

**SMALL BUSINESS PRIORITIES FOR THE 116TH  
CONGRESS**

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**HEARING**  
BEFORE THE  
**COMMITTEE ON SMALL BUSINESS**  
**UNITED STATES**  
**HOUSE OF REPRESENTATIVES**  
ONE HUNDRED SIXTEENTH CONGRESS  
FIRST SESSION

HEARING HELD  
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## SMALL BUSINESS PRIORITIES FOR THE 116TH CONGRESS

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WEDNESDAY, FEBRUARY 13, 2019

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON SMALL BUSINESS,

*Washington, DC.*

The Committee met, pursuant to call, at 11:00 a.m., in Room 2360, Rayburn House Office Building. Hon. Nydia Velázquez [chairwoman of the Committee] presiding.

Present: Representatives Velázquez, Finkenauer, Kim, Davids, Golden, Crow, Veasey, Evans, Schneider, Delgado, Houlihan, Chabot, Radewagen, Kelly, Balderson, Hern, Hagedorn, Stauber, Burchett, Spano, and Joyce.

Chairwoman VELAZQUEZ. Good morning. The Committee will come to order.

I thank everyone for joining us this morning, and I want to especially thank the witnesses for being here today.

As I am sure we all agree, small businesses are critical to the economic vitality and strength of our country. From the tech company that started as an idea between two friends, to more established Main Street retailers, or the local restaurant looking to expand operations, all play an important role in generating employment opportunities for our communities whether they are in rural or urban America.

Starting a small business is what the American Dream is all about. But unfortunately, as recent economic data suggests, small firms are not without their own challenges. According to ADP reports, small employers are lagging behind their larger counterparts when it comes to hiring. Small business employment grew only half a percent year over year, compared to 1.7 percent for all companies tracked by ADP. Declining confidence levels over economic uncertainty is also weighing heavily on small firms.

That is why today's hearing is so timely. It will allow us to gain valuable perspectives on how to best help entrepreneurs continue to do what they do best, invest in themselves, their communities, and their workers.

Today, we are joined by a distinguished panel of witnesses. This hearing is an opportunity to listen to their insights into the challenges facing small businesses, and specifically, how Congress can prioritize their needs. While the Small Business Administration and other partners provide extensive support, there is still more we as lawmakers can do to ensure their success. As we heard at last week's subcommittee hearing, access to capital remains an ongoing

problem for countless small businesses regardless of their size or location.

But this is not the only issue facing small firms. As the ADP numbers indicate, we are still finding that many business owners struggle to find qualified workers to fill job openings. This is particularly true in areas that have been ravaged by the ongoing opioid crisis or there has been a decline in population due to a lack of opportunities.

Supporting policies to increase educational initiatives, develop a skilled workforce, and allow small employers to offer competitive benefits and wages to their workers are all key to leveling the playing field for small businesses.

When it comes to taxes, entrepreneurs in every sector deserve more certainty than they are currently being offered. We can achieve this by taking steps to streamline the Tax Code and provide greater retirement options for small business owners and their employees. Finally, we also know the importance of providing increased access to contracting opportunities. This is especially true as Congress aims to tackle infrastructure reform. It is imperative that in this process we consider the economic potential that comes with ensuring small firms operating in sectors such as construction, engineering, and architecture, have a fair shot at receiving federal contracts.

Today, the small business priorities we address will help us set our agenda moving forward this Congress. It is my hope that we will have a productive discussion.

With that, I thank each of the witnesses for joining us today, and I look forward to your testimony.

I would like to yield to the Ranking Member, Mr. Chabot, for his opening statement.

Mr. CHABOT. Thank you, Madam Chairwoman.

There are more than 30 million small businesses all across this country. We call them the backbone of our national economy because they are fundamental to every community all over America. They create most of the new jobs in the economy, for example.

Small businesses make up 99-99/100 percent of all firms. They employ nearly half of private sector employees and create two out of every three net new jobs. We call small businesses the lifeblood of our national economy because they are the essence of American strength and vitality. From entrepreneurs to generational mom and pop stores, small business owners personify diversity, creativity, and grit, essential ingredients of the American spirit.

During my tenure on this Committee, one that spans over 2 decades now, we have heard from thousands of small business owners, from economists and advocates, each with suggestions on how to improve the way small businesses perform. Our success at this Committee depends on open and honest dialogue with small businesses, industry leaders, and government officials. Members of this Committee will certainly have differing opinions on priority problems and policy solutions, but as we maintain our spirit of bipartisanship, I am confident that we will find more areas of common ground.

Today, as we outline our policy agenda, we begin a search for small business issues that we can tackle together. Recent tax and

regulatory relief has spurred economic growth and generated high levels of optimism within the small business community. In 2018, small business owners reported higher sales earnings, investments, and hiring. Bolstered by their confidence, they are looking to expand. At this Committee, we know that thriving small businesses create more jobs, revitalize communities, and sustain our national economy.

Our efforts should focus on how we, the government, can support small business growth instead of constraining it with more red tape.

In the 116th Congress, I look forward to continuing our rigorous oversight of the SBA, the Small Business Administration, and their contracting programs and regulatory regimes. We are the stewards of taxpayer dollars. When federal programs operate efficiently and effectively, everyone benefits.

Madam Chairwoman, I am proud of the legislative successes that we have achieved together at the Small Business Committee, and I look forward to many more in the 116th Congress.

I would like to thank our witnesses for being here, all four of them, and I yield back.

Chairwoman VELAZQUEZ. Thank you, Mr. Chabot. The gentleman yields back.

If committee members have an opening statement prepared, we would ask that they be submitted for the record.

I would like to take a minute to explain the timing rules. Each witness gets 5 minutes to testify and the members get 5 minutes for questioning. There is a lighting system to assist you. The green light will be on when you begin, and the yellow light comes on when you have 1 minute remaining. The red light comes on when you are out of time, and we ask that you stay within the timeframe to the best of your ability.

I would now like to introduce our witnesses.

Our first witness is Mr. John Arensmeyer. Mr. Arensmeyer is founder and CEO of Small Business Majority, a national small business advocacy organization focused on empowering America's entrepreneurs to build a thriving and inclusive economy. Prior to starting Small Business Majority, Mr. Arensmeyer founded ACI Interactive, an award-winning, international interactive communications company. Welcome.

Our second witness is Ms. Sabrina Parsons. Ms. Parsons is the CEO of Palo Alto Software, a business and marketing plan software company based in Oregon. As a staunch supporter of entrepreneurs, she is regularly invited to participate as a judge for business plan competitions across the U.S., as well as to speak on business planning, leadership, and women in technology.

Our third witness today is Mr. J. Kelly Conklin. Mr. Conklin lives in Glen Ridge, New Jersey, with his wife and business co-owner. In 1968, they founded Foley Waite, LLC, an architectural woodworking firm located in Kenilworth, New Jersey. Mr. Conklin is Chairman of the Executive Committee of the Main Street Alliance, a national network of over 30,000 small business owners. He also serves on numerous boards, including 14 years on the Glen Ridge Planning Board.

And I now would like to yield to our Ranking Member, Mr. Chabot, to introduce our final witness.

Mr. CHABOT. Thank you, Madam Chair.

I would like to introduce today's final witness, Thomas Sullivan. Mr. Sullivan is the vice president of Small Business Policy at the U.S. Chamber of Commerce. In this capacity, he manages the Chamber's Small Business Council, which facilitates small business input and involvement in Chamber activities. Mr. Sullivan has advocated for small businesses in the public, private, and nonprofit sector. Most notably, he served as Chief Counsel for Advocacy at the SBA under President George W. Bush. Tom is an expert on small business policy and a long-time friend of this Committee. Thank you for joining us today. We appreciate it, and I yield back.

Chairwoman VELÁZQUEZ. Thank you.

Mr. Arensmeyer, you are recognized for 5 minutes.

**STATEMENTS OF JOHN ARENSMEYER, FOUNDER & CEO SMALL BUSINESS MAJORITY; SABRINA PARSONS, CEO PALO ALTO SOFTWARE; J. KELLY CONKLIN CO-OWNER & FOUNDER FOLEY WAITE LLC; THOMAS M. SULLIVAN, VICE PRESIDENT, SMALL BUSINESS POLICY, CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA**

**STATEMENT OF JOHN ARENSMEYER**

Mr. ARENSMEYER. Thank you, Chairwoman Velázquez, Ranking Member Chabot, and distinguished members of the Committee. Thank you for inviting us to speak with you today.

As a long-time small business owner, I founded Small Business Majority 13 years ago to empower America's entrepreneurs to build a thriving and inclusive economy.

We have a network of 58,000 small business owners across the country, with eight regional offices and partnerships with over 1,000 business organizations. We advocate for smart public policy solutions and deliver information and resources to entrepreneurs with a particular focus on underserved entrepreneurs—women, people of color, immigrants, and rural small business owners.

We have created a policy agenda that focuses on seven topics—access to capital, health care, retirement and other portable benefits, entrepreneurship and the freelance economy, supporting a skilled small business workforce, infrastructure and economic development, and taxes.

I am going to address the first three issues briefly today but I am happy to answer questions about any one of those topics.

On access to capital, it is no secret that small business owners face significant hurdles accessing capital. Small businesses' share of total bank loans fell from 31 percent in 2010 to 21 percent in 2016, while the average small business loan amount has steadily increased, making loans less available for the smallest businesses.

Moreover, women business owners get nearly 50 percent less in funding than their male counterparts. Similarly, a SBA study found African American and Hispanic business owners were more likely to report unmet credit needs.

New alternative and online lending opportunities have sprung up to fill this market need. This is a potentially positive development

for small businesses. However, alternative sources of financing operate in an almost entirely unregulated market, making many small business owners vulnerable to predatory practices. This new industry must be built on transparency, fairness, and putting the rights of borrowers at the center of the process.

A desire to encourage responsible innovation in online lending is what drove us to cofound the Responsible Business Lending Coalition (RBLC) in 2015. The RBLC has published the Small Business Borrowers' Bill of Rights, a guide for responsible small business lending standards that more than 90 fintech lenders, banks, and other groups have signed onto. The RBLC has also produced policy recommendations for a national Small Business Truth in Lending Act modeled on a law enacted last year in California.

Other policy recommendations include quadrupling annual SBA lending guarantees from \$25 billion to \$100 billion, thereby increasing the volume of small business loans guaranteed by the SBA to \$1 trillion over the next decade. Increasing loan guarantee percentages from 85 percent to 90 percent for loans up to \$150,000, and from 75 to 85 percent for loans between \$150,000 and \$700,000. Dramatically expanding the annual budget of the CDFI Fund from \$250 million to \$1 billion, and prohibiting confessions of judgment in which borrowers agree in advance to lose any dispute with the lender.

On health care, since its enactment, the ACA has provided health care to 24 million individuals who otherwise could not access coverage, many of whom work for small employers or are themselves small business owners or self-employed individuals. What is not well understood is that more than half of all ACA marketplace enrollees fall into these entrepreneurship categories.

So we must do three things: strengthen our healthcare markets, expand health coverage, and reduce drug prices while containing other inefficient costs in the system. Our recommendations include maintaining protections for individuals with preexisting conditions, addressing the rising cost of prescription drugs, protecting consumers from surprise building by limiting patient out-of-network cost-sharing. Blocking the extension of both short-term health insurance plans and association health plans, both of which offer inadequate coverage and remove younger, healthier individuals from the general pool, thus increasing costs for everybody else and destabilizing markets, allowing people to buy into Medicaid and/or Medicare, guaranteeing cost-sharing subsidies to insurers, and creating a reinsurance program.

Finally, we need a modernized benefits infrastructure that serves today's independent entrepreneurs and small business owners who do not work for large corporations. We recommend the following: supporting Federal efforts to establish a publicly administered retirement savings program, like the Secure Choice programs in some states and make participation open to the self-employed; passing the FAMILY Act to establish a national program that provides partial wage replacement for small business employees and the self-employed; and there are a number of other recommendations in our policy agenda.

Finally, Congress must focus on the particular needs of rural entrepreneurs who start businesses at higher rates than their urban

counterparts and have higher 5-year business survival rates while facing a unique set of challenges. Yesterday, we released a report on rural entrepreneurship, a copy of which we will provide to the Committee.

Thank you for the opportunity to comment on these important issues. I look forward to answering your questions.

Chairwoman VELAZQUEZ. Thank you, Mr. Arensmeyer.

Ms. Parsons, you are recognized for 5 minutes.

#### **STATEMENT OF SABRINA PARSONS**

Ms. PARSONS. Chairwoman Velázquez, Ranking Member Chabot, and members of the Committee, thank you for the invitation to testify today about the needs and policy priorities of small businesses around the United States.

My name is Sabrina Parsons. I became CEO of Palo Alto Software in 2007 and have grown the business to over 70 full-time employees. I am also an active supporter of entrepreneurs in Oregon where my company is based, and a member of Main Street Alliance, a network of 30,000 small business owners.

The policy priorities I am going to discuss with you today support the family life of both small business owners and employees, invest in entrepreneurship of women and people of color, boost wages, and protect the immigrant members of our communities.

Small businesses need national paid family medical leave. Eighty-three percent of the U.S. workforce lacks employer-provided, paid family leave care for a new child or a seriously ill loved one, and more than 60 percent do not have employer-provided temporary disability insurance to protect them when they need time away from their jobs to address a serious health issue or injury.

Although Palo Alto Software is now able to provide paid leave, most small businesses lack the scale, expertise, and resources for such a policy. When my company was smaller, we could not afford the comprehensive paid leave we can today. And in other industries it is even harder. For example, it is very difficult in the restaurant industry where profit margins are very narrow.

Access to paid leave should not depend on the size of business or where a person lives and works. We need a Federal program that gives all worker and small business owners the kind of leave that Palo Alto Software offers.

For that reason, I ask you to support the Family Act, which would create an affordable, self-sustaining national family and medical leave insurance program, making paid leave affordable and feasible for small businesses.

Small businesses need a strong public investment in child care. As the mother of three, I know the impact of family responsibilities on employees and small business owners alike. The dearth of affordable child care provided by well-compensated professionals frequently stands in the way of small business success and growth.

The astronomical costs of child care put parents in a bind. Nearly one in three families report spending 20 percent or more of their annual household income on child care. In 28 states, including my home state of Oregon, child care costs more than in-state public college tuition.

We ask you to support Child Care for Working Families Act, which would make unprecedented investments to ensure all children have access to high-quality, early education, and ensure that people who work in child care and earn a living wage.

Boosting wages helps small businesses. The starting salary for any employee at my company is \$16 an hour, even customer service, which generally pays very low wages. Given what it takes for a family to make ends meet in Eugene, Oregon, I feel strongly that people need to be paid living wages. Raising wages is also better for business. When you pay \$7 an hour, you experience employee turnover over a period of 2 or 3 years that ultimately can devastate a small business's bottom line.

I understand that raising the minimum wage is a source of fear for many small businesses. However, the financials will work out and make businesses stronger, and I believe this is an area of tremendous opportunity for the SBA and others to provide better financial management training, education, and assistance to small businesses.

Fair treatment of immigrants is a small business issue. I am the daughter of an immigrant mother and a U.S.-born father. I was born in Mexico City and lived there until I was seven and spoke Spanish before I spoke English. My mother recently became a citizen of the United States. Humane and just immigration policy is important to me as the daughter of an immigrant, as a mother and community member, and as a businesswoman.

We owe it to all immigrants and ourselves to adopt an immigration policy that respects family and the basic tenets of freedom. Please put an end to family separation. Please do whatever possible to bring healing to the families torn apart by this policy. And please ensure that the immigrant business owners, other immigrants in our community, and those who are seeking refuge here have a fair opportunity to live, work, and develop businesses here. The facts show these immigrants bring more positive than negative to our country and are an integral part of who America is.

Lack of equitable capital continues to hamper small businesses, particularly for women and people of color. The Wall Street Journal reports that Black-owned businesses received only 11 percent of Small Business Administration loans in 2008, and only 2.3 percent of those SBA loans in 2013. Women entrepreneurs also experience disparities. A study by Biz2Credit found that women-owned firms had a loan approval rate that was 15 to 20 percent lower than their male counterparts.

I urge you to pass measures to eliminate racial and gender discrimination in small business lending and recognize that there is a need to open access to affordable capital for small businesses, particularly those owned by entrepreneurs who are women and people of color. I also ask you to bring transparency, oversight, and fair terms to all forms of small business lending, whether bank or non-banking loans.

I appreciate the opportunity to share concerns and policy priorities for small business owners.

Thank you, and I look forward to answering your questions.

Chairwoman VELAZQUEZ. Thank you, Ms. Parsons.

Mr. Conklin, you are recognized for 5 minutes.

**STATEMENT OF J. KELLY CONKLIN**

Mr. CONKLIN. Thank you, Chairwoman Vasquez, Ranking Member Chabot, members of the Committee.

I appreciate the invitation to testify here today on behalf of real small business people like me. We do form the backbone of Main Street communities across the country.

My name is Kelly Conklin, and I am Chair of Main Street Alliance. Our organization creates opportunities for small business owners to speak for ourselves on public policy issues that impact our businesses, our employees, and the communities we serve.

In 1978, my wife and I founded Foley Waite, an architectural woodworking firm. She was on one end of a sheet of plywood and I on the other, working out of an 800 square foot shop we lived over. Now our company owns a 13,600 square foot building and employees 14 people.

Real small businesses like mine need policies, such as universal health care, a fair tax system, equitable access to capital, and paid family and medical leave, that serve the needs of small business and that take into account the ways in which racial and gender inequity serve as gatekeepers that structure the small business sector.

Small businesses need high-quality—we are going to say this over and over again today—high-quality, publicly-funded, universal health care. The Affordable Care Act was an important step in the right direction for small businesses but there is much, much more Congress needs to do.

With the ACA, I saw my premiums finally begin to stabilize. Then Republican leaders began massaging the ACA and creating uncertainty. We know this has increased premiums in the marketplace for individuals. April 15th is a day I dread, not because it is Tax Day but because that is when I will find out what this year's insurance premiums will be, how much they will go up. My business went from providing 100 percent of coverage for our employees to 85 percent, and now we are at 80 percent. And we spend \$8,000 a month on health care, a real hit. If my wife and I could put half that money into our business, we would have one of the most modern, well-equipped architectural woodworking businesses on the East Coast.

We need universal, high-quality, publicly-funded coverage that is affordable for everyone. This is not too expensive. The private sector is delivering the most expensive and inefficient health care in the world. The cost of doing nothing is too great.

Our Tax Code should prioritize strong public investment over corporate profits. The Tax Cuts and Jobs Act passed in 2017 hurts small businesses. The Joint Committee on Taxation found that 61 percent of the benefits of this deduction will go to the richest 1 percent of pass-through business owners by 2024. Just 4 percent of the bottom two-thirds will benefit.

The revenue lost to tax breaks for the very wealthy and big corporations are made up for on Main Street with deteriorating infrastructure and loss of services. We ask Congress to repeal the Tax and Jobs Act with its tax giveaways to large corporations and the very rich. Instead, create a tax system that ensures the rich and

big corporations pay their share of taxes. Let us close corporate tax loopholes and create a more progressive income tax structure.

Small businesses need equitable access to affordable capital and protection from predatory financing. Bank lending to small businesses has not fully recovered since the recession. There is compelling evidence pointing to a persistent racial discrimination and redlining in small business bank lending.

The Minority Business Development Agency found that business owners of color are 2.5 times more likely to be denied when applying for traditional business loans compared to white business owners. A 2014 study reported that women entrepreneurs receive 16 percent of conventional bank loans and 17 percent of SBA loans, even though they represent 30 percent of small businesses.

We need lawmakers to hold banks accountable for discrimination in lending and ensure entrepreneurs of color and women get a real opportunity to start and grow their businesses. Protect small business borrowers from predatory lending with transparency in lending, reasonable terms and underwriting, and honest practices.

Families are part of our bottom line. Only 17 percent of the U.S. workforce have paid family leave through their employers, and less than 40 percent have personal medical leave through an employer-provided temporary disability program.

In New Jersey, we are fortunate to have had a state paid program for more than 8 years, and I have encouraged two of my employees to use it, one after his mother suffered a severe brain injury and one after an employee's wife received a cancer diagnosis.

The Family Act will create a national paid family and medical—

Chairwoman VELÁZQUEZ. Mr. Conklin, your time has expired. During the question and answer period you will have some time to expand.

Mr. CONKLIN. Okay. Thank you.

Chairwoman VELÁZQUEZ. Thank you for your testimony.

Mr. Sullivan, you are recognized for 5 minutes.

#### **STATEMENT OF THOMAS M. SULLIVAN**

Mr. SULLIVAN. Thank you, Chairwoman Velázquez, Ranking Member Chabot, and members of the Committee, for the opportunity to outline the U.S. Chamber of Commerce's small business priorities.

Ninety-seven percent of Chamber members are small businesses, and the Small Business Council that I head works to ensure their views are considered as part of our policymaking process. In addition to receiving input from our Small Business Council, we learn a great deal from our quarterly small business index and from our engagement with small businesses where they live and work at our regional small business summits.

The priorities that I will outline really have at the top of the list workforce, the need for workers. The top priority of the Chamber is to address the worker shortage that is making it difficult for small businesses to grow.

The top issue for the small businesses I talk with every day is finding, recruiting, hiring, and retaining qualified and willing employees. There is really no single piece of legislation that can solve

Main Street's challenge of a worker shortage. However, we believe there are legislative and business leadership solutions that will go far in addressing the need for workers, and those are outlined in more detail in my written statement.

Immigration. The Chamber has long supported common sense reforms to our Nation's broken immigration system. And when businesses large and small are prevented from growing because of a lack of workers, our call for reform is even more urgent.

As far as education goes, the Chamber supports high-quality, lifelong learning to ensure all Americans have the opportunity to reach their potential. There are several legislative initiatives to expand high-quality education that we support, and expand and improve training and retraining programs that include employer-led "earn and learn" opportunities like apprenticeships.

Competing for talent and retention of employees. The Chamber believes that providing small businesses with healthcare coverage options and retirement options for their employees are key ingredients for growth and allow them to compete for and retain top talent.

Our local and state chamber of commerce partners are excited about new opportunities to provide healthcare coverage and retirement benefits for their small business members, and I am hoping in the question and answers that I would be able to detail some of those opportunities.

Access to capital. It is no surprise that this Committee is already off to a good start when it comes to forwarding bipartisan legislation that will help small businesses access the capital they need to start, sustain, and grow. We hope that H.R. 116, the Investing in Main Street Act, is taken up by the Senate and signed into law. And we look forward to working with this Committee on additional legislation that will help provide access to capital for startups and small businesses.

Regulatory relief. SBA's Office of Advocacy acts as the watchdog for small business within the Federal Government and oversees implementation of the Regulatory Flexibility Act, which is under this Committee's jurisdiction. I was honored to lead that office from 2002 to 2008, and I appreciate this Committee's support for that office and its mission.

One of our priorities for this Congress is to work with you on legislation that can improve that office's work to the benefit of our Nation's small business community.

Infrastructure. The Chamber is buoyed by the bipartisan agreement that seems to surround infrastructure, and we encourage you to help the Committees of jurisdiction to get the legislation moving.

As far as working with other Committees, from Infrastructure to Health Care, to Trade and Tariffs, to Tax Policy, many of the Chamber's small business priorities fall within the legislative jurisdiction of Committees other than this one. To the credit of you all, you have a history of helping those Committees understand the unique concerns of small businesses. I compliment your vigilance in this area and want to stress the importance of continued cross-Committee work when it comes to small business priorities. At the Chamber, we are similarly dedicated to advancing these and other policies that can benefit Main Street businesses, fuel the economy,

provide for individuals and families, and grow communities. Thank you.

Chairwoman VELÁZQUEZ. Thank you, Mr. Sullivan.

I recognize myself for 5 minutes. And I would like to address the first question to the members of the panel.

As a staunch supporter of entrepreneurs, I want to make sure that I am doing everything within my power to provide the tools to help small businesses and the business community to turn an idea into a flourishing business. So as an active member of the entrepreneurship community, what are some of the opportunities and challenges that you see on the horizon? What will be that one issue that you feel will make a difference in empowering that small individual to turn an idea into a startup?

Mr. Arensmeyer?

