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## Written Statement for the Record Before the U.S. House Committee on Small Business

### “250 Years of American Legacy: Small Businesses and the American Dream”

July 1, 2026

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Dear Chairman Williams, Ranking Member Velázquez and members of the House Committee on Small Business:

As a leading representative of America’s 36 million small businesses, Small Business Majority is pleased to submit this statement for the record to the U.S. House Committee on Small Business to highlight how small businesses and entrepreneurship have shaped the American legacy over the last 250 years.

Small Business Majority is a national small business organization that empowers America’s entrepreneurs to build a thriving and equitable economy. From our 10 offices across the country, we engage our network of more than 85,000 small businesses and 1,500 business and community organizations to deliver resources to entrepreneurs and advocate for public policy solutions that promote inclusive small business growth. Our work is bolstered by extensive research and deep connections with the small business community that enables us to educate stakeholders about keys issues impacting America’s entrepreneurs, with a special focus on the smallest, most under-resourced businesses.

#### **Small businesses shape the American legacy, but mounting challenges threaten Main Street’s ability to thrive**

For 250 years, entrepreneurship has been central to the American Dream, empowering millions to build businesses and define our national legacy through economic innovation, local job growth and community engagement. Today, more than 36 million small businesses operate nationwide, employing over 45% of the private sector workforce and generating 43.5% of our gross domestic product.<sup>1</sup> Small businesses are not only vital for job creation and economic innovation, but they also represent the building blocks of Main Street communities nationwide.

While small businesses have historically faced barriers to growth and prosperity, including limited access to capital, workforce shortages and a playing field that is tilted in favor of large, dominant corporations, Main Street now faces a new threat. Federal policy decisions over the past 16 months have led to skyrocketing costs for small businesses, resulting in an affordability crisis that grows more urgent by the day. From fluctuating tariff rates and rising utility costs to skyrocketing healthcare premiums, small businesses and their employees are being faced with mounting challenges every day that threaten the sustainability of America’s small business ecosystem.

In a recent national poll conducted by Small Business Majority in June 2026, two-thirds of small businesses reported that their business expenses have risen over the past three months while half of small businesses reported decreased revenue over the same period.<sup>2</sup> The rising cost of doing business on Main Street has largely been driven by the administration’s unprecedented implementation of sweeping, global

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<sup>1</sup> U.S. Small Business Administration, Office of Advocacy, "Frequently Asked Questions About Small Business," February 2026, [https://advocacy.sba.gov/wp-content/uploads/2026/02/FINAL\\_FAQsAboutSmallBusiness\\_2026\\_012826.pdf](https://advocacy.sba.gov/wp-content/uploads/2026/02/FINAL_FAQsAboutSmallBusiness_2026_012826.pdf)

<sup>2</sup> Small Business Majority, "Voice of Main Street: Rising gas prices and expenses squeeze small businesses," June 16, 2026, <https://smallbusinessmajority.org/our-research/voice-of-main-street/rising-gas-prices-and-expenses-squeeze-small-businesses>

tariffs over the last 15 months. These tariffs have had an immediate and direct impact on millions of small businesses that rely on imported goods and materials. Our research found that 71% of small businesses have been negatively impacted by tariffs, forcing many to increase the prices of their own products, delay business expansion plans, delay importing new materials, and change business models.<sup>3</sup> While small businesses have been offered some reprieve after the Supreme Court ruled that tariffs imposed under the International Emergency Economic Powers Act (IEEPA) were unlawful, millions of small businesses are still awaiting refunds and now face new tariffs through separate trade statutes that only result in higher costs and more uncertainty on Main Street.

