



Small Business Majority Hosts Small Business Roadshow Across New York

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Introduction

Over the past several months, Small Business Majority had the privilege of convening five roundtable discussions with nearly 50 small business owners in Cortland, Long Island, Queens and Manhattan. We hosted these discussions in collaboration with partners Accompany Capital, Cortland Chamber of Commerce, Long Island African American Chamber of Commerce (LIAACC), New York Professional Advisors for Community Entrepreneurs (NYPACE), and New York City-based small business Élan Flowers. This roadshow focused on many of the biggest challenges small businesses are facing today, including rising healthcare costs, unpredictable tariffs, rising inflation and unaffordable living, difficulty accessing capital, workforce shortages and childcare access. The entrepreneurs also shared that running a business in 2026 can require mental and physical sacrifice as these challenges continue to escalate.

This report highlights the key themes we heard from small businesses during these roundtable discussions, as well as solutions for addressing common pain points for New York small businesses.

Healthcare – “If we can’t offer it, we’re toast”

Healthcare costs continue to rise due to ballooning insurance premiums, hospital consolidation, anti-competitive practices in the healthcare industry, surprise billing and increasing corporatization, all of which add up to a heavy burden on New York’s small businesses. According to data from the New York Department of Financial Services, the number of participants in the small group market is declining as costs rise, with enrollees in the New York City metro region and Long Island shrinking at much faster rates than the rest of the state.ⁱ While most of the business owners who participated in the roadshow have health insurance either through spouses or the state marketplace, their costs are still growing, forcing these business owners to make difficult decisions.

For example, the owner of a home goods business in Queens got married specifically to become eligible for health insurance through her husband, enabling her to access the care she needs to manage a chronic illness. Additionally, the owners of a moving company in Brooklyn went without dental work for years because they simply couldn’t afford it.

Even before the expiration of the Affordable Care Act’s (ACA) enhanced premium tax credits, small business owners struggled to afford to pay for insurance. One participant at the Cortland roundtable ultimately concluded that healthcare is an unavoidable cost. “You can’t scrape by without health insurance because everyone has or could have some health issue,” they said. Many business owners who participated in the roundtables shared they have had conversations within their families about the possibility of going without health insurance because of rising premiums. A roundtable participant shared that they told their spouse, “We shouldn’t get healthcare at all this year.” And some participants did share that they are going without coverage due to the cost. The owner of a jewelry business at the Queens roundtable said that health coverage is too expensive, and that he would end up going to the ER if he needs it instead of accessing preventative care.

“You can’t scrape by without health insurance because everyone has or could have some health issue.”

-Cortland business owner

Many of the small business owners who have health insurance cited specific challenges with their healthcare costs. A Long Island roundtable participant, who owns a consulting business, noted that his health coverage is so expensive that he’s using his cardiologist as his primary care provider to avoid seeing multiple physicians. One Bronx roundtable participant who owns a beverage and food company shared their experience with a \$200,000+ hospital bill. “The pricing system does not make sense,” they said.

“The pricing system does not make sense”

-Bronx business owner

In some areas of New York, like Cortland, access to healthcare is an additional challenge. The owner of a medical practice noted that there's a shortage of providers because the Cortland area struggles to retain doctors. She shared that her doctor's office has had three different providers in the last three years—and she has to schedule appointments six months out. In Long Island, the owner of a management group shared that while there are still local providers in her area, she's noticed increasing healthcare consolidation, which could lead to access issues in the future.

Nearly all of the business owners acknowledged the mental and physical toll of being an entrepreneur, and how the cost of care is a heavy, yet necessary, burden for their livelihood. An artist at the roundtable co-hosted with NYPACE in Manhattan reflected on the start of their entrepreneurial journey, wondering if they should have stayed with their previous corporate employer to keep health insurance or if they made the right choice to start their business—a question that is top of mind for many aspiring and current small business owners today.

A common theme across the roundtables was a shared sense among the entrepreneurs that offering health insurance to their employees is nearly impossible today due to high costs. Not only would they like to offer this benefit, but some even admitted it's difficult to expand their businesses without offering it as they're less well positioned to compete for talent with larger corporations that can afford robust employee healthcare packages. One participant at the Tribeca roundtable, located in Lower Manhattan, shared she can't hire an employee because health coverage is too expensive, while another participant said that they prefer to hire older workers on Medicare because they can't afford to offer health coverage to employees.