Mr. ARENSMEYER. Well, first, I think we need to make sure we are connecting small business owners and entrepreneurs with all the programs that are out there. We have a very extensive entrepreneurship program across the country where we not only provide education but we provide resources both online and face-to-face. But most importantly, we connect people with resources that are out there, resources from the SBA, resources from the U.S. Department of Agriculture. I am pleased to see the Rural Entrepreneurship Program has continued in the recent Farm Bill. So a lot of it is just connecting people with resources.

We need to make sure that they are connected to the local community banks. The problem is there is no one solution. We have to, when it comes to lending, you know, there are 7(a) loans. There are other microloan programs, et cetera, but there is no sort of one place where a small business owner can go to get everything.

We are optimistic that some of the technology embedded in some of the fintech products can be useful but we cannot let those expand without very strict guidelines around transparency, around underwriting rules because literally what is happening is a lot of those small business owners are being taken advantage of much the way individuals get taken advantage of by payday loans. So it is a combination of making sure people have access to resources and setting up policies to ensure maximum access.

Chairwoman VELAZQUEZ. Thank you.

Ms. Parsons, I know that you care deeply about providing a level playing field for women entrepreneurs, and we know that women receive nearly 50 percent less funding compared to male-owned businesses. How do you see this committee enacting legislation or how can we enhance the programs so that we provide that level playing field for women?

Ms. PARSONS. Yeah, thank you. I think that is a great question.

Right now, if you want to get a loan for your small business startup, and that is usually where people are going, we have this system in place where banks, including SBA-backed loans, are asking entrepreneurs to have 2 years in business and \$250,000 of revenue as a starting point, which clearly if you are a startup entrepreneur you have neither, which then means people are using personal assets to start their businesses. And this is why women and people of color are falling behind. All the statistics show that women have less access to personal assets and personal guaran-

tees. And so you just have this catch-22 of the same entrepreneurs who have access to resources are the only ones who can start businesses.

So the first thing that has to happen I think is the recognition that where we are today and how we lend simply leaves behind people who do not have access to personal assets and who do not have personal wealth. And that would be the first thing.

Chairwoman VELAZQUEZ. Thank you.

Mr. Conklin?

Mr. CONKLIN. Well, the single biggest problem we face, and it has been an ongoing problem throughout the 40 years we have been in business, is manpower. Skilled manpower. Access to people who are trained and knowledgeable and can step into our facility and safely do the work we do. And there is a focus I think both educationally and culturally in our society that is blind—to I think a very good opportunity for people to make very good living—doing the kind of work we do. The focus on STEM in education and the abandonment of training folks in the trades and crafts over the course of the time we have been in business. I went to the School for American Craftsmen. I do not think it exists anymore.

Chairwoman VELAZQUEZ. Thank you.

Mr. CONKLIN. And my wife went to Philadelphia College of Art. So we have to have workers and we have to have an immigration policy that recognizes that the skillsets necessary for small businesses to function include using tools, like saws and chisels and hammers.

Chairwoman VELÁZQUEZ. Thank you, Mr. Conklin.

Mr. Sullivan, I will come back to you in the second round. My time has expired and now I recognize the Ranking Member for 5 minutes.

Mr. CHABOT. Thank you, Madam Chair.

It is a relatively new concept but I would like to get each of your input or opinion on this briefly. Would you be inclined to be for or against the so-called Green New Deal?

Mr. Arensmeyer?

Mr. ARENSMEYER. Well, there is no question that we have got a major problem facing us, and we need to take dramatic action. We have not studied the details. I am not even sure there is that sort of a document so I cannot say that we would support everything in it. But we definitely support the concept. And I think what is important to remember is that as we figure out how to reduce our carbon footprint and create more renewal opportunities, there are business opportunities. And many of those business opportunities are available to small businesses. So we would like to see as part of a—and yes, there does need to be a comprehensive effort to deal with this—we would like to see making sure there is a role for entrepreneurship and for new technologies and for new opportunities for business which we think can create a whole new generation of jobs in this country.

Mr. CHABOT. Ms. Parsons, inclined to be for it or opposed to it?

Ms. PARSONS. I am inclined to be for it. Obviously, there are not the details necessary, but I—

Mr. CHABOT. Let me just stop you there. And Mr. Conklin, because I have only got limited time, I have got other questions.

Mr. CONKLIN. Sure. Yes.

Mr. CHABOT. Inclined to be for or against?

Mr. CONKLIN. For.

Mr. CHABOT. Okay. Mr. Sullivan?

Mr. SULLIVAN. Congressman Chabot, the U.S. Chamber of Commerce issued a very strong statement opposing the Green New Deal. I would like to submit that to the Committee with your permission.

Mr. CHABOT. Yes, absolutely. We would welcome that.

Let me go back to you, Mr. Sullivan. The 2018 surveys relative to small businesses recorded really record-breaking levels of optimism among small business owners. Are there a couple of things that you would attribute that to, or what is your opinion on that?

Mr. SULLIVAN. Thank you, Congressman Chabot.

We think that there was a significant change in the attitude of small business on whether or not Washington, D.C. was wind in their face or wind in the back, and in particular, this administration's attention to regulatory relief, red tape relief for small business. We believe that is the single most ingredients that has caused small business optimism to be as high as it has been over the last year and a half.

Mr. CHABOT. Okay. Thank you.

Let me follow up. Some of the other witnesses, one in particular, indicated that the Tax Cuts and Jobs Act was not helpful. In fact, not putting words in their mouth, but just basically went to the wealthy and not others. What is your opinion relative to how small businesses were affected, either positively or negatively as a result of that legislation?

Mr. SULLIVAN. Thank you for the question, Congressman.

First of all, with regard to our quarterly survey, when we surveyed small business owners when tax cuts were passed in late 2017, their optimism spiked. So that had raised the highest optimism levels that we have seen, and I think that is echoed by the monthly confidence survey that was issued by NFIB. So the initial passage was a huge boost to small business confidence. What we have seen since then is a steady stream of small businesses who have told us that they have reinvested savings from tax cuts into growing their businesses. And with the Congressman's permission, I have a list of 612 of those companies over the past year who are willing to be very public about the reinvestment that has occurred because of the tax cuts. So we were very favorable of the tax reform and the statements by small businesses from the past year backup our support.

Mr. CHABOT. Thank you very much.

Madam Chair, I would ask that those, by unanimous consent, be part of the record.

Chairwoman VELÁZQUEZ. Sure. Without objection.

Mr. CHABOT. Thank you very much.

And I have only got a little bit of time left, but workforce came up by a couple of the witnesses, and I know that when I go around my district that is one of the first things that the small business folks, or even medium business or even large talk about how tough it is to find good, qualified people.

Real quickly, Mr. Arensmeyer, is that something that you think is a real challenge? Or what can we do about it?

Mr. ARENSMEYER. Absolutely it is a real challenge. And we need to have policies that encourage—first of all, there is a labor shortage now in this country, so we need to have immigration policies that recognize this and recognize the tremendous value that immigrants bring to our economy. And we need to need to make sure that we are matching the skills of employees with the needs of small business owners. We found this particularly in the rural study we just did where there was even a bigger gap in rural areas between the needs of small businesses and the population.

Mr. CHABOT. Thank you very much.

Chairwoman VELAZQUEZ. The gentleman yields back.

Now I recognize Representative Andy Kim, Chairman of the Subcommittee on Economic Growth, Tax, and Capital Access for 5 minutes.

Mr. KIM. Great, thank you.

I am very honored to be on this Committee and be able to look out for small businesses across my district, across New Jersey, and across the country.

Small businesses are the lifeblood of both Burlington County and Ocean County where I reside, and we are very much focused on what we can do. And as I have gone around both counties and talked with business owners and talked with other entrepreneurs, what comes up often is our concern in New Jersey, and I am sure in a lot of other places about our young Americans, especially coming out from schools, we are worried about brain drain and other issues of that as we have seen an exodus out from New Jersey.

So I wanted to just focus on that in two ways. First, with regard to student debt and the huge amounts of problems that young Americans face with regard to the debt that they carry, how does that impact—I wanted to ask Mr. Arensmeyer about this. I wanted to ask, you know, what can we do to try to help alleviate these issues, to help entrepreneurship with younger Americans while they are still dealing with student debt? Are there any particular ideas that come to your mind?

Mr. ARENSMEYER. Thank you, Congressman.

We actually did a poll 1-1/2, 2 years ago of millennials, and we found that almost half of them say that their student loan debt has been an impediment to them considering starting a business. I mean, that is huge. I mean, this is a new generation of Americans, new generation of people who we want to continue to start small businesses. So figuring out how to get some kind of student loan debt relief is absolutely essential to making sure that we foster the next generation of entrepreneurs.

Mr. KIM. Thank you.

In addition to making sure we can foster the entrepreneurship and the start of small businesses, I think a number of you also talked about the workforce developing and making sure that we are bringing in top talent in terms of the employees of these small businesses. So I wanted to ask Mr. Sullivan and Mr. Conklin to just go into this a little more. I had some very good meetings yesterday with different community college leaders and others that had been talking about this, and in New Jersey, trying to find ways

to strengthen that pipeline between colleges and universities and training centers to small businesses in particular. And I wanted to ask you if you had any lessons learned or any good examples from around the country that, you know, we certainly might be able to draw upon in New Jersey and elsewhere and we on this Committee might be able to use and replicate to be able to strengthen that pipeline.

So Mr. Sullivan, why do we not start with you?

Mr. SULLIVAN. Thank you, Congressman.

So at the Chamber, we are really very proud of our Foundation that has what is called a Talent Pipeline Management Program. Really, the fundamental idea here is to connect the business community and what they need with what the workforce training centers are training the eligible employees. There has been a disconnect in many communities where the workforce process is teaching things the local community does not need. So something as simple as connecting the need with the training has actually gone very far. And this is a program that is basically open sourced from our Chamber Foundation to local communities through their workforce centers, through local chambers of commerce, and other employer organizations. So I am happy to share with the Congressman a more detailed explanation of our Talent Pipeline Management program, but it is an exciting initiative that we believe will go far in addressing the workforce issue.

Mr. KIM. Great. Thank you. I certainly would love to follow up with you and learn some more about that. So let us talk offline.

Mr. Conklin?

Mr. CONKLIN. Yes. Thank you, Congressman.

Well, we have a member in Oregon who worked with others in his industry, the auto repair industry, to set up an apprenticeship program. They linked with local high schools and they replicated a program that existed when I was in high school. And that was a part-time apprenticeship, part-time school curriculum day for kids who were interested in particular trades. It was pretty much limited to the auto trade when I was a kid. I have heard of similar programs that involve electricians and plumbers. That is a pretty basic approach, but you first have to convince people that that is a path they want to follow. And we have a cultural disconnect between the reality of what is happening on the shop floor, say at Foley Waite and what we are preparing people for and encouraging them to follow. Part of it is that I do not think people understand how well you can do in the trades. You can do very well in the trades. You could have a great career in the trades. But we are not really encouraging people, and people, kids particularly do not seem to be particularly interested in pursuing it. There is some work involved and that is something that I think is a little discouraging, and there is some work involved in making it happen.

Mr. KIM. Great. Thank you so much.

I yield back.

Chairwoman VELÁZQUEZ. The gentleman yields back.

And I recognize the gentlelady from American Samoa, Ms. Amata Radewagen, Vice Ranking Member with the committee for 5 minutes.

Ms. RADEWAGEN. Talofa, and good morning.

I want to thank you, Chairwoman Velázquez, and Ranking Member Chabot for holding this hearing. And I want to thank all of you for testifying today.

I am honored to serve on this Committee, as strengthening and diversifying the economy through the growth of small businesses of American Samoa. It is one of my biggest priorities.

Like the rest of the country, small businesses make up the majority of the businesses in my home of American Samoa. Unfortunately, due to the remoteness of American Samoa, it is difficult for my constituents to receive the technical education to grow their businesses, although our SBDC is doing a great job to raise awareness of their services.

One of my main concerns is a lack of microlending in American Samoa. I have seen microlending in neighboring independent Samoa and it has met with great success. I look forward to working with you all over the next 2 years to continue to grow America's small businesses.

Now, Mr. Arensmeyer, my question is for you. How can existing entrepreneurial development resources, such as Small Business Development Centers, Women's Business Centers, SCORE, or Veterans Business Outreach Centers better tailor their programs to meet the needs of underserved businesses?

Mr. ARENSMEYER. Thank you. And absolutely, there are some great programs out there. We work very closely with the SBDCs, with the Women's Business Centers, with SCORE, with veterans' groups. And I am glad to hear that in American Samoa there is a thriving SBDC. We need to get those resources in the hands of people. A lot of times small business owners, they maybe think they need capital but they are not ready for it or they need to do some things to fix their credit. They need to maybe come up with a business plan to better understand where they are going before they actually get credit, and those organizations can be very useful and we spend a lot of our time connecting small business owners with those organizations. So, I do not know, I am guessing the Rural Microentrepreneur's Business Program applies to American Samoa, I am not sure, but that is a program that we definitely think needs to be strengthened. And we do need to continue to connect businesses with those resources that are out there.

Ms. RADEWAGEN. Thank you, Madam Chairman. I yield the remainder of my time.

Chairwoman VELÁZQUEZ. The gentlelady yields back.

And now I recognize the gentleman from Maine, Jared Golden, Chairman of the Subcommittee on Contracting and Infrastructure for 5 minutes.

Mr. GOLDEN. Thank you. Thank you, Madam Chair.

Mr. Sullivan, I thought we would talk a little bit about infrastructure. You expressed some interest in that.

If this Committee were going to work, let us say, with the Transportation Committee or even work independently on our own, what would your members of the Chamber look for, particularly let us talk about ones from rural communities, like a state like Maine and very small businesses. You know, would they put the priority on something like broadband? Would they put it on rail development? Would they put it on just straight roads and bridges? And

as a follow up, if you could also talk a little bit about how would we ensure that an infrastructure package truly got down to small businesses and into rural communities, thinking about maybe specific provisions that would ensure that it does not just go to the states that maybe have more money or bigger companies that have more resources for things like matching fund requirements or other provisions.

Mr. SULLIVAN. Thank you, Congressman, for the question.

So the threshold answer to your question is that small businesses are hugely enthusiastic about infrastructure reform, which I cannot overstate the optimism that our members have with Congress coming together in a bipartisan way on this issue. That is not normal these days, and because infrastructure does have such a bipartisan enthusiasm, that has made small business owners who I speak with very optimistic.

We had a conference on this topic just last week. I was told it was the first time ever we had a small business panel as part of this conference. And their answer to your question of which need do we address was "all of the above." And I mean, that gets at the beauty of this Committee and the beauty of Congress, is that you all have small business communities who want different things. But the constant throughout is that infrastructure is absolutely crumbling. What we heard last week primarily were the traditional things of roads and bridges because you have this kind of, this duality. On the one hand, small business owners cannot get to their jobs, whether it is a bad road or a damaged bridge, that is curbing their ability to get more jobs and make more money and grow. The second part of that duality is that these small business owners are convinced that when there is that investment nationally, that they will receive some of the benefits of infrastructure spending and construction. And so as you know, many of the small business owners are in that business, and so they have a dual benefit.

As far as the formula goes, I would love to follow up with you and get into some of the more particulars on what we are supporting on infrastructure reform.

Mr. GOLDEN. I would appreciate that. In fact, I think I am meeting with one of your counterparts later to talk in depth about some of this.

Mr. SULLIVAN. Thank you.

Mr. GOLDEN. Thank you.

If I could, Mr. Arensmeyer, you talked a little bit about in your testimony about how we can bring an advantage to rural small businesses when talking about opportunity zones. And I think you talked a little bit about concerns that it may sometimes not benefit small businesses specifically but rather sometimes just go towards real estate development, which is fine. But I think that we also want to, I mean, the point is to create jobs. So if you could just talk, maybe expand upon that testimony a little bit more.

Mr. ARENSMEYER. Sure, Congressman.

There is no question that investing in real estate is sometimes easier to figure out, to make happen, to underwrite than investing in small business. So what we do not want to see happen is have the Opportunity Zones kind of devolve into, you know, primarily real estate projects and not enough support for actual small busi-

nesses. So there needs to be an effort. There need to be guidelines—I believe those are still being worked on by the Treasury Department—to make sure that actually, a good chunk of that investment is going directly to small business. We are not opposed to some of it going to real estate but we want to make sure that it does not end up being the easy way out in terms of underwriting these investments. So we think that is critical. And we think it is the legislative intent of the bipartisan support that existed for the Opportunity Zones from both sides that that be the case.

Mr. GOLDEN. Thank you.

Chairwoman VELAZQUEZ. The gentleman yields back?

Mr. GOLDEN. Yes, ma'am.

Chairwoman VELAZQUEZ. Thank you.

Now I recognize the gentleman from Ohio, Mr. Balderson, Ranking Member of the Subcommittee on Innovation and Workforce Development for 5 minutes.

Mr. BALDERSON. Thank you, Madam Chair, and the Ranking Member for holding this testimony today. Congressman Hern. Sorry about that, everybody.

I see this as an opportunity for members of our Committee to plan for the next 2 years and share each of our priorities to help lift America's small businesses. In Ohio, we have a saying that our state is the heart of it all, and like much of small businesses are the heart of the American economy. So I look forward to working with all of you and having your input. As the Madam Chair said, regarding my position in Workforce Development, it is a passion of mine.

I am going to direct my first question to Mr. Sullivan, and I understand that you did not get through all your written testimony but I did read your written testimony and I got excited when I saw a couple things that you mentioned in there. You referenced to Ohio's Common Sense Initiative. Could you take a moment to kind of expand on that a little bit, please?

Mr. SULLIVAN. Thank you, Congressman. It is always good to hear that a member of Congress gets excited when they read a testimony. So thank you for that first.

What you were referencing was in the statement talking about one of our Small Business Council members, Michael Canty in Ohio, and some of his experience with red tape, both positive and negative. I will start with the negative, and that is something that this Committee is more familiar with than most, and that is that any state, local, or Federal mandate is going to impact a small business more than a larger business. And there are studies that document this, but it just makes sense. I mean, I think we are familiar with husbands and wives at the kitchen table late at night in early April trying to get all of the materials together before they go and see their CPA. It just takes more time and time is money compared to a larger business that has an accounting department.

So the negative that Michael Canty describes is just really the overwhelming burden of red tape. The positive is that there are state initiatives, like the Common Sense Initiative, and Federal, like the Regulatory Flexibility Act, that their basic premise is (a) one size mandates do not work when it comes to small business, and (b) more importantly, that when you involve a small business

in the development of regulatory policy you end up with a great two-for. One, you get a regulatory policy that is sensitive to how it impacts small business, and two, you actually get buy-in from the small business community about what the end product is. And that is really the basic tenet of both the Regulatory Flexibility Act and the Common Sense Initiative that was done in Ohio. And this is, quite frankly, a model that has been followed by many states.

Mr. BALDERSON. I was proud to cosponsor that piece of legislation back in 2009, and I can sit here and tell you that the new administration in Ohio is moving forward and we are going to make that initiative better. So I look forward to working with you.

I want to talk about the national level and how we can make that even better. And you spoke about that. But I look forward to discussing it with you in the future.

I yield back, Madam Chair.

Chairwoman VELAZQUEZ. The gentleman yields back, and now I recognize the gentleman from Texas, Mr. Veasey, for 5 minutes.

Mr. VEASEY. Thank you, Madam Chair.

I wanted to ask Ms. Parsons if she wanted to continue to expand on her thoughts on the Green New Deal. It sounds like you had more that you wanted to say, and I wanted to see if you wanted to expand on that. I think that most of us know right now that it is not anything concrete and solid. There have been some proposals. I believe I have heard the words “more aspirational.” And so maybe a work in progress. Do you want to just kind of expand on what you wanted to say?

Ms. PARSONS. Yes, thank you. I do.

As a mother of three kids, climate as obviously a huge worry. To have your children—I have got a ninth grader who is 14, seventh grader who is 12, and a third grader who is 9—they are very cognizant of what the future brings. And living in Oregon, our climate is going to change. And it will change the nature of what it means to live and work in Oregon. We are a state that has been dependent on natural resources, wood products, trees. Our entire ecosystem will change. And we are already planning in Oregon for what it looks like when you no longer have evergreen forests. When there is no longer snow in most of Oregon. This is the Northwest, so it is an impact that is very frightening to the generation of our kids who are cognizant. Even my third grader understands what this will mean. But for the economy of a state like Oregon, and many other states. I mean, I cannot speak to what it is going to do in Texas, for instance, although I suspect many Texans will be moving up north, but it will impact how people do business and traditional businesses in manufacturing, in logging because our climate will affect our natural resources. And I think it is very important to listen to scientists and develop policies that are fact-based.

Mr. VEASEY. I also wanted to ask Mr.—say your last name again?

Mr. CONKLIN. Conklin.

Mr. VEASEY. I am sorry. I am having a hard time seeing it from here. Oh, thank you very much.

I wanted to ask you, I think that you had spoken about trades earlier and about how there are young people that just are not being directed in that area, and they are not being—they do not

know about those opportunities, and for whatever reason they are not taking advantage of them. One of the areas that have been talked about on this particular subject a lot is Germany. And there are two things that occur in Germany that are not happening here anymore. There is not as much of a stigma attached to blue collar jobs in Germany. One of those reasons is because the ratio between what white collar workers and what blue collar makers make in Germany, there is much less of a discrepancy than there is here in the United States. And so there is less stigma attached to those jobs.

Another issue that I would like for you to touch on, including the one that I just mentioned, is also labor unions. As you know, the quality and income inequality in this income has slipped dramatically with the demise of certain labor unions in this country. Of course, everybody knows the story about Henry Ford and when productivity went up it was also good for the worker. We have seen a decline here in that area with the decline of organized labor. Of course, in Germany, and the business community and the labor forces, it is my understanding they do go at it pretty hard in Germany, but at the end of the day, it is a result that has led to better outcomes and quality of life for the citizens there. Can you touch on that, please?

Mr. CONKLIN. Well, I cannot speak with great expertise about Germany. I think the contribution that unions made through history to the improvement for workers on the shop floor has outlasted the strength of their influence in our current economy, which on the one hand speaks to the importance of that contribution, and on the other hand it speaks to the reality of the decline of unions, particularly in the trades, and how they interact with small businesses. When we started, we were a nonunion shop, and the union shops went out of their way to make it as difficult for us as they could. But they did not prevail. In fact, over the course of the time that we have been in business we have watched the trade unions' portion of the work that is done shrink to the point where there just is not a whole lot of noncommercial, small scale, high value work being done by union workers.

But I think the larger question is, and it speaks to the culture we are in now, we are just not encouraging kids to pursue the trades. My employees make \$60,000 to \$70,000 a year.

Chairwoman VELAZQUEZ. The gentleman's time has expired.

Now, I recognize the gentleman from Oklahoma, Mr. HERN, Ranking Member of the Subcommittee on Economic Growth, Tax, and Capital Access for 5 minutes.

Mr. HERN. Thank each of you for being here today. It is always good to be on this Committee having been a small businessman for 34 years, so it is exciting.

One of the things I have learned about being up here is not every small businessperson thinks the same way and certainly the three of you have some different ideologies that I would not prescribe to.

I have had the blessings of starting and growing and sold many businesses over the last 34 years, since 1985, starting out as a one person shop writing software and growing into banking and manufacturing, skilled labor. And Mr. Conklin, you are so right. We undervalue the value of skilled labor today and technology and

welding, C&C machinery, woodworking materials. Also, I have been blessed to be involved on the banking side, so I have seen the other side of what has been impacted in community banks over the last 10 years through most recently Dodd-Frank, but just a consolidation of community banks where most lending occurs for small business men and women. Most of the testimony that I have heard over the last couple hearings, I have never heard of the folks offering the lending and I probably created more small businesses as an individual than anyone. So one of my goals is to figure out how we put the resources of where capital can be accessed into a reserve or a place where you can find it. So it is interesting.

But I would really, you know, if you look at the optimism in 2016, I think my goal is to keep that optimism going. And I think the optimism from small businesses as a whole, as identified by the NFIB, is that the government get out of the way of small businesses, not get in the way. So that would be my goal as we go forward.

But I want to talk just real briefly from each of certainly the three of you all on this end about what you think we could do differently as far as access to capital. Briefly if you could because I have got like an hour's worth of questions.

