

**BUILDING ON THE
BIDEN-HARRIS
SMALL
BUSINESS
BOOM**

APRIL 2024



THE WHITE HOUSE
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Building on the Biden-Harris Small Business Boom

Small businesses are the engines of the economy. As President Biden says, every time someone starts a new small business, it's an act of hope and confidence in our economy. In 2022, after providing historic relief to small businesses during the pandemic, President Biden outlined his [small business strategy](#) to continue helping small businesses recover and thrive. As this Small Business Boom report lays out, the Administration has continued to deliver on all 35 of the original initiatives, including expanding access to capital, making it easier to access federal supports, leveraging billions in government spending, and leveling the playing field for small business owners.

Since arriving in office, the Biden-Harris Administration has overseen a sustained small business boom across the country. The President's agenda has driven the first, second and third strongest years of new business applications filed on record—and is on pace for the fourth—with Americans filing a record 17.2 million new business applications. Business applications are a leading indicator for new business creation, and the historic growth in business applications has coincided with the strongest labor market in decades. In addition, traditionally underserved small businesses growing at near-historic rates, with Black business ownership growing at the fastest pace in 30 years and Latino business ownership growing at the fastest pace in more than a decade.

Republicans in Congress have undermined small businesses by attempting to repeal Inflation Reduction Act investments that are lowering costs for small business. House Republicans are also threatening assistance to small businesses across the country by proposing draconian cuts to the Small Business Administration as part of their 31% reduction to government-wide spending. And House Republicans would defund the President's agenda to advance racial and gender equity in federal contracts.

Key Accomplishments

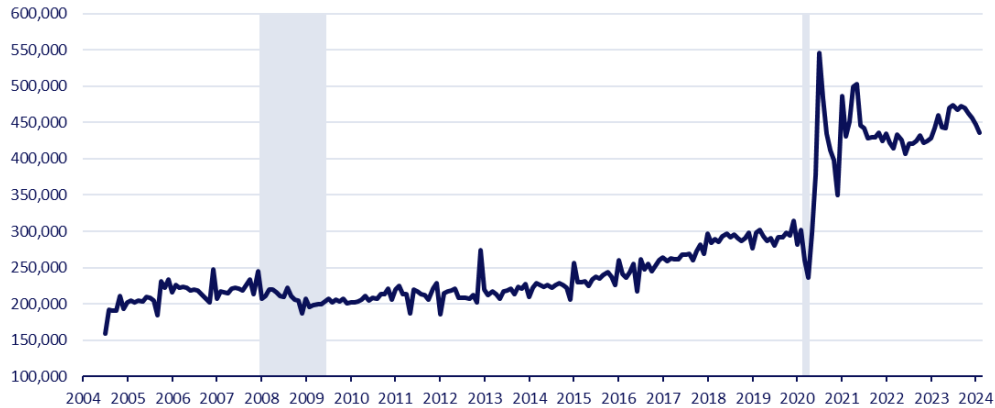
- ★ The first, second, and third strongest years of new business applications filed on record, with **17.2 million** new business applications filed since President Biden took office
- ★ A record **12.1%** of federal procurement dollars awarded to small disadvantaged businesses in Fiscal Year 2023
- ★ On pace to **nearly double Small Business Administration 7(a) small dollar loans** compared to 2020.
- ★ On pace to deliver **more than \$250 billion to small businesses** through SBA's lending programs by the end of the decade.



Biden-Harris Administrations Sets Records in New Business Applications, Coinciding with Strong Job Growth

Business Applications

Seasonally Adjusted



Council of Economic Advisers

Sources: Census Bureau; CEA calculations.

Note: Gray bars indicate recessions.

As of April 11, 2024 at 11:10 am

[Analysis from the Council of Economic Advisers](#) shows that this rise in business applications is consistent with several other indicators that point to a persistent and accelerated pace of business formation, entrepreneurship, and economic activity. Since the start of the Biden-Harris Administration, the average monthly flow of high propensity business applications has been at historically high levels. This represents a roughly 35 percent increase relative to the average monthly flow of applications between 2004, when the series began, and January 2021. This growth coincides with a high annual pace of private-industry establishment growth, indicating that that these trends cannot be simply explained by typical business-cycle patterns. And, it's consistent with business applications serving as a [leading indicator](#) of business formation, and confirms that the recent surge in business applications coincided with strong business formation.

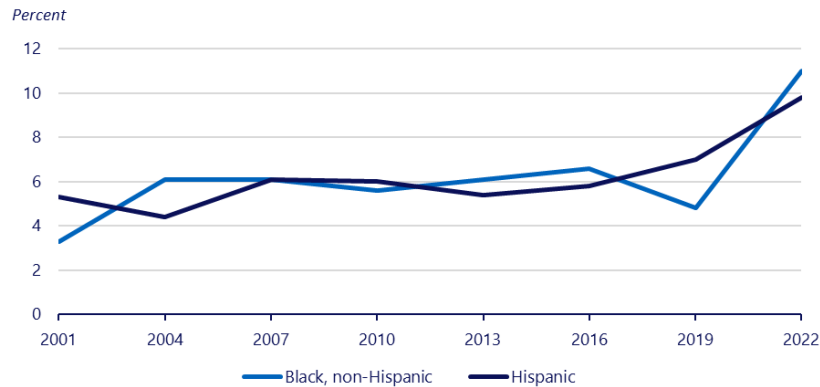
Looking at just a subset of new business applications—those that indicate plans to hire employees—there is a strong positive relationship between the number of business applications with planned wages and total new jobs created between February 2021 and March 2024. This may suggest that a sizable uptick in business applications with planned wages coincides with strong job growth.