At least one team of New York City small business owners, however, reported that their employees actually prefer higher wages instead of health insurance due to the rising and unaffordable cost of living in New York City. The few entrepreneurs who are able to offer health insurance to their employees report that it's very expensive and strains their businesses. For example, the owner of the medical practice at the Cortland roundtable said that insurance costs have increased by 13% and that their business will absorb the cost to avoid burdening their employees. Meanwhile, the owner of a retail store in Tribeca recently attended a Capitol Hill briefing at Washington, D.C. to advocate for healthcare price transparency that would make offering health coverage to employees more affordable. "I split the cost of our health plan 50-50 with our workers but we can barely keep up," he said.

Across these discussions, entrepreneurs underscored how high health coverage costs impact many facets of owning and running small businesses in New York.



Tariffs and rising prices – “We don’t have the money”

Unpredictable tariff policies have also driven up costs for both New York small businesses and their customers because even businesses that sell American-made products often rely on international trade and supply chains to support their operations. The entrepreneurs reported that tariffs on imports from China and elsewhere in Asia have significantly increased packaging and supplier costs, forcing businesses to increase prices or halt product development. The owner of a consulting business at the NYPACE roundtable was forced to cease operations at another one of her businesses entirely due to tariffs. At the Cortland roundtable, the owner of a retail store shared that she had to cancel an order because the product increased from \$300 to \$600.

While some businesses haven’t raised their prices yet, they’ve still been impacted by the uncertainty of tariffs. A retail business at the Tribeca roundtable noted that tariffs felt like another COVID-19 pandemic due to the unpredictability and negative impact on his business. The owner of the home goods business based in Long Island said, “I haven’t developed a new product in more than two years because my suppliers have been strained due to tariffs.” Meanwhile, the owner of a business management company at the Long Island roundtable reported that they lost 80-90% of their contracts. At the Cortland roundtable, many participants noted that while there is a strong sense of community, businesses in more rural areas are struggling and have smaller and less resilient customer bases that can adapt to rising costs.

“I haven’t developed a new product in more than two years because my suppliers have been strained due to tariffs.”

-Long Island business owner

Additionally, a restaurant owner at the Queens roundtable said that tariffs increased her expenses by 50-60%, but she’s trying to keep prices affordable for her customers and has absorbed most of the cost. The owner of a printing business based in Queens said that while her clients understood why she had to raise her prices, the business still took a large hit when prices went up. Overall, across all the roundtables, entrepreneurs reported that tariffs forced them to be very cautious with business expansion plans, and many of them said they have paused plans to grow.

Tariffs aren’t the only unpredicted financial pressure that small businesses are facing. At the Cortland roundtable, most participants shared that their utility bills had risen by around 10%, straining their businesses’ bottom lines. Meanwhile, some Tribeca roundtable participants said they’re feeling the financial impacts of the Iran War. The retail business owner shared that he now has to pay at least \$100 for a tank of gas and the owner of the public affairs firm shared that her client pool is shrinking as some have shut down parts of their businesses in response to the war. Most New York City area businesses agreed that inflation and costs are too high and are straining their businesses.

Access to capital – “A juggle and a struggle”

Access to reliable capital is necessary for businesses to sustain and grow; however, many small businesses—particularly women- and minority-owned businesses—face barriers that limit their ability to expand. Most of the small business owners at the roundtables revealed that they’ve struggled to access capital at one time or another. For example, the owners of a moving company based in Brooklyn said that after their U.S. Small Business Administration (SBA) loan was delayed, they ended up taking a predatory loan from an online lender to get the capital they urgently needed. The owner of a gourmet food manufacturing business at the Long Island roundtable said that he struggles to get working capital needed for his business and that he’s faced challenges securing loans from traditional lenders, in part because of his background. At the Queens roundtable, many participants were immigrants who said that

“It’s particularly difficult for younger entrepreneurs like me to receive traditional bank loans with a short credit history.”

-Long Island business owner

language barriers and access to capital were particularly challenging for them and other entrepreneurs in their community.

