

**Executive Director, Main Street Alliance
Before the House Small Business Committee
March 11, 2025**

Chairman Williams, Ranking Member Velázquez, and Members of the Committee,

Thank you for the opportunity to testify today. I'm Richard Trent, Executive Director of Main Street Alliance, representing over 30,000 small business owners nationwide. Our members span industries, but they share a fundamental need: a stable, predictable economy that allows them to plan, invest, and grow.

Unfortunately, that stability is being undermined—not by market forces alone, but by reckless decision-making that injects uncertainty into the economy and disrupts small businesses' ability to operate.

While some argue that regulations are the biggest burden on small businesses, our members tell us otherwise. Their greatest concerns aren't "red tape"—they are instability at key agencies, policy reversals, and economic disruptions that shake their ability to plan for the future.

Today, I want to focus on three urgent issues that are fueling uncertainty and putting small business survival at risk.

First, I'll just say that SBA instability is hurting entrepreneurs.

The Small Business Administration (SBA) is a lifeline for 35 million small businesses, yet recent mass firings, sudden program changes, and bureaucratic delays have thrown thousands of entrepreneurs into limbo.

Patrick DePula, owner of Salvatore's Tomato Pies in Madison, WI, is actively repaying an Economic Injury Disaster Loan (EIDL) that kept his doors open during COVID. If the U.S. enters a downturn, the SBA's ability to offer hardship waivers will be critical—but staffing cuts raise serious concerns about whether those safeguards will still exist.

Shannon Berns, an entrepreneur and consultant in Alexandria, MN, helps new small businesses craft business plans. With 20 million new businesses launched since 2020, SBA's resources are needed more than ever—yet reduced staffing will limit access to these vital services.

Molly Moon Neitzel, owner of Molly Moon's Ice Cream in Seattle, WA, was expanding her business when she learned of leadership changes and staffing cuts at the SBA. She had contracts signed and investments made—any delay in finalizing her loan would have been devastating.

When government agencies stop functioning properly, businesses can't secure financing, plan expansions, or hire workers. That's not a regulatory burden—it's political instability, and it's harming Main Street.

Second, it's important to note that federal funding freezes and data breaches are direct attacks on small business stability.

When federal funding is frozen or misused, the first to feel the impact are small business owners—who rely on these funds to keep employees on payroll and communities thriving.

A tech entrepreneur in Utah lost multiple contracts when the freeze stalled nonprofit sales, disrupting her revenue pipeline.

A Wisconsin childcare provider feared delays in state block grant funding would leave her unable to pay staff.

A researcher in Oak Ridge, Tennessee had her federally funded project suspended overnight—leaving her uncertain about her income and career.

These aren't abstract concerns—these are real businesses, real jobs, and real consequences. When federal funds stop flowing, they don't just delay government projects—they slow down entire local economies.

And beyond funding freezes, the DOGE seizure of sensitive IRS data is an existential threat. One of the world's richest men now has access to bank statements, tax records, and competitive financial data of millions of businesses—including his own competitors. This isn't "draining the swamp"—it's stocking it with more crocodiles. No CEO in America should have access to that kind of intelligence, which destroys fair competition and erodes trust in government institutions.

Third, I just want to say that SBA office relocations and the Ernst Bill will hurt local economies.

We've seen what happens when abrupt agency relocations gut institutional knowledge and destabilize communities.

In 2019, the USDA moved two research agencies from D.C. to Kansas City—75% of employees resigned, stalling grants, research, and hurting local businesses that relied on federal contracts.

Now, the Administrator's Memo mandates that SBA regional offices relocate from sanctuary cities—turning thriving small business hubs like Boston, Atlanta, Denver, and Seattle into collateral damage for political posturing. Small business owners in these cities rely on local SBA offices for access to capital, mentorship, and technical assistance. Forcing them to chase resources across state lines only deepens uncertainty and stifles growth.

Decentralization must be strategic and planned, not weaponized in ways that create chaos for businesses.

All of this is happening against the backdrop of inflationary pressures and market uncertainty. The trade war escalations and erratic tariff policies are already impacting small businesses:

Two weeks ago, a Dodge Ram truck cost \$80,000. Now it's \$100,000. If that's what's happening to trucks, imagine the impact on restaurants, grocery stores, and retailers that rely on imports.

Ballooning deficits and corporate tax loopholes put upward pressure on interest rates, while small businesses still face an unfair tax code. According to a Small Business Majority poll, 82% of small business owners believe the tax system favors large corporations. This isn't about left or right—it's about economic fairness and predictability.

To conclude, I'll just say that I happen to know for a fact what small businesses need from this committee.

Small business owners don't want chaos, confusion, or political games. They want a stable, predictable environment where they can invest and grow.

I urge this Committee to focus on practical, bipartisan solutions:

- Fully staff the SBA so it can meet the needs of entrepreneurs.
- Unfreeze critical funding that small businesses rely on.
- Block corporate access to sensitive financial data to preserve fair competition.
- Ensure office relocations are strategic and not politically motivated.
- Reject policies that inject instability into the economy and instead strengthen Main Street's ability to compete.

This is about economic resilience, not partisanship. Let's make sure entrepreneurs have a fair shot.

Thank you, and I look forward to your questions.