Black and Hispanic Business Ownership Has Grown at Fastest Pace in Three Decades

This strong period of rise in business growth and job formation has been punctuated by significant growth in minority business ownership. The share of Black households owning a business has doubled and the share of Hispanic individuals has increased by over 40% since before the pandemic, according to the Federal Reserve. This is the fastest pace of growth in business equity ownership for these groups over the past three decades. Recent [media reports](#) have discussed rise in minority-business ownership using other measures – all of which are consistent with the trend we observe in the data sources discussed here.



Share of Black and Hispanic Individuals with Business Equity Ownership



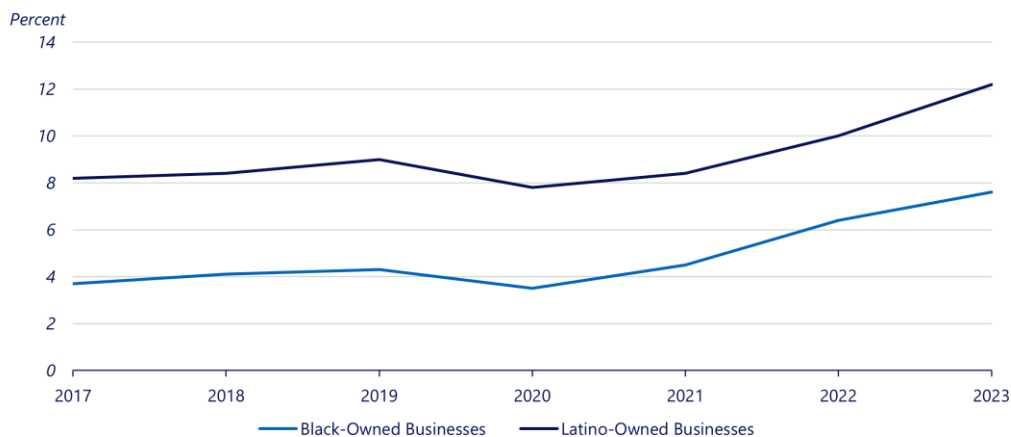
Council of Economic Advisers

Source: Survey of Consumer Finances
As of April 7, 2024 at 7:00 PM

Small Business Administration Loans to Black and Latino-Owned Businesses have increased significantly since 2020.

This rise in minority-owned businesses is consistent with the Biden-Harris administration's commitment to addressing capital gaps for entrepreneurs of color. The share of government-backed Small Business Administration (SBA) loans to Black and Latino-owned businesses have increased since 2020, representing a near-doubling for Black small owned business and more than a 50 percent increase for Latino-owned businesses with about \$12 billion in total lending to these groups over the past three years.

Share of 7(A) and 504 Loans to Black and Latino-Owned Businesses



Council of Economic Advisers

Source: Small Business Administration
As of April 7, 2024 at 7:00 PM

Small Business Administration 7(a) Small Dollar Loans are Surging

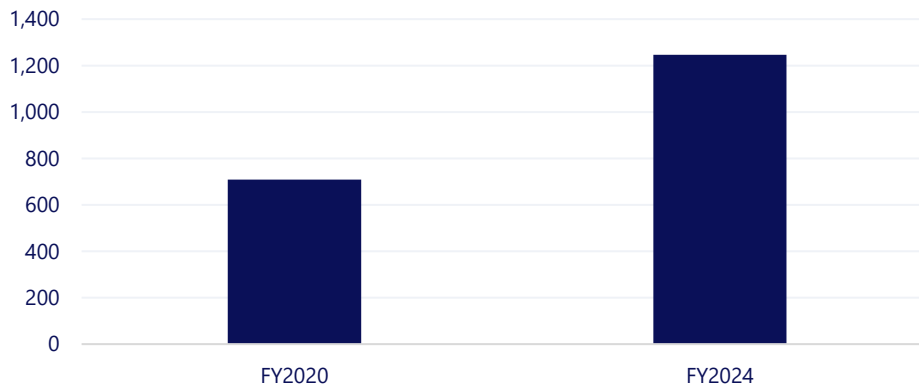
Small businesses consistently voice the need for access to small dollar loans, with [survey](#) results indicating over 50% seek loans of less than \$100,000. According to another [survey](#), only one-



third of the smallest businesses – those with \$100,000 or less in annual revenue – report receiving the full funding they request from banks. While small SBA loans fell significantly during the previous Administration, the Biden-Harris Administration has made a number of policy reforms to facilitate greater small dollar lending, including finalizing two rules last year. Since then, there has been a significant increase in small dollar lending: so far in Fiscal Year 2024, SBA has approved over 20,000 7(a) loans under \$150,000. That is on pace to nearly double the number of small dollar loans approved in the final year of the previous administration. It represents one-third increase over last year, translating to 750 more businesses getting approved for a small loan every month. And many are among market gap populations, including women, minority entrepreneurs, employees purchasing a portion of a business from its owner(s), and startup small businesses.

Approved Dollars for 7(a) Small Dollar Loans

Millions of dollars



Source: Small Business Administration
Fiscal Year-to-Date As of March 31, 2024

The Biden-Harris Administration has taken a whole-of-government approach to fueling the small business boom.

