

The Agenda for Georgia's Entrepreneurs

Small Business Majority has created a comprehensive state policy agenda to ensure entrepreneurship is at the center of a thriving and inclusive economy in Georgia. The state's 1.2 million small businesses comprise 99.6% of all businesses in the state, and they employ 1.7 million residents—nearly half of all Georgia employees. This is why it's critical that state lawmakers enact policies and programs to support and empower these entrepreneurs, guaranteeing they have access to capital to start and grow their business, affordable and quality healthcare and benefit programs that will make it easier for them to attract and retain talented employees.

Expand access to capital and increase investments in infrastructure and economic development

Entrepreneurs—particularly women, people of color and other underrepresented populations—face significant hurdles accessing capital. Increasing access to capital and expanding opportunities for marginalized communities is key to driving more inclusive economic growth. State policymakers can address funding barriers in the financial market by adopting these policy recommendations.

- **Continue state investments into federally-matched business support services**, such as Small Business Development Centers (SBDCs) and Women Business Centers (WBCs). These centers provide low and no-cost critical counseling and assistance by professional staff to all entrepreneurs, especially to women and people of color, helping small business owners maximize their potential for creating a positive economic impact.
- **Establish an Entrepreneurship Learner's Permit program through the Georgia Department of Economic Development to assist individuals seeking to form new businesses in the state.** This would support first-time entrepreneurs by providing waivers for filing, permitting, or licensing fees associated with the formation of new businesses and provide education and training for prospective permit holders and current permit holders.
- Pass legislation that would **require the Department of Banking and Finance and financial institutions to conduct community reinvestment evaluations.** These evaluations would examine banking institutions' efforts to communicate the credit services they provide, the extent of banking institutions' marketing and special credit-related programs to make members of community aware of programs, and banking institutions' participation including investments in local community development or business assistance programs for small businesses owned by minorities, women and veterans.
- Establish a **state agency requirement to provide an entrepreneurship impact statement** for businesses that have been operating for less than five years.

Increase tax fairness for small businesses

Policymakers should take steps to level the playing field for small businesses and drive economic growth by implementing tax policies that will help all entrepreneurs. This should include simplifying and correcting existing tax policy to ensure ease of compliance for small business owners, as well as proactive solutions that would further boost and incentivize Main Street small businesses. We urge lawmakers to pass legislation that would:

- **Establish a Georgia Work Credit or a state Earned Income Tax Credit (EITC)**, which would bolster the economic security of low to moderate-income entrepreneurs and small business employees. This is particularly important to Georgia's economic success because the majority of small businesses are solo enterprises, and the median income for self-employed individuals at

their own unincorporated firms was just \$25,064 in 2018, according to the U.S. Small Business Administration. Small Business Majority [polling](#) found nearly 6 in 10 (58%) Georgia small business owners support establishing a state Earned Income Tax Credit (EITC) program for low-income employees and self-employed business owners, modeled after the federal EITC program.

- **Increase representation of minority enterprises, women owned businesses and veteran owned businesses** in the area of procurement of state contracts for construction, services, equipment and goods by providing tax deductions for payments to certain small business subcontractors.
- **Provide income tax credits for certain investments that would be limited to investments in entrepreneurship programs, centers and initiatives of historically Black colleges and universities** (HBCU's) in the state.
- **Provide income tax credits for certain qualified investments** to encourage individual investors to invest in early-stage, innovative, wealth-creating businesses.
- **Provide a tax credit for employers that employ certified workforce-ready graduates**, as defined by criteria established by the Georgia Department of Labor, which will bolster the small business workforce and provide quality jobs for recent graduates.

Expand healthcare access and affordability

Georgia is one of only 12 states that has yet to expand its Medicaid program, and 1.4 million Georgians do not have health insurance. Many Georgia entrepreneurs and small business employees struggle to access healthcare, as they fall into the so-called “coverage gap” (individuals whose income is above Medicaid eligibility but falls below the limit for marketplace premium tax credits). Georgia can address its remaining uninsured rate and ensure more affordable healthcare for the small business community through the following policies to strengthen healthcare markets and expand health coverage.

- **Expand Medicaid eligibility coverage.** Closing Georgia's coverage gap would extend health insurance to more than 500,000 Georgians and create 56,000 new jobs. A Small Business Majority [survey](#) found 6 in 10 Georgia small businesses support expanding the state's Medicaid program.
- **Pass legislation that would mitigate loss of Medicaid coverage in response to the pandemic.** Due to federal changes made in response to the COVID-19 pandemic, [enrollment rates for Georgia's Medicaid program](#) grew by approximately 41% between 2020 and 2022, offering hundreds of thousands of residents access to health coverage. Over the next year, the state undertakes the massive task of redetermining eligibility for the program's more than 2.6 million enrollees over approximately 14 months. Through the Medicaid unwinding process, an [estimated 545,000 Georgians](#) could lose health insurance coverage.
- **Pass legislation that would address the rising cost of prescription drugs**, which is [hurting small businesses' bottom lines](#).

Support Georgia's rural small business community

Rural communities are diverse and vibrant communities that are supported heavily by small businesses. They are the drivers of job growth and serve as the economic engines for their local communities. That is why we offer the following recommendations to ensure healthy rural small business ecosystems.

