



## **DEMOCRATS FIGHT FOR AMERICA'S SMALL BUSINESSES**

---

Democrats know that small business is big business in this country. Small businesses are the engine of America's economy, representing more than 95 percent of all employers. They create half of our gross domestic product, create 7 out of 10 new jobs, and employ over half of the private sector workforce. Small business owners are leaders in innovation, creating new technology, new products, and more effective business operations.

We believe that government should help small business owners achieve their goals - not stand in their way. That's why we want to make providing health care coverage for their employees more affordable, ensure that small businesses have the access to capital and technical assistance they need to thrive, open the \$450 billion federal marketplace, provide targeted tax relief, and support trade agreements that open markets.

### **Ensure that small businesses have access to capital and provide entrepreneurs with technical assistance to start and expand their business.**

Access to capital and technical assistance are essential to small businesses' success. That is why Democrats are committed to ensuring that the Small Business Administration's (SBA) programs are fully funded. The SBA provides entrepreneurs with the capital needed to launch and expand their businesses, as well as the training and technical assistance that they need to turn their plans into successful ventures. By providing both capital and technical assistance, the SBA fills a significant void in the capital markets, reaching entrepreneurs that would otherwise not be reached by the private sector.

Unfortunately, the Trump Administration has proposed reductions in SBA's budget. Democrats object to these proposed cuts and want to fully fund these important programs so that the next generation of great American entrepreneurs is created. SBA's programs increase the availability of seed capital for start-ups, loans for maturing companies, and venture capital for fast-growing firms, while also providing training in business practices - including accounting, budgeting, and marketing - to burgeoning entrepreneurs. Failing to strengthen these programs serves only to discourage entrepreneurship, which is critical for the U.S. economy to emerge from its current sluggishness.

### **Welcoming immigrants to strengthen the economy.**

Our nation's broken immigration system is placing a strain on America's small businesses and constraining entrepreneurship. Immigrants are among our nation's most prolific small business originators and entrepreneurs, launching new ventures and products that create jobs for all Americans. In addition, many businesses rely on immigrant employees in their workforces. In that regard, one of Democrats' top priorities is creating sensible immigration policy that enhances our workforce, encourages the world's top talent to stay in the United States to start businesses, and stimulates local economic activity.

Democrats demand that sensible, comprehensive immigration reform be a legislative priority. Instead the Trump Administration signs unconstitutional executive orders creating fear in immigrant communities and turning our back on our nation's immigrant heritage. This is unacceptable and Democrats will keep our nation moving forward, not backwards by protecting the rights of people to visit, work, and live in America. We will also work to fix a visa system that is not meeting industry needs and hurting our economy in the global marketplace.

### **Open the federal marketplace to small businesses.**

Democrats want to level the playing field, and make sure everyone has a fair shot at winning a federal contract in the \$450 billion federal marketplace. We would end the practice of creating "mega contracts" that take opportunities away from small businesses at no savings to the taxpayer, and institute a fair contracting appeals process for small businesses to be heard. We will also work to modernize key contracting developmental programs designed to increase opportunities for women, minorities, and low-income individuals. These actions will reduce the current barriers and ensure small businesses have access to perform federal contracts.

Each year, Democrats work to increase transparency in agency goals and provide more clarity within the federal marketplace by including provisions in the National Defense Authorization Act. We want to ensure a level playing field by improving the acquisition workforce through proper training and adequate resources.

### **Streamline federal regulations for small businesses.**

Democrats want to ensure that small firms do not struggle with paperwork as they work to build their business. Reducing the cost of regulations is an important issue for small businesses. Complicated rules and duplicative requirements can create burdens for small firms across a wide range of industries. Unchecked regulations can, over time, become out-of-date, requiring companies to devote significant resources to compliance. This hurts their bottom line and their ability to hire new employees. However, regulations are an important tool to protect

businesses, consumers, workers, and the general economy. Democrats want to strike a balance between overburdening small employers and creating sensible regulations.

Prior Democratic administrations have taken the most critical actions to reduce regulations for small businesses. In 1980, President Carter signed the Regulatory Flexibility Act and in 1996 President Clinton signed the Small Business Regulatory Enforcement Fairness Act. These gave small businesses a voice in the regulatory process. Democrats in Congress have also taken real steps to reduce regulatory burden on small firms. Passing the Small Business Jobs Act in 2011 created a greater role for the SBA's Office of Advocacy, the government's small business regulatory watchdog. Democrats will continue to voice the need for sensible regulations that consider the impact of actions on the small business community. While many regulations are needed to protect the public health, the environment and workers' rights, we can work to ensure these policies are implemented in a manner that minimizes the burden for small firms.

### **Comprehensive tax reform for small businesses.**

Despite continued claims by Republicans that tax reform will occur, small businesses are faced with little relief, increasing complexity in the tax code, and a skewed tax structure that distorts investment. Democrats have a plan to create economic certainty for small companies by addressing the AMT, simplifying the tax code, providing targeted tax relief, and persisting in our demands for comprehensive tax reform.

Small businesses are put at a competitive disadvantage when the needs of large, multi-national companies are put first. Republicans want to reduce tax rates by eliminating or drastically cutting business expenditures used by small businesses. Doing so will have harmful effects on investments and job creation all throughout the economy. Democrats will strengthen the tax code with thoughtful policies that foster innovation and growth for small firms by retaining widely used business deductions and including the needs of pass-through entities.

### **Opening new markets for small businesses.**

Democrats are committed to a trade policy that creates U.S. jobs, protects workers' rights, and raises standards of living in the U.S. and around the world. We will pursue fair trade strategies that open markets, ensure a level playing field for American workers and businesses, and strengthen critical domestic industries, such as our manufacturing, intellectual property, and technology sectors. We will also enforce existing trade obligations by pursuing well-documented cases in the World Trade Organization and press China to end currency manipulation, which makes it harder for U.S. companies to stay competitive. Democrats will also invest in federal initiatives that provide technical assistance and necessary tools to small businesses that wish to break into new markets and sell their products abroad.