Above and beyond the 35 initiatives described below, the Biden-Harris Administration has taken significant action to help small businesses grow. The Small Business Administration (SBA) and the Department of Agriculture (USDA) [signed a memorandum of understanding \(MOU\)](#) to work together to increase investments in small and underserved communities to help grow the rural economy and create good-paying jobs for people nationwide. Further, the Department of Defense (DOD) [released a Small Business Strategy](#) to promote a strong, dynamic, and robust small business industrial base. In addition, the Consumer Financial Protection Bureau (CFPB) [finalized a rule](#) to bring increased transparency to small business lending. Earlier this month, the Federal Trade Commission [finalized a rule to ban noncompete agreements](#) that restrict worker mobility and hinder innovation, estimating that the rule will lead to new business formation growing by 2.7% per year, resulting in more than 8,500 additional new businesses created each year.



Pillar 1: Expanding Access to Capital by Offering More than \$300 Billion in Loans and Equity Investments Through the End of the Decade

In April 2022, the Administration committed to:	As of April 2024:
<p>1. Leverage tens of billions of dollars in loans and equity investments in partnership with states, the District of Columbia, territories, and Tribal governments to increase access to capital for small businesses through the Treasury Department’s State Small Business Credit Initiative (SSBCI).</p>	<p>✓ As of March 2024, the Treasury Department has approved more than \$8.4 billion in funding under the American Rescue Plan’s SSBCI Capital Program, made possible through the American Rescue Program. These investments span 55 states and territories and 34 Tribal governments or joint Tribal applications, and are expected to catalyze at least \$10 in private investment for each dollar of SSBCI capital funding. Already \$1.1 billion of approved funding has been deployed to support loans or investments to small businesses or investments in venture capital funds. To date, Treasury has also announced the approval of more than \$135 million in technical assistance grants to 40 states and territories.</p>
<p>2. Improve SBA’s traditional loan programs by expanding access to provide more than \$250 billion in financing to more than 500,000 small businesses by the end of the decade.</p>	<p>✓ Under this Administration, SBA has taken numerous steps to expand access to capital. As a result, SBA has delivered nearly \$124 billion in financing to small businesses through its 7(a), 504, and microloan programs, putting them on pace to reach their goal.</p> <p>✓ Following a record year of lending in FY2022, SBA continued to expand access to financing for small business owners in FY23, including:</p> <ul style="list-style-type: none"> ○ \$52.4 billion in capital, disaster relief, and bonding for small businesses and disaster-impacted communities across SBA products, a 22% increase from the previous fiscal year. ○ Backing 4,700 loans to Black-owned businesses totaling \$1.5 billion; a more than doubling under the Biden-Harris Administration.



	<ul style="list-style-type: none"> ○ Backing 7,700 loans to Latino-owned businesses for \$3 billion, a more than 80% increase under Biden-Harris. ○ \$27.5 billion in small loans under SBA’s 7(a) Loan Program, rising above pre-pandemic levels for the first time and representing an overall increase of 45% since President Biden took office.
<p>3. Modernize Lender Match, a borrower and lender marketplace tool that serves as a one-stop shop for matching small businesses with lenders that offer SBA-backed funding, to make the loan process simpler for the borrower and the lender.</p>	<p>✓ In March 2024, the SBA announced the next generation of the SBA’s Lender Match tool, highlighting the platform’s enhanced mobile user interface, fraud detection capabilities and loan comparison tools; with new enrollments, nearly 1,200 lenders now participate in Lender Match, and the average prospective borrower is matched with 19 potential lenders.</p>
<p>4. Reduce barriers for entrepreneurs with criminal backgrounds to enable them to access small business loans and self-employment, which can be an essential path to economic stability for formerly incarcerated individuals.</p>	<p>✓ In April 2024, SBA finalized a rule that will eliminate the bar on accessing SBA funds for people on probation or parole. The rule also eliminates a deterrent to seeking loans by eliminating standard questions about one’s criminal background from SBA loan forms.</p> <p>✓ SBA’s final rule to amend the affiliation and lending criteria for SBA business loans went into effect in May of 2023. The rule removes the requirement to consider “character” and “reputation” when determining eligibility for SBA-backed loans, which has historically prevented individuals with criminal backgrounds from accessing this vital capital.</p>
<p>5. Increasing access to capital through the Small Business Investment Company (SBIC) Program and driving more than \$50 billion in public and private investment by the end of the decade.</p>	<p>✓ In FY2023, the SBIC program reported a record high of over \$8 billion equity and debt investments in small business portfolio companies and an all-time high of \$42.6 billion in assets under management across 318 SBIC licensed private funds. Portfolio company investments by SBICs led to the creation and sustainability of over 130,000 jobs. This puts the Administration on track to exceed the \$50 billion goal by the end of the decade.</p> <p>✓ In 2023, the SBA implemented regulatory reforms to expand and diversify the SBIC program to increase the flow of private equity and debt funding to small businesses and startups in underserved communities</p>