- **Expand broadband access to rural communities.** Small businesses adapted their business models and moved their operations online in response to the pandemic, which is why access to broadband is now more important than ever. Expanding rural broadband access would give small businesses the opportunity to participate in the e-commerce market, positively impacting local economies and reaching customers where they are.
- Pass legislation that would **establish a Broadband Equity Task Force** to evaluate and monitor the broadband equity or state-funded broadband network projects to provide equitable

deployment of broadband services to rural, low-income, and historically disenfranchised communities.

Support Georgia's robust women-owned small business community

Georgia ranks second in the nation in the number of women-owned small businesses with more than 472,000 women-owned firms that employ 36,913 people. Women-owned businesses represent nearly half of Georgia's small businesses and are a critical component of the state's economy. State lawmakers should support these businesses by implementing the following policy recommendations.

- Pass legislation that would **provide income tax credits for certain qualified investments to encourage individual investors to invest in women-owned businesses.**
- Monitor implementation of the reauthorized State Small Business Credit Initiative (SSBCI) to **ensure equitable distribution of dollars to women-owned applicant firms.**
- **Ensure access to reproductive healthcare and birth control.** [Our polling](#) shows that women small business owners strongly support policies that ensure and expand access to reproductive healthcare, which is critical to many as they start and grow their businesses.

Ensure Georgia entrepreneurs and small business employees have access to paid family leave, retirement and other benefits they need to succeed

Entrepreneurs and small business employees need a level playing field in order to compete with larger companies, which offer benefits that smaller businesses struggle to provide. Georgia lawmakers must address the particular challenges small business owners face in offering essential benefits to attract and retain skilled workers and close a critical gap in access to retirement and paid family and medical leave for small businesses. These proposals have widespread support among Georgia small businesses.

- **Pass legislation to create the Georgia Secure Savings Plan,** establishing and implementing a state-run retirement savings program to help more small businesses, their employees and independent entrepreneurs access retirement plans. The plan would be funded through modest employee deductions, helping Georgia's small businesses provide access to a critical program without taking on the expense or administrative burden.
- **Create a paid family leave and medical leave insurance program** that would allow small business employees and the self-employed to access parental leave or to handle serious health conditions for themselves and family members. Such programs have been implemented in several states, and research has found they have not placed a burden on small businesses, allowing them to facilitate access to this benefit that small businesses typically cannot afford.
- **Pass legislation that would make the Family Care Act** a permanent law. This bill will enable small business owners and their employees to use earned sick time to care for their loved ones. An estimated 878,000 Georgians do not have access to family care days. Losing a day's wages—or worse, a job—for keeping a sick child home from school or bringing an aging parent to the doctor undermines families' ability to cover the basics like groceries and rent. This hinders local businesses from flourishing and harms the economy.
- **Increase subsidies and tax incentives for home-based childcare providers.**
- **Update regulations to make it easier for home-based childcare providers to maintain and grow their businesses.** Administering up-to-date regulations and providing more education about business licensing could incentivize individuals to begin childcare businesses, the majority of which are owned and operated by women. We recommend lawmakers to study how existing regulations both help and harm home-based childcare providers to develop an action plan based on the findings.
- **Reduce barriers to become a licensed family childcare learning home (FCCLH)** by exploring statewide legislation that would better align local governmental policies (e.g., zoning,

business permits) to existing licensing requirements in the Department of Early Care and Learning. Adherence to local government policies is a requirement to become licensed. However, these policies vary greatly by city/county and can prevent family childcare providers from operating at full capacity (e.g., with a maximum of five children in care despite state licensing standards allowing for six) or at all.

- **Advocate for greater investments in the Georgia fiscal budget for childcare**, additional resources and support for family childcare providers, greater access to adequate childcare for families, and additional support for licenses exempt family, friend, and neighbor care providers. Finding affordable, culturally aligned childcare is not easy, especially for low-income families, including women of color. These essential workers and business owners need resources and financial support to operate their businesses and keep their employees. Allocating crucial investments into the childcare industry will increase affordability and accessibility, which will also support Georgia's small businesses and their workforce.

Expand the small business workforce via criminal justice reforms

Small businesses employ [nearly half \(42.5%\) of the private workforce in Georgia](#), opening a powerful role for small employers to play in addressing the labor shortage and reducing the harms of mass incarceration. In Georgia, the unemployment rate for people with criminal records is [five-times higher](#) than the state-wide unemployment rate. According to [recent polling](#) from Small Business Majority, Georgia small businesses are supportive of criminal justice reforms at the state and federal level that would remove barriers to employment or entrepreneurship opportunities for formerly incarcerated individuals. These policy reforms include:

- **Opening access to occupational licenses.** One in seven jobs require an occupational license. Because 40% of adult Georgians have a criminal record, they may be barred from obtaining these licenses. Occupational licenses can be a barrier to well-qualified individuals who are seeking good jobs and long-term careers. Every licensing applicant with a criminal record risks denial because of their record, even if it is old, pardoned or expunged. Common sense solutions can open opportunities for justice-impacted individuals, reduce recidivism, fill gaps in workforce shortages and boost local economies.
- **Updating and modestly expanding current expungement law.** After substantial reforms allowed for [expungement of certain convictions in 2020](#), small adjustments to the law can help support Georgia jobseekers. Allowing more than two misdemeanor convictions to be expunged in a person's record would open opportunities for those with minor records and expand the pool of job applicants.