Mr. ARENSMEYER. Thank you, Congressman. We have a couple of suggestions in our policy agenda. One is to, I mean, we are going for broke here, quadrupling the SBA lending guarantees from \$250 million to \$100 billion a year, to reduce the loan guarantee percentages. And to expand the CDFI budget, the Community Development Financial Institutions are a tremendous source of capital for small businesses across the country but they only represent about 1 to 2 percent of all small business lending. So we have a bunch of other stuff in our policy agenda.

Mr. HERN. Sure.

Mr. ARENSMEYER. But those are a few things.

Mr. HERN. Those are great.

Ms. Parsons?

Ms. PARSONS. Yeah. I want to talk about a program that I think is fairly innovative in the State of Oregon. I was appointed by Governor Kate Brown onto the Oregon Growth Board. It is a board that uses a very small percentage of lottery money and invests in funds that invest in Oregon businesses with a particular focus on equity, diversity, and inclusion. And we are really looking at social impact investing. Any returns from those investments go straight into the Oregon State School Education General Fund, and so it is an experiment to say can we take some lottery money and do some innovative, social impact investing that puts emphasis on investing in funds that help Oregon entrepreneurs and particularly the equity diversity party.

Mr. HERN. If my staff could get that information because we have a particular interest in that as well.

Ms. PARSONS. Great.

Mr. HERN. Mr. Conklin?

Mr. CONKLIN. In 1980, when my wife and I had hired I think at that point two employees and we were doing more work for a construction company across the street and was offering us great opportunities to work for some major corporations that surround

New Jersey, we needed to borrow \$5,000 for some equipment. It just was not available. Nobody was interested in loaning it to us. I think ultimately we leased some equipment at a relatively high rate of interest and we got what we needed in the most expensive way. And, we got the sense that we were pretty much on our own. We are going to have to figure this stuff out for ourselves and find the money where we could and pay more for it. And that is exactly what happened.

So when we were talking about how women and—

Mr. HERN. Mr. Conklin, I am so sorry. We are running out of time.

Mr. CONKLIN. Yeah.

Mr. HERN. But I would love to get your thoughts.

I just want to close out with this. I know that when you are creating jobs and you are in the business world and you have tons of risk, I just want to share with you from both perspectives what Dodd-Frank did to community banks. Now, I understand the big banks and why it was created, but to community banks where we get our resources it was devastating because it created a hurdle that you talked about a minute ago. Dodd-Frank introduced tons and tons of regulators into the system to ensure that there was no discrimination, but what they also put in there was a high hurdle to actually take loans, whether it was mortgage, expand the mortgage period from 30 days to about 60 days, but also in a sense of what it did to folks who came in with a business plan and no personal wealth to create jobs.

I could tell you a story how I started my first business, my true business of mowing lawns when a guy loaned me \$100 at a bank on a passbook account without any credit. Those days are long gone but that is how businesses used to start. Today, to your point, you have to have a quarter million dollars to come in. If I had that I would not even start the business.

So thank you all so much for your testimony.

Chairwoman VELAZQUEZ. The gentleman's time has expired.

And now I recognize the gentlelady from Iowa, Ms. Finkenauer, Chairwoman of the Subcommittee on Rural Development, Agriculture, Trade, and Entrepreneurship, for 5 minutes.

Ms. FINKENAUER. Thank you, Madam Chair. And thank you to our panel here today. It is great to hear the different perspectives and where you all come from.

But this question is actually to Mr. Arensmeyer, who I had the opportunity to see yesterday and had the pleasure of getting to speak at the Rural Small Business briefing. I know you organized yesterday with the Co-Chairs of the Congressional Rural Caucus as well. So thank you for that opportunity, and thank you for your testimony today.

I know you talked about how rural entrepreneurs start businesses at higher rates, but also how there are a host of challenges facing rural businesses and that the unemployment rate is still very high in rural areas. I know one of the challenges for rural businesses and farmers is the trade war started on Twitter, but also, on top of that we have got low broadband deployment and transportation and infrastructure issues, along with young people leaving rural America. Or not coming back home after they have

left to go to college. And I look forward to getting to tackle some of those issues, in particular on the Rural Development, Agriculture, Trade, and Entrepreneurship Subcommittee. But from the small business majority's view, what should we be doing to ensure our farmers and our rural employees and small businesses can thrive? Were there any recommendations? I know, I really appreciate again getting to speak yesterday, but also seeing all the young folks in that room, and I imagine you all had some very interesting discussions and interesting ideas that came out of that. And I am wondering if you would be able to share any of that with us today about how best we can support rural businesses and our farmers.

Mr. ARENSMEYER. Thank you, Congresswoman. And thank you very much for joining us yesterday at the release of our rural report. And your comments were very enlightening.

You have identified some of the issues. I mean, broadband is a huge issue. One in four rural entrepreneurs say they do not have access to broadband. I do not know if you were still around, but one of the people on the panel, one of the New Mexico Native American business owners literally talked about how she has a home-based business and talked about how she had to worry about whether her kids were playing videogames, whether her husband was doing work online for her to be able to actually get on, and she has a floral business, and make orders. So it was kind of an interesting, although not very happy story. So broadband is key.

You know, access to resources is absolutely key. I know I sound like a broken record here, but just because of distance, a need. Infrastructure is huge. I am glad Tom has talked a little bit about that. Not only do small businesses depend on infrastructure more than most businesses on sort of a per capita basis but there are actually jobs available for small businesses getting involved and improving infrastructure. So you know, again, I talked about the Rural Microentrepreneurship Assistance Program. There are programs out there, but we need to do more. And, you know, there is a whole list of suggestions in our report. I would be happy to share that with the Committee.

Ms. FINKENAUER. Great, thank you.

Mr. Sullivan, I wanted to talk to you as well because I know in my district we have really active chambers in some of our larger towns, and also some in our smaller towns as well. Has the U.S. Chamber put together, or could you tell me, you know, what could we be doing better working with some of the smaller chambers in some of the smaller towns to attract more people, especially young people back to the area, fill up those Main Streets, and anything that you guys have suggestions for or things like that.

Mr. SULLIVAN. Well, thank you, Congresswoman.

First of all, let me compliment you on one of the bills that you worked on and this Committee passed. I see that you sponsored H.R. 246, which was the—

Ms. FINKENAUER. The long name. Yeah.

Mr. SULLIVAN. Stimulating Innovation through Procurement Act. It is really another example of the bipartisan nature of this Committee and how important it is to get that type of movement

behind bills because then they can get through the House and hopefully through the Senate.

Ms. FINKENAUER. Knock on wood.

Mr. SULLIVAN. You mentioned local and smaller chambers of commerce. Actually, the best part of my job is getting out of Washington, D.C., and visiting with these incredible local chambers. How do you get more people to them? I do not know other than trying to breathe in the same type of optimism that this Committee has about entrepreneurship and how government is there to help them and not to get in their way. And we are trying to do that. But I think your question brings a whole set of opportunities for us to work together to kind of ignite that type of enthusiasm for local chamber membership.

Ms. FINKENAUER. Absolutely. I look forward to having those conversations. And thank you again to all of you for being here. And I yield back.

Chairwoman VELÁZQUEZ. The gentlelady yields back.

And now I recognize the gentleman from Florida, Mr. Spano, for 5 minutes.

Mr. SPANO. Thank you so much, Madam Chair, and thank you all for being here this morning. I just have a few questions.

My first question is to Ms. Parsons. My experience as a small business owner in the district that I represented for several years before I was even involved in public office or publicly policy was I was on the chamber board, two chamber boards involved in numerous local networking organizations to try and keep my business going and growing. And it was not until I was elected to office that I first heard about the Small Business Development Corporation. So my concern is that, and maybe we are doing a better job of that now. I hope so. But at that point in time there just was not enough dissemination by small business development. And look, they have done a great job. I do not mean to disrespect them in any way, but what can we do specifically to get the word out in order for it to filter down to people on the frontlines out there trying to build a small business that will actually allow them to access opportunities?

Ms. PARSONS. Yeah, thank you. That is a great question. And my business has worked with SBDCs for over 25 years. We work very closely. We have donated millions of dollars of software to SBDCs all around the country because we really believe in entrepreneurship. But you are right. People do not know about it. They call our business and ask for help, and that is not what we do. We sell them software and tools, and we always recommend, and in fact, on our website, free and public, we have an entire directory where people can find their local SBDC. And it is a content site that attracts 2 million unique visitors. We need more businesses like mine to help and aid in this effort because small business development centers have free support and free help, and yet the community does not know about them. We need community colleges who often house SBDCs to also engage in those marketing efforts and to do more to pair SBDCs with entrepreneurship classes that they are giving to their local communities so that people know that there is free support and expertise to help them navigate access to capital.

Mr. SPANO. Thank you. Thank you so much.

My next question is for Mr. Sullivan. I had a meeting with some constituents, small business owners just last week in my office, and they were just frustrated by their inability to hire people. They could not find truck drivers, other kind of nonskilled labor positions. And they are not in the ag business. Right? So the season guest worker program will not help them.

My question is should we open up or expand our guest worker program, right, so that our small businesses will have the access to the labor that they need?

Mr. SULLIVAN. Congressman, thank you for the question.

The simple answer is yes. Our immigration system is completely broken and small businesses are hurting because of it. I tried to detail out in my written statement the story of Dick Cardew. He produces hay and folks unfortunately then categorize that as kind of the need for seasonal workers. Well, he is producing hay in Arizona. It is a yearlong season, and he needs workers. And there are hundreds of other examples like this. And so we are with you and we want to work with you to pass comprehensive immigration reform through Congress.

Mr. SPANO. Thank you. I yield back, Chair.

Chairwoman VELAZQUEZ. The gentleman yields back.

I now recognize the gentleman from Illinois, Mr. Schneider.

Mr. SCHNEIDER. Thank you. Thank you, Madam Chairwoman. And I want to thank you and the Ranking Member for hosting this hearing. I want to thank the witnesses for being here today and sharing your experiences.

This is a critically important issue as others have already stated. Small business is the engine that grows our economy. It creates the majority of the new jobs. It is where the majority of Americans find their work. And if we are going to strengthen our communities, whether it is urban communities or communities in rural, small business is going to be key to that.

And when I think about business, and I have said this for years, there are four key pillars that business success depends on. One we cannot really help with. You guys have to come up with your own business idea. That is up to you and that model, that paradigm, whatever buzzword you want to use is what is going to help propel you to success.

But where we can make a difference is improving access to talent, making sure you have the people you need. Improving access to capital. Providing a stable business environment which is a stable government that does not threaten shutdown on a continuous basis. It is eliminating obstacles and hurdles. It is finding ways to reduce complexity, and it is looking for ways to find levers to amplify or multiply the work that you are doing.

So my general question, and I will open this up to the entire panel is if you can think of three of the things that you are concerned about, from health care, infrastructure, debt, student loan debt as a piece of it, and one thing that would make a difference that we can do that will propel small business forward in the country. What would you recommend to this Committee? And we will start at the end.

Mr. ARENSMEYER. Congressman, I want to just address a couple issues we have not talked about that much here. I mean, there is no one silver bullet but a huge issue is health care. And health care is something that has been a tremendous concern for small businesses for years. As I detail in my testimony, the ACA has actually created tremendous opportunities for business owners, business employees, small business employees, and self-employed entrepreneurs to access health care. As I said, over half of the participants in the marketplace fall into those categories. We absolutely have to shore up, we have to reduce the market risk. I talked about some of the issues there of eliminating some of these short-term plans and association business plans that are sort of balkanizing the market and leaving the rest of the market much more expensive and less stable. There is a functioning small business market now and it has gone up. The increases in the market have gone up half of what they were going up before the ACA. So there is no reason to start creating new markets out there. We should support the markets that exist. We obviously have to get control over drug prices and other out-of-network prices. I just want to—

Mr. SCHNEIDER. I do not mean to cut you off but we are limited in time.

Ms. Parsons, if you could opine.

Ms. PARSONS. Yeah, there are so many things that I would like to say but I will keep it to urging you to support the Family Act, which will provide paid leave for all small businesses. One of the things that I think people do not necessarily understand is one of the biggest problems small businesses have, and I am not talking about the SBA definition of 500 employees or less, I am talking about micro small businesses, 20 employees or less, is the infrastructure, resources, and tools to understand how to do better financial analysis which big businesses have. They have analysts and planners and they can understand how to structure their financials and provide paid leave. The economics are there. Paid leave will return to the small businesses because they will retain their workers. People have to choose right now from do I take care of my sick child or do I keep my job? And at the end of the day you are not going to make that choice. You are going to take care of your sick child. So—

Mr. SCHNEIDER. All right. Thank you. I am sorry to cut you off.

Mr. Conklin?

Mr. CONKLIN. I would say both my predecessors covered some of the important issues so I will go back to the Green New Deal.

We have a 13,600 square foot flat roof in a neighborhood of buildings that are similarly structured. It is absurd to me that they are not all covered with solar panels. We could produce more energy off our roof than we consume, and we consume quite a bit of energy. We need to have imaginative programs put in place very quickly that make it affordable for companies like mine to actually do that work. And sometimes that means the company has to put a new roof on the roof before it can put the solar panels on the roof. We need to be really imaginative about this and we really need to hit it hard.

Mr. SCHNEIDER. Thank you.

And if I can indulge one last, Mr. Sullivan, last word.

Mr. SULLIVAN. I will try to be really quick.

I think the biggest thing that you can do is really build on the success of this Committee going forward. Work with your colleagues in the Education and Labor Committee and celebrate the examples that are going on right now. I mention the Tapani sisters in Minnesota, for instance. Celebrate what is working to solve this workforce challenge and celebrate it loud and proud through your work with those Committees so that you can inspire others to follow in their footsteps.

Mr. SCHNEIDER. Thank you. And I will echo that. And I think we need policy that is strong, confident, secure that moves us to the future that addresses our challenges, whether it is environment, health care, education, infrastructure, and small business can lead the way.

And with that I am happy to yield back.

Chairwoman VELAZQUEZ. The gentleman yields back.

And now I recognize the gentleman from Tennessee, Mr. Burchett, for 5 minutes.

Mr. BORCHER. Thank you, Chairlady and Ranking Member.

I had a couple of questions, and I apologize if they have been asked before. If they have, you all just say they have been asked before and I will go back and watch the tape.

But ultimately, where do you all find that government is still getting in the way of small business? I hear this a lot when I am talking to folks. And how can this Committee work to solve that problem?

Mr. ARENSMEYER. Congressman, you know, I think there is not sort of one big answer to that question. There are many cases where government is needed to help small business. We talked about some of those in terms of resources, in terms of obviously, you know, you have heard about the FAMILY Act, about healthcare needs, about access to capital. On the other hand, there are times when government, maybe we should look at regulations and we should figure out how to streamline them. When we have done polling, we found that fewer than 20 percent of small businesses ranked regulatory problems at the top of their list. And in fact, the biggest regulatory problems that exist are more at the state and local level, particularly the lower level. There is not a huge human cry from the businesses that we deal with about Federal regulations. So again, I think we support the work of the SBA's Office of Advocacy, certain laws, the SBREFA process. We are not sure we need another sort of comprehensive process on top of that, and we do need to look at, and you all need to and the regulatory agencies need to look at each regulation, what it is trying to do, what the cost benefit is, and not sort of have a global sort of response to that.

Mr. BORCHER. The thing I always found in my time in the legislature in Tennessee and as mayor, a lot of the time somebody was trying to fix a problem that did not exist and it is always easy to put another nickel on a can of beer until all your beer drinkers call you and then you know you have got a real problem.

Did anybody else want to take a shot at that one? Chamber?

Mr. SULLIVAN. Yes, Congressman, I am amazed at the government's inability to reward those small business owners who are trying desperately to keep up with local, state, regional, and Federal requirements. And I think the time has come for us to admit that and for Congress to pass a comprehensive law that gives these folk a pass. As long as no one is hurt or imminently in danger, let us start rewarding these small business owners for trying to get it right instead of looking to nickel and dime them and penalize them. And they are the ones who are trying the hardest to comply with all the regulatory mandates.

Mr. BORCHER. I noticed too the little cafeteria where I eat at frequently, Wright's Cafeteria, and my predecessor still eats there quite a lot, too, that when the state came in and said you all have to submit your tax forms on computers, that in fact was an unfunded mandate because David Wright, my good friend, he is tight as a tick and he did not want to have to go out and buy a computer. And so it was that way all over the state. There were a lot of problems that that solution that we were looking for created.

And as new opportunities for small businesses a part of the growing economy, is there a skills gap for new types of industries? I assume there is. I assume that is a pretty common thing. Just a head nod will be sufficient. All right.

Where do you all see the opportunities for innovation and helping train folks that are looking to join the work force? I see a lot in our inner city, hardworking black folks and our Hispanic community, they just seem to be almost left out of some of this stuff and to me it looks like we, you know, one size does not fit all. Do you all see that? Any response would be appropriate if you would like. Or just a head nod. I do not know, Chairlady, do we enter head nods as—

Ms. PARSONS. I would love to tell you about a program in Oregon that is directly addressing by bringing school teachers into technology companies. It is called Elevate Lane County, and technology companies in Lane County, Oregon, are bringing school teachers in. We are volunteering to do this. We have them in a program for 3 weeks in the summer. They are paid by the Department of Labor to be there and they learn specific skills so that they can bring a specific computer science course to their high schools that September. So from a technology company perspective, it is fantastic because we often feel that government moves very slowly and this allows something to move very quickly. This summer will be the third summer. My company has helped train four teachers, but all together we have trained over 40 teachers. And the immediacy of being able to train teachers and then provide a computer science course and then take those students and bring them in as interns, in Lane County, Oregon, we have had six students graduate from college and get jobs in computer programming directly because of this program.

Mr. BORCHER. Chairlady, I have gone over my time so I do not yield back any of my time. Thank you.

Chairwoman VELAZQUEZ. The gentleman's time has expired.

And now I recognize the gentleman from New York, Mr. Delgado for 5 minutes.

Mr. DELGADO. Thank you, Chairwoman. And thank all of you for your testimony.

I am going to share a story from Otsego County. Last week I was at an event there and I met with owners of a small, family-owned farm that was started by two brothers and their wives. The family founded the farm in 2010 with a vision to create a vibrant food system in Upstate New York that is strengthened by a commitment to preserving the beauty of our natural lands and the human treatment of animals. They have worked hard to deliver grass-fed meat to their customers and have been successful enough to have customers in places such as Long Island, Pennsylvania, and New Jersey. However, making deliveries to their downstate and out-of-state customers has not been very easy. Members of the family take turns loading up their truck with fresh meat and driving up to 5 hours to meet their customers. The cost associated with growth, and in this case working with a distributor, has limited the ability of many small businesses to expand to their full potential. This family-owned business is one of many in my district that has great products to offer but faces challenges marketing those products to a broader market and meeting the costs associated with expansion.

So Mr. Arensmeyer, my question for you is, in your testimony you highlighted some of the unique challenges that rural Businessowners often face. What actions should Congress take to ensure that existing Federal programs are meeting the demand from rural small businesses that are looking to expand and move their products into larger markets?

Mr. ARENSMEYER. Thank you, Congressman.

That has become a huge part of our work, is making sure we are getting out with our entrepreneurship program across the country and letting people know about these programs. As I think was highlighted by one of your colleagues before, a lot of times these programs exist and people do not know about them. A gentleman who ran a small business and did not know about SBDCs until he got into the public policy world. We find that all the time. We find that there are things, SBA programs, SBDCs, Women's Business Centers, we need to do a better job of communicating those, and it is even more essential in rural areas because it is much harder sort of physically to get access to those so we need to use technology. We do a lot of work with webinars, as well as face-to-face seminars. So I would just say that there are Federal, state, and local programs and there are entities like SBDCs out there and we need to collectively do a better job of making sure small businesses know about those.

Mr. DELGADO. Appreciate it.

I will ask one other question for you, sir. You mentioned in your testimony, I am not sure if someone has already asked this, and if I missed it I apologize. You were talking about the different ways we could legislatively help small business owners, and you mentioned a buy-in to Medicare. I believe you referenced that.

Mr. ARENSMEYER. Yes.

Mr. DELGADO. Could you speak to why you think a buy-in to Medicare would be helpful for small business owners?

Mr. ARENSMEYER. You know, it creates another option. You already have a whole sort of Medicare system set up and certainly

on a no-cost basis allowing people to buy in we think is a good thing. There are a lot of entrepreneurs that fall in the upper end of the subsidies where they phase out at 400 percent of Federal poverty level, which is about a little over \$50,000 for a single person, about \$90,000 for a family of four. And they struggle sometimes to be able to cover that, to offer that coverage. So we think if there is another option to expand into Medicare, let us see how it goes. Maybe you allow everybody. Maybe you lower the age to 55 or 50. You know, I think, you know, it is no secret. There are all sorts of proposals out there around health care. We think the ACA was a huge step in the right direction. We still need to have the debate about how really to get to universal coverage and what is the way to do it, is to start to incrementally move in that direction. See what works, what does not work. And create some additional options for small businesses who might be struggling with existing subsidies.

Mr. DELGADO. Thank you very much.

I yield back my time.

Chairwoman VELAZQUEZ. The gentleman yields back. And now we recognize Mr. Stauber from Minnesota for 5 minutes.

Mr. STAUBER. Thank you, Madam Chair and Ranking Member Chabot for holding this hearing. And to the witnesses.

I, too, am a small business owner. My brothers and I have owned a business for 28 years and there are ups and downs and struggles. And as my colleague from Oklahoma stated, there are some political differences here. I listened to them and the partisanship on some of your comments, I do not agree with them. But we are going to have a healthy discussion as we move forward.

The small business in my mind, I want to tell you a story about what happened in Minnesota just recently. In Ely, Minnesota, we have small businesses. They are outfitters for canoeists and men and women who want to fish and recreate. The United States Forest Service implemented a system after holding hearings where these small businesses in Ely, Minnesota, said that is not the way we should do it. The U.S. Forest Service went ahead, took zero input, the system failed, to get permits into the boundary waters canoe area wilderness. Those small businesses are backed up now at least a month and some change. Every day they do not have customers is a day without money.

And I look at the Federal Government to listen to our small businesses, listen to our chamber of commerces. They are the engines of our economy. If we lose our small businesses, every time we lose a small business down on Main Street USA or Main Street Minnesota, we lose an employer or employee, we lose money, we lose the economic drivers of our Main Street.

And to my colleague in Maine and Iowa, I fully agree with broadband. Bringing the ability to have broadband into rural American. We have talked about it for many years.

And to Mr. Sullivan, from the Chamber's perspective, what do you think broadband would do—reliable, high-speed broadband to rural America—what do you think it would do to the developing small businesses and the entrepreneurship?

Mr. SULLIVAN. Congressman, thank you for the question.

First of all, this is part of what we were talking about earlier about infrastructure investment. A simple answer is we believe that type of broadband deployment would have an enormous positive impact on small business. And we are working on finalizing a study that would help us put data and figures to that sense that we have. And I would be happy to share that with you. We expect that to be out in the middle of March.

Mr. STAUBER. Thank you.

And then can you reiterate to me what the Tax Cuts and Jobs Act did for small businesses in relation to your role as a member of the Chamber?

Mr. SULLIVAN. Sure. So when tax reform passed, we had a survey out in the field. This is part of our quarterly survey of a thousand small business owners. The survey firm is called IPSOS. They do this every quarter. But the tax reform passed right while that survey was out in the field and we saw the highest spike in optimism that we had ever seen. That same spike was recorded by the National Federation of Independent Business that has been doing a monthly confidence survey, a lot longer than we have been doing our quarterly index. So that was the immediate.

Then what we saw, really, which was what the intention of the tax cuts were, and that was to put stimulus immediately back into the economy. And so we saw examples like a landscaper in Jacksonville, Florida, buying a new landscaping truck.

I grew up just outside of Boston. We had a bakery in Braintree, Massachusetts who bought a new oven specifically from the savings from tax cuts. And I had mentioned earlier, we have been trying to track this on a map, and we have hundreds of examples of small business owners that not only were grateful but they took those tax cuts and they reinvested them into their businesses. And that means hiring new employees. That means providing greater benefits, greater training, and also buying new equipment, which is basically a double impact because they are generally buying it from other small businesses.