	<p>and undercapitalized industries. In February 2024, SBA announced the first Accrual SBIC licensed under the new program regulations.</p>
<p>6. Strengthen community lenders by investing capital and deepening partnerships, including through expanding and improving SBA’s Community Advantage loan guarantee programs.</p>	<ul style="list-style-type: none"> ✓ In October 2023, the SBA announced that it had successfully made permanent its mission-lending Community Advantage Program after more than a decade as a pilot program. 112 Community Advantage Program lenders became Community Advantage Small Business Lending Companies along with 31 new mission lenders, giving them a permanent home in SBA lending. ✓ In FY2023, over \$141 million was lent through the Community Advantage Pilot Program, up from just \$86 million in the year preceding the Biden-Harris Administration. In FY2024, Community Advantage lending is up 27% over the same period in FY2023. These dollars went to businesses historically excluded from access to financing, providing vital capital to women, people of color, veterans, and rural and LMI communities.
<p>7. Increasing the number of Community Development Financial Institutions (CDFIs) that are enrolled in Lender Match by 20% by October 2023.</p>	<ul style="list-style-type: none"> ✓ As of September 2023, SBA increased the number of CDFIs on its Lender Match platform by over 20%, from 110 to 135, ahead of its October deadline. ✓ In March 2024, SBA announced Lender Match 2.0 and highlighted a broad expansion in the number of Community Financial Institutions (CFIs) on the platform, totaling 257 community-based lenders at the time of launch.
<p>8. Catalyzing small business lending through the Treasury Department’s \$8.74 billion Emergency Capital Investment Program (ECIP), which supports low- and moderate-income community financial institutions in providing loans and grants to small businesses, minority-owned businesses and</p>	<ul style="list-style-type: none"> ✓ As of December 2023, Treasury had distributed over \$8.5 billion to CDFIs. These investments are aiding mission-driven financial institutions in delivering capital, credit, and financial services to financially underserved communities that struggled during the pandemic. ✓ In October 2023, Treasury announced that approximately \$26 billion in loans were originated by ECIP participants in the first six months of 2022: <ul style="list-style-type: none"> ○ 75% (\$19.4 billion) went to LMI, rural and other underrepresented borrowers. ○ 33% (\$8.57 billion) went to the hardest-to-serve borrowers, including those who are low-income, residents of Tribal lands and U.S.



other targeted communities.	Territory and owners of very small businesses.
<p>9. Continue to make historic levels of funding available to CDFIs that provide capital and technical assistance to small businesses through the Treasury Department’s CDFI Fund.</p>	<ul style="list-style-type: none"> ✓ In the last year, the CDFI Fund has catalyzed capital access for traditionally underserved communities through nearly \$7.41 billion of allocations and notices of funding opportunity including: <ul style="list-style-type: none"> ○ \$1.73 billion for the Equitable Recovery Program (ERP).65% of ERP award recipients plan to use all or part of their funding to address the disruptions to small businesses and farms caused by the COVID-19 pandemic. ○ \$5 billion for the New Markets Tax Credit program; ○ \$300 million for the CDFI Bond Guarantee program; ○ \$321.2 million for the CDFI Capital Magnet Fund program for the development of affordable housing; ○ \$70 million in financial awards, the largest amount in total funds awarded in the Bank Enterprise Award (BEA) Program history, to 184 FDIC-insured banks for increasing investments in communities experiencing severe economic distress. ✓ For FY22 activities reported in FY23, award recipients reported to the CDFI Fund over \$1.4 billion in microenterprise loan originations. <ul style="list-style-type: none"> ○ \$2,505,420 for the Native American CDFI Assistance Program; ○ \$1,158,663,129 for the Community Development Financial Institutions Program; and ○ \$257,409,982 for the CDFI Rapid Response Program
<p>10. Organizing convenings of state, local, territorial, and Tribal governments to brainstorm ideas and pinpoint best practices for small business capital access initiatives.</p>	<ul style="list-style-type: none"> ✓ Over the last year, Administration officials have participated and hosted dozens of convenings to engage state, local, regional, and Tribal stakeholders on capital access initiatives, and economic development and innovation. This included convenings focused on access to SBIC funds in underserved communities and geographies, as well as regional convenings on SSBCI implementation and compliance and reporting, centered on sharing best



	<p>practices and innovative solutions to access capital with local stakeholders. In addition, the New Markets Tax Credit Native Initiative provided research, training, and technical assistance to increase business investment in Tribal communities.</p> <ul style="list-style-type: none"> ✓ The SBA held four meetings as part of its Access to Capital Initiative with Tribal communities to help raise awareness of federally-guaranteed loans for Native American entrepreneurs as well as Tribal lenders. In February the White House hosted a roundtable discussion with key federal agencies, financial institutions, and philanthropies focused on addressing gaps in access for Tribal communities. As part of the White House Tribal Nations Summit, the SBA, Treasury, and the Department of the Interior compiled an online list of access to capital resources for Native American entrepreneurs and Tribes.
<p>11. Promoting and prioritizing licenses for SBICs committed to providing capital to domestic small business manufacturers.</p>	<ul style="list-style-type: none"> ✓ In September 2023, the SBA and Department of Defense finalized their SBIC Critical Technologies partnership, which expanded the SBIC program to small businesses focused on the production of components critical to national security. ✓ In addition to the regulatory reforms mentioned above, in February 2024, SBA announced Green Light approval of the first SBIC Critical Technologies Initiative Applicant which is focused exclusively and small businesses adopting and advancing additive manufacturing technologies and techniques.
<p>12. Launching a new Make More in America Initiative through EXIM to provide loans and loan guarantees to support manufacturers seeking to export to foreign markets.</p>	<ul style="list-style-type: none"> ✓ In August 2023, EXIM announced a \$4.7 million loan to a minority-owned small manufacturing business in Pennsylvania, the first transaction authorized under its Make More in America Initiative since the initiative was established by EXIM’s Board in April 2022. ✓ In FY2023, EXIM also provided broad support to small businesses nationwide, approving over \$2 billion in small business authorizations throughout the fiscal year – up nearly \$500 million from FY2022 – and transactions with small businesses comprised approximately 90% of EXIM’s total transactions.
<p>13. Investing \$1 billion to catalyze regional</p>	<ul style="list-style-type: none"> ✓ Since President Biden announced the 21 winners of the EDA’s BBBRC in September 2022, awardees