Small businesses and their employees have also been met with skyrocketing healthcare costs across the individual and small group insurance markets this year. Small Business Majority research found that 89% of small business owners reported that their healthcare premiums have increased—forcing many to adjust coverage options or forgo coverage altogether.<sup>4</sup> After Congress failed to extend the Affordable Care Act's (ACA) enhanced premium tax credits, which helped millions of small business owners and employees afford healthcare, premiums in the ACA marketplace have increased by an average of nearly 60% for marketplace enrollees. The expiration of the EPTCs, paired with additional restrictions on marketplace coverage enacted by the administration, has resulted in roughly 5 million fewer individuals enrolling in coverage this year—a staggering decline that will have immediate consequences across insurance markets.<sup>5</sup>

### **Immigrant entrepreneurs are being shut out of the American Dream**

America's small business economy is built on the contributions of immigrant entrepreneurs and workers. In fact, more than 1 in 5 business owners are immigrants, making up 21% of all business owners and 27% of all Main Street businesses like grocery stores, restaurants, clothing stores and other small storefronts.<sup>6</sup> What's more, foreign-born workers, including undocumented immigrants, account for more than 19% of the U.S. workforce, with many working for small businesses.<sup>7</sup> Despite the importance of immigrants to our nation's small business community, heightened immigration enforcement and restrictive federal policies targeting the immigrant community over the last 16 months have had direct, harmful impacts on immigrant-owned businesses and workers, limiting access to the American Dream of entrepreneurship.

The administration's widespread use of disruptive immigration enforcement tactics, including unannounced raids on small businesses, have sent shockwaves through Main Street communities nationwide. Small businesses have reported declines in customers, losses in sales and employees who are simply too afraid to show up to work. In fact, our research found that 47% of small business owners say increased immigration enforcement has negatively affected their business.<sup>8</sup>

While disruptive immigration enforcement has had far reaching impacts on the immigrant business community, the administration has also taken steps to explicitly prevent immigrant-owned businesses from accessing the resources and financing necessary to succeed. Earlier this year, the Small Business Administration (SBA) enacted new policy guidance specifying that all direct and indirect owners of small businesses must be U.S. citizens or nationals to be eligible for the agency's key loan programs, including the 7(a), 504, Microloan and Surety Bond programs. These unprecedented eligibility standards effectively

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<sup>3</sup> Small Business Majority, "Voice of Main Street: Small businesses being strained by rising costs," March 25, 2026, <https://smallbusinessmajority.org/our-research/voice-of-main-street/small-businesses-being-strained-rising-costs>

<sup>4</sup> Small Business Majority, "Voice of Main Street: Rising gas prices and expenses squeeze small businesses," June 16, 2026, <https://smallbusinessmajority.org/our-research/voice-of-main-street/rising-gas-prices-and-expenses-squeeze-small-businesses>

<sup>5</sup> KFF, "What We Know So Far About 2026 ACA Marketplace Enrollment, Premiums, and Deductibles," May 19, 2026, <https://www.kff.org/affordable-care-act/what-we-know-so-far-about-2026-aca-marketplace-enrollment-premiums-and-deductibles/>

<sup>6</sup> Immigration Research Initiative, "The Entrepreneurial Spirit: A Profile of Business Owners Across the United States," March 19, 2026, <https://immresearch.org/reports/the-entrepreneurial-spirit-a-profile-of-business-owners-across-the-united-states/>

<sup>7</sup> U.S. Bureau of Labor Statistics, "Foreign-Born Workers: Labor Force Characteristics — 2025," May 19, 2026, <https://www.bls.gov/news.release/forbrn.nro.htm>

<sup>8</sup> Small Business Majority, "Voice of Main Street: Small businesses support healthcare premium relief, immigration reform," November 13, 2025, <https://smallbusinessmajority.org/our-research/voice-of-main-street/small-businesses-support-healthcare-premium-relief-immigration-reform>

cut off access to government-guaranteed financing for any small business owned in part by entrepreneurs legally present in the U.S., including green card holders, who are following the law and working their way through the legal immigration system.

Congress and the administration should be doing everything in their power to support pathways to small business ownership for the millions of immigrant entrepreneurs who are pursuing the American Dream. However, the administration has instead decided to deny responsible financing options for immigrant entrepreneurs who have worked tirelessly to comply with immigration laws—a decision that will prevent many immigrant-owned businesses from growing their enterprises and contributing to local job growth and economic success.