Mr. STAUBER. Thank you for that comprehensive answer.

I want to end, Madam Chair, by saying I really think it is our role on this Committee to facilitate a business environment that allows small businesses to succeed and flourish, and I think far too long there have been rules and regulations put forth that stymie, stop, or do not allow an individual to want to pursue small businesses.

And I see my time is up. Thank you, Madam Chair.

Chairwoman VELAZQUEZ. Thank you. The gentleman yields back.

And now we recognize the gentlelady from Pennsylvania, Ms. Houlahan for 5 minutes.

Ms. HOULAHAN. Thank you, Madam Chairwoman.

My name is Chrissy Houlahan. I am a freshman. I have only been here just about 35 days but I have been a serial entrepreneur in Pennsylvania, built a number of different companies in the for-profit and non-profit space focused on basketball apparel and manufacturing, all the way to early childhood literacy, all the way to corporate social responsibility. So fundamentally, I consider myself

to be an entrepreneur and very much about elevating small business people.

My questions have to do with the Tax Cut and Jobs Act, and specifically I would like to dig in a little bit on the data that you, Mr. Sullivan, shared about your surveys. What I am interest in, because I am also an engineer, is sort of the inverse of your offering. You offered that 600-plus businesses said that they initially had positive reaction or experiences because of this tax cut. Were there several hundred or any that responded in the negative, or did you ask them?

Mr. SULLIVAN. Thank you for the question, Congresswoman.

So first of all, they are two separate things. First, the survey that we talked about is part of a quarterly index, and this index does what most indexes do. It asks small business owners in a random sample on a quarterly basis how did you do, how are you doing, and how do you think you are doing? And in that we saw an enormous spike.

Ms. HOULAHAN. Great. But I am asking about those 600 that you offered for the record that had specific—

Mr. SULLIVAN. That is the second part.

Ms. HOULAHAN. Okay.

Mr. SULLIVAN. I said there were two parts to it. So first is the survey. The second part are these small business owners. We tracked newspaper reports and others who came to us and said we would like to publicize our reinvestment. But no, we did not ask small business owners, did you experience a negative impact from taxes? No, we did not.

Ms. HOULAHAN. Thank you. And my next question has to do with, of those 600 who responded, you mentioned that you had the geography of them, can you, if you are able to, talk into California, New Jersey, New York, Pennsylvania, those states that are the state and local tax states that may have not necessarily been as positively affected? Could you on a heat map identify where those 600 were?

Mr. SULLIVAN. We actually do have a heat map up online. It is [uschamber.com/tax-reform](http://uschamber.com/tax-reform).

Ms. HOULAHAN. Perfect.

Mr. SULLIVAN. And I am happy to get you the state-by-state data following this hearing.

Ms. HOULAHAN. That is perfect.

And my final question has to do with I was, and still am, that person who sits at the table with my husband doing taxes. Between us we have several degrees and have a very hard time getting through it. And I know that businesses sometimes have different fiscal years than an April reporting timeframe. But have you had the opportunity to ask the question again of those business owners, those small business owners after the first tax cycle that they have gone through if they are still as enthusiastic about the Tax Act?

Mr. SULLIVAN. So we are right in the middle of that cycle, and I am glad that you raised that because taxes have always been complex, and whenever there is a change to the Tax Code it becomes more complex. We reached out to a lot of CPAs. We actually found that the local chambers and CPAs who were leaders in those local chambers had the best sense of how their clients, who are also

small business owners, were doing. We have heard mixed reactions and we are really anxious in this tax season, which is a month and a half away from us, on seeing the data coming back. We are optimistic. We saw positive reviews over the past year but this tax season I think will give us a lot of valuable data on what we need to do even more to reduce tax burden to help small businesses grow.

Ms. HOULAHAN. I am going to be interested in it, too, because I think that it will be very telling as we come through one cycle of this to see if really people remain as enthused as they were initially.

And in my last minute of questioning, if you do not mind, Mr. Conklin, I know that your testimony had something to do as well with the inverse, which was that you would like to see the Tax Cut and Jobs Act, in some cases I believe your testimony said repealed. And I just would like your comments and perspective on that.

Thank you so much, Mr. Sullivan, for your testimony.

Mr. CONKLIN. Yeah. First, it had no impact on us, positive or negative. It was neutral. And that came straight from my accountant. I cannot give you the specifics or the details.

My point is when we give these tax breaks to large corporations and to the very wealthy, and I work for the wealthiest people in the world and that is not hyperbole. We are depriving the community where I work of the necessary revenues to maintain the roads, to rebuild the tunnel under the Hudson River that when it finally fails and collapses will be a national disaster and will put 800,000 cars on the roads of New York, New Jersey, and Long Island, and create one of the biggest log jams that has ever occurred in commerce.

So going back to a question that was asked earlier about delivering goods and services, yeah, we can create some real problems by starving the government and starving our communities of necessary revenue to do the maintenance and upkeep.

Ms. HOULAHAN. Thank you very much for all of your testimony and for coming here today.

Chairwoman VELAZQUEZ. The gentlelady's time has expired.

And now we recognize Ms. Davids from Kansas for 5 minutes.

Ms. DAVIDS. Thank you, Chairwoman.

Well, I am excited to hear and read about all the priorities, and thank you to you all for taking the time to put together your testimony.

Like so many of the folks who have already spoken, and this is a great segue, Mr. Conklin, because I sit on the Transportation and Infrastructure Committee as well, and there certainly are a lot of intersections, pun intended, to the points that you all are making about how small business can be buttressed, supported, and see an increase if we are properly investing in our infrastructure. And you know, I mean, in Kansas, we are actually coming off of the Brown Bag Tax Experiment and have seen a reduction in revenue, so I appreciate your comments, Mr. Conklin.

We are in the middle of a new administration. Laura Kelly came out almost immediately, our new governor, talking about the need to invest in our infrastructure, and I was particularly excited to be on this board because the Kansas City metro area, the district that I am in, the Third District in Kansas, particularly, we have entre-

preneurship baked into the DNA of the place that we are in. We have got great organizations like the Kauffman Foundation, which supports a lot of initiatives that you all have been talking about. And Kansas has 13 SBDCs, Small Business Development Centers, and Ms. Parsons, I was really excited to hear you talking about Johnson County Community College—I am going to mention them—about the role that community colleges can play in highlighting and elevating SBDCs. But also, Mr. Conklin, it goes to some of what you were talking about, about the technical trades. Johnson County Community College and Kansas City, Kansas Community College were just here visiting with me, telling me about those exact programs. So I want you to know it is not falling on deaf ears.

But Mr. Sullivan, I would like to ask you a question that touches on the infrastructure piece, which is can you talk a little bit about, in your testimony I know that you mentioned that you all just had, you know, an extensive set of meetings. The infrastructure portion was kind of the shortest section in your testimony but I think it might be because you all were just having this meeting. Could you talk to us a little bit about the areas that infrastructure can play a pivotal role in small business?

Mr. SULLIVAN. Thank you, Congresswoman. I apologize for giving short thrift. I have with me the 35-page booklet of U.S. Chamber priorities.

Ms. DAVIDS. I thought there might be something.

Mr. SULLIVAN. I had to cut somewhere.

The conference that I referenced last week was the U.S. Chamber's kind of kickoff to what we see as a huge push to get infrastructure legislature moving. And I do not mean to pass the baton back to you, but we are convinced that if legislative text is not moving before the summer, then we are going to be in a lot of trouble. So that is kind of the setting that came out of last week's conference. And it was encouraging to hear from your colleague that our infrastructure team is up here on Capitol Hill meeting with you all and trying to map out some of the details.

As far as small business goes, I had mentioned earlier that we see really a two-part benefit when it comes to infrastructure investment. The first is that it makes it easier for the small business owners to get to their jobs and to get new jobs. I call it eliminating the hassle factor that is so familiar to anyone who has to commute a long way, and then just think of that times 100 when you are trying to actually do business on those same roads and bridges.

The second are the small business owners who actually as their business do public works projects. We believe that they will receive an enormous benefit from jobs and work when infrastructure investment becomes a legislative reality in this Congress. And again, I do want to emphasize the positive here and that is the bipartisan nature of support for infrastructure reform. So to the extent that we can follow up with your office after this hearing, we are all in, we are all ears, and we want to work with you to make it a reality.

Ms. DAVIDS. Thank you. And I yield back the rest of my time.

Chairwoman VELAZQUEZ. The gentlelady yields back.

I would like to go into a second round.

Mr. Arensmeyer, I serve on the Financial Services Committee and I, too, am concerned about the fintech space as it relates to lending for small businesses. I know that you have done some research. In terms of rural areas, do you have any information, either anecdotally or factual based that tells you there are some concerns as it relates to transparency and online lending to small businesses?

Mr. ARENSMEYER. Sure, Madame Chair. You know, there are two sides to lending. One is the lack of access. So that creates the market need for a greater number of products, and we agree you cannot solve the transparency alone and solve the problem. We have to deal with the access problem. So we start off in rural communities. They have less access to resources, less access to loans than other people. And so they are going to naturally be attracted to online alternative lenders, especially because they are online, so assuming they get broadband they are able to access them. And so the Borrowers' Bill of Rights that we put together that we think should be enshrined in legislation, and we took the first step to that in California this last year is, you know, there are six points—the right to transparent pricing and terms; the right to nonabusive products, meaning there is an expectation that the loan is going to get paid back out of business revenues, not by taking another loan or out of the person's personal pocket; the right to responsible underwriting; the right to fair treatment from brokers; the right to inclusive credit access; and the right to fair collections practices. These are nationwide concerns that we have and we really think that the Congress should address, particularly the Financial Services Committee. But they are particularly concerned in rural areas.

Chairwoman VELAZQUEZ. Thank you.

Ms. Parsons, would you like to comment?

Ms. PARSONS. Yeah, I would. My business serves millions of entrepreneurs, and I could make money all day long partnering with fintech who does not often seem concerned about the effects of the types of loans they are giving small businesses. Small businesses and entrepreneurs are sometimes in a position where they will take anything, much to the detriment of their own business, just the same way personal finance has needed regulations so that people do not bankrupt themselves. And I very much agree with we need to look at that. We need to give small business protection. No one can recover from a cash loan that is at a 40 percent interest rate, and it will put the business out of business.

Chairwoman VELAZQUEZ. Sure. Thank you.

Mr. Sullivan, today's Wall Street Journal says, "Small business sentiment sours." So it makes reference to small business optimism. And it says that it has declined according to figures from NFIB in January, and consumer confidence has declined as well for the third straight month of decline. Why do you think that is?

Mr. SULLIVAN. I think that the dip in small business confidence that NFIB's monthly survey picked up has to do with the lack of certainty in the business environment. I think the government shutdown was a shock to the system. I compliment this Committee for having a hearing last week that brought that shock into reality about what a shutdown means to small business. We cannot have

government not govern because it does affect small business confidence. And I think that is one reason.

I would like to try to give a little bit more of a positive though. We did see a Gallup Poll 2 days ago that looks at consumers' attitudes towards personal finance. And what they found is that actually for the first time in 16 years, 69 percent of Americans believe they will be better off financially at this time next year. So I am a "glass half full" type of guy. I take some optimism from that survey but I will admit, as you pointed out, that confidence has taken a dip. Hopefully, we will not have another shutdown and that we will continue to see confidence go back up.

Chairwoman VELAZQUEZ. And it has nothing to do with the fact that maybe some small businesses now are focusing on the Tax Code and the tax cuts and finding out that some of those are temporary, and will not be made permanent for them?

Mr. SULLIVAN. I think there have also been news accounts that echo what you had just said. I think my response is that we have a year of information from small business owners who have said that they have reinvested savings from tax cuts. And so I would much rather rely on that year of testimonials than 1 week of discussion of whether or not folks are going to get as big of a tax refund a month and a half before taxes are due.

Chairwoman VELAZQUEZ. The gentleman Ranking Member will be recognized for 5 minutes.

Mr. CHABOT. Thank you, Madam Chair.

I would just note the nonpermanence of those tax cuts were a result of the Senate rules, not because of anything the House did or wanted to do. We wanted to make them all permanent but they have got rules over there that they have to comply with. And as in the Bush tax cuts, ultimately, I think most people think that the tax cuts for individuals, et cetera, will be made permanent. It would be very unpopular not to do that but a lot of the statements out there about talking about the rich got it or the middle class did not or individuals did not get it are based upon assuming that the tax cuts are going to go away in 10 years for a lot of people which I cannot imagine that that would happen unless we have an extremely irresponsible Congress at that time. So I do not expect that, although Congress is certainly capable of being irresponsible at times.

Let me, just one question, one final question, Mr. Sullivan. A number, some of our witnesses today have talked pretty glowingly about the ACA, the Affordable Care Act, or what some people refer to as the Unaffordable Care Act, or most people over time have referred to it as Obamacare, but that is what we are talking about here. So pretty glowingly about it. Now, none other than Bill Clinton famously said that it is, referring to Obamacare, said it is the craziest thing in the world. People's premiums have doubled and they are getting half the coverage. And you talked to, in your position at the Chamber and with the Small Business Council, I know you talk to a lot of small business folks from all over the country there. Has that been your experience relative to Obamacare? Have they been pretty big fans of it or have they had real concerns about it? Or what do you hear with all the small business folks you talk to?

Mr. SULLIVAN. Thank you, Congressman, for the question. Reiterating my attitude of being a “glass half full” type of person, we actually hear very positive things about the availability of association health plans that are just being rolled out across the country. There was a study released 2 weeks ago by a healthcare expert in Nashville, Kev Coleman. And he actually talks about the 28 association health plans that have been offered through state and local chambers of commerce, and also industry associations. And he actually paints a very positive picture of this.

Mr. CHABOT. Not to interrupt you but I know I am. When you say association health plans, you are talking about small businesses getting together and negotiating with the insurance companies to keep the rates down; is that correct?

Mr. SULLIVAN. Congressman, yes. There was a rule issued by the Department of Labor this summer that under the construct of the Affordable Care Act, and the pooling arrangements under the Affordable Care Act, the Secretary of Labor determined that those same types of poolings can be utilized for small businesses to join together for better buying power through association health plans and our local chambers of commerce have really jumped at the chance of offering these. And this study actually shows that a sharp rebuttal to some inaccuracies about noncoverage of pre-existing conditions or skimpy plans, in fact, his analysis of these 28 plans showed that they were comprehensive and resulted in savings upwards of 20 percent. So there are 13 states who are allowing chambers of commerce to offer these, one of them being Ohio, and we are encouraged, and we hope that this is something that Congress looks at favorably and perhaps shines some light into really addressing a key issue. I think John Arensmeyer was right that health care is a huge issue for small business. I just take a “glass half full” view that these association health plans are part of the equation of solving that challenge.

Mr. CHABOT. With the little time that I have left I would just note that that was one of the aspects that I know Republicans were very supportive of was association health plans, as well as allowing insurance companies to sell their products across state lines so that would increase the competition so that consumers, including small businesses, could get health care at lower rates.

And finally, with the 5 seconds that I have got left here, to note that we were very much for making sure that preexisting condition coverage was there as well, so.

And I yield back my time even though it has been exhausted.

Chairwoman VELAZQUEZ. Mr. Golden is recognized for 5 minutes.

Mr. GOLDEN. Thank you, Madam Chair. I appreciate it. I know that we are bumping up against the end of this but I just wanted to follow up a little bit on my earlier questions. I want to thank the Chairwoman and the Ranking Member for having this hearing. I think it is a great opportunity to sit here and talk with small business owners. I want to thank every member of the panel for coming in and being a part of this as we look forward for what I hope is 2 years of really productive work on this Committee.

But earlier, Mr. Sullivan, we talked a little bit about infrastructure. I know you have a lot of members. It is hard to prioritize and,

you know, you are spread out across the entire country, but we cannot always do everything, particularly not at once. And I think it is important to push you a little bit on it.

You know, back home when I was in the Maine State Legislature, the first thing I did when I got elected in 2014 was do a small business tour and ask people, you know, what are your top priorities? Now, where I come from and the town that I represented, at that time they prioritized work force, then infrastructure and energy costs, and then they talked a little bit about taxes and regulation. It could be different, I know, in different areas in different parts of the country, but again, just circling back to infrastructure, for the entire panel, if you could just, a short answer, specific to rural areas and small businesses, if this Committee and the Subcommittee that I am going to be chairing, we are looking at infrastructure, what would be the area of infrastructure that you would prioritize particularly to help spur growth? Something like broadband. Is it investment in rail? Just pick one. There is no right or wrong answer here.

Mr. SULLIVAN. Thank you, Congressman for the question.

My quick answer is that whatever infrastructure bill Congress gets moving, which I hope it does, make absolutely certain that the user fees go to infrastructure.

Mr. CONKLIN. I think we need to strengthen public transportation. I think in the concentrated areas, the nonrural areas, that are often the customers of rural areas, when we get jammed up, you get jammed up. Earlier we heard about a person who took 5 hours to get something delivered. We are 20 minutes from New York with no traffic and 2-1/2 or 3 hours from New York when there is traffic and there is always traffic. And one of the reasons there is traffic is because there are too many cars on the road. And one of the reasons there are too many cars on the road is because our public transportation system is collapsing. And so these extraneous effects of disinvestment and misguided investment have far-reaching effects and they do have a direct impact on our bottom line. So that is one of the things we really need to focus on.

Mr. GOLDEN. Mr. Sullivan, you want to get the money to the projects. You are saying invest in public transportation including in rural areas.

Ms. Parsons?

Ms. PARSONS. I would really have to support broadband to rural communities. We are failing our rural communities. They are falling behind. We are not able to train workers and give them access to online education, online tools. The world is moving into, you know, technology is what is going to drive innovation and we cannot leave rural communities behind.

Mr. GOLDEN. Thank you.

Mr. ARENSMEYER. I agree with everything that has been said, particularly the broadband into rural areas. I think something this Committee has jurisdiction over is we need to make sure that when the infrastructure bill is implemented that the procurement is focused very much on small business, that the small business rules are followed, the women-owned business rules are followed. You know, that is a great source of growth for entrepreneurship in all of our communities and this Committee can really take the lead in

making sure that those contracts are focused on small businesses, making sure that small businesses, and particularly women and minority-small businesses are at the center of that, and rural-owned small businesses in rural areas. So I am not sure. You know, there are a host of projects that need to happen, broadband, and then a lot of physical projects but we would like this Committee to make sure that they track the procurement on that.

Mr. GOLDEN. Thank you. I yield back.

Chairwoman VELAZQUEZ. The gentleman yields back.

Mr. GOLDEN. Thank you, Madam Chair.

Chairwoman VELAZQUEZ. Well, let me take this opportunity to thank all of you for being here today and helping us craft a small business priority going forward. Small businesses are critical to the success of our country, whether it is the small technology startups or advanced manufacturing, these firms generate tremendous economic activity and provide employment opportunities for our communities. As we move forward in this Congress it is critical that we listen to and prioritize their needs to ensure their future success.

I would ask unanimous consent that members have 5 legislative days to submit statements and supporting materials for the record.

Without objection, so ordered.

And if there is no further business to come before the Committee, we are adjourned. Thank you.

[Whereupon, at 1:09 p.m., the Committee was adjourned.]

## APPENDIX



## WRITTEN STATEMENT

BEFORE THE U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON SMALL  
BUSINESS

HEARING ON

“SMALL BUSINESS COMMITTEE PRIORITIES FOR THE 116<sup>TH</sup> CONGRESS”

February 13, 2019

John Arensmeyer

Small Business Majority

Chairwoman Velázquez, Ranking Member Chabot and fellow members of the Committee,

Thank you for inviting me to speak with you today about 2019 policy priorities for our nation's entrepreneurs.

Small businesses are the foundation of the American economy—one that ensures opportunity and prosperity for everyone. Indeed, entrepreneurship is essential to an inclusive society where all Americans can thrive on a level playing field.

Small business ownership is also a potent force that can help address the economic inequality that is holding us back from achieving our full potential—from providing sustainable high quality jobs to helping revitalize distressed neighborhoods and rural communities. A healthy entrepreneurial ecosystem provides an innovative and singular pathway for women, people of color, young adults, veterans, disabled people, immigrants and rural residents to enter the mainstream American economy and build income and independence.

As a long-time small business owner prior to founding Small Business Majority, I know first-hand how entrepreneurship can create lasting impact for both individuals and their communities. With this understanding, I founded Small Business Majority 13 years ago to create a national organization to empower America's entrepreneurs to build a thriving and inclusive economy.

At Small Business Majority, we actively engage small business owners and policymakers in support of public policy solutions, and deliver information and resources to entrepreneurs that promote small business growth and drive a strong, job-creating economy. Our extensive scientific opinion polling, focus groups and economic research help us educate and inform policymakers, the media and other stakeholders about key issues impacting small businesses and freelancers, including access to capital, taxes, healthcare, retirement and critical workforce issues.

Small Business Majority has a network of 58,000 small business owners across the country, with eight regional offices. We work closely with our network and with more than 1,000 local business groups to create a strong small business voice in Washington and state capitals, and deliver critical education and resources to America's job-creating entrepreneurs. Through our Entrepreneurship Program, we offer free education, tools and events to small business owners and aspiring

entrepreneurs about access to responsible lending options, retirement, healthcare, wealth building tactics and more.

Unfortunately, Washington persists in pursuing policies that favor large corporations over Main Street. And, all too often small business is perceived as just another narrow interest group, not an essential component of our economic prosperity. Worse, small business' good name is often hijacked to justify policies that ignore the real needs of America's entrepreneurs in favor of policies that benefit a select few. Changing this counterproductive dynamic begins with smart policies aimed at ensuring entrepreneurial success in all segments of our society.

We have created a [policy agenda](#) that will promote a thriving economy and increase prosperity for all. Our agenda includes short and long-term recommendations that can be enacted at the national, state and local levels. The agenda focuses on seven topics:

- 1) Access to capital
- 2) Healthcare
- 3) Retirement and other portable benefits
- 4) Entrepreneurship and the freelance economy
- 5) Supporting a skilled small business workforce
- 6) Infrastructure and economic development, and
- 7) Taxes

Today, I will focus on the first three areas, while also offering insight into how our nation can address the needs of underserved entrepreneurs—women, people of color and rural small business owners.

#### **Expanding access to capital and responsible alternative lending, especially for underserved entrepreneurs**

Despite the importance of small businesses to our economy, small business owners—particularly women, people of color, rural entrepreneurs—face significant hurdles accessing capital. Harvard Business School's 2016 report "[The State of Small Business Lending](#)" found that the small business share of total bank loans fell from 31% in 2010 to 21% in 2016. And while women-owned firms are the fastest-growing segment of businesses, studies find that women do not get sufficient access to loans and venture investment. According to Biz2Credit's 2017 [State of Women-Owned Small Business Finance Study](#), women business owners get nearly 50% less in funding than their male counterparts. Similarly, a [SBA study](#) found African American and Hispanic business owners were most likely to report unmet credit needs.

New alternative and online lending opportunities have sprung up to fill this market need, which is a potentially positive development for small businesses. Innovators are providing faster and easier ways to borrow and increasing access to credit in communities that have historically been underserved. However, alternative sources of financing operate in an almost entirely unregulated market—making many small business owners vulnerable to predatory practices. The transformation in small business lending holds great potential, but this can only be achieved if the industry is built on transparency, fairness and putting the rights of borrowers at the center of the lending process.

