

December 7, 2021

The Honorable Chuck Schumer  
Majority Leader  
United States Senate  
S-221, The Capitol  
Washington, D.C. 20510

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
S-230, The Capitol  
Washington, D.C. 20510

The Honorable Nancy Pelosi  
Speaker  
United States House of Representatives  
H-232, The Capitol  
Washington, D.C. 20515

The Honorable Kevin McCarthy  
Minority Leader  
United States House of Representatives  
H-204, The Capitol  
Washington, D.C. 20515

*RE: The Child Tax Credit benefits small businesses and families*

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker Pelosi, and Minority Leader McCarthy:

As representatives of America's 30 million small businesses, Small Business Majority, Main Street Alliance and American Sustainable Business Network write today to offer support for the Child Tax Credit (CTC), which can help spur entrepreneurship and support job creation while putting money back into local economies.

Almost two years into the pandemic, small businesses across the country need continued support on their road to recovery and to create jobs. In fact, a [recent survey](#) of Small Business Majority's network found that 38% of small businesses say their business conditions are on the decline compared to the previous month. What's more, nearly 1 in 5 report that they may not survive past the next six months without additional funding or market changes. The state of America's small businesses underscores the importance of key provisions in Build Back Better plan like the CTC.

America's entrepreneurs will benefit from the CTC because it has been proven to encourage entrepreneurship. Self-employment grew after CTC payments, particularly among low-income parents. According to a [recent study](#), among those making less than \$50,000, entrepreneurship grew about 3% equating to about 300,000 new small business owners across the country.

In addition to fostering entrepreneurship, CTC spurs local economies by putting money into the pockets of customers. For instance, the [Joint Economic Committee](#) found that every \$1 of CTC payments will generate \$1.25 in economic activity with families using their payments to buy goods and services, which benefits local small businesses. In July, [data](#) revealed that the first round of CTC payments lifted in-store retail sales by 15.5%, exceeding pre-pandemic levels.

What's more, it's important to note that that women represent [95%](#) of the child care workforce and providers are two and a half times more likely to be Black or Latina. Putting dollars back into the hands of families will support small child care businesses owned by women and people of color.

Small businesses thrive when we make investments in families. It's critical that Congress avoid creating barriers in accessing CTC, particularly for under-resourced communities. The CTC has helped expand our country's small business ecosystem and is allowing more Americans to realize their entrepreneurial goals.

Sincerely,

John Arensmeyer, Founder and CEO  
Small Business Majority

Chanda Causer, Co-Executive Director  
Main Street Alliance

Stephen Michael, Co-Executive Director  
Main Street Alliance

Thomas Oppel, Executive Vice President  
American Sustainable Business Network

Cc:  
United States Senators  
United States House of Representatives