's residents and small business owners are fully aware of what elected officials are offering and what the impact will be on affordable housing, public transportation and taxes.
  - For example, states can develop Unified Economic Development Budgets (UEDBs) that will streamline all economic development spending and provide transparent information to policymakers and taxpayers on tax expenditures. UEDBs include names of companies receiving subsidies, the amounts of the subsidies and program and agency-specific expenditures, among other valuable pieces of information, to assist policymakers in making informed decisions with a complete picture of the entire development budget.

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<sup>2</sup> US Chamber of Commerce, "New Trade Deals: With Whom?", <https://www.uschamber.com/issue-brief/help-small-businesses-export>