A desire to encourage responsible innovation in online lending is what drove us to co-found the Responsible Business Lending Coalition (RBLC) in 2015. The RBLC has published the Small Business Borrowers' Bill of Rights, a guide for responsible business lending standards that more than 90 fintech lenders, banks and other groups have signed on to. The RBLC has also produced policy

recommendations for a national Small Business Truth in Lending Act that would ensure small businesses can make informed borrowing decisions.<sup>1</sup>

In addition to promoting responsible lending practices, federal policymakers should pursue policies that: 1) Increase entrepreneurs' access to traditional sources of capital, 2) Promote the expanded use of equity investments for small businesses. At their core, these policies should particularly focus on increasing access to capital for those who currently have the greatest need—women, entrepreneurs of color and rural business owners. Congress should also increase funding for technical assistance providers to ensure small business owners have access to the resources they need to navigate the funding landscape. Key recommendations include, but are not limited to, the following:

- Quadruple Small Business Administration (SBA) lending guarantees—for example, by raising the maximum guaranteed annual loan amount from \$25 billion to \$100 billion—and thereby increasing the volume of small business loans guaranteed by the SBA to \$1 trillion over the next decade.
- Reduce the risk of small business lending for banks by increasing the loan guarantee percentages from 85% to 90% for loans up to \$150,000 and from 75% to 85% for loans between \$150,000 and \$700,000.
- Dramatically expand the annual budget of the Community Development Financial Institutions (CDFI) Fund from \$250 million to \$1 billion. CDFIs are fundamental in breaking down barriers to capital access for small businesses. Expanding the Fund will further increase investment in small firms, especially those in underserved communities.
- Reaffirm the Community Reinvestment Act's (CRA) mission of stimulating lending in low- and moderate-income areas to ensure business owners in these areas maintain access to capital.
- Facilitate access to equity financing to small businesses within new Opportunity Zones investments.
- Engage and mobilize potential angel investors by creating more tax incentives.
- Prohibit "confessions of judgment," in which borrowers agree in advance to lose any dispute with a lender, as proposed in the bipartisan Small Business Lending Fairness Act.
- Pass legislation extending Truth in Lending Act disclosure requirements to small business loans or credit products, such as California's small business truth in lending legislation enacted in late 2018. Disclosures should include the following seven features, per the RBLC:
  - Financing Amount: Include "Disbursement Amount" accounting for fees or charges withheld at disbursement.
  - APR or "Estimated APR": APR is the only established metric that enables informed comparisons of the cost of capital over time, and between products of different dollar amounts and term lengths.
  - Payment amount and frequency: Include the "Total Monthly Payment Amount" if payment frequency is other than monthly. This is to enable apples-to-apples comparison between products offered with daily, weekly, bi-weekly, and monthly payments.
  - Term, or Estimated Term in the case of variable term financing.

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<sup>1</sup> "Policy Recommendations for a Small Business Truth in Lending Act," Responsible Business Lending Coalition, December 2018, [http://www.borrowersbillofrights.org/uploads/1/0/0/4/100447618/rblc\\_small\\_business\\_truth\\_in\\_lending\\_act\\_recommendations\\_12-18.pdf](http://www.borrowersbillofrights.org/uploads/1/0/0/4/100447618/rblc_small_business_truth_in_lending_act_recommendations_12-18.pdf)

- All Upfront and Scheduled Charges listed with dollar amounts.
- Prepayment charges: A description of any financing amount due when financing is paid in full, if paid early.
- Collateral requirements, if any.

#### Strengthening healthcare marketplaces and promoting affordability

Over the past seven years, the Patient Protection and Affordable Care Act (ACA) has provided healthcare to 24 million individuals who otherwise couldn't access coverage, many of whom work for small employers or are themselves business owners and self-employed individuals. Indeed, more than 5.7 million small business employees or self-employed workers are enrolled in the ACA marketplaces, and more than half of all ACA marketplace enrollees are small business owners, self-employed individuals or small business employees.<sup>2</sup>

The ACA has a profound impact on our nation's growing ranks of solo entrepreneurs, many of whom previously could not afford coverage due to pre-existing conditions or were tied to jobs where they were guaranteed health coverage. Nearly 3 in 10 self-employed adults were uninsured in 2013. As of 2016, the uninsured rate for these individuals had fallen to 19.2%, a decline of 35% following the implementation of the ACA. What's more, the protections extended by the ACA are popular with small business owners. According to research from Thumbtack, 82% of small business owners want to guarantee protections for patients with pre-existing coverage, 74% support subsidies for low-income Americans to purchase insurance and 82% support Medicaid expansion at the state level.<sup>3</sup>

Despite this undeniable progress, healthcare continues to be a major concern for America's entrepreneurs. Recent analysis has shown that actions by federal policymakers are causing the uninsured rate to rise for the first time in years. Alongside the repeal of the individual mandate, the federal government is promoting risky alternatives, such as association health plans and short-term plans. All of these actions will cause yet even more market instability, not to mention provide woefully inadequate coverage. All of this change poses a continued risk to America's 30 million small businesses and the additional 30 million Americans who work for them. However, there is much that can and must be done.

We must (1) strengthen healthcare markets and (2) expand health coverage, while (3) simultaneously turning our attention to reducing drug prices and containing other inefficient underlying costs in the system. Specific policy recommendations include:

- Maintain health protections for individuals with pre-existing conditions. This provision has enabled many would-be entrepreneurs to leave traditional jobs to start their own small businesses since they can access affordable, quality health coverage on their own through the individual marketplaces.
- Address the rising costs of prescription drugs, as these costs are hurting small business owners' bottom lines.
  - For example, the Transparent Drug Pricing Act would mandate drug manufacturers to disclose information that influences drug prices, such as manufacturing and marketing costs, in an effort to bring about more transparency.
  - Allow Medicare to negotiate prices with drug companies. We urge Congress to pass legislation such as the Medicare Drug Price Negotiation Act that allows for the negotiation of lower drug prices under Medicare Part D.

<sup>2</sup> "Small businesses see significant gains from the ACA," Small Business Majority, October 2018, <https://smallbusinessmajority.org/our-research/healthcare/small-businesses-see-significant-gains-aca>  
<sup>3</sup> "2018 Small Business Friendliness Survey," Thumbtack.com, August 2018, <https://www.thumbtack.com/survey#/2018/1/states>

- Protect consumers from surprise billing by limiting patient cost-sharing to the amount they would owe to an in-network provider, setting a payment standard regarding what insurers owe providers in these situations and prohibiting providers from balance billing patients, as proposed in the Protecting Patients from Surprise Medical Bills Act introduced in Congress last year.
- Create more transparency on pricing and quality to allow patients to make informed decisions about where they receive care, which will benefit the healthcare system overall
- Block the extension of short-term, limited duration insurance plans. These plans are intended to fill gaps in an individual's coverage in the event of job loss or other life changes, but are not required to cover essential health benefits like prescription coverage or mental health treatment and can come with hefty deductibles.
- Oppose efforts to implement association health plans, which would encourage younger, healthier groups to purchase inadequate coverage, thus increasing costs for most of the small group market and potentially cause a market death spiral.
- Provide additional options for consumers by allowing them to buy in to Medicare or Medicaid. For example, Congress could enact legislation such as the Medicare at 55 Act, introduced in Congress in 2017, which would allow individuals aged 55 to 64 to buy into Medicare. The State Public Option Act, also introduced in 2017, would allow individuals who are eligible to enroll in the marketplace and not concurrently enrolled in other health coverage to buy into a state Medicaid plan.
- Guarantee payments to insurers for cost-sharing subsidies, which will help many entrepreneurs and small business employees afford health coverage. This can be done by passing bipartisan legislation such as a bill put forth by Senators Alexander and Murray in 2017 that would ensure payments and add \$100 million in funding for outreach and enrollment activities for two years.
- Create a reinsurance program, which would help stabilize premiums in the individual marketplaces by providing support for insurers facing high financial losses. For example, Senators Collins and Nelson proposed legislation in 2017 that would have provided \$4.5 billion in reinsurance funding over two years to help lower insurance premiums by compensating insurers for their most expensive customers.

#### **Increase access to retirement and other portable benefits**

The way Americans work and start a business is changing—people switch jobs more frequently throughout their careers and they are more likely than ever to work as a contractor or freelancer than as a W-2 employee. While flexible work arrangements can be positive, they can leave individuals without important benefits traditionally tied to one's employer. No one's financial security, ability to afford benefits like healthcare or capacity to take time off of work to care for a new child or sick family member should depend on their employment status. Today's entrepreneurs and small business employees need a modernized benefits infrastructure that promotes quality jobs for those who do not work for large organizations. In order to support our evolving entrepreneurial community, we recommend the following policies:

- Support federal efforts to establish publicly-administered retirement savings programs (like "Secure Choice" or auto-IRA) programs, which our polling shows small businesses support. Numerous bills were introduced last Congress, such as the Automatic IRA Act, which proposed an auto-IRA arrangement for eligible employees and provide employers with fewer than 100 employees with a tax credit for the costs associated with establishing such an arrangement. Moving forward, legislative proposals should include the following provisions:
  - Enroll employees automatically, but allow them to opt out.

- Ensure employee contributions are portable between jobs.
- Make participation open to the self-employed.
- Pass the FAMILY Act to establish a national program that would provide partial wage replacement for small business employees and the self-employed to access parental leave or to handle serious health conditions for themselves and family members. Our polling found 70% of small employers believe it's important to establish a federal program to guarantee access to paid family and medical leave.
- Adopt policies to make workers compensation and unemployment insurance available to non-traditional workers and reform requirements that penalize non-traditional work.
- Encourage the U.S. Department of Labor to institute a Benefits Innovation Fund to stimulate more investment in portable benefits models.

#### Addressing the unique opportunities and challenges facing rural entrepreneurs

Rural entrepreneurs start businesses at higher rates than their urban counterparts and have higher five-year business survival rates, and these businesses play a particularly vital role in rural America, creating roughly two-thirds of new jobs and supporting the economic and social wellbeing of their communities.<sup>4</sup> Nationwide, small business owners generate more local economic benefit than larger corporations, a fact that holds true for rural entrepreneurs as well.

While local businesses are vital to rural communities, rural communities have struggled to recover economically from the Great Recession, lagging behind their urban and suburban counterparts. Indeed, a 2016 report from the U.S. Department of Agriculture found that while the national unemployment rate has returned to pre-recession levels, it is still well below pre-2008 levels in rural areas.<sup>5</sup> Stimulating rural entrepreneurial activity could help reverse these trends and create more economic opportunity for rural residents. Small Business Majority published a report this week examining the unique needs and challenges of small business owners in rural communities by conducting in-person field research as well as a national poll. Our findings allowed us to identify specific policy proposals to boost rural entrepreneurs, including:

- Connect regional business support organizations with more federal resources and SBA programs. This involves maintaining and expanding SBA lending, counseling and procurement programs. This must also include providing rural small businesses, particularly businesses owned by people of color, with increased opportunities to participate in SBA loan programs and SBDC programs that provide vital education and outreach to entrepreneurs.
- Ensure current programs that support rural entrepreneurs continue. Programs such as the Rural Microentrepreneur Assistance Program, Value-Added Producer Grants and the Intermediary Relending Program administered by the U.S. Department of Agriculture are examples of federal programs that provide important support for rural entrepreneurs.
- Ensure Opportunity Zones guidelines are designed to benefit Main Street small business owners rather than focusing on incentivizing real estate development. Roughly 40% of Opportunity Zones are in rural zip codes. While these investments hold the potential to benefit small businesses, especially those in underserved communities, they must be implemented responsibly. This could include requiring reporting metrics that measure program success based on the number of jobs created, where those jobs are located, employee wages and the number of businesses created, particularly businesses formed by

<sup>4</sup> "Six charts that illustrate the divide between rural and urban America," Brian Thiede, Lillie Greiman, Stephan Weiler, Steve C. Beda and Tessa Conroy, *The Conversation*, <http://theconversation.com/six-charts-that-illustrate-the-divide-between-rural-and-urban-america-72934>

<sup>5</sup> "Rural America at a glance, 2016 edition," U.S. Department of Agriculture, November 2016, <https://www.ers.usda.gov/publications/pub-details/?pubid=80893>

women or people of color. Metrics should also include assessment of displacement risks for small businesses.

- Use tax credits as a tool to spark economic development. For example, the New Markets Tax Credit has helped attract more than \$60 billion in private sector funding to build businesses in economically-distressed communities across the United States.
- Ensure broadband is available to underserved, rural communities through activities to incentivize public alternatives to big Internet providers such as Comcast or Verizon at both the state and local level. Examples include state or federal grants or tax incentives to service providers as well as regulatory reforms that promote broadband construction.
- Ensure governmental support for physical infrastructure projects that directly benefit small business commercial enterprises. For example, we recommend promoting supply chain diversity as part of any comprehensive infrastructure proposal to ensure small firms, especially those in rural and underserved communities, are able to participate in infrastructure investments. Governments should also ensure that contracting opportunities are available to small businesses as part of any infrastructure reform.

### Conclusion

Small business owners are poised to inject life and vitality into their communities, provide quality jobs and boost prosperity for all, but they need the proper resources and public policies to support them in unleashing their potential. The 116<sup>th</sup> Congress has a clear opportunity to promote policies that truly address the needs of America's entrepreneurs, rather than just paying lip service to the small business community while keeping the scales tipped towards big business. We urge federal policymakers to enact these and other policies in order to expand access to capital, provide affordable, quality healthcare for all and ensure no one's access to benefits depends upon their job status. What's more, federal policy must emphasize solutions that lift up those entrepreneurs who have traditionally struggled to access resources and economic security most, including women, entrepreneurs of color and rural small business owners. Pursuing this policy agenda will create a thriving small business ecosystem that will in turn create a dynamic and inclusive American economy for all.

Thank you for the opportunity to comment on these important issues for America's small business community. I am happy to answer any questions.



**U.S. House of Representatives Committee on Small Business Hearing:  
"Small Business Priorities for the 116<sup>th</sup> Congress"  
February 13, 2019**

**Statement of Sabrina Parsons  
CEO, Palo Alto Software  
Eugene, OR  
Main Street Alliance Member**

Chairwoman Velázquez, Ranking Member Chabot, and members of the committee:

Thank you for the invitation to testify today about the needs and policy priorities of Main Street small businesses around the United States.

My name is Sabrina Parsons. In 2001, my husband and I founded a software company, which we subsequently sold to Palo Alto Software. I became CEO of Palo Alto Software in 2007 and have grown the business from 30 employees to over 70 full-time employees. Our software products, which focus on helping small businesses do better financial planning and management, are used in over 180 countries.

I also am an active supporter of entrepreneurs in Oregon and beyond, and am a member of Main Street Alliance, a national network of over 30,000 small business owners. Through MSA, owners of businesses like Palo Alto Software share their perspectives on critical public policy issues.

Main Street small businesses are embedded in communities -- communities composed of our employees, our customers, and the neighborhoods where we operate. We also recognize the importance of family in sustaining our success. Family and community are not just numbers in our bottom line, but they are *part* of our bottom line, and small business will be made stronger by policies that level the playing field and allow us to compete with large corporations on terms that benefit all the people small businesses serve.

The policy priorities I am going to discuss with you today support the family life of both small business owners and employees, invest in the entrepreneurship of women and people of color, boost wages, and protect the immigrant members of our communities.

**I. Small businesses need a national paid family and medical leave program.**

Eighty-three percent of the U.S. workforce lacks employer provided paid family leave to care for a new child or a seriously ill loved one, and more than 60 percent do not have employer-provided temporary disability insurance to protect them when they need time away from their jobs to address a serious health issue or injury.<sup>i</sup>

At Palo Alto Software, as we have grown our business we have the resources to provide paid family and medical leave at 100 percent of salary. This benefit helps us recruit and retain talented, loyal employees. It attracts women professionals to a male-dominated industry, and it reduces turnover. It is a benefit that allows our company to respect our employees as whole people giving them paid time to take care of themselves and their families. Replacing employees is very expensive: turnover costs are estimated to average one-fifth of an employee's annual salary.<sup>ii</sup>

One of our employees recently had a parent undergo cancer treatment. This employee was able to go home to Los Angeles and take care of her mother, with job-protected paid leave and 100 percent of her salary during the time she was away. We had another employee who took medical leave to recover from an accident, and we were able to provide him with nearly four months of paid leave at 100 percent of his salary. We also offer fully-paid maternity and paternity leave.

Although Palo Alto now is able to provide paid leave, most small businesses lack the scale, expertise, and resources for such a policy. When my company was smaller, we couldn't afford the comprehensive paid leave we can today. And in other industries it's even harder. For example, it's very difficult in the restaurant industry, and in retail, where profits margins are very narrow.

Access to paid leave should not depend on the size of a business, or where a person lives or works. We need a federal program that give all workers and small business owners the kind of leave that Palo Alto Software offers. For that reason, I ask you to support the **FAMILY Act**, which would create an affordable, self-sustaining national family and medical leave insurance program, making paid leave affordable and feasible to implement for small businesses.

## **II. Small businesses need a strong public investment in child care.**

As the mother of three, I know the impact of family responsibilities on employees and small business owners alike. The dearth of affordable child care, provided by well-compensated professionals, frequently stands in the way of small business success and growth. Lack of dependable, quality child care problem contributes to employees missing work, causes stress that hampers productivity, and pushes talented people out of the labor pool.

The astronomical costs of child care (ranging anywhere from \$5,300 a year in Mississippi to \$20,400 Massachusetts<sup>iii</sup>) put parents in a bind. Nearly one in three families (33 percent) report spending 20 percent or more of their annual household income on child care.<sup>iv</sup> and the average annual cost of sending a preschooler and an infant to a child care center equals 42 percent of the median income for Black families.<sup>v</sup> In 28 states, including in my home state of Oregon, child care costs more than in-state public college tuition.<sup>vi</sup>

Families need two incomes to pay for child care, but even that second income often does not cover enough of the cost to make it worth it. It is no wonder that so many couples decide one parent -- usually a mother -- should withdraw from the workforce. Large businesses can absorb the shocks of turnover. For small businesses, this is much harder.

The public subsidies now available for child care do not come close to addressing need or demand in the face of an shortage of licensed child care providers.<sup>vii</sup> These subsidies also do not remedy the fact that child care providers -- the people caring for our children -- make so little, even after obtaining early childhood education degrees. Almost 40 percent of early childhood teachers turn to public assistance at some point.<sup>viii</sup>

By investing in high-quality child care, we can help small businesses retain valued employees and improve productivity. We can support small business development by freeing up time for entrepreneurs, particularly women entrepreneurs, to launch and establish their businesses. Again, this is also a matter of gender and racial equity, as women and parents of color in are forced to make especially difficult choices when it comes to balancing work and caregiving.

We ask you to support the **Child Care for Working Families Act**, which would make an unprecedented investment to ensure all children have access to high-quality early education, and ensure that the people who work in child care earn a living wage.

### **III. Boosting wages helps small business.**

The starting salary for any employee at my company, is \$16 an hour. We have employees in customer service, which generally pays very low wages, who make significantly more. Given what it takes for a family to make ends meet in Eugene, I feel strongly that people need to be paid living wages.

Raising wages is also better for business. When you pay \$7.00 or \$8.00 an hour, you experience employee turnover over a period of two or three years that ultimately can devastate a small business's bottom line. Higher wages, on the other hand, reduce turnover, result in stronger, more loyal workers, and yield a more loyal customer base. Looking at all the factors, I personally support raising the wage to \$15 and eliminating the tip credit.

This does not mean that the transition to higher wages is easy for small businesses. My company specializes in software to help entrepreneurs and small businesses conduct better financial planning and financial management and are well versed in the lack of expertise, tools and resources available to small businesses owners. We know that most Main Street businesses are run by people with expertise in their particular products or services -- but they generally do not have MBA's or degrees in finance and accounting. They need proper training, access to better tools and support to manage this transition.

Large businesses have human resources, finance departments, and financial planners to adjust to much-needed change in the wage floor. Small businesses do not have this kind of support. They could use this kind of assistance to help them with such things as determining how to adjust prices, understand the real cost of employee turnover or other expenses. There are, for example,

technical tools that can provide financial modeling to help businesses, including high-turnover businesses like restaurants, succeed with new wage floors, and be more profitable as a result.

I understand that raising the minimum wage is a source of fear for many small businesses. However, the financials will work out and make businesses stronger, and I believe this area is one of tremendous opportunity for the SBA and others to provide better financial management training and assistance to small business.

**IV. Fair treatment of immigrants is a small business issue.**

I am the daughter of an immigrant mother and a U.S.-born father. I was born in Mexico City, lived there until I was seven, and spoke Spanish before I spoke English. My mother recently became a citizen of the United States. Humane and just immigration policy is important to me as the daughter of an immigrant, as a mother and community member, and as a businesswoman.

Immigrants, including Latinx immigrants, are woven into the fabric of our small business sector and our country as a whole. Almost 20 percent of business owners in the U.S. are immigrants,<sup>ix</sup> and DACA recipients are opening businesses at a faster rate than people in the U.S. overall.<sup>x</sup> Immigrant business owners are especially important in our Main Streets, where they account for more than a quarter of business.<sup>xi</sup> Like all small business owners with a commitment to community, immigrant business owners help make our neighborhoods and towns stronger.

We owe it to all immigrants and ourselves to adopt an immigration policy that respects family and the basic tenets of freedom. Please put an end to family separation. Please do whatever possible to bring healing to the families torn apart by this policy. And please ensure that immigrant business owners, other immigrants in our communities, and those who are seeking refuge here have a fair opportunity to live, work, and develop their businesses here. The facts show that these immigrants bring more positive than negative to our country and are an integral part of who America is.

**V. Lack of equitable access to capital continues to hamper small businesses, particularly for entrepreneurs who are of color and/or women.**

A study by the Woodstock Institute found that businesses located in neighborhoods where people of color predominantly live are less than half as likely to receive Community Reinvestment Act (CRA) reported loans under \$100,000 compared to businesses in white neighborhoods.<sup>xii</sup> Lending to business owners of color has also likely worsened since the recession. The *Wall Street Journal* reports that Black-owned businesses received 11 percent of Small Business Administration (SBA) loans in 2008, and only 2.3 percent of SBA loans in 2013.<sup>xiii</sup> Women entrepreneurs also experience disparities. A study by Biz2Credit found that women-owned firms had a loan approval rate that was 15 to 20 percent lower than their male counterparts.<sup>xiv</sup>

Lack of affordable capital is a formidable barrier to business formation and growth for women and people of color, presenting a real Catch-22. Banks and SBA backed lending programs won't provide capital unless you have been in business for two years, with \$250,000 in annual revenue. Anyone starting a business clearly does not meet these requirements and instead has to fall back

to personal assets and personal wealth in order to start their business. This method of financing excludes many women, people of color, and underserved communities as they typically do not have the personal wealth necessary to finance a start-up. Unsurprisingly, many people turn to predatory loans, or put up their own assets, to the extent they have any.

I urge you to pass measures to eliminate racial and gender discrimination in small business lending and recognize that there is a need to open access to affordable capital for small businesses, particularly those owned by entrepreneurs who are of color and/or women. I also ask you to bring transparency, oversight, and fair terms to all forms of small business lending, whether bank or non-bank loans.

**VI. Closing**

I appreciate the opportunity to share the concerns and policy priorities of small business owners and entrepreneurs. Small business is an essential part of every community, and we need policies that support both small businesses and the communities that we sustain, and that sustain us.

Thank you, and I look forward to answering your questions.

For additional questions, please contact Sapna Mehta, Legislative and Policy Director, at [sapna@mainstreetalliance.org](mailto:sapna@mainstreetalliance.org).

- <sup>i</sup> <https://www.bls.gov/news.release/benefits/2018/cbbf0061.pdf>
- <sup>ii</sup> <https://www.americanprogress.org/wp-content/uploads/2012/11/CostofTurnover.pdf>
- <sup>iii</sup> <http://usa.childcareaware.org/advocacy-public-policy/resources/research/costofcare/>. Refers to center-based care.
- <sup>iv</sup> <https://www.care.com/e/stories/2423/how-much-does-child-care-cost/>
- <sup>v</sup> [www.americanprogress.org/issues/early-childhood/reports/2017/09/07/438428-blueprint-child-care-reform/#fn-438428-16](http://www.americanprogress.org/issues/early-childhood/reports/2017/09/07/438428-blueprint-child-care-reform/#fn-438428-16)
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- <sup>ix</sup> <http://fiscalpolicy.org/wp-content/uploads/2015/01/Bringing-Vitality-to-Main-Street.pdf>
- <sup>x</sup> [www.americanprogress.org/issues/immigration/news/2017/08/28/437956/daca-recipients-economic-educational-gains-continue-grow/](http://www.americanprogress.org/issues/immigration/news/2017/08/28/437956/daca-recipients-economic-educational-gains-continue-grow/)
- <sup>xi</sup> <http://fiscalpolicy.org/wp-content/uploads/2015/01/Bringing-Vitality-to-Main-Street.pdf>
- <sup>xii</sup> Woodstock Institute, “Patterns of Disparity Small Business Lending in Fresno and Minneapolis-St. Paul Regions,” [www.woodstockinst.org/wp-content/uploads/2017/11/Patterns-of-Disparity-Small-Business-Lending-in-Fresno-and-Minneapolis-St.-Paul-Regions-1.pdf](http://www.woodstockinst.org/wp-content/uploads/2017/11/Patterns-of-Disparity-Small-Business-Lending-in-Fresno-and-Minneapolis-St.-Paul-Regions-1.pdf), p. 33. Includes CRA-reported loans under \$100,000.
- <sup>xiii</sup> <https://ncre.org/wp-content/uploads/2014/08/recommendations-to-cfpb-on-small-business-loan-data.pdf>
- <sup>xiv</sup> <https://ncre.org/wp-content/uploads/2014/08/recommendations-to-cfpb-on-small-business-loan-data.pdf>



**U.S. House of Representatives Committee on Small Business Hearing:  
"Small Business Priorities for the 116<sup>th</sup> Congress"  
February 13, 2019**

**Statement of J. Kelly Conklin  
Co-Owner, Foley Waite LLC  
Kenilworth, NJ  
Main Street Alliance, Executive Committee Chair**

Chairwoman Velázquez, Ranking Member Chabot, and members of the committee:

Thank you for the invitation to testify today on the policy priorities of real small business people like me. We form the backbone of Main Street communities across the country.