Small Business Majority urges lawmakers to enact the *Investing in the American Dream Act (H.R. 8563)* which would codify access to the American Dream, ensuring that small businesses, including those that are majority owned (>51%) by citizens, nationals, green card holders, and other individuals lawfully in the U.S, can continue to access the capital needed to grow through SBA's flagship lending programs. A failure to reaffirm our nation's commitment to legal immigration and invest in small businesses would have direct consequences for local economies, communities and Main Streets that rely on immigrant-owned businesses to thrive.

### **Main Street is at a breaking point, and Congress must do more to bring down costs and expand access to opportunities for small businesses**

From rising operational costs to targeted threats against immigrant entrepreneurs, small business owners nationwide are making it clear that current economic and policy pressures are destabilizing their business models and local economies. Millions of entrepreneurs like Alejandro Flores-Muñoz and Sayuri Tsuchitani are grappling with the direct consequences of recent federal policy decisions that have resulted in uncertainty and fear among the small business community:

*"I'm a DACA recipient who's been in the U.S. since I was seven. I've spent years building Combi Taco from the ground up, and today we're serving more than 30,000 meals a month, employing a team of people here in Colorado, and working with nonprofits and local governments to feed people experiencing homelessness.*

*What people don't always realize is that immigration uncertainty doesn't just affect me personally, it affects every decision I make as a business owner. It's hard to plan years ahead, invest, hire, or sign long-term contracts when you don't know if the work authorization you've had for years will still be there. My business supports families, creates jobs, and serves our community, but all of that is tied to policies that remain uncertain.*

*At the same time, we're dealing with the same pressures every small business is feeling. Food costs, insurance, healthcare, labor, fuel everything has gone up. We've worked hard to become more efficient instead of just passing those costs onto our clients because many of the organizations we serve are already operating on tight budgets.*

*I think my story shows what's possible when immigrants are allowed to contribute. I've built businesses, created jobs, paid taxes, and invested back into my community. Small business owners don't need special treatment—we just need stability and the chance to keep doing the work we're already proving we can do."*

*- Alejandro Flores-Muñoz, Owner, Combi Taco in Denver, CO*

*"As an immigrant entrepreneur, I know firsthand how important small businesses are to our communities. Small businesses create jobs, bring people together, and contribute to local economies. But today, many immigrant-owned businesses are facing uncertainty.*

*The current immigration climate has created anxiety not only for business owners, but also for employees, customers, and families. Many immigrants are hesitant to pursue opportunities, hire workers, or invest in growth because they are uncertain about what the future holds. When immigrants feel insecure, small businesses suffer.*

*I am also concerned about recent restrictions on SBA lending that make it more difficult for immigrant entrepreneurs to access capital. Many immigrants do not have generational wealth, family resources, or established financial networks. Access to small business loans is often the bridge that allows them to start a business, hire employees, and contribute to the economy.*

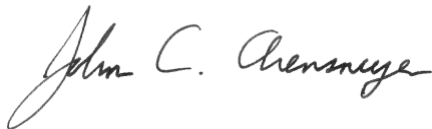
*When we make it harder for entrepreneurs to access capital, we are not just limiting individual businesses—we are limiting innovation, job creation, and economic growth in communities across America.*

*I am proud to be an immigrant entrepreneur and proud to contribute to the American economy. My hope is that policymakers continue to support pathways that allow hardworking small business owners to grow, create jobs, and achieve the American Dream.”*

*- Sayuri Tsuchitani, Founder & Owner, Sumo Yoga in Los Angeles, CA*

Thank you for the opportunity to provide comments about current issues facing Main Street and the vital role immigrants play in shaping our economy and communities across the country. For any questions or additional information, please contact our Senior Director of Federal Government Affairs Alexis D’Amato Falvey at [adamato@smallbusinessmajority.org](mailto:adamato@smallbusinessmajority.org).

Sincerely,



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