

A Small Business Agenda for the First 100 Days

From plunging revenues to shuttered storefronts, the COVID-19 public health crisis has driven small businesses to the brink of collapse. More than 1 in 3 small businesses in our network, including 41% of Black and Latino-owned businesses, recently reported they would not survive without additional relief. And this crisis has only exacerbated the existing inequities people of color face, particularly in accessing capital. As we look to get our economy back on track in 2021, it's critical that the incoming administration tackle the most pressing issues quickly and strategically to sustain small businesses.

A thriving small business ecosystem is central to creating a dynamic and inclusive economy. Small businesses account for half of our nation's jobs and economic output, and their creativity spurs innovation in all sectors of the economy. When provided the proper resources and policies to unleash their potential, they inject life and vitality into communities, provide quality jobs and boost prosperity for all. And supporting our nation's diverse entrepreneurs is essential to financial security and growth: People of color own 8 million businesses, generate \$1.4 trillion in revenue and employ more than 7 million people.¹

A successful administration must focus on bold policies that protect the wellbeing of America's small businesses. With new leadership across the country, policymakers have the opportunity to play a vital role in creating smart solutions to support our small business community while rebuilding a more resilient economy. **Here are some steps that policymakers can take now.**

COVID-19 Response and Recovery

- **Immediately get the public health crisis under control to reinstate consumer confidence and allow businesses to fully reopen safely:** Each day that passes without a plan to get the pandemic under control worsens its effects on small businesses, particularly as states and localities are forced to reinstate public health measures. Implementing a commonsense plan to put our economy back on the path to recovery would ensure businesses can operate confidently and safely and promote consumer demand.
- **Pass another round of comprehensive and robust economic stimulus relief:** While Congress recently passed a new stimulus package, America's small businesses still need additional relief that addresses their unique needs. It is critical that the Biden Administration immediately work with Congress to pass another robust bill that would support small businesses through short- and long-term programmatic policies. This must include the following measures:
 - Monitor and prepare to fix and improve the 2021 rollout of PPP and EIDL funds, particularly the set-aside for CDFIs and MDIs.
 - Require the SBA to collect demographic data to determine whether federal funds were equitably distributed to minority-owned businesses.
 - For businesses that have been unable to secure federal funding, or were underfunded, develop a grant program similar to the SBA Lifeline Grant Program proposed in HEROES 2.0, which would ensure the smallest of businesses receive a direct cash infusion.
 - Pay small business contractors within 30 days and call on large business contractors to pay small business subcontractors within 30 days.
 - Require that at least 10% of federal procurement contracts go to women- and minority-owned businesses, with a minimum of 5%.

¹ Small Business Administration, Office of Advocacy, "Survey of Business Owners Facts: Minority-Owned Businesses in the United States." May 2016. <https://advocacy.sba.gov/2016/05/01/minority-owned-businesses-in-the-united-states/>

- Expand the federal government's unemployment insurance assistance to \$600/week for the duration of the pandemic.
- Allocate funding for state and local governments that have used federal dollars during the pandemic to provide grant money to struggling small businesses.
- Pass a comprehensive student loan forgiveness plan as student loan debt continues to grow in the United States, which hinders young entrepreneurs from launching new businesses.

Access to Capital

- **Reinstate and sufficiently fund state-run capital programs** such as the previously successful State Small Business Credit Initiative (SSBCI).
- Ensure transparency and other responsible small business lending practices by **passing the Small Business Lending Disclosure and Broker Regulation Act**, which would extend the Truth in Lending Act disclosure requirements to small business loans and credit products.

Healthcare

- While the future of the Affordable Care Act (ACA) is in the hands of the U.S. Supreme Court, **Congress can work with the Biden Administration to take some immediate steps that would support small businesses that have felt the impacts of rollbacks to the ACA** by:
 - Strengthen the federal and state healthcare marketplaces via expanded enrollment periods along with risk adjustment and reinsurance provisions.
 - Guaranteeing health protections for those with preexisting conditions by ensuring that Section 1332 waivers uphold the ACA's principles and do not destabilize the marketplaces.
 - Enacting a public option enabling the purchase of competitive insurance products alongside those in the private market.
 - Addressing the rising costs of prescription drugs, as these costs are hurting small business owners' bottom lines.²

Additional Measures

- Revisit the 2017 tax law to correct provisions that favor big business and the wealthy over small businesses and consumers.
- Pass comprehensive immigration reform guaranteeing eventual citizenship for those who play by the rules and contribute to our economic success.
- Find a long-term solution for recipients of Deferred Action for Child Arrivals (DACA), understanding that young immigrants like Dreamers are the lifeblood of entrepreneurship.
- Ensure federal support for physical infrastructure projects that directly benefit small business commercial enterprises and include sufficient small business contracting opportunities. This must include promoting supply chain diversity to ensure small firms, especially those in rural and underserved communities, are able to participate in infrastructure 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.
- Expand broadband to cover all rural communities.

² Small Business Majority, "Small Business Owners Concerned with Rising Cost of Prescription Drugs." December 2016. <https://smallbusinessmajority.org/our-research/healthcare/small-business-owners-concerned-rising-cost-prescription-drugs>