

The Agenda for Georgia's Entrepreneurs: 2024 legislative session

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.

Increase equitable access to capital and opportunities for entrepreneurs

Entrepreneurs—particularly women, people of color, rural communities 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.
- 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 the 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.
- **Continue to support Georgia's implementation of the State Small Business Credit Initiative (SSBCI) programs**. This includes working alongside the Office of Economic Development and Department of Community Affairs to ensure these programs equitably target micro- and BIPOC-owned businesses through impactful lending and investments.
- **Expand protections for small business borrowers by ensuring transparent and fair lending practices**. Currently, the federal Truth in Lending Act (TILA) requires that consumer creditors disclose critical financing information, including annual percentage rate (APR), in a clear and comparable format; however, these requirements are not extended to commercial financing. Without a federal law, state lawmakers must pass a law to ensure Georgia small business owners have access to transparent and fair financing products.
- **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.

Expand healthcare accessibility and affordability

Georgia is one of only 10 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 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 [600,000 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.
- **Strengthen Georgia’s health insurance marketplace.** Nearly 880,000 Georgians and their families turned to the Affordable Care Act (ACA) health insurance marketplace for their health coverage in 2023. Georgia can improve affordability and ensure comprehensive coverage is available to every Georgian by:
 - Limiting the sale of health plans that funnel consumers away from the ACA marketplace, thus raising prices for everyone else (e.g. short term or association health plans).
 - Investing in local outreach and enrollment efforts like health insurance navigators.
 - Abandoning efforts (like the Georgia Access model) that weaken consumers’ ability to afford, enroll in, or maintain comprehensive coverage that meets all their healthcare needs.
- **Pass legislation that would guarantee cost predictability for healthcare expenses.** Rising healthcare costs continue to impact small business’ bottom lines. The Lowering Prescription Drug Costs for Patients Act can help level the playing field for small businesses by imposing penalties on pharmacy benefits managers for unfair practices, enhancing financial transparency, and providing a competitive advantage to small businesses, all contributing to a healthier business environment and affordable healthcare for employees.
- **Ensure greater transparency in hospital pricing.** The consolidation of hospitals and healthcare systems are significantly driving the costs of healthcare, which makes it challenging for small business owners and their employees to afford. Increasing transparency and fairness in healthcare billing will be paramount to supporting the small business ecosystem as they continue to navigate financial hardships.
- **Protect and expand access to reproductive health services** to foster entrepreneurship, improve labor participation, and strengthen the workforce. Access to these services is crucial for the well-being and economic stability of entrepreneurs, particularly women, and is a key factor in enabling them to fully participate in the workforce. [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 a state-sponsored retirement savings program in Georgia.** Many small business owners would like to offer essential benefits such as retirement planning, but are unable to offer them on their own. Establishing and implementing a state-run retirement savings program would help more small businesses, their employees and independent entrepreneurs access retirement saving opportunities without creating additional financial and operational burdens.
- **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.

- **Advocate for greater investments in the Georgia fiscal budget for childcare providers**, which includes increasing subsidies and tax incentives for home-based childcare providers. Recognizing that many of these providers are entrepreneurs and small business owners themselves, it's crucial to create a supportive environment that encourages their growth and makes childcare more affordable for small business owners and their workers. Allocating crucial investments into the childcare industry will boost affordability and accessibility, ultimately supporting Georgia's small businesses and their workforce.
Lower costs for home-based childcare providers by updating occupational licenses and regulations. By modernizing regulations and offering business licensing education, we can encourage more individuals to launch childcare ventures to meet the needs of the small business workforce. Lawmakers should conduct a comprehensive assessment of how current regulations impact home-based childcare providers. Additionally, we propose exploring statewide legislation to align local policies (e.g., zoning, permits) with Department of Early Care and Learning licensing requirements, thus reducing barriers and allowing family childcare providers to operate at full capacity and fostering small business success.

Expand the small business workforce via criminal justice reforms

Small businesses employ nearly half (42%) of the private workforce in Georgia, opening a powerful role for small employers to play in addressing the labor shortage and engaging individuals seeking a second chance. 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 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. Commonsense policy 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 and address workforce shortages for small businesses. 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.

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.

- **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.