

REPORT CARD

Trump's 100 Days on Small Business



Photo: Gage Skidmore

Average Grade:

F

A Report by the House Small Business Committee Democratic Staff

Promise	Grade	House of Representatives Committee on Small Business Democrats Comments
<p>Enacting Legislation</p>	<p>F</p>	<p>Despite much enthusiasm and ambition and a statement saying that “no administration has accomplished more in the first 90 days,”¹ President Trump has failed to enact any major legislation during his first 100 days.² Even his own Press Secretary was unable to name a single legislative success.³</p> <p>President Trump has relied primarily on executive orders to fulfill campaign promises, which does nothing to help lower taxes for small employers, create more jobs, and provide the assistance small business owners need to succeed.</p> <p>President Trump has relied on the rarely used Congressional Review Act to rollback numerous rules protecting the environment and employees.</p>
<p>Repeal and Replace the Affordable Care Act</p>	<p>F</p>	<p>The Trump Administration failed in their attempt to repeal the Affordable Care Act and provide “insurance for everybody”⁴ that “the government’s gonna pay for.”⁵</p> <p>Despite voting 62 times to repeal the ACA, President Trump could not gain support for the American Health Care Act. That bill would have exacerbated the rising cost of health care, cut taxes for the wealthy, skyrocket the rate of uninsured Americans, and leave many small businesses and their employees devastated by roll backs of basic health reforms.</p> <p>If the President really wanted to help small businesses, he would build on the ACA and not work to repeal it. Nevertheless, small business owners face continued uncertainty as the Trump Administration continues its efforts to repeal the ACA.</p>
<p>Reducing Regulations</p>	<p>F</p>	<p>President Trump has relied on the rarely used Congressional Review Act to rollback numerous rules protecting the environment and employees.</p> <p>The Trump Administration is relying on a “two-for-one” executive order that mandates federal agencies to repeal two regulations for every new one issued. This irrational action forces agencies to</p>

¹ Donald Trump, Speech in Kenosha, Wisconsin, Apr. 18, 2017. Louis Jacobson, How Do Donald Trump’s First 100 Days Rate Historically?, Politifact.com, Apr. 24, 2017.

² Louis Jacobson, How Do Donald Trump’s First 100 Days Rate Historically?, Politifact.com, Apr. 24, 2017.

³ White House, Office of the Press Secretary, Press Briefing by Press Secretary Sean Spicer, Apr. 19, 2017, <https://www.whitehouse.gov/the-press-office/2017/04/19/press-briefing-press-secretary-sean-spicer-4192017>.

⁴ Robert Costa and Amy Goldstein, Trump Vows “Insurance for Everybody” in Obamacare Replacement Plan, Washington Post, Jan. 15, 2017.

⁵ Scott Pelley interview, Trump, CBS News, Sep. 27, 2015.

		<p>look at costs but not benefits regulations have on many small employers. Many regulations exist to protect the public and small business thrive.</p> <p>Regulations should be made in a sensible and thoughtful way taking into consideration the compliance and cost burdens to small employers. President Trump has failed in his approach by creating more red tape and regulatory uncertainty for small businesses.</p>
Trade	F	<p>President Trump made numerous trade promises that could affect the health of small business importers and exporters. He stated he would renegotiate the North American Free Trade Agreement (NAFTA) to benefit American employers and workers. But, what has he done on trade? Nothing.</p> <p>President Trump also stated that “on day one of a Trump Administration, the U.S. Treasury will designate China a currency manipulator.”⁶ But, just days before his 100 day mark and after a visit from Chinese President Xi Jinping, he stated “they’re not currency manipulators.”⁷ By turning his back on this promise, one he was so adamant about, small businesses cannot count on him keeping his word.</p>
Immigration	F	<p>If there is one area the Trump Administration has kept promises, it is on immigration. Unfortunately, many of his actions are having devastating effects in the small business community. From executive orders implementing immigration bans and modifying visa programs to building a wall on the Mexican border and deporting immigrants, small companies have much to lose.</p> <p>A crackdown on immigrants has directly affected an array of industries that historically have relied on the labor pool of an estimated 8.1 million undocumented immigrants who work in the U.S. These raids have even led small, rural health care providers to cut their staff by up to 30% because they have lost patients.⁸</p> <p>Not only, has his actions affected employers hiring immigrants, it has also harmed businesses in the hospitality and tourism industries that now expect 4.3 million fewer foreign visitors, resulting in a loss of \$7.4 billion in revenue.⁹ Most importantly, the</p>

⁶ Donald Trump, Ending China’s Currency Manipulation, The Wall Street Journal, Nov. 9, 2015.

