

## **2020 U.S. American Small Business Chamber of Commerce Legislative and Regulatory Priorities**

### **The Status of America's Small Businesses and Small Business Suppliers**

#### **U.S. Small Business Administration Office of Advocacy 2018 Small Business Profile**

Small businesses account for 30.7 million businesses in the United States, representing 99.9% of all businesses.

#### **U.S. Small Business Administration Office of Advocacy Economic Bulletin, October 2019**

Small firms (fewer than 500 employees) accounted for 8.7 million net new private-sector jobs since 2005, or 62 percent of the total. The larger small firms (with 20-499 employees) and the larger large firms (with 1,000 or more employees) have been the main drivers of growth.

Proprietor's income has been trending upward and increased by 15 percent since 2016. Proprietor's income has nearly doubled from the level in mid-2009. Yet, the number of small businesses declined following the financial crisis and did not fully recover by 2014. In contrast, the number of large businesses grew continuously between 1998 and 2014.

In recent years, the dollar growth in small business loans (\$1 million or less) has been less than the growth rate of larger loans. As a result of these lower growth rates, the small business loan share (loans \$1 million or less) of total loans has consistently declined — falling by nearly half from 2005 to 2019.

#### **U.S. Small Business Administration Office of Advocacy Small Business GDP 1998–2014 (published December 2018)**

Small businesses are the lifeblood of the U.S. economy. Yet despite being key drivers of innovation, job creation, and competition, they make up a smaller share of U.S. output than ever before. The small business share of GDP fell from 48.0% in 1998 to 43.5% in 2014. While small business GDP grew 1.4% during that time period, large business GDP grew 2.5%

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#### **Federal Procurement Data System – Small Business Suppliers**

The Federal Procurement Data System reports a dramatic drop in the number of small businesses securing federal awards. Between FY 2005 and FY2019, FPDS reports that 35,458 fewer small businesses are receiving federal contracts each year – a 29% drop in the number of small business securing federal contracts.

## **Congress, Federal Leaders Can Support Small Business Federal Suppliers**

- Raise the Goal for purchasing with small businesses from 23% to 35%, which more accurately reflects the make-up of U.S. business ownership.
- Hold the Small Business Administration accountable to expediently end unwarranted, unjustified exclusions from small business goaling. These exclusions are simply unfair carve-outs that rob small businesses of billions of dollars in lost opportunity every year.
- Bring Transparency. Mandate the federal government publish timely and detailed reporting of federal contracting with small businesses to include all details broken down by agency and purchasing group.
- Stop unwarranted Bundling and Consolidation. Ensure ALL small businesses are Tier 3 level in Category Management/Best-in-Class Spending.
- Hold the SBA accountable to provide small business verification oversight and provide transparent and detailed small business goaling reports that do not include inappropriately counted contracts awarded to firms that are not small and/or do not meet socio-economic set-aside requirements. A GAO study is needed to find why and how so many false reports are included in SBA goaling each year.
- Hold the SBA accountable to forcefully fight for small business including reaching the federal required “maximum practical opportunity” in their negotiations for small business goaling rather than just seeking 23% [per 15 U.S.C. 644 §15(g)(1)].
- Hold the SBA accountable to hire and train more qualified Procurement Center Representatives (PCRs) and empower the PCRs to act strongly to protect opportunities for small business suppliers.
- Hold the SBA accountable to implement Congressional actions that require regulatory changes that enhance small business participation in the federal marketplace.
- Protect and advance budgets and support for the national networks of Procurement Technical Assistance Centers and Manufacturing Extension Partnership centers.
- Preserve consumer protection oversight through the Consumer Financial Protection Bureau that supports transparency and integrity in small business lending and other financial services.