

## 2021 Small Business Policy Priorities

Small Business Majority is a national small business advocacy organization that empowers America's diverse entrepreneurs to build a thriving and equitable economy. We engage our network of more than 85,000 small businesses and 1,000 business organizations to advocate for public policy solutions and deliver resources to entrepreneurs that promote equitable small business growth.

The policy priorities outlined below will put small businesses on a robust road to recovery by improving the small business ecosystem, promoting an innovative small business economy, and creating sustainable programs with a long-term impact.

### Investing in physical and human infrastructure

Small businesses have navigated tremendous and unique obstacles throughout this pandemic and are now facing new challenges from coronavirus variants. Although many small business owners have weathered a significant storm, they are still very much in need of additional assistance, particularly investments in both [physical](#) and [human](#) infrastructure, as contained in the Infrastructure Investments and Jobs Act and the congressional budget reconciliation outline.

The provisions in both legislative packages are crucial to rebuilding an equitable and sustainable small business ecosystem. [Our recent survey](#) found broad support among small businesses for key provisions in the Infrastructure Investment and Jobs Act, including 79% support for improving the nation's physical infrastructure and 76% support for expanding and enhancing the nation's broadband infrastructure. Our research has similarly found strong support for measures in the human infrastructure plan to invest in healthcare, childcare and paid family and medical leave. Furthermore, the human infrastructure package would raise significant revenue by closing tax loopholes for large corporations and wealthy Americans, thus leveling the playing field for small business owners. Small businesses [support many of the proposed tax reform](#) changes.

### Access to capital and responsible alternative lending

Small business owners, particularly people of color, face significant hurdles accessing capital from traditional banking institutions. The current reconciliation instructions indicate that the U.S. Senate Committee on Small Business & Entrepreneurship will only receive \$25 billion to fund legislation focused on investments for access to credit and markets. This allocation is too low to adequately address the serious circumstances many small businesses still face. We must ensure greater access to responsible capital for entrepreneurs by enacting the following:

- Expand the U.S. Small Business Administration's lending capability such as a direct lending program to increase access for traditionally underserved communities and small government contracts that need working capital.
- Quadruple SBA lending guarantees, specifically by raising the maximum guaranteed annual loan amounts and loan guarantee percentages.
- Maintain the recent expansion of funding for the CDFI Fund at \$3 billion for long-term impact.
- Ensure increased funding for unbanked and underbanked small businesses via set-asides, access to smaller-dollar loans, and targeted business assistance programs.
- Support flexible, patient capital products through increased government backing.
- Reintroduce the Small Business Lending Disclosure and Broker Regulation Act, which would extend Truth in Lending Act disclosure requirements to small business loans and credit products.

- Appropriate emergency funding to the Restaurant Revitalization Fund to reach the more than [180,000 RRF applications](#) that remain unfunded.
- Remove barriers on federal loan programs for previously incarcerated individuals.

## Healthcare

Despite repeated threats and pernicious obstacles, the Affordable Care Act (ACA) has significantly expanded access to quality affordable healthcare for small business owners, their employees and the self-employed. The following actions are necessary for continued thriving and equitable entrepreneurship:

- Extend provisions in the American Rescue Plan to make healthcare more affordable, specifically increasing premium assistance to those who are already eligible for premium tax credits and expanding subsidies to people making more than 400% of the federal poverty line.
- Curb the rising costs of prescription drugs that are [hurting small businesses' bottom lines](#). Solutions include allowing Medicare to negotiate prices directly with pharmaceutical companies.
- Limit out-of-pocket costs to ensure entrepreneurs and their workers with coverage can afford to use it.
- Millions of individuals, including many small business employees and self-employed entrepreneurs, do not have access to Medicaid coverage due to political decisions in 12 states. To correct this inequity, Congress should pass the Medicaid Saves Lives Act or allow individuals, no matter where they reside, to purchase coverage through the ACA marketplace.
- Make significant investments towards educating the public about the annual open enrollment period. This must include multi-year funding for consumer assistance in navigating the program.
- Expand Medicare coverage to include individuals age 55 and older. Our research has found that closing this gap in access to care is [strongly supported](#) by small businesses.

## Paid leave, retirement and other benefits

Today's entrepreneurs and small business employees need a modernized benefits system that is responsive to 21<sup>st</sup> century realities and promotes quality jobs for all.

- Support federal efforts to establish publicly administered retirement savings programs (like "Secure Choice" auto-IRA programs), which [small businesses support](#). It's essential that any program ensures open access to all businesses; allows businesses to easily participate at minimal or no cost with no liability risk; and provides adequate funding for outreach.
- Establish a national program that would provide partial wage replacement for small business employees and the self-employed to take leave to address serious health conditions for themselves and family members.
- Implement nation and state policies help working parents afford childcare, along with support for childcare providers, understanding this is essential to building and retaining a skilled small business workforce and sustaining childcare providers in under-represented communities.

## Other provisions essential to small business success

- Young immigrants are the lifeblood of entrepreneurship. We must find a long-term solution for recipients of Deferred Action for Child Arrivals (DACA). We must similarly find a long-term solution for recipients of Temporary Protected Status (TPS).
- Create a student debt relief program for entrepreneurs.
- Enact and enforce antitrust and other laws promoting equitable competition to ensure small businesses compete on a level playing field.