<p>economic growth across the country via the Economic Development Administration's (EDA) Build Back Better Regional Challenge (BBBRC) that actualizes community-led plans to bolster regional industry clusters across America.</p>	<p>have used the \$1 billion in funds distributed through the program to:</p> <ul style="list-style-type: none">○ Strengthen the country's <u>advanced manufacturing capabilities</u> using AI, workforce development, and robotics.○ Develop <u>collective lending strategies</u> to better serve Native American business leaders in the Rocky Mountain and Great Plains region.○ Spur <u>inclusive innovation and economic development</u> by partnering with local farmers to develop agricultural talent and catalyze investment in rural communities. <p>✓ As a result of their early activities, BBBRC grantees across the 21 regions have reported:</p> <ul style="list-style-type: none">○ 245 businesses expanded their markets, 39 invested in or adopted new technologies, and 535 took advantage of accelerators and testbeds.○ Two-thirds of the businesses engaged through funded BBBRC programming have been small businesses (20-499 employees).○ Over \$2.5 billion in additional public or private investment has been announced in their regional industry clusters.
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Pillar 2: Making it Easier than Ever for Aspiring and Established Entrepreneurs to Access Federal Small Business Programs

In April 2022, the Administration committed to:	As of April 2024:
<p>14. Delivering services through the \$100 million Community Navigator program at SBA.</p>	<ul style="list-style-type: none"> ✓ In his FY2025 budget proposal, President Biden called on Congress to continue funding for the Community Navigator Pilot Program beyond what was provided in the American Rescue Plan, highlighting the vital financing the program provides to underserved communities. The proposed budget provides over \$20 million dollars in funding for the program through the fiscal year, nearly double its funding levels in previous fiscal years. ✓ In December 2023, the White House hosted a roundtable with Community Navigator Pilot Program participants to discuss the transformational effects of the program and how to provide these services moving forward. Among the key program achievements highlighted were: <ul style="list-style-type: none"> ○ A far-reaching impact, with training provided to over 350,000 entrepreneurs and 33,000 small business on topics ranging from loan access to on-site technical assistance; ○ Strong returns on investment, with evidence showing that SBA projects assisted by navigators will have helped secure at least \$300 million in approved funding by the end of the program; ○ A focus on underserved committees, with four out of five Community Navigator clients coming from traditionally underserved or underrepresented groups among small business owners.
<p>15. Expanding digital access with launch of Small Business Digital Alliance (SBDA) to offer technological and digital</p>	<ul style="list-style-type: none"> ✓ In July 2023, SBA participated in a roundtable discussion on the SBDA, discussing strategies for bringing AI, technology education initiatives and mentorship opportunities to American small businesses. At the roundtable, SBA Administrator



<p>resources and trainings to promote and scale the e-commerce capacities of small businesses.</p>	<p>Guzman pledged to help small businesses implement these technologies through the SBDA, and emphasized the need for diverse entrepreneurs to gain access to them.</p> <ul style="list-style-type: none"> ✓ Following the one-year anniversary of the SBDA’s establishment in March 2023, the SBDA announced that it has reached over 15 million small businesses and entrepreneurs through national programming and regional events that expose small businesses to 300 free digital tools catered to their needs.
<p>16. Strengthening the Minority Business Development Agency (MBDA) to support the growth of underserved and underrepresented businesses.</p>	<ul style="list-style-type: none"> ✓ Through the Bipartisan Infrastructure Law (BIL), President Biden made the MBDA permanent, enabling the agency to expand its programs and outreach to Minority Business Enterprises (MBEs) business across the country. ✓ In January 2024, the MBDA announced the formation of its first ever Minority Business Enterprise Advisory Council. The group – which includes nine private sector executives and representatives from ten federal agencies –will advise and assist MBDA in its mission to promote the growth of MBEs, which promotes a stronger, more equitable American economy.
<p>17. Increasing funding for the MBDA, including requesting more than double the funding for the agency in the Fiscal Year 2023 budget.</p>	<ul style="list-style-type: none"> ✓ The President’s 2025 budget proposal provides \$80 million in funding for the Minority Business Development Agency (MBDA), expanding on the almost \$70 million that Congress appropriated MBDA in FY24. Overall, this funding level reflects a \$32 million increase for MBDA since the start of the Administration. This continued investment would bolster services provided to MBEs by expanding the Business Center Program, funding the Rural Business Center program, and supporting innovative initiatives to foster economic resiliency.
<p>18. Build and strengthen new programs within MBDA that would promote minority business ownership, close the gap between wealth and opportunity, and counter the economic obstacles undermining underserved communities in America.</p>	<ul style="list-style-type: none"> ✓ In August 2023, Vice President Harris announced that the MBDA made awards to 43 non-profit community-based organizations to help entrepreneurs from underserved groups launch and scale their business programs. Funded through the President’s American Rescue Plan, the \$125 million Capital Readiness Program is the largest-ever direct Federal investment in small business incubators and accelerators of its kind and the largest initiative in the history of the MBDA.



