



May 11, 2018

Assemblymember Anna Caballero  
P.O. Box 942849  
Sacramento, CA 94249

*RE: AB 2023 - SUPPORT*

Dear Assemblymember Caballero,

As a representative of the 28 million small businesses in America and the more than 3.5 million in California, Small Business Majority writes today in support AB 2023, which would make the existing Child and Dependent Care Expenses Credit refundable, expanding benefits to California's low- and moderate-income working families. We know many small business owners and their employees struggle to access affordable child care and this bill will help them immensely.

Small Business Majority is a national small business organization with offices throughout California, founded and run by small business owners to focus on solving the biggest problems facing small businesses today. We actively engage small business owners and policymakers in support of solutions that promote small business growth and drive a strong economy. A key component of our work involves outreach and education to small business owners on a range of small business issues, including access to capital, healthcare, retirement security, workforce benefit issues and more.

Our recent scientific opinion polling shows widespread support from small business owners for programs that help low- and moderate-income families afford child care.<sup>1</sup> Specifically, our poll found among small business owners who are parents (almost 90% of respondents), more than one-third say a lack of access to affordable, high-quality child care was a barrier to starting their business. Conversely, another 29% stated that lack of access to child care was a major reason they started their own business due to the need for increased flexibility, further underscoring that access to child care is a key consideration and challenge for entrepreneurs.

Small business owners' support for these programs is not surprising when you look at the effect lack of access to child care has on their business: Nearly one-third (32%) of small business owners report that employees' family and child care issues have affected their job performance or productivity, and the same number report their employees frequently or sometimes request changes to their work schedules due to child care issues.

As a result, a strong majority of small business owners (70%) support policies that would expand and improve federal income tax credits for child care expenses that would allow for working parents to receive a percentage of child care expenses back as a refund. In the absence of federal action, AB 2023 would expand California's existing tax credit and ensure that it is refundable, putting money back in the pockets of working families in our state who are struggling to afford the child care they need to participate in the workforce. This will empower entrepreneurs and increase the productivity among existing small businesses' workforce.

We support any legislation that will help entrepreneurs thrive, and AB 2023 will do just that.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Herbert".

Mark Herbert, Small Business Majority  
California Director

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<sup>1</sup> <http://smallbusinessmajority.org/our-research/workforce/small-businesses-face-barriers-affordable-child-care-support-expanded-access>