



November 1, 2023

The Honorable Chuck Schumer
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Patty Murray
Chair, Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Susan Collins
Ranking Member, Committee on Appropriations
United States Senate
Washington, DC 20510

RE: Small business support for federal childcare investments via supplemental appropriations

Dear Majority Leader Schumer, Minority Leader McConnell, Chair Murray and Ranking Member Collins:

As a representative of America's 33 million small businesses, Small Business Majority writes urging you to include funding for the childcare industry in any supplemental funding package considered by the Senate Appropriations Committee. Stabilizing our nation's struggling childcare industry is critical to the success of small childcare businesses, as well as to ensuring small businesses have a robust and productive workforce.

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 to deliver resources to entrepreneurs and advocate for public policy solutions that promote inclusive small business growth.

While Small Business Majority advocates on behalf of a number of issues that are critical to the success of the small business ecosystem, childcare access has been top of mind for our nation's entrepreneurs as they struggle to attract and retain qualified employees. Additionally, many childcare centers are also small businesses that are struggling to keep their doors open. Addressing our nation's childcare needs by sustaining and meeting the Biden-Harris administration's request for \$16 billion in childcare funding will pay dividends for our economy for years to come.

This funding is vitally important to our economic success because small business owners and their employees need affordable and accessible childcare to thrive and participate fully in the workforce. While it's well-documented that access to childcare has been a particular challenge over the past few years, thousands of childcare providers and the families they serve greatly benefited from federal pandemic-related funding, which ended on September 30 this year. This funding gap is estimated to impact more than [700,000 childcare programs](#), many of which are likely to close.

This will create a massive domino effect that will greatly impact small businesses and their employees, and the overall economy. A recent [economic analysis by the Century Foundation](#) estimates that as a result of this funding cliff, states will experience a \$10.6 billion loss in tax and business revenue per year. Parents around the country, many of whom own or work for a small business, will be forced to choose between their job and their families.

We've heard from small business owners around the country who are concerned about how this funding cliff will impact their employees, as well as their own ability to maintain their businesses without affordable childcare. This is particularly challenging for small businesses in rural communities. In fact,

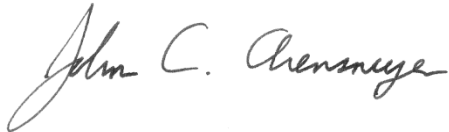
Small Business Majority's research found 1 in 3 small employers report that their employees' families and childcare issues have affected their job performance or productivity. At the same time, [36% of small business owners](#) with children report that not having access to childcare was a barrier to starting their own business. This is why it is of utmost importance for you to alleviate this drop in critical investments to keep childcare centers afloat during this vital time.

What's more, many childcare providers are small business owners themselves, the [majority of whom are women and people of color](#) who already struggle to access funding and resources for their businesses. If these businesses close, our economy will face an [estimated \\$9 billion in earning losses](#) annually.

Thousands of small childcare businesses around the country have no path forward to stay open through the end of the year without federal funding. The federal government must address this crisis by providing robust funding to ensure the availability of childcare, and to support entrepreneurs nationwide as they keep our economy running. This issue finds broad support across the small business community, with [60 organizations recently signing a letter](#) that called on Congress to enact legislation that would bolster the childcare industry.

We thank you for your consideration of this important issue facing America's small business owners and those they employ. Should you have any questions, please do not hesitate to contact our government affairs team at adamato@smallbusinessmajority.org.

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