



August 22, 2023

The Honorable Tim Scott (R-SC)
United States Senate
104 Hart Senate Office Building
Washington, D.C. 20510

RE: Support of the Small Business Technological Advancement Act (S. 2330)

Dear Senator Scott:

As a representative of America's 30 million small businesses, Small Business Majority writes today in support of the Small Business Technological Advancement Act (SBTAA) (S. 2330), legislation that will help to ensure America's small businesses have the cutting-edge digital resources they need to compete domestically and to guarantee they will operate with a global advantage against large competitors.

Small Business Majority is a national small business 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 1,500 business and community organizations, including in South Carolina, to deliver resources to entrepreneurs and advocate for public policy solutions that promote inclusive small business growth.

Small businesses fuel America's economy and strengthen our communities through job growth. More than [98% of the 6.1 million employer firms](#) in the U.S. have less than 100 employees. Further, small businesses have accounted for [62%](#) of net new job creation since 1995. [In South Carolina alone](#), there are 460,000 small businesses, employing more than 837,000 South Carolinians.

Unfortunately, antiquated policies in Washington are putting America's small businesses at risk of falling behind. Current U.S. policy makes it difficult for small businesses to modernize the way they operate and utilize the best digital products available, forcing them to compete with one hand tied behind their backs against global multinational companies.

One crucial way small businesses can modernize is through the adoption of digital tools. Small businesses increasingly depend on digital tools to streamline business operations, including their product and service delivery, payroll expenses, managing human resources, overseeing sales and billing, ensuring accurate accounting, and tracking of supplies and inventory.

Despite the importance of digitization in today's world, the federal government has not updated its policies and resources offered to small businesses that recognize the economic benefits of digital adoption.

The Small Business Technological Advancement Act fixes this issue. This bipartisan, bicameral legislation would clarify that small businesses can utilize the U.S. Small Business Administration's (SBA) 7(a) loan program to finance technology that supports daily operations. This legislation would provide immediate support for small businesses that need to implement digital tools to grow and compete with large multinational competitors. Notably, this legislation does not require taxpayer dollars; it simply changes language within the SBA's standard operating procedures.

The positive impact of this bill would be far-reaching, allowing small businesses to overcome challenging economic conditions, hire more workers, and thrive. Research from the Bipartisan Policy Center (BPC) found that [84%](#) of small businesses that used six or more technology platforms saw an increase in profits.

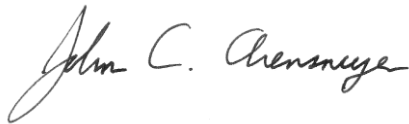
Similarly, 74% of these same businesses increased their employment compared to their peers who did not adopt these digital tools. It is clear that more access to digital tools is a good thing for American small businesses and a good thing for the economy.

As Ranking Member of the U.S. Senate Banking Committee, we are grateful for your steadfast commitment to supporting America's small businesses and entrepreneurs and recognize that a key part of your mission is fostering ways for these entities to expand and innovate. The SBTAA will allow American small businesses to achieve these goals by increasing access to the best technology available to support their operations.

The digital age is here, and it is well past time that the federal government support American small businesses seeking to advance and innovate through digital adoption. We hope you will co-sponsor the bipartisan Small Business Technological Advancement Act and unleash the power of American small businesses and entrepreneurs.

Thank you for your consideration and for your support of America's small business owners and those they employ.

Sincerely,

A handwritten signature in black ink that reads "John C. Arensmeyer". The signature is written in a cursive style with a large, sweeping initial "J".

John Arensmeyer
Founder & CEO
Small Business Majority