My name is Kelly Conklin, and I am Chair of Main Street Alliance, a national network of over 30,000 small business owners. Our organization creates opportunities for small business owners to speak for ourselves on public policy issues that impact our businesses, our employees, and the communities we serve.

In 1978, my wife and I founded Foley Waite, an architectural woodworking firm. She was on one end of a sheet of plywood and I was on the other working out of an 800 square foot shop we lived over. Now our company owns a 13,600 foot building and employs 14 people.

A healthy small business sector is vital for our country. Small businesses employ 58 million people,<sup>1</sup> almost half our country's private sector workforce. If we are not well, our country is not well.

Small business owners reflect the racial, cultural, and political diversity of our country. We welcome those who have sacrificed all that is familiar to come here. We feel the hardships and challenges, as well as the joy and accomplishments, of our employees. We are a trusted part of every community we plant roots in.

Real small businesses need policies -- such as paid family and medical leave, universal health care, equitable access to capital and a fair tax system -- that begin to level the playing field between small business and large corporations, and that take into account the ways in which racial and gender inequity serve as gatekeepers and structure the small business sector. Such policies build the communities that small businesses depend on.

**I. Small businesses need high-quality, publicly-funded universal health care.**

The Affordable Care Act was a very important step in the right direction for small businesses, but there is much, much more that Congress needs to do.

Before the ACA my business regularly experienced double digit annual increases in our premiums. In the last year before the ACA passed, the insurance company raised our rates 126 percent. My employees were getting older, and, after a couple of big claims, they wanted to dump us. After the ACA was enacted, our rates stabilized; premiums rose between 5 to 7 percent annually.

That was until the Republicans began sabotaging the ACA. Since then, my business has gone from providing 100 percent of coverage to 85 percent, and now we're at 80 percent. We now spend \$8,000 a month on health care, which is a real hit. If my wife and I could put that money into our business, we'd have one of the most modern architectural woodworking firms on the east coast.

Instead, we're giving thousands each month to insurance corporations whose executives are being paid salaries of eight figures a year, even though the private sector has failed us in health care. Why are we shoveling all this money out the door to this highly profitable industry that has shown no interest in solving the problem? I shudder to think how much worse things would be without the ACA.

We need universal, high-quality, publicly funded coverage that is affordable for everyone. This is not too expensive. The private sector is delivering the most expensive and inefficient health care in the world. The cost of doing nothing is too great.

**II. Our tax code should prioritize strong public investment over corporate profits.**

The tax legislation passed by Congress in 2017, the Tax Cuts and Jobs Act, hurts small business. The provision most often presented as a benefit for small business is the 20 percent passthrough deduction, but that money won't be coming to Main Street. The Joint Committee on Taxation has found that 61 percent of the benefits of this deduction will go to the richest 1 percent of pass-through business owners by 2024. Just 4 percent will go to the bottom two-thirds.<sup>11</sup>

We need a tax system that's about investing resources in Main Street. Every time lawmakers give a huge corporation a tax break, small businesses suffer the consequences of deteriorating infrastructure of loss of services, or the costs are shifted to us and our communities.

We want Congress to repeal the Tax Cuts and Jobs Act, with its tax giveaways to large corporations and the very rich, and incentives to offshore domestic jobs and profits. Instead, create tax system that ensures that the rich and big corporations pay their fair share of taxes by closing corporate tax loopholes and creating a more progressive income tax structure.

This includes passing the **Wall Street Speculation Tax** (also known as a financial transaction tax, or Robin Hood tax). It would impose a tiny fee – at rates of a few pennies per hundred

dollars of trading— on Wall Street trading of financial instruments such as stocks, bonds, derivatives, futures, options, and credit default swaps. This would help fund education, health care and repair our nation's crumbling infrastructure.

**III. Small businesses need equitable access to affordable capital and protection from predatory financing.**

Bank lending to small businesses has not fully recovered since the recession.<sup>iii</sup> There is very compelling evidence pointing to persistent racial discrimination and redlining in small business bank lending.

The Minority Business Development Agency found that business owners of color are 2.5 times more likely to be denied when applying for traditional business loans compared to white businesses owners.<sup>iv</sup> For women entrepreneurs, the capital challenges are also tremendous. A 2014 study reported that they receive 16 percent of conventional small business loans and 17 percent of SBA loans, even though they represent 30 percent of small businesses.<sup>v</sup>

Online lenders and fintech companies are stepping in to fill the breach but are subject to even less oversight than bank lenders. We simply do not have equitable access to capital for small businesses, and this leaves small business owners and entrepreneurs exposed to predatory lending. A recent Bloomberg investigation revealed extensive abuses in the merchant cash advance business.<sup>vi</sup> This is the tip of the iceberg.

We need lawmakers to:

- I. Deepen our country's commitment to fair lending by holding banks accountable for discrimination in lending and ensure entrepreneurs who are of color and/or women get a real opportunity to start or grow their businesses.
- II. Protect small business borrowers from predatory lending with transparency in lending, fair terms and underwriting, and fair practices.
- III. Close the non-bank lending regulatory loopholes that leave small business owners vulnerable to predatory practices.

**IV. Families are part of our bottom line.**

Only 17 percent of the U.S. workforce have paid family leave through their employers, and less than 40 percent have personal medical leave through an employer-provided temporary disability program.<sup>vii</sup> That's not because small businesses like mine don't want to provide it. We just can't afford it on our own.

In New Jersey, we're fortunate to have had paid leave for more than eight years now, and I've encouraged two of my employees to use it -- one after his mother suffered a severe brain injury, and one when his wife received a cancer diagnosis. The fact that leave was available through our state program made it that much easier for me to tell these employees that they should take the time. Valued employees will come back from leave.

This benefit should be available for all small business owners and employees. We need a strong, national paid family and medical leave program that pools the cost so small business owners and employees can take time away from work to care for themselves or loved ones during emergencies or illnesses. The lack of a national paid leave program favors large corporations. Legislation like the **FAMILY Act** will help level the playing field for Main Street businesses.

**V. We want healthy shops and healthy workplaces.**

When earned sick leave legislation passed in New Jersey, it did not affect my business directly because we were already covering this. We did not have to change a thing. But it did mean that I no longer have to compete with an employer that wants to skimp on his contribution toward creating a safe workplace and a healthy community.

Setting a common-sense, baseline standard on paid sick days should not even be up for debate. People should not have to choose between coming in to work sick and getting their pay. There is extensive support among small business owners for a universal standard. In 2015, Main Street Alliance surveyed more than 1,000 small businesses, and 65 percent of our respondents – including 71 percent of women and business owners of color – said they would support a national paid sick days standard<sup>viii</sup>.

Because this is just common sense, we support the **Healthy Families Act**, which would establish a national paid sick days standard for all employers, while also ensuring enough flexibility for employers to continue offering greater benefits.

**VI. We need to protect immigrants and create welcoming communities for all.**

We cannot have a thriving small business sector in an atmosphere of hate and fear, or by making life even more insecure and dangerous for immigrants. My business would not exist without our employees, including many immigrant employees. Many of those employees have gone on to launch their own businesses, and that's a benefit to all of us.

Main Street needs policies that support people. We ask you to reject any legislation that would make the immigration or asylum process more difficult or more restrictive, that would require small business owners to act as immigration police, or fund the immigration enforcement activities that are tearing families apart or putting people in detention. Instead, please pass measures to permanently protect DREAMers, people with temporary protected status, or anyone else who lives in our communities and wants the security of home.

**VII. Closing**

Small business owners value the role that we play in our communities, and the trust we are afforded. We value our employees and everyone who walks through our doors. To thrive, our businesses need policies that level the playing field between small businesses and large corporations so our businesses can sustain high-quality jobs, retain talented employees, and contribute to strong local economies. We need policies that remove barriers to entrepreneurship for people of color and/or women.

We believe that Main Street businesses have a responsibility for shared investment in our communities. We ask you to create a set of rules that support Main Street businesses in this endeavor.

Thank you, and I look forward to answering your questions.

For additional questions, please contact Sapna Mehta, Legislative and Policy Director, at [sapna@mainstreetalliance.org](mailto:sapna@mainstreetalliance.org).

<sup>i</sup> <https://www.sba.gov/sites/default/files/advocacy/2018-Small-Business-Profiles-US.pdf>

<sup>ii</sup> <https://www.fet.gov/publications.html?func=startdown&id=5093>

<sup>iii</sup> <http://www.woodstockinst.org/wp-content/uploads/2017/11/Patterns-of-Disparity-Small-Business-Lending-in-Fresno-and-Minneapolis-St.-Paul-Regions-1.pdf>

<sup>iv</sup> <https://www.mbda.gov/sites/mbda.gov/files/migrated/files-attachments/DisparitiesinCapitalAccessReport.pdf>

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<sup>vi</sup> <https://www.bloomberg.com/graphics/2018-confessions-of-judgment/>

<sup>vii</sup> <https://www.bls.gov/nes/ebs/benefits/2018/employee-benefits-in-the-united-states-march-2018.pdf>

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## Statement of the U.S. Chamber of Commerce

### Small Businesses Priorities for the 116<sup>th</sup> Congress

**Thomas M. Sullivan**

**Vice President, Small Business Policy  
U.S. Chamber of Commerce**

**Committee on Small Business  
United States House of Representatives**

**February 13, 2019**

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1615 H Street NW | Washington, DC | 20062

The Chamber's mission is to advance human progress through an economic, political, and social system based on individual freedom, incentive, initiative, opportunity, and responsibility.

Chairwoman Velazquez, Ranking Member Chabot, and Members of the Committee, thank you for the opportunity to outline the U.S. Chamber of Commerce's ("Chamber") small business priorities. I hope these priorities help inform the Committee's priorities for the 116<sup>th</sup> Congress.

My name is Tom Sullivan and I am the Vice President for Small Business Policy at the Chamber. I also serve as the Executive Director for the Chamber's Small Business Council.

The U.S. Chamber of Commerce is the world's largest business federation representing the interests of more than 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations. Over 99% of private sector businesses in the United States are defined as small.<sup>1</sup> Similarly, the vast majority of Chamber member companies are small businesses and the Small Business Council works to ensure their views are considered as part of the Chamber's policy-making process. In addition to receiving input from our Small Business Council, we learn a great deal from our quarterly small business index and from our engagement with small businesses where they live and work at our regional small business summits.<sup>2</sup>

Before I outline small business priorities, I would like to emphasize how well small businesses are currently faring. According to the U.S. Chamber of Commerce & MetLife Small Business Index, small business owners continue to be very positive about the health of the local and national economy.<sup>3</sup> Although small business owners are confident, there are several policy issues that need to be addressed to ensure prosperity on Main Street and that is why we are grateful for this hearing.

#### **WORKFORCE**

The top issue for small business is finding, recruiting, hiring, and retaining qualified and willing employees.<sup>4</sup> There is no single piece of legislation that can solve Main Street's challenge of a worker shortage. However, we believe there are legislative and business leadership solutions that will go far in addressing the need for workers.

<sup>1</sup> *Frequently Asked Questions*, Office of Advocacy, U.S. Small Business Administration (August 2018), viewable at: <https://www.sba.gov/sites/default/files/advocacy/Frequently-Asked-Questions-Small-Business-2018.pdf>.

<sup>2</sup> For information on the MetLife & U.S. Chamber of Commerce Small Business Index, visit <https://www.uschamber.com/sbindex/>. For information on the regional small business series, visit <https://www.smallbusinessseries.com>.

<sup>3</sup> *U.S. Chamber of Commerce & MetLife Small Business Index, Q4 2018* (November 28, 2018), viewable at: <https://www.uschamber.com/press-release/small-business-index-economic-outlook-high-despite-hiring-difficulties>.

<sup>4</sup> *Small Business Index*, Page 4, viewable at: [https://www.uschamber.com/sbindex/SBI\\_2018\\_Q4.pdf](https://www.uschamber.com/sbindex/SBI_2018_Q4.pdf).

### Immigration

The Chamber has long supported common sense reforms to our nation's broken immigration system and when businesses large and small are prevented from growing because of a lack of workers, our call for reform is even more urgent.

From the perspective of Small Business Council member, Dick Cardew, immigration reform is fairly straightforward. Dick's business, Barn21, was founded several years ago to deliver hay, feed, and supplies to the equestrian community in Scottsdale, Arizona. Bucking 120 lb. bales of hay and stacking 80 lb. bags of pellets is backbreaking work. I visited Dick last November and saw first-hand what it means to deliver and hand stack 128-256 bales of heavy, scratchy, messy alfalfa hay. The good news is that business is booming. The bad news is that more orders are coming in than are going out and Dick cannot grow his business to meet the demand because he cannot find enough people willing and able to do those jobs. Moreover, due to the nature of this work, Dick's business cannot utilize any of the federal government's current temporary worker programs because the job isn't "seasonal." As such, immigration reform, is an economic necessity to Dick; he and other small business owners, in many other industries, are frustrated with Washington's inability to address this issue in a constructive fashion.

### Education and Workforce

The Chamber supports high-quality lifelong learning to ensure that all Americans have the opportunity to reach their potential. There are several legislative initiatives to expand high-quality early education, improve K-12 education, and expand and improve training and retraining programs that include employer-led "earn and learn" opportunities like apprenticeships.

In addition to legislative solutions, the issues of education and workforce and their relevance to a needed pipeline of talent are places where leadership exists within the business community. This Committee is encouraged to continue to shine its spotlight on positive examples that allow for businesses and communities to adopt similar practices. Small Business Council members, Lori and Traci Tapani, are perfect examples of how leadership in the business world can result in positive changes. Wyoming Machine is a precision sheet metal business based in Stacy, Minnesota and co-owners Lori and Traci Tapani are on the front edge of workforce development. From upskilling, to partnerships with other manufacturers and nearby Pine Technical and Community College, to constant reinvestment in their employees through certifications and training, the Tapani sisters are taking on the challenge of a skilled worker shortage head-on and setting an example that is admired, examined, and copied throughout the country.<sup>5</sup> This Committee has a history

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<sup>5</sup> Learn more about Wyoming Machine at: <https://www.uschamberfoundation.org/blog/post/futureproofing-how-fast-food-worker-helped-sheet-metal-company-rethink-its-business>.

of celebrating business practices like those employed at Wyoming Machine and the spotlight provided by Congress does make a difference.

#### **Competing for Talent and Retention of Employees**

The Chamber believes that providing small businesses with healthcare and retirement options for their employees are key ingredients for growth and allow them to compete for and retain top talent.

Our local and state chamber of commerce partners are excited about new opportunities to provide health care coverage and retirement benefits for their small business members. The Las Vegas Metro Chamber of Commerce, and its carrier partner, Anthem Blue Cross and Blue Shield, was one of the first chambers of commerce to offer an Association Health Plan (AHP) under new rules issued by the U.S. Department of Labor and several other chambers of commerce followed suit.<sup>6</sup> A recent study examined 34 AHPs that have been created since September and paints a positive picture for small businesses and increased options to provide quality health care coverage for their employees.<sup>7</sup> Similarly, we are optimistic that expanding the ability of chambers of commerce to offer retirement savings options for small business owners and their employees will produce more positive news.<sup>8</sup> The U.S. Department of Labor's final rule is expected to be consistent with bi-partisan legislation that has been introduced in previous congresses and broadens the availability of Multiple Employer Plans (MEPs) to the small business community. We support administrative and legislative options that will bolster the ability of our local and state chambers of commerce to provide quality health care coverage and retirement plan options that benefit small businesses and their employees.

#### **ACCESS TO CAPITAL**

It is no surprise that this Committee is already off to a good start when it comes to forwarding bi-partisan legislation that will help small businesses access the capital they need to start, sustain, and grow. We hope that H.R. 116, the "Investing in Main Street Act," is one of many bills passed by the U.S. House of Representatives that is taken up by the Senate and signed into law.

This Committee has heard countless narratives from small businesses about the difficulties of getting a loan. Maxine Turner, whose 39-year catering and event company, Cuisine Unlimited, had successfully paid back 4 U.S. Small Business Administration (SBA) loans, still could not get a bank loan when she needed to scale up quickly after landing a major contract with a new performing arts center in Salt Lake City. It should

<sup>6</sup> For more information on the Las Vegas Metro Chamber of Commerce Association Health Plan visit: <https://lvchamber.com/chamber-health-plan/>.

<sup>7</sup> *First Phase of New Association Health Plans Reveal Promising Trends*, Kev Coleman, AssociationHealthPlans.org (January 30, 2019), viewable at: <https://www.associationhealthplans.com/reports/new-ahp-study/>.

<sup>8</sup> *Strengthening Retirement Security in America*, Executive Order 13847 (August 31, 2018).

not be that difficult and I applaud this Committee's tireless work to address the challenges faced by Maxine and thousands of other small businesses like hers. We look forward to working with you on additional legislation that will help provide access to capital for startups and small businesses.

#### **REGULATORY RELIEF**

There has been progress over the last several years when it comes to relieving small businesses from the oppressive weight of regulatory mandates. According to the National Federation of Independent Business (NFIB), 14% of small business owners cited "regulation and red tape" as their biggest concern at the end of last year.<sup>9</sup> That is in contrast to NFIB's report in 2016 that showed regulations as the second most pressing problem.<sup>10</sup>

However, there is more work that needs to be done. Small businesses shoulder a higher cost-per-employee than their larger business counterparts when it comes to regulatory compliance.<sup>11</sup> Michael Canty, President & CEO of Alloy Bellows & Precision Welding, Inc. in Cleveland, explains that one-sized-fits-all regulations do not work when it comes to many federal environmental and safety and health mandates.<sup>12</sup>

Michael Canty, a leader with the National Small Business Association and the Chamber's Small Business Council, references state efforts like Governor Kasich's Common Sense Initiative and the federal Regulatory Flexibility Act as ways to bolster small business input in regulatory decisions. Those initiatives are intended to bolster the effectiveness of statutory goals like environmental protection, border and financial security, and workplace safety while minimizing the negative impact on small businesses.

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<sup>9</sup> *NFIB Small Business Economic Trends*, William C. Dunkelberg & Holly Wade (December 2018), viewable at: <https://www.nfib.com/assets/SBET-Dec-2018.pdf>.

<sup>10</sup> *Small Business Problems & Priorities*, Holly Wade, National Federation of Independent Business, (August 2016), viewable at: <https://www.nfib.com/assets/NFIB-Problems-and-Priorities-2016.pdf>.

<sup>11</sup> *The Cost of Federal Regulation to the U.S. Economy, Manufacturing and Small Business*, W. Mark Crain and Nicole V. Crain, A Report for the National Association of Manufacturers (September 2014), viewable at: <https://www.nam.org/Data-and-Reports/Reports/Cost-of-Federal-Regulations/The-Cost-of-Federal-Regulation/>

<sup>12</sup> *Testimony*, Michael Canty, President & CEO of Alloy Bellows and Precision Welding, Inc., On behalf of the National Small Business Association, Senate Committee on Environment and Public Works, Subcommittee on Superfund, Waste Management and Regulatory Oversight, (April 12, 2016), viewable at: [https://www.nsbabiz/wp-content/uploads/2016/04/NSBA\\_Michael-Canty\\_Testimony\\_Senate-EPW-Subcmte4.12.16.pdf](https://www.nsbabiz/wp-content/uploads/2016/04/NSBA_Michael-Canty_Testimony_Senate-EPW-Subcmte4.12.16.pdf).

SBA's Office of Advocacy acts as the watchdog for small business within the federal government and oversees implementation of the Regulatory Flexibility Act.<sup>13</sup> I was honored to lead that office from 2002-2006 and I appreciate this Committee's support for the Office of Advocacy and its mission. One of the Chamber's priorities for the 116<sup>th</sup> Congress is to work with you on legislation that can improve that office's work to the benefit of our nation's small business community.

#### INFRASTRUCTURE

Last week, the Chamber held a summit that made the case for infrastructure investment.<sup>14</sup> Small businesses explained how the costs of "doing nothing" act as a major barrier for growth.<sup>15</sup> From soybean farmers, to bus line operators, to electrical contractors and service companies, the price of congestion due to the lack of infrastructure investment is weighing down the U.S. economy. The Chamber is buoyed by the bi-partisan agreement that seems to surround infrastructure and we encourage you to help the Committees of jurisdiction to get legislation moving.

#### CONCLUSION

From infrastructure to health care to trade and tariffs to tax policy, many of the Chamber's small business priorities fall within the legislative jurisdiction of Committees other than yours. To the credit of the Small Business Committee, you have a history of helping those Committees understand the unique concerns of small businesses. This is not unlike my role at the U.S. Chamber of Commerce. I compliment the Committee's vigilance in this area and want to stress the importance of continued cross-committee work when it comes to small business priorities. Small businesses are the engine of the U.S. economy and the decline in new business starts over the past few decades is a call to action for this Committee's work. At the Chamber, we are similarly dedicated to advancing these and other policies that can benefit main street businesses, fuel the economy, provide for individuals and families, and grow communities.

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<sup>13</sup> Regulatory Flexibility Act, Pub. L. No. 96-354, 94 Stat. 1164 (1980), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, 110 Stat. 857 (1996) (codified as amended at 5 U.S.C. Sec. 601-612), also amended by Sec. 1100 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 2112 (July 21, 2010).

<sup>14</sup> *America's Infrastructure: Time to Invest*, (February 5, 2019), viewable at: <https://www.uschamber.com/event/americas-infrastructure-time-invest>.

<sup>15</sup> *Businesses Make the Case for Infrastructure Investment*, Sean Hackbarth, U.S. Chamber of Commerce (February 6, 2019), viewable at: <https://www.uschamber.com/series/above-the-fold/businesses-make-the-case-infrastructure-investment>.

