

Goldman Sachs 10,000 Small Businesses Voices

ABOUT 10,000 SMALL BUSINESSES VOICES

In April of 2020, Goldman Sachs launched *10,000 Small Businesses Voices* to help small business owners across the country organize and advocate for policies that matter to them. Since the onset of the pandemic, *10,000 Small Businesses Voices* has conducted 10 national surveys of program participants to help shape the public policy response to COVID-19 and has hosted virtual fly-ins to give small business owners the opportunity to directly advocate with their Members of Congress. In total, the *10,000 Small Businesses Voices* community has participated in over 1,150 meetings with Members of Congress and federal agencies. These small business owners, who are all graduates of the GS *10,000 Small Businesses* program, have also given voice to small business policy priorities through national and local press. Members of the *10,000 Small Businesses Voices* community represent a cross-section of entrepreneurs from across industries, geographies, and backgrounds.



ABOUT 10,000 SMALL BUSINESSES

10,000 Small Businesses Voices builds on the Goldman Sachs *10,000 Small Businesses* program. Over the past decade, *10,000 Small Businesses* has served over 11,000 small business owners across all 50 states, Puerto Rico and Washington, D.C. Local community colleges and four-year colleges in sixteen locations throughout the U.S. provide small business owners with a practical 100-hour business education and business support services; the curriculum is designed and co-delivered by Babson College. The curriculum is also delivered twice annually through a national cohort to businesses located beyond reasonable driving distance of the local sites. Participating businesses show tremendous growth upon graduating, surpassing national averages. More than 40% of alumni businesses are family-owned and over 65% are minority and women-owned businesses.

THE STATE OF SMALL BUSINESS

88% support the federal government **providing additional financial emergency assistance** to small businesses given the rise of COVID-19 strains

87% of those hiring are **finding it difficult to recruit qualified candidates for open positions**

86% of small business owners are **concerned about inflation** and **84%** have seen an **increase in operating costs**

Only 13% of those that have applied for federal contracts **think there is a level playing field for small businesses trying to win federal contracts** compared with larger operators

Only 31% are very confident they **would be able to access capital** if they need to

92% say it's important for the Biden Administration to prioritize policies that **level the playing field for small businesses**

10,000 Small Businesses Voices Policy Agenda

POLICIES FOR RECOVERY AND PROSPERITY

Small businesses play a crucial role in the economies and communities of every state, big city, and small town across America. The country's more than 30 million small businesses employ nearly half of the private sector workforce. Recovering from the impacts of the pandemic is a daunting task for small business owners across the nation. Any legislative packages designed to support and grow the economy must include small business owners' voices. When we lose small, we lose big. While Congress' efforts to support small businesses have been tremendously appreciated, more is needed to help small businesses survive the pandemic and recover.

10,000 SMALL BUSINESSES VOICES POLICY PRIORITIES

Access to Capital

- Access to flexible, patient capital with small business owner-friendly terms is crucial to small businesses, especially as they face increased costs related to the pandemic, inflation, and supply chain challenges. Access to capital is especially challenging for Black small business owners

Procurement Reform

- Small businesses play an important role in the federal contracting landscape, providing key goods and services to the U.S. government. But too often small businesses – particularly women-owned small businesses – are left on the sidelines given burdensome processes, high costs, and significant barriers to entry

Child Care

- Small business owners and their employees face challenges related to prohibitively high child care costs and small business child care providers struggle with low margins and limited capital access

Workforce and Competitiveness

- Small businesses face an uphill slope when trying to compete with larger businesses to hire, train, support, and retain employees. Small businesses deserve a level playing field

SBA Modernization

- Given changing dynamics related to the pandemic, it is crucial that the Small Business Administration has the strategy and resources it needs to best serve small business owners



"If small businesses create half of the jobs in the country, then we should have more of a say in the policies that guide this country's economy. As our nation's biggest employer, we know a lot about what people truly need because we live it."

- 10,000 Small Businesses Voices small business owner

Access to Capital and Procurement Reform

CREATING OPPORTUNITY AND LEVELING THE PLAYING FIELD

INCREASING ACCESS TO CAPITAL

Small business owners across the country struggle with economic uncertainty and insufficient access to capital. Many small businesses are stuck in limbo: Emergency assistance is nearly gone and debt needs to be repaid—yet revenues have not fully recovered and costs continue to rise due to the pandemic, inflation, and supply chain issues. Access to capital is essential to creating jobs and supporting local communities. Smaller small business, small business in hard-hit industries, and Black-owned small businesses face a particularly uphill battle when it comes to accessing capital.

Congress and the Administration should support small businesses by:

- Extending the deadline of the COVID EIDL loan program past December 31, 2021
- Creating lending and grant programs to help the smallest small business and small businesses in hard-hit industries
- Strengthening the capacity of CDFIs to distribute more small business capital in disadvantaged communities
- Enhancing technical assistance programs to provide small businesses with practical, tailored training and resources

ADVANCING PROCUREMENT REFORM

The U.S. Government is the largest procurer of goods and services in the world—with federal contract spending reaching nearly \$700 billion in 2020—and small businesses across the country work hard to provide vital goods and services to the government every year. More small businesses involved in government procurement means more jobs, more competition, more resilient supply chains, more diversity, and more innovation. But too often small businesses are left on the sidelines given the high cost—in money, time, and resources—to navigate the procurement process. The barriers for women and minority small business owners are even higher.

Reforms are urgently needed given deeply concerning declines in small business procurement opportunities and engagement. The number of small businesses providing common products and services to the federal government fell by 38% from 2010 to 2019. Even more dramatically, the number of new small business entrants into the procurement marketplace declined by 79% from 2005 to 2019. Each year, 5% of federal contract spending is supposed to go to women-owned small businesses (WOSBs) and 3% is supposed to go to small businesses in HUBZones, economically distressed communities – yet the WOSB goal has only been met twice since it was established in 1994 and the HUBZone goal has never been met.

Congress and the Administration should support small businesses by:

- Raising the government-wide goals for small business participation in federal contracts, including the overall small business procurement goal and the goals for women-owned small businesses, small disadvantaged businesses, service-disabled veteran-owned small businesses, and HUBZone small businesses
- Modifying category management to make it work better for small businesses
- Streamlining the procurement process, including simplifying small business certifications
- Helping new entrants access the procurement marketplace, including establishing an annual goal for new small business entrants