

THE AGENDA FOR AMERICA'S ENTREPRENEURS

Small Business Majority 2024 Federal Policy Priorities

The Agenda for America's Entrepreneurs sets forth policies that empower America's diverse entrepreneurs to build a thriving and equitable economy. Spanning across three key pillars that underpin our work, we advocate for policies that increase equitable access to capital, foster a sustainable workforce and promote a level playing field for entrepreneurs. If implemented these policies would ensure the growth of a robust small business ecosystem, reduce barriers and expand access to the American dream.

Increase equitable access to capital and opportunities for entrepreneurs

- Improve small business capital programs by reauthorizing the Small Business Administration (SBA) and modernizing the SBA's capital and entrepreneurial development programs.
- Foster expanded capital access for minority-owned businesses, microbusinesses and those in rural communities.
- Promote transparency by enacting federal truth-in-lending disclosure requirements for commercial financing and requiring federal data collection on small business lending.
- Ensure that small businesses have access to procurement opportunities.
- Remove barriers to entrepreneurship by streamlining regulatory processes such as licensing and capital requirements, including those faced by justice-impacted entrepreneurs.
- Expand access to entrepreneurial development, technical assistance and public-private partnerships to ensure that entrepreneurs have access to essential resources.

Bolster a Main Street-friendly workforce and the creation of quality jobs

- Expand access to quality affordable healthcare by maintaining the current marketplace subsidies, facilitating Medicaid coverage for those in states that have not enacted Medicaid expansion and ensuring the full range of reproductive care for small business owners and employees.
- Advance healthcare cost containment by tackling anti-competitive medical provider consolidation and abusive hospital and drug pricing.
- Foster access to affordable quality childcare for entrepreneurs and their employees.
- Provide access to portable benefits including paid family/medical leave and retirement.
- Expand workforce opportunities for all, including those facing unique barriers such as immigrants and justice-impacted individuals.

Foster a level playing field for American small businesses

- Rein in anti-competitive practices such as non-compete agreements, price discrimination and one-sided franchise agreements.
- Curtail anticompetitive practices by large technology platforms such as self-preferencing, forced advertising and predatory pricing on online marketplaces.
- Implement tax policies that provide bottom-up benefits to small businesses through equitable deductions and tax rates that benefit the smallest businesses as opposed to the wealthy and large corporations, while simultaneously promoting Internal Revenue Service (IRS) modernization to expand small business support and ensure fair tax collection.

POLICY RECOMMENDATIONS

Increase Equitable Access to Capital and Opportunities for Entrepreneurs

Improve small business capital programs

- Update the Small Business Act and modernize core capital programs to the 21st century by
 - Reducing barriers to federal loan programs by implementing early-stage forgiveness and/or low- or no-early interest loan features and payout schedules.
 - Ensuring SBA programs including 7(a)/504/and Community Advantage lenders are meeting the needs of today's entrepreneurs, particularly the smallest businesses in under-resourced communities.
 - Increasing the cap on Small Business Investment Companies to \$250 million to prioritize capital access for new entrepreneurs.
 - Increasing SBA lending guarantees through the maximum guaranteed annual loan amount and loan guarantee percentages.
 - Reforming lending requirements for justice-impacted individuals and implement a pilot program to counsel, train, and provide guidance to returning citizens seeking entrepreneurship opportunities.

Foster expanded capital access for minority-owned businesses, microbusinesses and those in rural communities

- Ensure that SBA and other federal guaranteed loans are focused on capital access for the smallest businesses and those in under-resourced communities.
- Increase program funding for the Community Development Financial Institution (CDFI) Fund at the Department of Treasury and ensure that resources flow to underserved entrepreneurs.
- Encourage improved agency outreach, education and marketing of programs in under-resourced communities.

Promote transparency and other responsible small business lending practices

- Pass the Small Business Lending Disclosure and Broker Regulation Act, which would extend federal Truth in Lending Act disclosure requirements to small business financing products.
- Prohibit "confessions of judgment" clauses, as proposed in the Small Business Lending Fairness Act, in small business lending agreements whereby borrowers agree in advance to waive their right to contest any dispute with a lender, often costing them their entire savings.
- Ensure the U.S. Department of the Treasury monitors and makes public the use of State Small Business Credit Initiative (SSBCI) dollars to ensure they flow to under-resourced communities and entrepreneurs.
- Guarantee the implementation of data collection and transparency in small business lending through the implementation of Section 1071 of the Dodd-Frank Act, the Community Reinvestment Act (CRA) obligations, and CDFI lending to ensure an equitable disbursement of capital.
- Create federal incentives for the implementation of the [Small Business Borrowers' Bill of Rights](#) across all small business lenders.¹

Ensure small businesses have access to procurement opportunities

- Ensure collaboration among all relevant agencies to maximize the participation of small businesses in contracting opportunities provided by the Inflation Reduction Act, the Infrastructure & Investment Jobs Act and the CHIPS & Science Act.
- Advocate for improvements to federally sponsored small business set-aside programs and training opportunities to reduce complexity around the procurement marketplace.
- Improve small business outreach and education at federal agencies regarding federal contracting opportunities and financing options.

Remove barriers to entrepreneurship for all

- Revisit business registration and licensing requirements to ensure they are not overburdensome and impede access to entrepreneurship, while protecting consumers' safety and health.
- Enact measures that would reform occupational licensing for justice-impacted individuals seeking to start a business.
- Improve affordable, high-speed broadband access for underserved entrepreneurs, especially those in rural communities.