## COMPANIES INVESTING IN EMPLOYEES AFTER TAX CUTS

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**1A Auto (Westford, MA)**

1A Auto Announced Across The Board Cash Bonuses For All Full-Time Employees. (Press Release, 1/25/18)

**1st Source Corporation (South Bend, IN)**

1st Source Corporation Announced It Would Issue 10 Shares Of Stock Currently Valued At \$500.00 To All Employees Who Were Active With The Company December 31, 2017 And An Additional Performance Award Base Pay Increase Of \$500.00 To Eligible Employees. (Press Release, 1/31/18)

**1st Summit Bank (Johnstown, PA)**

1st Summit Bank Provided A \$1,000 Bonus To All Full-Time Employees, Raised Its Salary Ranges And Increased Its Charitable Giving Budget By 10 Percent. (ABA Banking Journal, 1/22/18)

A

**AAON (Tulsa, OK)**

AAON Announced That Employees (Excluding Officers) Will Receive A \$1,000 Bonus In Recognition Of The New Tax Reform Law. (Tulsa World, 1/3/18)

**AbbVie Inc. (Chicago, IL)**

AbbVie Inc. Said The New Tax Overhaul Will Slash Its Effective Tax Rate And Yield Savings That They They Would Use To Return Cash To Shareholders And Boost Employee Compensation. (The Wall Street Journal, 1/26/18)

**Acadia Healthcare (Franklin, TN)**

Acadia Healthcare Announced It Will Be Adding To New Jobs, Opening Additional Treatment Facilities, And Expanding Existing Facilities Due To The Tax Bill. (Press Release, 2/12/18)

**AccuWeather (State College, PA)**

AccuWeather Announced It Would Give All Of Its Employees Year-End Bonuses. (Bloomberg, 12/26/17)

**Adams Community Bank (Adams, MA)**

Adams Community Bank Announced It Would Pay \$1,000 Bonuses For Full-Time Employees, \$500 Bonuses For Part-Time Employees, Provide A Base Wage Raised To \$13.25 Per Hour And Increase Its Capital Expenditures. (Press Release, 1/25/18)

**Advance Financial (Nashville, TN)**

Advance Financial Will Increase Its 401(k) Match For Employees, Increase The Share Of Profits That Front Line Employees Can Receive, And Increase Its Giving To The Advance Financial Foundation. (Press Release, 1/8/18)

- “The Combined Effect Of The Actions Announced This Morning Will Be An Additional \$500,000 To Employees And More Than \$550,000 To Community Organizations In 2018 Alone.” (Press Release, 1/8/18)

**Advanced Superabrasives (Mars Hill, NC)**

Company has given many of its 43 employees three pay raises in 2018 due to tax reform. The firm is also continuing to pay 100 percent of its employees' health care premiums. It also plans to double its workforce by 2022 and construct a new 110,000-square-foot facility. ([shopfloor.org](#), 7/25/18)

**Aflac Inc. (Columbus, GA)**

Aflac Announced "It Will Increase Its 401(k) Match From 50 Percent To 100 Percent On The First 4 Percent Of Employee Contributions And Will Also Contribute \$500 To Each Employee's 401(k) Plan." ([Washington Examiner](#), 12/28/17)

- "Aflac Also Pledged To Boost Its Investment In The U.S. By \$250 Million Over The Next Three To Five Years By Growing Its U.S. Operation And Expanding Benefits And Training Programs For Workers." ([Washington Examiner](#), 12/28/17)

**Alabama Power (Birmingham, AL)**

Alabama Power Company Said Customers Will See A Reduction In Their Bills Because Of The Federal Income Tax Cut. The Reduction In 2018 Will Be For \$257 Million, About A 9 Percent Cut. ([AL.com](#), 5/1/18)

**Aaladin Industries (Elk Point, SD)**

Company has provided bonuses and wage increases to its employees in part because of recent tax cuts. ([Siouxlandproud.com](#), 5/30/18)

**Alaska Air Group (SeaTac, WA)**

Alaska Air Group Announced It Would Give Special, One-Time Bonuses Of \$1,000 To Each For Its 22,000 Workers. ([Puget Sound Business Journal](#), 1/4/18)

**Alaska Electric Light And Power (Juneau, AK)**

Alaska Electric Light And Power Announced It Would Pass Savings From The Tax Bill To Its Customers. ([Anchorage Daily News](#), 3/7/18)

**Albert Lea Public Warehouse (Albert Lea, MN)**

Albert Lea Public Warehouse Gave Each Of Its 12 Employees A \$2,000 Bonus. ([Albert Lea Tribune](#), 1/30/18)

**Alliant Energy (Madison, WI)**

Alliant Energy Estimated That Due To Tax Reform Its Customer Savings Would Be Between \$18.6 Million To \$19.6 Million For Electric And \$500,000 To \$3.7 Million For Gas. ([Waterloo Cedar Falls Courier](#), 4/23/18)

**Allstate Insurance (Northfield Township, IL)**

Allstate Insurance Announced It Will Utilize Tax Reform Benefits To Accelerate Growth Initiatives, Raise Shareholder Returns, Provide Cash Bonuses Or 401(k) Contributions To Employees And Increase Contributions To Improve Local Communities And Charities. ([Insurance Journal](#), 2/8/18)

**Allsup's Convenience Stores, Inc. (Clovis, NM)**

Allsup's Convenience Stores, Inc. Announced That It Paid All Full-Time, Non-Executive Employees Who Have Been With The Company At Least One Full Calendar Year A One-Time Cash Bonuses Of \$1,000. ([Santa Fe New Mexican](#), 3/15/18)

**Ally Financial Inc. (Charlotte, NC)**

Ally Financial Inc. Said It Would Pay A \$1,000 Bonus To Its Employees And Increase Its Charitable Contributions By Around \$6 Million. ([American Banker](#), 1/30/18)

**Almo Corporation (Philadelphia, PA)**

Almo Corporation Announced It Would Reward Its Employees With An Incremental Bonus Of \$1,000 And It Would Invest In Capital Improvements. *(Twice, 3/9/18)*

**Altria Group Inc. (Richmond, VA)**

Altria Group Inc. Is Giving Its Employees A \$3,000 Bonus, A One-Time Payout To 7,900 Non-Executive Employees Totaling About \$24 Million. *(The Associated Press, 2/2/18)*

**Amarillo National Bank (Amarillo, TX)**

Amarillo National Bank Announced That 313 Of The Bank's 600 Full-Time, Non-Salaried Employees Will Get An Immediate Raise Of \$1,000 And That They Plan On Investing Another \$2.5 Million Into Their Downtown Properties. *(MyHighPlains.com, 12/21/17)*

**Amboy Bank (Old Bridge, NJ)**

Amboy Bank Announced It Would Pay All Non-Executive Employees A Minimum Year-End Bonus Of \$1,000 And Raise It's Minimum Wage To \$15 Per Hour. *(NJ.com, 2/8/18)*

**Ameren Illinois (Collinsville, IL)**

Ameren Illinois Announced That They Submitted A Plan To The Illinois Commerce Commission To Pass Savings From The Recently Approved Tax Reform Legislation Back To Its Customers. The Proposal Could Save An Average Electric Customer \$2.50 To \$3.00 Per Month And Natural Gas Customers Could Save An Average Of \$1 Per Month. *(Press Release, 1/22/18)*

**Ameren Missouri (St. Louis, MO)**

The Utility Will Pass Along Tax Savings To Ratepayers. Residential Customers Will See On Average A Monthly Rate Decrease Of About \$6.21. *(KTIN News, 7/6/18)*

**American Airlines (Fort Worth, TX)**

American Airlines Announced It Would Give \$1,000 Employee Bonuses Totaling About \$130 Million Sometime During The First Quarter Of 2018. *(Business Insider, 1/2/18)*

**American Bank (Allentown, PA)**

American Bank Announced It Would Pay \$1,000 Bonuses To Its 60 Workers. *(The Morning Call, 12/22/17)*

**American Community Bank And Trust (Woodstock, IL)**

American Community Bank And Trust Provided \$500 To Each Employee And Announced Additional Hiring Plans. *(ABA Banking Journal, 1/11/18)*

**American Express (New York, NY)**

American Express Announced It Would Spend \$200 Million In Additional Investments For Customer-Facing Growth Initiatives And Increase Contributions To Employee Profit-Sharing Plans. *(Press Release, 1/18/18)*

**American Family Insurance (Madison, WI)**

American Family Insurance Announced It Would Give 11,000 Workers A One-Time Bonus Of \$1,000. *(Milwaukee Journal Sentinel, 1/26/18)*

**American Proteins, Inc. (Cumming, GA)**

American Proteins, Inc. Announced It Would Give Employees \$1,000 Bonuses. *(Atlanta Business Journal, 2/26/18)*

**American Savings Bank (Honolulu, HI)**

American Savings Bank Said It Would Award \$1,000 Bonuses To 1,150 Employees And Increase The Minimum Wage For Its Workforce To \$15.25 An Hour. *(The Honolulu Star-Advertiser, 12/23/17)*

**American Water (Voorhees, NJ)**

American Water Estimates Customer Savings Of Between \$1.5 And \$1.8 Million Due To Tax Reform. *(Waterloo Cedar Falls Courier, 4/23/18)*

**Americollect (Manitowoc, WI)**

Americollect Announced It Would Provide A Maximum Bonus Of \$500 To Its Roughly 250 Employees. *(USA Today Network, 12/21/17)*

**Amicus Therapeutics Inc. (Cranbury, NJ)**

Amicus Therapeutics Inc. Decided To Spend As Much As \$200 Million On A New Production Facility In The U.S. Instead Of Europe. *(The Wall Street Journal, 1/25/18)*

**ANAMET Electrical, Inc. (Mattoon, IL)**

Company is providing a 3% wage increase for employees as a result of the tax reform law. *(Testimony, 6/20/18)*

**Anchor Electric (Missoula, MT)**

Tax reform has allowed the company to expand business operations and hire additional employees. *(missoulian.com, 8/9/18)*

**AndyMark Inc. (Kokomo IN)**

AndyMark Inc. Said The Company Anticipates Doubling Its Workforce In The Next Five To 10 Years. *(Kokomo Tribune, 1/14/18)*

**Anfinson Farm Store (Cushing, IA)**

Anfinson Farm Store Has Awarded \$1,000 Bonuses And Raised Wages 5% For All Full-Time Employees. *(Americans For Tax Reform, 1/9/18)*

**Anna Maria Oyster Bars, (Bradenton, FL)**

Company bonused \$60,000 to some staff and purchased two new two-sided LED signs @ \$20,000 each for two locations to attract new customers. *(House Ways and Means Committee Testimony, 5/23/18)*

**Anthem Inc. (Indianapolis, IN)**

Anthem Inc. Announced It Would Give \$1,000 To The Retirement Accounts For More Than 58,000 Employees And Recent Retirees. *(The Washington Examiner, 2/5/18)*

**Appalachian Brewing Co. (Harrisburg, PA)**

Company expects to create 20 to 30 new jobs thanks to federal tax cuts. *(Pennlive.com, 4/18/18)*

**Appalachian Power Company (Charleston, WV)**

Appalachian Power Company saved \$235 million dollars from the federal tax cuts and the company is proposing passing the money back to its customers in a variety of ways. *(West Virginia Metro News, 5/30/18)*

**Apple (Cupertino, CA)**

Apple Announced A \$2,500 Employee Bonuses In The Form Of Restricted Stock Units, \$30 Billion In Additional Capital Expenditures Over Five Years, An Additional 20,000 New Employees Would Be

Hired And They Would Increase Their Support For U.S. Manufacturing. (Bloomberg, 1/17/18; Press Release, 1/17/18)

- Apple Said It Expects Tax Repatriation Payments Of About \$38 Billion, Indicating That It Will Bring A Portion Of Its \$250 Billion Overseas Cash Back To The U.S. (CNBC, 1/17/18)

**Aquesta Financial Holdings Inc. (Lake Norman, NC)**

Aquesta Financial Holdings Announced It Would Provide A \$1,000 Bonus To Its Employees And Raise The Minimum Wage For Its Workforce To \$15. (Martinsville Bureau, 12/26/17)

**AR-15 Gun Owners of America (Warner Robins, GA)**

AR-15 Gun Owners Of America Announced It Would Pay \$300 Bonuses To Its Employees. (Fox Business, 1/17/18)

**Ariel Corporation (Mount Vernon, OH)**

Ariel Corporation Announced They Will Offer Employees Performance-Based Raises Of Up To 4.25% On Top Of Pay Raises They Received Last Year And Will Provide Improved Benefits. (National Association Of Manufacturers, 4/17/18)

**Arizona Public Service (Phoenix, AZ)**

Arizona Public Service Co.'s Request For A \$119 Million Bill Reduction Due To Tax Reform Was Accepted And The Company Says The Average Customer Will See An Average Drop Of \$5.40 In Their Monthly Bills. (The Republic, 2/22/18)

**Arnold Packaging (Baltimore, MD)**

The company reinvested its savings from tax reform by raising salaries by 4 percent for employees in the manufacturing facility and purchasing more equipment. (shopfloor.org, 5/3/18)

**Arthrex Inc. (North Naples, FL)**

Arthrex Inc. gave all of its U.S. employees either a \$1 per hour pay increase or a one-time bonus of \$1,000. (The Hayride, 7/10/18)

**Associated Bank (Green Bay, WI)**

Associated Bank Announced "It Will Boost Its Minimum Hourly Wage To \$15 And Pay Workers A \$500 Bonus When The Recently Passed Federal Tax Reform Is Signed ..." (Milwaukee Journal-Sentinel, 12/21/17)

**Atlantic Packaging (Wilmington, NC)**

Atlantic Packaging Announced They Are Awarding \$1,000 Bonuses Immediately To Nearly 1,000 Full-Time Employees. (Press Release, 1/23/18)

**Atlas Air Worldwide (Purchase, NY)**

Atlas Air Announced A Special One-Time \$1,000 Bonus Payment To All Full-Time Flight And Ground Staff Employees Below The Officer Level. (Press Release, 12/29/17)

**Atmos Energy (Owensboro, KY)**

Utility will be cutting rates by about 3 percent due to tax reform. (Rep. Brett Guthrie statement—www.gop.gov, 5/8/18)

**AT&T (Dallas, TX)**

AT&T Announced "It Would Give More Than 200,000 U.S. Union Members A Special Bonus Of \$1,000. The Company Also Increased Its Capital Expenditures Budget By \$1 Billion In The U.S." (CNBC, 12/20/17)

**AutoNation (Fort Lauderdale, FL)**

Autonation Announced Plans To Double Its Contribution To Workers Who Save For Retirement Through Its 401k Plan, And Provide Fully Paid Cancer Insurance For Employees And Their Families, As Well As A Financial Benefit For Those Diagnosed. (*Sun.Sentinel*, 1/16/18)

**AVANGRID (Orange, CT)**

AVANGRID Said It Will "Pass Along To Customers The Full Benefit Of Any Tax Savings That The Companies Realize As A Result Of The 2017 Federal Tax Reform Act. (Press Release, 1/10/18)

**Avista Corporation (Spokane, WA)**

Avista Corporation Announced That It Will Pass Tax Savings On To Its Utility Customers. (*TheSpokesman Review*, 2/21/18)

**AZZ Inc. (Fort Worth, TX)**

As a result of the tax reform law, AZZ Inc. plans on hiring 25-50 employees; distributed \$1 million in bonuses; and increased wages by \$1 to \$4 per hour for about 1,000 employees. (*Testimony*, 6/20/18)

**B****Baker Boy (Dickinson, ND)**

This family-owned baked goods manufacturer is using tax reform to grow its company, develop new product lines, and continue to create highly-skilled manufacturing jobs. The company president stated that "we're taking advantage of tax reform by writing off the new equipment and reinvesting our savings in the business. Over the next three years, we'll invest \$13 million in growing our business—including \$9 million over the next 18 months. It's a huge project, but we know tax reform will allow us to grow sales pretty significantly." (*Shopfloor.org*, 10/23/18)

**Ball Corporation (Broomfield, CO)**

Company plans to add more than 400 new workers in 2018. (*Shopfloor.org*, 1/9/2018)

**Ball Ventures (Idaho Falls, ID)**

Ball Ventures Announced It Would Give A \$100 Bonus To Each Employee For Every Year Of Their Employment At The Company. (*East Idaho News*, 12/27/17)

**Baltimore Gas And Electric (BGE) (Baltimore, MD)**

Baltimore Gas And Electric Sought To Pass Approximately \$82 Million In Annual Tax Savings To Customers. (*Press Release*, 1/5/18)

- BGE Proposed Reducing The Average Monthly Bill For A Natural Gas And Electric Customer By \$4.27. (*WTOP*, 1/5/18)

**BancorpSouth Bank (Tupelo, MS)**

BancorpSouth Bank Announced It Would Provide Pay Increases And/Or Bonuses Totaling More Than \$10 Million. (*Biz Buzz*, 1/4/18)

- BancorpSouth Provided A \$1,000 Bonus To Nearly 20 Percent Of Its 4,000 Employees, While The Overall Increased Compensation Affected More Than 70 Percent Of Its Employees. (*Biz Buzz*, 1/4/18)

**Bank Of Advance (Advance, MO)**

Bank Of Advance Paid \$1,000 Bonuses To All Staff. (*ABA Banking Journal*, 1/11/18)

**Bank Of America (Charlotte, NC)**

Bank Of America Will Give \$1,000 Bonuses To About 145,000 Employees. (*The Wall Street Journal*, 12/22/17)

**Bank Of Colorado (Fort Collins, CO)**

Bank Of Colorado Announced That It Is Paying A Special Bonus Of \$1,000 To Each Of Its Full-Time Associates. (*Journal Advocate*, 12/27/17)

**Bank Of Hawaii (Honolulu, HI)**

Bank Of Hawaii Said It Would Give Out \$1,000 Cash Bonuses To 2,074 Employees And Increase The Minimum Wage For Its Workforce To \$15 An Hour. (*The Honolulu Star-Advertiser*, 12/22/17)

**Bank Of The James (Lynchburg, VA)**

Bank Of The James Raised Its Minimum Wage To \$15, Added Vacation Days, And Increased Its Charitable Giving Plans. (*ABA Banking Journal*, 1/2/18)

**Bank Midwest (Spirit Lake, IA)**

Bank Midwest Announced \$500 Bonuses For Full-Time Employees And \$250 Bonuses For Part-Timers. (*ABA Banking Journal*, 1/16/18)

**Bank Of New York Mellon, Corp. (New York, NY)**

Bank Of New York Mellon Announced They Will Raise Their Base Wage To \$15 An Hour. (*The Wall Street Journal*, 1/18/18)

**Bank Of The Ozarks (Little Rock, AK)**

Bank Of The Ozarks Announced 2,300 Employees Were Eligible To Receive A Cash Award Of Up To \$1,200 Annually Based On Company And Individual Employee Performance. (*Talk Business & Politics*, 1/3/18)

**Bank Of The West (San Francisco, CA)**

Bank Of The West Announced It Would Increase The Company's Minimum Wage Across The Business To \$15 Per Hour. (*Press Release*, 2/8/18)

**Bay Electric (Newport News, VA)**

Bay Electric Announced They Were Able To Hire 12 Field Electricians And Apprentices And Have Added 2 Project Managers To Their Senior Team. The New Tax Law Also Accelerated Their Plan To Invest Over \$500,000 In New Trucks And Equipment. (*U.S. Chamber Of Commerce*, 4/12/18)

**BB&T Corp. (Winston-Salem, NC)**

BB&T Corp. Announced It Would Provide A \$1,200 Bonus To Approximately 27,000 Employees And Raise The Minimum Wage For Its Workforce To \$15. (*Martinsville Bulletin*, 12/26/17)

**Beck Manufacturing International (Converse, TX)**

Tax savings will be used to build a new facility and hire more workers. (*San Antonio Express-News*, 2/7/18)

**Benchmark Auto Sales (Asheville, NC)**

Benchmark Auto Sales Announced That They Will Now Be Able To Provide 100 Percent Of Their Staff With Employer-Provided Health Care. (*WLOS*, 1/26/18)

**Bendix Commercial Vehicle Systems (Elyria, OH)**

A stronger economy fueled in part by tax reform has enabled the company to invest in new machinery. (*Wall Street Journal*, 7/17/18)

**Beneficial Bancorp, Inc. (Philadelphia, PA)**

Beneficial Bancorp, Inc. Announced It Would Raise Its Base Wage To \$14 Per Hour, Provide \$1,000 Bonuses For All AVP Level Employees And Below And Contribute 4.5% To 401(k) Plans. *(Press Release, 2/1/18)*

**Berkshire Hills Bancorp, Inc. (Pittsfield, MA)**

Berkshire Hills Bancorp Announced It Would Provide A \$1,000 Bonus To Over 1,000 Employees, Raise The Minimum Wage To \$15 Per Hour, Enhance Employee Development And Training Programs, And Contribute \$2 Million To Its Charitable Foundation. *(Press Release, 1/4/18)*

**Bermuda Water Company (Phoenix, AZ)**

Utility will pass along tax savings to ratepayers. *(Prescott eNews, 8/24/18)*

**Best Buy (Richfield, MN)**

Best Buy Said Full-Time Employees Would Receive A One-Time Bonus Of \$1,000 And Part-Time Employees \$500. In All, More Than 100,000 Of Best Buy's 125,000 Employees In The U.S., Mexico And Canada Are Slated To Receive The Extra Payouts. *(The Minneapolis Star-Tribune, 2/2/18)*

**Biscayne Bay Craft Brewery (Doral, FL)**

Biscayne Bay Craft Brewery's Owner Said That Tax Cuts Have Allowed Him To Purchase \$100,000 More In Equipment And Hire Two New Employees. *(Tallahassee Democrat, 4/29/18)*

**Blackbaud (Charleston, SC)**

Blackbaud Announced That Most Employees Would Receive About \$2,000 Worth Of Stock. *(The Post And Courier, 2/7/18)*

**Black Draft Distillery (Martinsburg, WV)**

The money that the owners save on taxes is immediately put back into the business. The company also benefits from the federal excise tax reduction from \$13.50 to \$2.70. That is \$120-150 a month that gets reinvested into the business. *(The Journal, 10/11/18)*

**Black Hills Energy (Rapid City, ND)**

Black Hills Energy Has Notified The Nebraska Public Service Commission That They Intend To Pass Some Of Their Tax Savings On To Ratepayers. *(Lincoln Journal Star, 1/13/18)*

**Blackrocks Brewery (Marquette, MI)**

Blackrocks Brewery is working on expanding its operations thanks to the new tax law. The brewery is reinvesting the money in equipment and personnel. *(MarketWatch.com, 4/26/18)*

**Blue Cross And Blue Shield Of North Carolina (Durham, NC)**

Blue Cross And Blue Shield Of North Carolina Announced That Tax Cuts Would Help Them Hold Down Rate Increases In The Future. They Also Announced They Would Contribute \$40 Million To Charities And Pay About 4,700 Employees A \$1,000 Bonus. *(The Associated Press, 2/22/18)*

**Blue Harbor Resort (Sheboygan, WI)**

Blue Harbor Resort Announced It Would Pay A One-Time Cash Bonus Of \$1,000 To Each Eligible Blue Harbor Employee. *(MySheboygan.com, 1/26/18)*

**Blue Hills Bancorp Inc. (Norwood, MA)**

Blue Hills Bancorp Inc. Paid \$1,000 Bonuses To Each Employee With A Functional Title Below The Assistant Vice President And Raised Their Base Hourly Pay To \$15. (Press Release, 1/29/18)

**BMO Harris Bank (Chicago, IL)**

BMO Harris Bank Raised Its Minimum Wage To \$15 Per Hour Because Of The Recent Changes To The Corporate Tax Rate. (Milwaukee Business Journal, 1/30/18)

**BNB Bank (Bridgehampton, NY)**

BNB Bank Said It Was Increasing Its Minimum Wage From \$13 To \$15 For About 100 Employees, Or 20 Percent Of The Bank's Workforce. (Newsday, 1/30/18)

**Boeing (Chicago, IL)**

"Boeing Announced ... That It Would Invest \$300 Million In Charitable Projects, Employee Training And Education, And Facilities Improvements For Boeing Locations." (The Daily Caller, 12/20/17)

**Breckenridge Landscape LLC (New Berlin, WI)**

Breckenridge Landscape LLC Announced Plans To Boost Pay For Its 35 Workers By Around \$3 An Hour. (Inc., 2/2/18)

**Broadridge Financial Solutions (Lake Success, NY)**

Broadridge Financial Solutions Announced Its Minimum Hourly Wage Would Increase To \$15 Per Hour And It Would Also Pay A \$1,750 Bonus To Hourly, Nonmanagement Associates. (Newsday, 2/8/18)

**Brown Forman Corporation (Louisville, KY)**

Brown Forman Corporation Announced A \$120 Million Contribution To The Employee Pension Fund. (Press Release, 1/23/18)

**Bruns General Contracting (Tipp City, OH)**

Bruns General Contracting Said It Plans To Invest More In Equipment And Vehicles And Strengthen Retirement Benefits. (Press Release, 1/16/18)

**BTE Technologies (Hanover, MD)**

Company plans to invest in new product development and hire 20 percent more workers. (Shopfloor.org, 1/9/2018)

**Buhrmaster Baking Company (Yakima, WA)**

Company is planning to make equipment upgrades. (Rep. Dan Newhouse statement-gop.gov, 7/9/18)

**C**

**Cacchiotti Orthodontics (Moses Lake, WA)**

Company announced hourly raises for its Moses Lake employees. (Rep. Dan Newhouse statement-gop.gov, 7/9/18)

**Cadence Bancorporation (Houston, TX)**

Cadence Bancorporation Announced They Would Raise Base Wages To \$15 Per Hour, Increase Company 401(k) Contributions, Provide A New Employee Stock Purchase Plan, And Provide Enhanced Employee Benefits. (Press Release, 2/14/18)

**Caldwell Tanks (Louisville, KY)**

Company has increased wages for its roughly 400 employees by at least 10 percent due to tax reform. *(Louisville Courier-Journal, 8/10/18)*

**California Water Service (San Jose, CA)**

California Water Service (Cal Water) submitted a filing with the California Public Utilities Commission (CPUC) to decrease revenue needed in its service areas by almost \$18 million, due to changes in federal tax laws and CPUC-authorized capital equity and debt financing costs. If approved as submitted, new rates reflecting the lower tax rates and financing costs will be effective July 1, 2018.