	<ul style="list-style-type: none"> ✓ With the addition of CRP, The MBDA National Network expanded from 88 to 131 Business Centers and programs in 2023, increasing the agency’s reach nationwide and expanding access to MBDA resources in rural communities. ✓ In 2023, 44 MBDA Business Centers and Specialty Centers helped businesses: <ul style="list-style-type: none"> ○ Secure over \$1.5 billion in capital; ○ Obtain over \$ 3.8 billion in contracts. ✓ In 2023, the MBDA awarded \$5.7 million to 21 business centers to expand their technical assistance outreach and services in rural communities. The expansion includes increasing accessibility to broadband internet and its adoption, as well as improving digital literacy skills, leveraging e-commerce, securing financial capital, securing public and private contracts, facilitating entrepreneurship in rural areas and creating jobs in rural areas.
<p>19. Providing technical assistance to help businesses access Treasury’s SSBCI program.</p>	<ul style="list-style-type: none"> ✓ In March 2024, the Treasury Department announced that to date it had made more than \$108 million in awards to 32 states through the American Rescue Plan’s SSBCI Technical Assistance Grant Program, which will help small businesses become “capital ready” and prepare them to access further SSBCI funding. In addition to its in-house technical assistance awards, Treasury transferred \$125 million in SSBCI funding to the MBDA to support their Capital Readiness Program, which helps underserved entrepreneurs, including minority entrepreneurs, grow and scale their businesses. ✓ In April 2024, the Treasury announced the opening of the American Rescue Plan Investing in America Small Business Opportunity Program, a \$75 million competitive grant program under SSBCI that will provide technical assistance for very small and underserved businesses.
<p>20. Expanding Resources and Programming for Women-Owned Small Businesses.</p>	<ul style="list-style-type: none"> ✓ Lending to women-owned small businesses has rebounded under the Biden-Harris Administration, increasing by 70% since 2020 with total loan dollars exceeding \$5 billion in 2023. ✓ SBA announced 18 new grants opening new Women’s Business Centers around the country, and once again expanded reach to every state, the District of Columbia and Puerto Rico. Additional new funding



	<p>opportunities are being made available to support new centers focused on access to federal contracting, starting and scaling childcare businesses and reach to all women entrepreneurs through the Women Business Center (WBC) program, a national network of entrepreneurship centers designed to assist women in starting and growing small businesses.</p>
<p>21. Continue supporting Native American-Owned Small Businesses through the pandemic and beyond.</p>	<ul style="list-style-type: none">✓ In FY2023, the SBA backed 500 loans to Native-owned small businesses, totaling \$278 million. Total loans are up 70% under the Biden-Harris Administration and total loan dollars have nearly doubled.✓ In June 2023, the Treasury Department announced the first ever SSBCI awards given directly to Tribal Governments – \$73 million in funding directed to 39 Tribal Governments to support Tribal enterprises and small business owners. The American Rescue Plan committed about \$500 million in SSBCI funding directly to Tribal Governments.✓ In October 2023, the SBA launched the Tribal College Small Business Achievement Program, which will help fund entrepreneurship opportunities through grants to tribal colleges and universities of up to \$250,000 each annually. This is the first partnership of its kind with Tribal Colleges and Universities to support both student entrepreneurs and existing businesses in the community.✓ In the first expansion of the Small Business Lending Company (SBLC) program in more than 40 years, the SBA granted new SBLC licenses to three lending companies focused on minority and Native-owned business development in October 2023, including one – Alaska Growth Capital BIDCO, Inc. – which serves as a certified Native CDFI, with more than 60% of its activities serving Native American businesses.✓ The SBA continues to support and sponsor an Empowerment Workshop series of both in-person and virtual business training courses for small business owners and entrepreneurs through a partnership with Sister Sky, Inc, a Native woman-owned small business that has delivered training across the country with more than 400 Tribes represented.



Pillar 3: Leveraging Federal Procurement, Infrastructure Spending, and Research and Development Funding to Support Small Businesses

In April 2022, the Administration committed to:	As of April 2024:
<p>22. Reducing small business shipping delays by upgrading our nation’s transportation infrastructure. Through the \$621 billion investment from the Bipartisan Infrastructure Law, the Biden-Harris Administration committed to decreasing small business shipping delays by upgrading America’s transportation infrastructure.</p>	<ul style="list-style-type: none"> ✓ In November 2021, President Biden announced that the Bipartisan Infrastructure Law will invest \$621 billion in transportation infrastructure and resilience to help small businesses obtain the inputs they need to deliver goods and services to consumers across America and around the world. As of April 2024, the President’s Investing America agenda has mobilized 51,000 infrastructure projects across all 50 states, D.C., and territories, including \$301 billion in transportation investments funded by the BIL. ✓ In October 2023, the Treasury Department announced the creation of a \$75 million competitive grant program for states to provide services to help very small and underserved businesses access opportunities created by the President’s Investing in America agenda, including the historic investments made by the Bipartisan Infrastructure Law. This grant program will help small business owners participate in the construction of the more robust supply chain that will drive their business for decades to come.
<p>23. Helping small businesses hire new employees, reach new customers and improve operations with technology by providing universal broadband.</p>	<ul style="list-style-type: none"> ✓ In June 2023, President Biden announced funding allocations ranging from \$27 million to over \$3.3 billion for every state nationwide to support the deployment of high-speed infrastructure, with each state receiving a minimum of \$107 million. The investment, made under the \$42.45 billion Broadband Equity Access and Deployment (BEAD) program, is the largest high-speed internet deployment program in history. To ensure these networks are affordable to the communities they connect, the Administration is requiring that all states and territories develop and