The entrepreneurs overwhelmingly agreed that traditional banks favor those with an established credit history. The owner of the home goods business based in Long Island said, “It’s particularly difficult for younger entrepreneurs like me to receive traditional bank loans with a short credit history.” Roundtable participants who have accessed traditional loans tended to be more well established and/or have local banking connections. For example, a beverage company owner in the Bronx roundtable said he secured a SBA-backed loan through traditional banking and plans to pursue more funding this year. Meanwhile, the owner of a flooring company at the Cortland roundtable said that while he didn’t get the full amount he requested, he was still able to obtain a loan from a traditional bank. He noted that because Cortland is a small community, he knew his banker. Additionally, the owner of an IT consulting and a finance business at the Long Island roundtable noted that underwriters at banks often decline small businesses due to tightening lending restrictions.

Throughout the discussions, small business owners emphasized the importance of Community Financial Development Institutions (CDFIs) in accessing capital. The owner of a plaque-making business based in Queens roundtable shared that she couldn’t get a loan from a traditional bank based on her cash flow, causing her to lose her brick-and-mortar location. Later on in her entrepreneurial journey, however, CDFIs helped her access the capital she needed to grow her business. At the Queens roundtable, the owner of a tour company and the owner of the jewelry business noted that CDFIs’ technical assistance support is very helpful and has made them better able to pursue loans.

Childcare – “Helping employees navigate childcare is hopeless”

Access to affordable childcare is challenging for many working parents, including entrepreneurs and their employees. Small Business Majority’s research found that most small business owners with children reported that a lack of access to affordable, high-quality childcare for their own children created an impediment for them to start their business (58%) and grow their business (59%).ⁱⁱ Small business owners also reported that when their employees struggle with childcare, it impacts their business. What’s more, small businesses reported that they’ve experienced lower productivity (51%), have been unable to operate longer hours (44%), lost revenue or earnings (31%), and had to hire temporary workers (28%) when their employees are facing childcare issues.

Feedback from the roundtable participants reinforced these findings. Initially, the owner of a consulting business in Manhattan started her company because of the rising cost of childcare. While being her own boss provided more flexibility to care for her children, she notes that it’s difficult to be present for her children and put enough time into her business. Another small business owner shared that their employees have historically struggled to find childcare, and that helping them navigate this challenge feels hopeless. Entrepreneurs also struggle to find childcare for themselves, and have to plan ahead to find appropriate care for their grown families: the owner of a retail business at the Cortland roundtable shared that she had to tell her childcare provider that she was pregnant at four weeks in order to eventually get confirmed for a spot.

Several entrepreneurs shared how the high cost of childcare also impacts their personal choices. Both the owners of a moving company and the owner of an ad agency at the NYPACE roundtable said that they don’t have children because they can’t



afford the high cost of childcare. One small business owner said that in many New York neighborhoods, the cost of partial day childcare would be around \$32,000 annually.

There was also lively conversation at the roundtables about the importance of elder care, as many of these entrepreneurs currently care for their parents or will do so one day. The lack of infrastructure, support and resources for this type of care can stifle a business, just as childcare struggles do.

Small business workforce and an uneven playing field – “We just can’t compete”

Small businesses need a talented workforce in order to thrive, and while New York doesn’t have a shortage of talent, small businesses still find recruiting and retaining workers to be challenging. The owners of the moving company based in Brooklyn find it hard to get detail-oriented administrative help, explaining that some of the people they hire stay in their jobs for a very short time before moving on to what they consider a better opportunity. Additionally, the owner of the home goods company based in Queens emphasized the importance of retention in manufacturing. While she hires contractors, she often struggles to offer compensation competitive with the New York City cost of living. In fact, New York City area small business owners noted that their workforce has difficulty finding an affordable place to live.

Large corporations are often more attractive employers as they’re able to offer higher salaries and more robust benefits. In fact, the owner of a physical therapy practice at the NYPACE roundtable noted that she needs to recruit licensed healthcare workers, but they’re also pursued by big hospitals that can offer better compensation. Participants at all of the roundtables agreed that retaining workers is difficult because they can’t compete with the benefits that larger companies can offer, yet that’s not the only way small businesses believe they’re struggling to compete against large corporations.

“We have to pay our employees enough to keep up with a larger business.”

