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**WRITTEN STATEMENT FOR THE RECORD BEFORE THE U.S. SENATE  
SPECIAL COMMITTEE ON AGING**

October 22, 2025

John Arensmeyer

Founder & CEO, Small Business Majority

Dear Chairman Scott, Ranking Member Gillibrand and members of the U.S. Senate Special Committee on Aging:

As a leading representative of America's 36 million small businesses, Small Business Majority is pleased to submit this written statement for the record underscoring the urgent need to extend the Affordable Care Act's (ACA) enhanced premium tax credits (EPTCs). The extension of these enhanced credits is essential to ensure that the millions of small business owners, self-employed entrepreneurs, and small business employees who rely on the ACA Marketplace can continue to access affordable healthcare coverage.

Small Business Majority is a national small business organization that empowers America's entrepreneurs to build a thriving and equitable economy. From our 12 offices across the country, we engage our network of more than 85,000 small businesses and 1,500 business and community organizations to deliver resources to entrepreneurs and advocate for public policy solutions that promote inclusive small business growth. Our work is bolstered by extensive research and deep connections with the small business community that enables us to educate stakeholders about key issues impacting America's entrepreneurs, with a special focus on the smallest and most under-resourced businesses.

Access to affordable, quality health insurance is essential to the growth and success of small businesses nationwide, as it not only allows entrepreneurs to pursue their ventures with the security of insurance coverage but also helps small businesses attract and retain talented employees. Due to the skyrocketing cost of employer-sponsored coverage options, however, most of our nation's smallest businesses cannot afford to offer health insurance to their employees. This is especially challenging for older individuals who are pursuing small business ownership as a means to create income streams later in life. These individuals may be deterred from starting businesses altogether without the availability of affordable healthcare options provided by the ACA Marketplace.

Without access to coverage through an employer, millions of small business owners and employees rely on individual coverage through the ACA Marketplace. In fact, nearly half of all Marketplace enrollees under the age of 65 are either small business owners, self-employed entrepreneurs, or employed by a small business with less than 25 employees.<sup>1</sup> Small business owners and self-employed entrepreneurs are three-times more likely to enroll in the Marketplace and a projected 5 million small business owners and self-employed entrepreneurs will have enrolled in coverage through the Marketplace this year alone.<sup>2</sup>

Recent Marketplace enrollment growth over the last several years has been a direct result of the successful expansion of premium tax credits approved by Congress in 2021 and then extended in 2022. An analysis by the U.S. Department of the Treasury found that 82% of all small business owners and self-employed entrepreneurs enrolled in the Marketplace in 2022 (2.7 million individuals) claimed the premium tax

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<sup>1</sup> "About Half of Adults with ACA Marketplace Coverage are Small Business Owners, Employees, or Self-Employed." KFF. September 10, 2025. <https://www.kff.org/affordable-care-act/about-half-of-adults-with-aca-marketplace-coverage-are-small-business-owners-employees-or-self-employed/>

<sup>2</sup> "5 Million Small Business Owners and Self-Employed Workers Likely Enrolled in ACA Marketplace in 2025." Center for Budget and Policy Priorities. June 12, 2025. <https://www.cbpp.org/research/health/5-million-small-business-owners-and-self-employed-workers-likely-enrolled-in-aca>

credit.<sup>3</sup> This includes nearly 300,000 entrepreneurs with incomes above 400% of the federal poverty level who would not have qualified for the credit without these enhancements. The EPTCs have undoubtedly helped lower the cost of coverage for millions of entrepreneurs who previously struggled to afford healthcare and oftentimes went without coverage entirely just so they could keep their business running.

While the EPTCs have lowered costs and expanded access to affordable coverage for Main Street, millions of small business owners and employees enrolled in the Marketplace stand to see their premiums skyrocket by an average of 75% next year if Congress fails to extend the enhancements by the end of this year.<sup>4</sup> Many small business owners may ultimately face the difficult choice between closing their business to access coverage through a larger employer or going without health insurance altogether to keep their entrepreneurial dream alive. Small business owners understand what's at risk, and that's why our polling found that 74% of small business owners support extending the EPTCs.<sup>5</sup>

To highlight both the critical importance of the ACA and the EPTCs for small business owners, as well as the impact their expiration would have, we have included several quotes from entrepreneurs in our network who rely on these credits each month.