Democrats support strengthening the SBA's State Trade and Export Promotion (STEP) Program because it has proven vital to assisting export sales. In 2015, the SBA supported \$3.3 billion in export sales, proving that small firms are increasingly engaging in the global marketplace. Democrats also support full reauthorization and staffing of the Export-Import Bank of the United States (Ex-Im Bank) because it promotes foreign sales of U.S. goods with the goal of creating and maintaining U.S. jobs. Working to advance small business exporting needs helps to support American jobs and business growth.

### **Investing in workforce training and STEM education.**

As federal funding for education has eroded while demand for skilled labor has increased, the private sector has been forced to step in. Democrats want to invest in the nation's next generation and encourage more students to enter the Science, Technology, Engineering, and Math (STEM) fields. These students play a critical role in the nation's leadership for innovation and a strong American workforce. Reinforcing the importance of workforce training, particularly in the STEM fields, will help our small employers by providing them with the workforce they need to operate their businesses. Democrats want to close the gap between unfilled STEM jobs and the available workers.

While women have increased their representation as small business owners and STEM graduates, a gender gap still exists. Democrats are working to encourage more women to engage in starting STEM businesses, not just firms that provide research and consulting services in this area. This can be addressed by increasing the number of women STEM graduates and ensuring they have equal access to capital and research and development (R&D) resources. Democrats understand the skills gap cannot be closed overnight and that is why we continue to push for workforce investments.

### **Ensure young entrepreneurs have the ability to thrive.**

Entrepreneurship among young adults is at historic lows. Over the last twenty years, people between the ages of 20 and 34 went from being the largest group of new entrepreneurs to the smallest. At the same time, student loan debt has been rising. In the U.S., approximately seven in ten seniors graduate with student loan debt, and the average amount is over \$30,000. That is more than 44 million borrowers with \$1.3 trillion in student loan debt. Democrats understand that student loan debt makes it harder for entrepreneurs to obtain loans, self-finance, or otherwise raise capital. We are committed not only to reducing the cost of a higher education but also to eliminating this barrier to entrepreneurship for millions of young graduates. Democrats support efforts to make higher education and career and technical schools more affordable so that student loans are no longer a requirement for many Americans. By incentivizing young entrepreneurs with loan forgiveness and deferral programs to start a

business, we prove that young people are persistent and savvy job creators helping our economy thrive.

### **Addressing the needs of underserved business owners.**

Despite the tremendous strides made by minority- and women-owned businesses over the last decade, they still face significant obstacles to growth. Democrats support federal and private programs to address their unique needs. Reducing the challenges they face to start and grow their businesses is a cornerstone of the Democratic agenda. Democrats work to reduce the discrimination they face in accessing capital and government contracts. More importantly, Democrats have shown we understand these barriers and strive to address them by strengthening government procurement goaling, increasing venture capital opportunities, ensuring SBA programs provide the necessary assistance and mentoring, and raising awareness of the power of minority- and women-owned businesses.

### **Supports American made goods.**

America has lost nearly a third of its manufacturing jobs, hurting families and communities all over the nation. To confront this challenge, Democrats are working to enact the “Make It In America” agenda: a plan to rebuild American manufacturing and create well-paying jobs. The “Make It In America” agenda is a plan to support job creation today and in the future by encouraging businesses to make products and sell them to the world through strengthening U.S. infrastructure and supporting investments in key areas like education and energy innovation. Several “Make It In America” bills have already become law, cutting taxes and creating loans for small businesses, speeding up the patent process, lowering costs of raw materials, and ending tax loopholes that encourage companies to ship jobs overseas. Democrats continue to seek ideas from business, labor, and individuals to add to the “Make It In America” agenda and intend to make it a key part of job-creating efforts over the next several years.

### **Protect affordable health coverage for small businesses.**

Democrats are committed to protecting the strides made to control skyrocketing health care costs for small businesses and their employees. The Affordable Care Act (ACA) alleviated the strains felt by small businesses in a number of ways, including by providing access to stable and affordable health insurance through health insurance exchanges, insurance market reforms, and tax credits. While some aspects of health insurance reform have been challenging for small businesses and some benefits underutilized, overall the ACA addressed many of the issues that were plaguing insurance markets for health firms before the ACA.

Due to the ACA, the number of uninsured small business employees fell by over 4 million and employer plan premium growth slowed to 3.8 percent – down from 4.7 percent before the ACA

was enacted. Democrats also fought for the inclusion of basic insurance market reforms in the ACA, like preventing discrimination based on preexisting conditions, gender, and age. These essential health benefits have helped alleviate job-lock, leading to an increase in entrepreneurship and higher quality health insurance. Unfortunately, Republicans continue to attack the ACA and proposed an inadequate replacement. These actions fail to serve the interests of our nation's small business owners and Democrats will continue to fight for access to affordable, quality health care.

**Encourage the investment in clean energy to combat climate change.**

As Republicans continue to deny the existence of climate change and show they are void in addressing the long-term challenges facing the health of our nation, Democrats are fighting to keep environmental policy at the forefront of the conversation. We believe that tackling environmental challenges now promises to revolutionize our nation's economy and protect the many small employers who rely on the need for clean water, clean parks, and clean air. Not only does this support businesses operating in the tourism industry, it enhances the ability of America's entrepreneurs who are pioneers in the fields of renewable energy and energy efficiency. With entrepreneurs and small businesses playing a dominant role in the clean energy sector, incentivizing growth and innovation in this space will lay the groundwork for well-paying jobs in the future.