Expand access to entrepreneurial development resources

- Fully fund the Minority Business Development Agency (MBDA) at \$110 million per year as authorized by the Infrastructure Investment and Jobs Act.
- Provide more funding and manpower for federal resource partners that offer 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 MBDA.
- Increase the utilization of public-private partnerships and expand successful outreach models such as the Community Navigator Pilot Program to ensure that hard to reach communities can rely on a network of trusted providers.
- Provide funding for marketing and outreach across federal agencies that offer services for small and disadvantaged businesses.

Bolster a Main Street-Friendly Workforce and the Creation of Quality Jobs

Expand access to quality affordable health coverage

- Make permanent the premium assistance provided by the Inflation Reduction Act.
- Allow individuals who reside in states that have not expanded Medicaid to purchase health coverage with premium assistance in the federal marketplace.
- Provide access to the full range of reproductive healthcare for women entrepreneurs and their employees.
- Lower Medicare age criteria to include individuals ages 55 and older.
- Strictly limit health plans that do not have the same coverage standards as those in the Affordable Care Act (ACA), such as short-term plans and association health plans.
- Allow employees who are offered employer-sponsored insurance to instead opt to receive premium assistance for marketplace coverage.
- Calculate marketplace premium tax credits based on the cost of a gold-level plan (80% actuarial level) instead of a silver-plan (70% actuarial level).

Advance healthcare cost containment by tackling anti-competitive medical provider consolidation and abusive hospital and drug pricing

- Block hospital mergers and acquisitions and ensure vertical integration between hospitals and physicians is done to improve patient outcomes, not to bolster profits and market power.
- Prohibit anti-competitive hospital contracting practices with insurance companies, such as large hospital chains using their market power to force insurance companies to include certain high-cost providers in their networks.
- Ban predatory billing practices that are not disclosed and justified.
- Create a cost commission to set reasonable hospital reimbursement rates based on quality and outcomes.
- Extend Medicare pharmaceutical drug inflation rebates under the Inflation Reduction Act to the private market, which penalizes drug manufacturers for raising prices faster than inflation.

Foster access to affordable quality childcare for entrepreneurs and their employees

- Implement policies that would help more working parents afford childcare by improving tax credits for childcare expenses.
- Reinstate recently expired federal subsidies for childcare providers via the Child Care Stabilization Act.
- Support the creation and enactment of a federal incentive plan to create more childcare provider options to address childcare deserts.
- Enact legislation to drive investment into childcare businesses through efforts like the Small Business Child Care Investment Act.

Provide access to portable benefits, including family/medical leave and retirement

- Establish a national program that would provide partial wage replacement for small business owners, employees and the self-employed to access paid family and medical leave.
- Implement a federally sponsored retirement program to complement successful state programs covering those who are not able to access employer-sponsored plans.
- Ensure that all small business benefits are available to self-employed entrepreneurs.

Expand workforce opportunities, including those for immigrants and justice-impacted entrepreneurs

- Enact comprehensive immigration reform. Short of that, reinstate the Deferred Action for Childhood Arrivals (DACA) program.
- Expedite and improve temporary work visas.
- Implement Fresh Start Reform measures, which would limit disqualifications for occupational licensing, giving justice-impacted individuals the ability to secure licenses for work.
- End debt-based driver's license suspensions, which disproportionately harm people of color and prohibit employees from traveling to work or even applying for jobs.
- Advance Clean Slate policies to ensure that small businesses can tap into an underutilized workforce composed of justice-impacted individuals who have remained crime-free for non-sexual and non-violent crimes.
- Include immigrants and justice impacted individuals in any effort to reauthorize the Workforce Innovation and Opportunity Act (WIOA).

Foster a Level Playing Field for American Small Businesses

Expand open and fair competition for small businesses

- Prohibit non-compete agreements, with few discrete exceptions, to ensure that entrepreneurs are free to start business ventures and compete in the marketplace based upon the quality of their products and services.
- Strengthen the Robinson-Patman Act of 1936, also called Anti-Price Discrimination Act, that protects small businesses from being driven out of the marketplace via discriminatory pricing, promotional allowances and advertising afforded to large, franchised companies.
- Implement laws that requires transparent, simple and fair franchise agreements.
- Ensure that franchisees have the right, including through private action, to enforce claims against the franchisor and protect themselves from unscrupulous one-sided business practices.

Curtail anticompetitive practices by large technology platforms

- Prohibit the ability of technology platforms to impede free and fair competition through practices such as self-preferencing, forced advertising, copycatting and exclusion.
- Support efforts to rein in corporate consolidation and mergers that increase prices and prevent small businesses from competing on a level playing field.

Implement equitable tax policies that provide bottom-up benefits to small businesses

- Based upon data compiled by the Tax Policy Center, 73% of the current Section 199A pass-through tax deduction benefit flows to the largest and wealthiest 5% of businesses. Replace Section 199A with bottom-up tax relief to the smallest businesses—for example, institute a small business standard deduction of \$25,000.
- Increase the top marginal tax rate on the very wealthy, understanding that only 2% of business owners with pass-through income pay at the top rate.
- Maintain full funding for the Internal Revenue Service (IRS) to ensure that small businesses have access to information and services and ensure fair tax collection.
- 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.

¹ The Small Business Borrowers' Bill of Rights, <http://www.borrowersbillofrights.org/bill-of-rights.html>