*"I'm definitely glad to have some support from the federal government when it comes to paying for my health insurance, but even with that support it's still a struggle. The cost keeps going up, about \$100 more every year. Back in 2010, I was paying \$50, maybe \$75 or \$100 per month for my health insurance. I'm single, no kids, and I'm in fairly good health. I eat well, I exercise—so it's frustrating to see the premiums rise while the coverage and services seem to decline year after year. That said, I'm still grateful the Affordable Care Act Marketplace exists. But with the enhanced premium tax credits set to expire, I honestly won't be able to afford my plan if that happens. Right now, I pay about \$550 a month, and that's with tax credits covering around 50%. Without those credits, it would cost close to \$1,000 a month—which I simply couldn't afford. Before the ACA, I only had insurance now and then, when I could scrape together the money. As a freelancer, that was just the reality. The federal subsidy is essential because small businesses—collectively the largest employer in the country—are the backbone of our economy. We are the economic engine that drives growth and opportunity nationwide."*

*Karin Mckie, Owner of Tree Falls Productions in Chicago, IL*

*"With the enhanced premium tax credits, my \$545 monthly premium is reduced to \$0.00. Without the tax credits, my monthly premiums could cost me close to \$1000/month. That's simply unaffordable. At that point, it would be more cost-effective for me to drop my insurance and self-insure, like I did for years before this year. If I have to choose between health insurance and a place to live and work, I'll choose a home."*

*Nance L. Schick, Owner of Third Ear Conflict Resolution, VA*

*"I get my health coverage through Connect for Health Colorado and I receive the enhanced PTC which covers 90% of my \$400 monthly premium. This is very important as I need health coverage to recover from being hit by a car as a pedestrian. I'm able to keep running my business while receiving the healthcare I need."*

*Sydney Jackson-Clockston, Owner of Citrine Unlimited in Fort Collins, CO*

<sup>3</sup> "Affordable Care Act Marketplace Coverage for the Self-Employed and Small Business Owners." U.S. Department of the Treasury Office of Tax Analysis. September 20, 2024. <https://home.treasury.gov/system/files/131/ACA-Mkt-Coverage-Self-Employed-Small-Business-Owners-09232024.pdf>

<sup>4</sup> "How much and why ACA Marketplace premiums are going up in 2026." Peterson-KFF Health System Tracker. August 6, 2025. <https://www.healthsystemtracker.org/brief/how-much-and-why-aca-marketplace-premiums-are-going-up-in-2026/>

<sup>5</sup> "The expiration of the ACA's enhanced premium tax credits will devastate the small business community." Small Business Majority. <https://smallbusinessmajority.org/policy/new-fact-sheet-expiring-enhancements-aca-s-premium-tax-credit-threaten-affordability-millions-small-business-owners-and-employees>

*“As a self-employed individual, my premium is \$340 per month. Without the tax credits, I would pay over \$1200 per month for my coverage. This is hugely important to me as someone with a muscle disease, Spinal Muscular Atrophy, that requires health insurance to treat. I’m on medication that prevents its progression and without it, I may lose the ability to walk.”*

*Courtney Vargas, Owner of Empower Independent Living Services in Santa Rosa, CA*

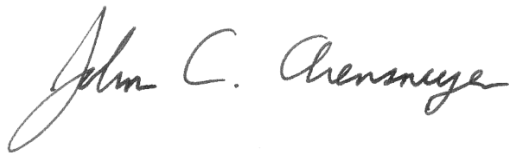
*“My name is Andrea Deutsch, and I am the mayor of Narberth, Pa., where I am also the owner of Spot's - The Place for Paws, a pet store that I have created and worked for the past 22 years. I am also a Type 1 diabetic and must have health insurance in order to get the medical care I need to remain alive and healthy. Thanks to the Affordable Care Act, I can no longer be outright denied health insurance as a person with a pre-existing condition. Thanks to the enhanced tax credits, I still pay over \$700 a month for my health insurance, but it is manageable. Without the enhanced tax credits, I would be paying approximately \$1,400 per month for my same plan. The cost of the plan goes up every year, so it may even be more next year. Keep in mind, this plan is not for the care of an entire family. It is simply to cover a single individual - me. This would be incredibly burdensome for me as a small business owner to sustain, and would be increasingly difficult as costs rise. I am not alone in this struggle. The crushing weight of the cost of health insurance, without the enhanced tax credits, threaten the ability of small businesses such as mine to exist. I am, consequently, asking Congress to affirm their commitment to stand with small business and to continue to support the enhanced tax credits.”*

*Andrea Deutsch, Owner of Spot's - The Place for Paws in Narberth, PA*

As the open enrollment period for the ACA Marketplace is just days away, small business owners will soon be met with catastrophic premium increases when they go to re-enroll in coverage next month if Congress does not take immediate action to extend the EPTCs. Allowing these enhancements to expire would be nothing short of a disaster for our nation’s small business economy, which depends on access to affordable, quality healthcare to keep its doors open. The expiration would also create more barriers for older adults seeking to start and grow their own business, many of whom may seek out these options to sustain their livelihood after retiring from their prior careers. We call upon Congress to support our nation’s small business community by ensuring that our nation’s job creators have the opportunity to access quality and affordable healthcare options. Healthy businesses are sustainable businesses, and without support from Congress, our business community will pay unimaginable debts to an already broken healthcare system.

For any questions or additional information, please contact our Government Affairs Director, Alexis D’Amato, at [adamato@smallbusinessmajority.org](mailto:adamato@smallbusinessmajority.org).

Sincerely,



John Arensmeyer  
Founder & CEO  
Small Business Majority