-Cortland business owner

New York City business owners noted that large retailers have displaced local small businesses in many New York City neighborhoods. Many struggle to afford their high commercial rents. Tribeca roundtable participants echoed that sentiment, sharing that there’s little incentive for small businesses to stay in the City as they get crowded out by larger corporations. They feel that the experiences and voices of real small business owners are overlooked. Some entrepreneurs said that venture-backed competitors are operating at a loss until they become successful, which small businesses can’t afford to do. They also said that large corporations have better networking opportunities and have an easier time obtaining contracts and clients, as well as discounts and other favorable terms.

The owner of a real estate business at the Long Island roundtable said that bigger businesses have better balance sheets, and as a result, have an easier time accessing capital. He reported that he’s unable to work on bigger procurement projects and is being stopped at the door by gatekeepers. Furthermore, the owner of the beverage company emphasized that big businesses have tax advantages with a tax code that favors them over small businesses. Also, the owner of a pitch-coaching company based in Brooklyn noted that instead of being recognized for her skills, her business was recognized only once large businesses noticed her. Across the board, we heard from small business owners that the lack of a level playing field with large businesses is stifling their growth.

“It’s becoming impossible to own a small business in New York City.”

-NYC business owner

Conclusion and next steps

New York small businesses owners shared that rising healthcare costs and tariffs are forcing them to make tough choices for their businesses, while difficulty accessing childcare and capital limit/inhibit their growth. Entrepreneurs are also struggling to compete with larger businesses in many different areas, including offering better benefits, higher compensation and providing access to more opportunities.

In response to the struggles of these small businesses, Small Business Majority has developed the preliminary recommendations below, and we will continue to develop additional policy recommendations for local, state and federal New York policymakers to consider.

- Healthcare costs are rising, which affects both the individual and small group markets. New York policymakers must target cost drivers, like hospital pricing, to decrease costs and increase access to care. The small group health insurance market is too expensive for many small businesses to participate in, leaving some entrepreneurs and many small business employees without health coverage.ⁱⁱⁱ New York policymakers should work to lower costs in the small group market so that more businesses can afford to participate. This is especially relevant as small business owners and their employees are impacted by the expiration of the ACA's enhanced premium tax credits and the Medicaid cuts enacted through H.R. 1.
- Policymakers should also prioritize improving access to capital so that entrepreneurs can start, grow and keep their businesses afloat. They should also work to ensure that small businesses owned by permanent residents are able to participate in SBA-backed loan programs since the agency recently barred small businesses that aren't 100% owned by U.S. citizens from accessing those loans.^{iv}
- Additionally, in response to skyrocketing utility costs and inflation, policymakers should work to bring targeted relief to small businesses.

This roadshow is a part of Small Business Majority's ongoing efforts to learn about the unique challenges and successes of entrepreneurs in different regions across the state. Nearly every small business owner expressed frustration at the current business climate and that their perspective is seemingly overlooked by the current system.

At a time when many small business owners feel that elected officials tout their support for small businesses but fail to show up for them, it's important that Small Business Majority empowers entrepreneurs to get a seat at the table. We'll continue our roundtable discussions and report our findings to local and state officials. By creating space for conversation between small business owners and elected officials, we will deepen our work to find solutions that support our small business ecosystem and our communities.

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ⁱ "Troubling trends in New York's small group market." Financial Policy Institute. July 15, 2025. <https://fiscalpolicy.org/troubling-trends-in-new-yorks-small-group-market>

ⁱⁱ "Opinion Poll: Small businesses support policy solutions to address our nation's childcare challenges." Small Business Majority. April 9, 2024. <https://smallbusinessmajority.org/our-research/workforce/opinion-poll-small-businesses-support-policy-solutions-address-our-nation-s-childcare-challenges>

ⁱⁱⁱ "Troubling trends in New York's small group market." Financial Policy Institute. July 15, 2025. <https://fiscalpolicy.org/troubling-trends-in-new-yorks-small-group-market>

^{iv} "More Than 100 Organizations Call on SBA to Reverse Loan Ban for Green Card Holders." Small Business Majority. April 1, 2026. <https://smallbusinessmajority.org/press-release/more-100-organizations-call-sba-reverse-loan-ban-green-card-holders>