

## The Agenda for Georgia's Young Entrepreneurs

Small Business Majority has created a comprehensive policy agenda to ensure young entrepreneurs have the tools they need to contribute to a thriving and equitable economy. In the United States, there are nearly 5.9 million entrepreneurs under the age of 35. According to a recent study conducted by Junior Achievement USA, 3 in 5 American teens (60%) would be more interested in starting their own business than having a traditional job. Young Georgians should have the resources and support to start and grow their own business. Real-world experience beyond the classroom can equip young, aspiring entrepreneurs with the skills they need to become owners of their own businesses and dreams. Lawmakers can build momentum to encourage entrepreneurship among youth and young adults in Georgia by enacting and supporting the following commonsense policies.

### Expand access to responsible credit and capital

- Reassess credit requirements in loan underwriting for young people in Georgia, as many young entrepreneurs do not have established credit.
- Pass the Small Business Lending Disclosure Act, which would extend the Truth in Lending Act's disclosure requirements to small business loans or credit products. Young individuals are unfairly targeted by predatory lenders because they lack a longstanding credit history, collateral, and receive lower capital amounts compared to their more mature counterparts, despite applying at similar rates. Similarly, we recommend promoting responsible lending practices by lenders and brokers as set forth in the [Small Business Borrowers' Bill of Rights](#).
- Establish new loan products with a financial backstop that provides initial repayment moratoria, as well as a subsequent period of zero- or low-interest to address cash flow problems for budding entrepreneurs.
- Support equity crowdfunding, which young people are more likely to utilize to launch their business. Regulated equity crowdfunding provides funding for owners and expands investments to individuals in their local communities as opposed to corporate firms, while ensuring safeguards.

### Increase access to resources, services and locations for young entrepreneurs to start a business

- Provide more funding and resources for business assistance centers that provide vital education and outreach to young entrepreneurs, such as Women's Business Centers, Small Business Development Centers and the Minority Business Development Center.
- Establish a young entrepreneurs business center within the Small Business Administration's publicly supported programs to certify small business start-ups, identify distressed areas and build upon the small business ecosystem.
- Expand access to shared workspaces, accelerators and incubators that provide the physical and operational infrastructure for young entrepreneurs to start and grow new businesses.
- Fund programs that offer resources to encourage entrepreneurship among young adults and youth in Georgia.
- Expand internship and mentoring programs to create career paths for young people and to ensure a ready and skilled workforce for small businesses.
- Pass legislation similar to the Georgia Lemonade Stand Act (SB 55), which would allow a county, municipal corporation, or other government entity to waive license requirements, permits, or any other form of regulation for a business that is operated solely by a person who meets the following criteria: is less than 18 years of age, generates gross receipts of less than \$5,000 in a calendar year, and sells non-consumable goods, lemonade or other non-potentially hazardous nonalcoholic beverages.

## Reduce the burden of student debt as an obstacle to entrepreneurship

- Create a student-loan debt relief program for young entrepreneurs. Small Business Majority's research found nearly half of millennials with student loan debt said their student loan payments kept them from starting a new business.

## Quality jobs and ensuring essential benefits

- 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 retirement accounts would be funded through modest employee contributions, helping Georgia's small businesses provide access to a critical program without taking on the expense or administrative burden. This would particularly benefit young entrepreneurs who struggle to access retirement savings plans.
- Create a paid family leave and medical leave insurance program that would allow small business owners, their employees and the self-employed to access paid leave 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.

## Tax fairness

- 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, including self-employed individuals. 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. Additionally, Small Business Majority polling found nearly 6 in 10 Georgia small business owners support establishing a state EITC program for low-income employees and self-employed business owners.
- Establish policies that encourage venture capital investment and tax incentives for small businesses owned by young entrepreneurs and their innovative enterprises.

## Licensing reform and permitting standards

- Encourage Georgia lawmakers to revisit licensing standards and requirements while maintaining consumer and safety standards. Some states require licensing that is overly complicated, burdensome and costly. The state legislature should revisit these requirements and consider their impacts on youth entrepreneurship, with the understanding that these standards are targeted to specific industries that disproportionately impact women and people of color.
- Coupled with commonsense safeguards to protect consumers, consider universal licensing for certain professions as an option to better support low-income entrepreneurs and other small business owners. Universal licenses—those that can be used across state lines—would better spur entrepreneurship through small business expansion and growth.
- Enact measures that would reform occupational licensing. In many states, individuals with criminal records are often unable to acquire licenses to operate a business, undermining their long-term success and offsetting recidivism.
- 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.