	<p>implement middle class affordability plans and a low-cost service option when building out BEAD-funded networks.</p> <ul style="list-style-type: none"> ✓ The Affordable Connectivity Program (ACP) is providing more than 23 million households with free or low-cost internet through the Affordable Connectivity Program. Without action from Republicans in Congress, this program will soon sunset and tens of millions of Americans may no longer be able to afford high-speed internet service. President Biden has called on Republicans in Congress to join their Democratic colleagues in support of extending funding for the Affordable Connectivity Program, so tens of millions of Americans can continue to access this essential benefit. ✓ As of March 2024, the Treasury had awarded more than a total of \$9.2 billion through the American Rescue Plan’s Capital Projects Fund for broadband, digital technology and multi-purpose community center projects in all states and the District of Columbia, connecting millions of homes and small businesses to affordable, high-speed internet across the country.
<p>24. Expanding access to tens of billions of dollars’ worth of federal, state, and local government contracts, including more than \$37 billion of Bipartisan Infrastructure Law funding to be directed to disadvantaged businesses through the through the Department of Transportation (DOT)</p>	<ul style="list-style-type: none"> ✓ In its 2023 midyear financial report, DOT highlighted that 20.14% of its direct contract dollars went to Small Disadvantaged Businesses (SDBs) in FY2023, a finding which placed the agency on track to meet its year end goal of 20.5% of direct contract dollars going to SDBs and represented an increase of nearly 2 percentage points in SDB dollars from FY2021. ✓ In FY2023, DOT launched multiple initiatives to support equitable decision-making processes within the agency, including: <ul style="list-style-type: none"> ○ The establishment of an Advisory Committee on Transportation Equity (ACTE) under the Federal Advisory Committee Act (FACA); ○ Justice40 legislative recommendations to institutionalize equity across DOT policies; ○ Conducting stakeholder outreach to gauge the level of equity being incorporated into transportation planning at the state and metropolitan level. ✓ In April 2024, DOT finalized its rule to modernized the Disadvantaged Business Enterprise (DBE) and



	Airport Concession (ACDBE) program regulations to help level playing fields for DBEs.
25. Increasing the share of federal procurement dollars that go to small disadvantaged businesses (SDB)s by 50% by 2025.	<ul style="list-style-type: none">✓ In April 2024, SBA announced that the Biden-Harris Administration awarded a record breaking \$178.6 billion in federal contracts to small businesses in FY2023, representing an all-time high of 28.4% of federal contract dollars. Of these, a record-setting \$76.2 billion, <u>or 12.1%</u>, were awarded to SDBs, surpassing the FY23 goal and a more than \$6 billion increase from FY22.✓ In January 2024, OMB <u>issued guidance</u> to all federal agencies to promote access to multiple-award federal contracts – a contract vehicle that accounts for nearly \$160 billion, or over 20%, of all federal government contract dollars – among small businesses. The guidance called for:<ul style="list-style-type: none">○ Increased emphasis on strategies to maximize small business participation when planning these contract vehicles;○ Additional consideration of “on-ramps” for small businesses during the typically three-to-five-year contract award period;○ The use of small business set aside orders for competition among small businesses.✓ In January 2024, on the one-year anniversary of the SBA retaining primary certification for the Veteran Small Business Certification Program – the SBA’s primary certification vehicle to expand federal contracting opportunities for veteran-owned and service disabled veteran-owned small businesses (VOSBs and SDVOSBs) – the SBA <u>announced</u> that the program had processed more than 10,400 applications from VOSBs and SDVOSBs in the program’s first year, averaging a 15-day processing time.✓ In January 2024, the SBA <u>announced</u> a series of improvements to their 7(j) training program – renamed Empower to Grow (E2G) – that will create tailored 1:1 training programs to help entrepreneurs develop the skills needed to win federal contracts, expand access to entrepreneurial development programs for Spanish-speakers and improve the bidding technology used to review trillions of dollars in local bid opportunities for small businesses.



<p>26. Improve access for underrepresented small business owners to access Federal research and development funding, including through the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR), and strengthen outreach and enhanced technical and business assistance available to these businesses.</p>	<ul style="list-style-type: none">✓ As of March 2024, the 11 federal agencies participating in the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs had obligated a total of \$4.7 billion to small businesses and innovative startups, a 17% increase from FY2020. SBIR and STTR provided nearly 34% of these contract and grant awards to women-owned, minority-owned, veteran-owned, and rural small businesses in FY2022, totaling approximately \$1.6 billion.✓ In FY2023, minority- and women-owned businesses represented 10.6% and 14.2% of all businesses receiving an SBIR/STTR award, respectively, reflecting a 22% and 10% increase over FY 2020.✓ In FY2023, the SBA’s Federal and State Technology (FAST) Partnership Program counseled 16,900 innovative startups led by underserved entrepreneurs through the FAST program, a 19% increase from FY2020. These counseling services help small businesses access vital SBIR and STTR funding opportunities, expanding the footprint of both programs.✓ The Biden-Harris Administration has increased the number of small businesses in Growth Accelerator Fund Competition (GAFC) cohorts to 6,400 – a 17% increase over FY2020 – while also expanding funding opportunities to allow businesses to compete for up to \$5 million in additional prizes, starting in May 2023. The competition stimulates innovation and entrepreneurship by infusing accelerators and incubators with \$50,000 to \$200,000 in prize awards across two stages.
<p>27. Advance policies that expand opportunities for small manufacturers to access federal contracting opportunities.</p>	<ul style="list-style-type: none">✓ The SBA-DoD SBIC Critical Technologies Partnership and Accrual SBIC programs finalized in 2023 will catalyze substantial long-duration private investments in capital-intensive small and innovative manufacturing businesses through SBICs, especially those that manufacture parts critical to our nation’s national security supply chain.