⁷ Ana Swanson and Damian Paletta, Trump Says He Will Not Label China Currency Manipulator, Reversing Campaign Promise, Apr. 12, 2017.

⁸ Jeff Daniels, Immigration Raids Having Chilling Effect as Fear Keeps Customers Away from Small Stores, CNBC, Mar. 7, 2017.

⁹ Henry Goldman, Trump Travel Ban Begins to Deter Foreign Tourists from U.S., Chicago Tribune, Mar. 6, 2017.

		<p>bans ignore the contributions of immigrant entrepreneurs who start more than 25% of all new businesses.¹⁰</p> <p>Mr. Trump’s statements surrounding his “Hire American” initiative has declared war on the H-1B visa program, which could greatly harm small firms utilizing foreign workers. In a meeting with the heads of Silicon Valley’s biggest tech companies,¹¹ Trump suggested he might increase the application fees to discourage businesses from bulk filing. Doing so would knock out small firms and startups that cannot afford to pay more for H-1B employees.</p>
Federal Government	F	<p>President Trump promised to institute and federal hiring freeze and slash the budget of many Federal agencies. While he has made some progress by signing a memorandum to freeze federal hiring, he has not yet released his full budget. Nevertheless, these actions are an attack on small employers.</p> <p>The early budget proposal included a 5% decrease to the Small Business Administration’s budget and stated that programs will be eliminated. Such reductions will lead to fewer resources for small companies and entrepreneurs by limiting access to capital, contract assistance, and business training and mentoring. Additionally, cuts to other Federal agencies also harms small firms as there will be fewer government contracts for small contractors to compete for, less SBIR innovation grants, and less assistance in general. Rather than cutting budgets and federal employees, President Trump should be investing in government programs that serve the interests of our nation’s economic engine.</p>
Infrastructure	F	<p>In his Contract with the American Taxpayer, President Trump promised to “leverage public-private partnerships, and private investments through tax incentives, to spur \$1 trillion in infrastructure investment over 10 years [and] it is revenue neutral.”</p> <p>But, what has he done? Failed again. This inaction not only hurts our economy but it also greatly impacts small businesses that rely on our transportation infrastructure, utility grid, and broadband network. Most obviously, he is doing nothing to help create jobs. Infrastructure investments lead to immediate job creation, especially by small construction companies where 80% of jobs come from small firms – the largest in any industry.¹²</p>

¹⁰ Sari Pekkala Kerr and William R. Kerr, Immigrants Play a Disproportionate Role in American Entrepreneurship, Harvard Business Review, Oct. 3, 2016.

¹¹ Mica Rosenberg, Stephen Nellis and Emily Stephenson, Trump, Tech Tycoons Talk Overhaul of H1B Visas, Reuters, Jan. 12, 2017.

¹² Statement of Karen G. Mills, Why Investing in America’s Infrastructure Will Help Our Small Businesses Grow Right Now and Keep Them Competitive for the Future, 2014 America on the Move Summit, Harvard Business School, Feb. 26, 2014.

		<p>Closing the infrastructure gap and increasing spending by just 1 percentage point of GDP would create 1.8 million jobs with 1.3 million in the construction industry alone.¹³ The success of small businesses, in every industry but especially those involved in infrastructure can deeply affect our greater economy. That's why President Trump should focus his efforts on infrastructure investment if he really wants to put America first.</p>
<p>Tax Reform</p>	<p>F</p>	<p>With only days left, President Trump released his tax reform plan giving tax cuts to the wealthy in favor of small employers and middle class workers. His outline cuts corporate taxes from 35% to 15% but this could be the elimination of widely used business expenditures. But, instead of laying out a comprehensive and detailed plan, he neglects to inform the public of which expenditures are at risk in order to pay for his trillion dollar plan.</p> <p>Although he has kept small business pass-through entities in mind by providing a 15% rate for pass-through income, he provided little in the way of how he would prevent this from benefitting the wealthy. About 50% of pass-through income flows to the top 1% with only 27% going to the bottom 90% of households. This means that this tax cut would cost \$1.5 trillion with \$650 billion going to tax avoidance by high earners and flowing to mostly wealthy investors.</p> <p>Not only must tax rates be cut, the President should have been mindful of the cost of such short-sided tax plans. His tax outline will cost \$3-7 trillion, do little for actual small businesses and their hardworking employees, potentially harm the long-term health of the economy, and be ultimately paid for by American taxpayers.</p>
<p>Extra Credit Bonus</p>	<p>F</p>	<p>Two months before his historic upset, President Trump promised voters "every dream you ever dreamed for your country" would be fulfilled should he be elected. Another failure.</p>

¹³ McKinsey & Company, Game Changers: Five Opportunities for U.S. Growth and Renewal, Jul. 2013.