



May 11, 2018

Assemblymember Autumn Burke
P.O. Box 942849
Sacramento, CA 94249

RE: AB 2758 - SUPPORT

Dear Assemblymember Burke,

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 2758, which would provide tax credits to angel investors for investing in qualifying small businesses. We believe this bill is an important step towards helping entrepreneurs access the capital they need to grow their businesses.

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 and more.

Through our work, we know that one of the biggest struggles small business owners face is accessing the capital they need to start or build their businesses. Our opinion polling shows an overwhelming 90% of small business owners nationwide agree the availability of credit for small businesses is a problem. Underserved entrepreneurs, particularly women and entrepreneurs of color, struggle to access equity funding from venture capital firms or angel investors. According to Fortune, women received [just 2.19% of venture capital](#) funding in 2016, and women-run companies comprised just 4.8% of all VC deals. The stats are even lower for black or Latinx entrepreneurs, who often receive [just 1% of VC funds](#).

California's small businesses employ 6.7 million people, which amounts to about half of the private workforce, and created a quarter of a million jobs in 2013 according to the Small Business Administration. AB 2758 would support small businesses struggling to find financing by creating a tax credit of 5% to angel investors that invest in businesses with less than \$2 million in gross receipts. Additionally, the legislation prioritizes investor applications from those investing in traditionally underrepresented businesses. This will encourage vital financing California's job creators and chief exporters, particularly helping female entrepreneurs and entrepreneurs of color.

We support any legislation that will help entrepreneurs thrive, and AB 2758 will do just that.

Sincerely,

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

Mark Herbert, Small Business Majority
California Director