Pillar 4: Leveling the Playing Field for Small Business Owners by Reforming the Tax Code

In April 2022, the Administration committed to:	As of April 2024:
<p>28. Leveling the playing field and raising revenue that will help pay for new programs for Main Street.</p>	<p>✓ Consistent with the Administration’s commitment to supporting small businesses and growing the economy from the middle out and bottom up, President Biden’s 2025 budget proposal takes key steps to ensure that America’s largest corporations compete on a level playing field with small businesses, including raising the corporate minimum tax rate, giving the IRS the resources it needs to pursue millionaire and big corporate tax cheats, and cracking down on tax avoidance by multinational corporations. By ensuring the wealthy and big corporations pay their fair share, the Budget is able to provide for a historic \$58 billion in small business lending, all while cutting taxes for working families and middle-class Americans.</p>
<p>29. Calling on Congress to raise the corporate income tax rate to 28%.</p>	<p>✓ Corporations received an enormous tax break in 2017, cutting effective tax rates for U.S. corporations to a low of less than 10%. The President’s 2025 Budget sets the corporate income tax rate to 28%. The President’s Budget also denies corporations deductions for all compensation over \$1 million paid to any employee, ensuring that corporate executives do not receive tax breaks on their soaring compensation packages. These policies will ensure that large corporations pay their fair share, raising revenue that will help support future investments in small businesses.</p>
<p>30. Calling on Congress to strengthen the global minimum tax for large multinational corporations.</p>	<p>✓ For decades, countries have competed for multinational business by slashing tax rates, at the expense of having adequate revenues to finance core services. Thanks in part to the Administration’s leadership, more than 130 nations signed on to a global tax framework to finally address this race to the bottom. The President’s 2025 Budget would</p>



	<p>implement this agreement and ensure that profitable multinational corporations pay back what they owe to the American people.</p>
<p>31. Calling on Congress to enact a 15% minimum tax on book income of large, highly profitable corporations.</p>	<ul style="list-style-type: none"> ✓ After 55 large, profitable corporations paid \$0 in federal income tax in 2020, the Inflation Reduction Act established a 15% minimum tax on billion-dollar corporations' book profits. ✓ The President's 2025 Budget would raise the corporate minimum tax rate on billion-dollar corporations from 15% – to 21%, ensuring that large corporations pay more of their fair share.
<p>32. Calling on Congress to eliminate incentives for large corporations to offshore profits and jobs.</p>	<ul style="list-style-type: none"> ✓ Along with the global corporate minimum tax increase to 21 percent, the President's 2025 Budget would implement reforms to the international tax system that would stop corporate inversions to tax havens and decrease incentives to book profits in low-tax jurisdictions.
<p>33. Calling on Congress to ramp up enforcement to address tax avoidance among large corporations.</p>	<ul style="list-style-type: none"> ✓ The Biden-Harris Administration has taken action to ensure that the wealthy and big companies can't get away with not paying the taxes they owe. In 2022, the Inflation Reduction Act addressed long-standing IRS funding deficiencies by providing stable, multi-year funding to improve tax compliance and crack down on wealthy and corporate tax cheats, including complex partnerships, large corporations, and executives who don't report income when they use corporate jets for personal use. The President's 2025 Budget gives the IRS the additional dollars it needs to continue collecting taxes from wealthy tax cheats, restoring the full Inflation Reduction Act investment and providing new funding over the long-term.
<p>34. Giving a tax cut to 3.9 million small business owners by extending well deserved tax relief.</p>	<ul style="list-style-type: none"> ✓ The President's 2025 Budget proposal extends key tax relief programs for millions of middle-class families, including many of the country's small business owners. The proposed budget would restore the full Child Tax Credit enacted in the American Rescue Plan, which helped cut child poverty nearly in half to its lowest level in history and reduce racial disparities in access to the credit. By strengthening the Earned Income Tax Credit for low-paid workers who aren't raising a child in their home, the President's Budget would cut taxes by an average of



	<p>\$800 for 19 million working individuals or couples. That includes 2 million older workers age 65 and older and 5 million young adults age 18 to 24 who would be newly eligible for the credit.</p> <ul style="list-style-type: none">✓ The Biden-Harris Administration continued its commitment to protecting small business owners making under \$400,000 a year from tax hikes. Through the Inflation Reduction Act (IRA), the American Rescue Plan’s expanded premium tax credit for Affordable Care Act (ACA) plans are extended to 2025, preserving this tax credit support for small business health care costs.✓ The IRA leveled the playing field of research and development for small businesses by doubling raising the payroll research and development tax credit from \$250,000 to \$500,000. This credit levels the playing field by enabling small businesses without significant federal income tax liability to still benefit from the R&D tax credit.
35. Protecting millions of small business owners from Congressional Republicans’ tax hikes on small business owners.	<ul style="list-style-type: none">✓ Congressional Republicans are fighting to make the tax code less fair for small businesses and their owners. In addition to eliminating President Biden’s corporate minimum tax on billion-dollar corporations and actively undermining the global minimum tax, Congressional Republicans have proposed raising taxes on millions of middle-class Americans, including small business owners. They would repeal the Inflation Reduction Act’s expansion of the premium tax credit, raising taxes on millions of Americans by about \$800 each, as well as the IRA’s clean energy tax credits, raising taxes on small business owners who want to lower their energy costs.✓ In contrast, the President’s 2025 Budget honors his commitment not to raise taxes on anyone earning less than \$400,000 annually and raises taxes on the large corporations who would receive windfalls under Congressional Republican tax plans.

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