Since the 2018 Tax Cuts and Jobs Act was enacted in December 2017, Cal Water has been tracking the effect of the new corporate tax rate and other tax law changes to deductions and deferred income taxes. In a later filing, Cal Water will apply a credit to customer bills to reflect the impact of all federal tax changes from Jan. 1 to June 30, 2018. *(Press Release, 5/30/18)*

**Camden National Bank (Portland, ME)**

Camden National Bank Announced A \$1,000 Bonus For Full-Time Employees, A \$750 Bonus For Part-Timers And New Funding Both For Customer-Focused Technology Upgrades And For Its Community Giving. *(ABA Banking Journal, 1/11/16)*

**Canary LLC (Denver, CO)**

Canary LLC Announced That Due To Tax Reform, The Company Will Hire More Employees And Increase Capital Spending. *(Fox Business, 12/21/17)*

**Capital One (McClean, VA)**

Capital One Announced It Would Raise Its Minimum Wage For U.S. Employees To \$15 An Hour. *(CNBC, 1/11/18)*

**CarMax Inc. (Richmond, VA)**

Carmax Inc. Announced Plans To Provide One-Time Bonuses To Most Hourly And Commissioned Full-Time And Part-Time Associates Ranging From \$200 Up To \$1,500 Based On Length Of Service With The Company. *(Press Release, 2/21/18)*

**Carpenter Technology (Philadelphia, PA)**

Carpenter Technology Announced That It Will Increase Investments In Its Manufacturing Operations. *(WFMZ, 3/26/18)*

**Carter's Inc. (Atlanta, GA)**

Carter's Inc. Announced It Will Spend \$20 Million To Increase Employee Retirement Plan Contributions And Give Bonuses For Eligible Full-Time And Part-Time Employees. Carter's Said It Plans Cash Bonuses To Full-Time And Part-Time Global Employees With One Year Of Service, With Full-Time Employees Receiving A Bonus Of Approximately 5 Percent Of Base Salary And Part-Time Employees Receiving Approximately \$100 Per Year Of Service With The Company. *(Atlanta Business Chronicle, 2/27/18)*

**Cedar Rapids Toyota (Hiawatha, IA)**

Cedar Rapids Toyota Announced They Would Give Each Full-Time Employee A \$500 Bonus. *(KCRG, 1/19/18)*

**Centaur Gaming (Indianapolis, IN)**

Centaur Gaming Announced That Its 2,000 Employees Would Receive A \$500 Bonus. *(Indianapolis Business Journal, 3/7/18)*

**Centennial Bolt (Denver, CO)**

Centennial Bolt Announced It Plans To Increase The Size Of Its Workforce Between All Its Partner Companies By 30 Percent, Pay Tax Reform Bonuses, And Increase Paychecks. (National Association Of Manufacturers, 4/24/18)

**CenterState Bank (Davenport, FL)**

CenterState Bank Announced That About 700 Workers, Or 60 Percent Of The Company's Employees As Of Dec. 31, Will Receive A \$1,000 Bonus. (Tampa Bay Business Journal, 1/19/18)

**Central Banccompany, Inc. (Jefferson, MO)**

Central Banccompany Announced Its Roughly 2,500 Employees Would Receive A \$1,000 Bonus. (KMOV, 1/5/18)

**Central Bank Of St. Louis (St. Louis, MO)**

Central Bank Of St. Louis Announced That All 850 Employees Will Receive \$1,000 Bonuses And That The Base Wage Will Rise From \$12 To \$15.25. (KMOV, 1/5/18)

**Central Maine Power Company (Augusta, ME)**

Residential customers will receive a 1.3 percent rate reduction due to the tax reform law. (News Release, 6/26/18)

**Central Pacific Bank (Honolulu, HI)**

Central Pacific Bank Announced It Would Provide A \$1,000 Bonus To It's Non-Executive Workforce Of About 850 Employees And Raise The Minimum Wage For Its Workforce To \$15.25 An Hour. (The Honolulu Star-Advertiser, 12/25/17).

**Centric Financial Corporation, Inc. (Harrisburg, PA)**

Company is increasing the salaries of entry-level employees to \$15 per hour, providing raises to employees who are near entry-level wages, hiring additional staff, and investing in new technology. (prnewswire.com, 8/17/18)

**Charles Schwab Corporation (San Francisco, CA)**

The Charles Schwab Corporation Announced It Would Pay \$1,000 Bonus For About 9,000 Non-Executive Employees. (Press Release, 1/25/18)

**Charlie Bravo Aviation (Georgetown, TX)**

Charlie Bravo Aviation Committed To Handing Out \$1,000 Bonuses To The Company's Six Employees. (The Hill, 1/9/18)

**Charlotte Pipe And Foundry (Charlotte, NC)**

Charlotte Pipe And Foundry Announced They Would Be Able To Pay Each Associate A Special \$1,000 Bonus. (Press Release, 1/8/18)

**Charter Communications (Stamford, CT)**

Charter Communications Is Instituting A \$15-Per-Hour Minimum Wage Across The Board By The End Of The Year. (Axios, 2/3/18)

**Chipotle Mexican Grill (Denver, CO)**

Chipotle Mexican Grill Announced It Would Make All Its Restaurant Managers And Crew Eligible For A One-Time Cash Bonus, Award One-Time Stock Bonuses To A Broad Group Of Staff Employees And Increase Employee Benefits. (Press Release, 2/6/18)

**Chukar Cherries (Prosser, WA)**

Company has announced a \$1.8 million, 12,000-square-foot expansion, in large part due to tax reform. (Rep. Dan Newhouse statement-gop.gov, 7/9/18)

**Cigna (Bloomfield, CT)**

Cigna Said It Would Establish A Minimum Wage Of \$16 An Hour, Increase Its Payroll By More Than \$15 Million, And Spend Another \$30 Million On Its 401(K) Program. The Company Said It Will Provide An Additional 1 Percent Match To Employee Contributions To The Retirement Fund This Year, A Move That Would Benefit The Retirement Accounts Of More Than 30,000 Employees. (CFR Mirror, 1/31/18)

**Cintas Corp. (Cincinnati, OH)**

Cintas Corp. Provided \$500-\$1,000 Bonuses For Employees, Depending On Time With The Company. (Waterloo Cedar Falls Courier, 4/23/18)

**Cisco Systems (San Jose, CA)**

After Cisco Systems Reported Expectation-Beating Earnings, It Announced It Would Buy Back Some \$25 Billion In Stock And Hike Its Quarterly Dividend 14 Percent. (Silicon Valley Business Journal, 2/15/18)

**Citizens Bank Of West Virginia (Elkins, WV)**

Citizens Bank Of West Virginia Announced It Would Issue A \$1,000 Bonus To Each Of Its 66 Employees. (Press Release)

**Citizens Financial Group (Providence, RI)**

Citizens Financial Group Announced It Would Give \$1,000 One-Time Bonuses To 70 Percent Of Its Workforce, Adding Up To \$12.5 Million. (The Washington Examiner, 1/4/18)

**Citizens Utility Board of WI & WI Industrial Energy Group (Madison, WI)**

Customers Of Wisconsin Utilities Are Projected To Save More Than \$275 Million From The New Lower Rate For Federal Corporate Taxes, Based On Estimates Compiled By The Citizens Utility Board Of Wisconsin And The Wisconsin Industrial Energy Group. (Milwaukee Journal Sentinel, 2/28/18)

**Civista Bank (Sandusky, OH)**

Civista Bank Said It Plans To Increase Base Pay For 86% Of Its Employee Base, Which Will Result In Approximately \$2,000 Annually For Full-Time Hourly Employees, And Will Provide A One-Time Bonus Of \$750.00 For The Other 14%. (Press Release, 2/21/18)

**Clayton Distillery (Clayton, NY)**

Company is installing upgrades to the facility. (Watertown Daily Times, 12/28/17)

**Cleco Corporation (Pineville, LA)**

Cleco Corporation Announced It Would Pass Tax Savings On To Its Utility Customers. (Press Release, 2/22/18)

**Cogent Building Group (Santa Rosa, FL)**

Cogent Building Group gave \$2,000 bonuses to its four employees. (The Hayride, 7/10/18)

**College Of The Ozarks (Point Lookout, MO)**

College Of The Ozarks Decided To Issue A Check To Each College Employee In The Amount Of \$204 As A Result Of Savings From The Recent U.S. Tax Code Revision. (Press Release, 1/18/18)

**Colling Pest Solutions (Idaho Falls, ID)**

In Addition To Providing One-Time Bonuses, Colling Pest Solutions Announced Their Business Would Pay Quarterly Bonuses And 50 Percent Of Employee Child Care Expenses. (EastIdahoNews.com, 4/12/18)

**Comcast (Philadelphia, PA)**

Comcast Announced It Would Give Out \$1,000 Bonuses To "Eligible Frontline And Non-Executive Employees." (The Washington Post, 12/20/17)

**Comerica Inc. (Dallas, TX)**

Comerica Announced It Would Provide A \$1,000 Bonus To Approximately 4,500 Employees And Raise The Minimum Wage For Its Workforce To \$15. (Press Release, 12/29/17)

**Commerce Bancshares (Kansas City, MO)**

Commerce Bancshares Will Provide A \$1,000 Bonus To 3,450 Full-Time Employees, While Eligible Part-Time Employees Would Receive A \$250 Bonus. (St. Louis Post-Dispatch, 1/2/18)

**Commonwealth Edison Company (Chicago, IL)**

Commonwealth Edison Company Announced It Is Passing On \$200 Million Worth Of Tax Savings To Its Customers. (Press Release, 1/5/18)

**Community Trust Bancorp, Inc. (Pikeville, KY)**

Community Trust Bancorp Announced It Would Pay All Full-Time Employees A \$1,000 Bonus. (The Lane Report, 12/26/17)

**Community Valley Bank (El Centro, CA)**

Community Valley Bank Announced It Would Pay Each Employee A \$500 Bonus. (Press Release, 1/29/18)

**Complex Chemical Company Inc. (Tallulah, LA)**

Company provided raises to all 120 employees, installed a new distillation column, and plans to hire more workers. (shopfloor.org, 7/18/18)

**Computer Services, Inc. (Paducah, KY)**

Computer Services, Inc. Announced That Non-Executive Full-Time Employees With The Company More Than 12 Months Would Receive A One-Time \$1,300 Cash Bonus And Part-Time Employees With The Company Less Than 12 Months Would Receive A One-Time Cash Bonus Of \$650. The Company Also Stated That All Eligible Employees Would Receive An Additional One-Time Contribution To Their Retirement Plan. (Press Release, 3/5/18)

**Consumers Energy (Jackson, MI)**

Consumers Energy Submitted A Proposal To The Michigan Public Service Commission That Would Lower Customer Bills Starting In 2018 By Approximately \$200 Million. (Press Release, 1/19/18)

**Cooperstown Environmental (Andover, MA)**

Cooperstown Environmental announced it was doubling the company-paid contribution to each employee's retirement saving account. (Press Release, 2/7/18)

**Copperleaf Assisted Living (Wisconsin)**

Copperleaf Assisted Living Announced It Would Provide About 60 Employees A \$600 Bonus And Other Employees A Bonus Ranging Between \$200 And \$600. (USA Today Network, 12/22/17)

**Coscto (Issaquah, WA)**

Costco Announced It Plans To Spend Tax-Cut Windfalls On One-Time Employee Bonuses Or More Enduring Wage Increases For Its More Than 239,000 Employees. (Seattle Times, 3/8/18)

- The company announced that it will increase the starting wage for its U.S. employees by \$1 to as much as \$14.50 an hour, while other hourly wage rates will increase 25 to 50 cents an hour. The raise, to be paid for with part of Costco's savings from U.S. federal corporate tax cuts that took effect this year, will go to upwards of 130,000 U.S. employees. (Seattle Times, 5/31/18)

**Couch Clarity (Villa Park, IL)**

Couch Clarity Announced That Tax Reform Helped Several Employees Take Home Bigger Paychecks And That The Savings From Their 2018 Taxes Will Be Used For The Couch Clarity Team's Personal And Professional Development. (U.S. Chamber Of Commerce, 4/12/18)

**Cox Enterprises (Atlanta, GA)**

Cox Enterprises Announced That Almost 60,000 Employees Nationwide Would Receive Bonuses Of \$1,000 To \$2,000. (The Arizona Republic, 3/8/18)

**Cox Manufacturing (San Antonio, TX)**

Company has received increased business since tax reform was enacted, leading them to speed up construction of a new facility and plan to hire new employees. (San Antonio Express-News, 2/7/18)

**Crete Carrier Corporation (Lincoln, NE)**

Tax reform has enabled the company to increase employee compensation, invest in new equipment, and expand operations. (trucking.org, 4/12/18)

**CUNA Mutual Group (Madison, WI)**

CUNA Mutual Group Said The Company Is Making Its Largest Contribution Ever To Its Philanthropic Foundation, A \$20 Million Donation Made Possible In Part By Federal Tax Reform. (Milwaukee Journal Sentinel, 2/13/18)

**Custom Truck & Body Works (Woodbury, GA)**

Company is expanding and hiring more workers. (Rep. Drew Ferguson statement- www.gop.gov, 3/20/18)

**Customers Bank (Wyomissing, PA)**

Customers Bank Announced That It Would Begin Offering A Bonus Checking Account That Earns Two Percent Interest, Increase Its Charitable Giving By \$1 Million In 2018 And Continue To Pay Its Employees At Least \$15 Per Hour. (WFMZ, 1/8/18)

**CVS Health (Woonsocket, RI)**

CVS Announced It Would Raise Its Base Wage To \$11 Per Hour. (Press Release, 2/8/18)

**D**

**Darden Restaurants (Orlando, FL)**

Darden Restaurants Said The Tax Cut Will Prompt It To Spend An Additional \$20 Million On Its 175,000-Plus Employees This Year, But Did Not Give Specifics. (*Orlando Sentinel*, 1/8/18)

**Data Sales Co., Inc. (Burnsville, MN & Scottsdale, AZ)**

Data Sales Co., Inc. Announced That The Company Will Celebrate The Recent Passage Of Tax Reform Legislation By Distributing A Special Bonus Of \$1,000 To All 80 Plus Employees. (*Press Release*, 1/22/18)

**Davis Trust Company (Elkins, WV)**

Davis Trust Company Provided A 3 Percent Across-The-Board Pay Increase On Top Of Year-End Merit And Cost-Of-Living Increases. (*ABA Banking Journal*, 1/23/18)

**Dayton T. Brown Inc. (Hollywood, MD)**

Dayton T. Brown Announced It Would Provide A \$400 Bonus To About 210 Employees. (*Newsday*, 12/22/17)

**Delaware Supermarkets Inc. (Wilmington, DE)**

Delaware Supermarkets Announced It Would Provide \$150 Bonuses To 1,000 Employees And Invest \$150,000 In Employee Training And Development Programs. (*Delaware Business Now*, 12/28/17)

**Delta Airlines (Atlanta, GA)**

Delta Airlines Said That The Tax Reforms Pushed Through At The End Of Last Year Will Boost The Company's Earnings By About \$800m A Year Or \$1 Per Share In 2018. (*Financial Times*, 1/11/18)

**Dempsey Wood Products (Orangeburg, SC)**

Company says the new tax law is a catalyst for recent business expansion and laying the groundwork for new jobs. (*The Times and Democrat*, 5/2/18)

**DePatco (Idaho Falls, ID)**

DePatco Accepted A Challenge To Give Bonuses To All Of Its Employees. (*Press Release*, 1/4/18)

**Dime Community Bancshares (New York, NY)**

Dime Community Bank Announced It Would Pay A One-Time \$1,000 Bonus To All Non-Executive Employees. (*Press Release*, 1/5/18)

**Discover Financial Services (Riverwoods, IL)**

Discover Financial Services Announced That Their Base Wage Would Be Raised To \$15.25 Per Hour And That They Would Provide \$1,000 Bonuses For More Than 15,000 Non-Executive Employees. (*Press Release*, 1/24/18)

**Diversified Plastics, Inc. (Brooklyn Park, MN)**

Thanks to tax reform, the company is expanding their facility, investing in new equipment, and added 7 employees. (*medium.com*, 10/16/18)

**Dixon Valve (Chestertown, MD)**

Dixon Valve Announced A \$1,000 Bonus For Each Full-Time American Employee. (*Shop Floor*, 3/28/18)

**Dohrn Transfer (Rock Island, Illinois)**

Dohrn Transfer Paid \$1,000 Bonuses To All Of Its Approximately 1,200 Employees. (*Quad-City News*, 2/1/18)

**Dollar Bank (Pittsburgh, PA)**

Company is providing its workers who earn \$60,000 or less a \$2,000 raise. (*American Banker*, 5/7/18)

**Dollar Tree, Inc. (Chesapeake, VA)**

Dollar Tree, Inc. Announced It Plans To Invest \$100 Million to raise base wages and provide enhanced benefits. (*Press Release*, March 2018)

**Dollywood (Pigeon Forge, Tennessee)**

Dollywood Announced That Nearly 1,200 Employees Would Receive A \$500 Bonus. (*Times Free Press*, 4/17/18)

**Dominion Energy Utah (Salt Lake City, UT)**

Dominion Energy is passing along \$17 million in savings for Utah ratepayers. (*KUTV*, 2/5/18)

**Don Ramon Restaurant (West Palm Beach, FL)**

Don Ramon Restaurant has been able to purchase new kitchen appliances thanks to the new tax reform law. (*News Release*, 6/20/18)

**Dong-A Hwa Sung Co., LTD. (Martin, TN)**

The South Korean manufacturer announced it is building a facility in Martin that will create 220 new jobs. (Rep. David Kustoff statement-gop.gov, 5/8/18)

**Doss Enterprises (Jane Lew, WV)**

Doss Enterprises Announced Plans To Hire New Employees And Purchase New Equipment. (*WVNews.com*, 5/2/18)

**Dot Foods (Mount Sterling, IL)**

Dot Foods Announced It Plans To Pay Bonuses Of \$500, Before Tax Deductions, To Each Of Its 214 Full-Time Employees. (*Palladium-Item*, 2/17/18)

**DTE Energy (Detroit, MI)**

DTE Energy Announced That Rates In Michigan Will Go Down For 2.2 Million Electric And 1.3 Million Gas Customers. There Are Expected To Be Around \$190 Million In Savings. (*ABC-Detroit*, 1/23/18)

**Duke Energy Carolinas & Duke Energy Progress (Charlotte, NC)**

Duke Energy Carolinas And Duke Energy Progress Said It Would Pass Tax Savings On To Customers. (*Press Release*, 2/1/18)

**Duke Energy Florida (St. Petersburg, FL)**

Duke Energy Florida Announced They Will Apply Federal Tax Savings To Prevent A Rate Increase, Saving The Average Residential Customer \$187. (*Press Release*, 1/24/18)

**Duke Energy Indiana (Plainfield, IN)**

Duke Energy Indiana says the average residential customer will see their monthly bill reduced by about 5 percent due to the Tax Cuts and Jobs Act. (*Inside Indiana Business*, 6/28/18)

**Dumpster Depot (Aiken, SC)**

Company is expanding its business operations. (*The Lexington Ledger*, 2/21/18)

**Dyersville Die Cast (Dyersville, IA)**

Dyersville Die Cast Announced It Would Pay A \$200 Bonus For All Eligible Full-Time Employees In Addition To A \$50 Monthly Bonus For At Least Twelve Months. (*Dyersville Commercial*, 2/21/18)

**Dynalab Inc., (Reynoldsburg, OH)**

Company provided larger 2017 year-end bonuses and greater take-home pay for most of its associates and is investing \$2 million-plus in new manufacturing equipment. *(The Columbus Dispatch, 3/22/18)*

**Dynamic Fasteners (Kansas City, MO)**

Dynamic Fasteners Announced It Would Give A Maximum Of \$1,000 Bonus Per Full Time Employee. *(FOX-Kansas City, 1/24/18)*

***E*****E-Cycle (Hilliard, OH)**

E-Cycle gave \$350,000 worth of bonuses to its 55 employees, the largest bonus compensation in company history. *(Watchdog.org, 6/1/18)*

**Eagle Manufacturing (Wellsburg, WV)**

Company is planning to invest in new equipment and hire additional workers due to tax reform. *(The Intelligencer, 5/3/18)*

**Eagle Ridge Ranch (Island Park, ID)**

Company provided employee bonuses as a result of the tax reform law. *(WHOTV.com, 1/3/18)*

**East Idaho News (Idaho Falls, ID)**

Company provided employee bonuses as a result of the tax reform law. *(WHOTV.com, 1/3/18)*

**Ecolab (St. Paul, MN)**

In response to the passage of the new tax law, the company announced its intent to make a \$25 million contribution to the Ecolab Foundation, which contributes to the communities in which the company does business. *(Press Release, 1/23/18)*

**ecUtopia (San Diego, CA)**

ecUtopia Announced Bonuses For All Its Employees. *(Press Release, 5/3/18)*

**Eli Lilly and Company (Indianapolis, IN)**

Eli Lilly and Company opened a new \$75 million research facility made possible in part due to the tax reform law. *(Indianapolis Star, 6/29/18)*

**Elite Clinical Trials (Blackfoot, ID)**

Company provided employee bonuses as a result of the tax reform law. *(WHOTV.com, 1/3/18)*

**Elite Roofing Systems (Idaho Falls, ID)**

Company provided employee bonuses as a result of the tax reform law. *(WHOTV.com, 1/3/18)*

**Ellwood Group (Ellwood, PA)**

Company is investing \$10 million in its plant; plans to expand its workforce by 10 percent. *(yourwire.com, 8/9/18)*

**Elmer Smith Oil Company (Clinton, OK)**

Elmer Smith Oil Company And Its Subsidiaries Paid Bonuses To More Than 300 Employees. *(The Shawnee News-Star, 12/29/17)*

**El Paso Electric Company (El Paso, TX)**

El Paso Electric Company Announced It Would Give Refunds To Customers Due To Tax Reform. (Press Release, 1/23/18)

**Emerson (St. Louis, MO)**

Emerson announced that because of tax reform it would be able to offer new and improved benefits, including enhanced medical and dental plans, along with life, long-term and short-term disability plans; improved paid parental leave of 12 weeks for primary caregivers and two weeks for secondary caregivers; improved vacations plans; a special one-time contribution to employees' 401(k) retirement plans, worth a total of \$24 million; and improved retirement plans for certain business units. The company also announced new investments in the United States. (Testimony, 5/16/18)

**EMKAY, Inc. (Itasca, IL)**

EMKAY, Inc. Announced That All Full-Time Employees Will Receive A \$1,000 Bonus. (Press Release, January 2018)

**Empire National Bank (Islandia, NY)**

Empire National Bank Is Increasing Salaries By 5 Percent, Upping Its 401(K) Match Program And Giving All Nonexecutive Employees \$1,000 Bonuses. (Newsday, 1/30/18)

**Empire Recycling (Utica, NY)**

Empire Recycling Said That Due To Tax Reform, Quarterly Bonus Given To Their Employees Increased By 50 Percent. (Oneida Daily Dispatch, 5/5/18)

**Ennis, Inc. (Midlothian, TX)**

Ennis Announced It Would Provide A \$500 Bonus To More Than 2,200 Employees. (Press Release, 12/22/17)

**Entergy Arkansas (Little Rock, AK)**

Entergy Arkansas Announced It Has Filed A Rate Reduction Proposal Pass Along \$466 Million In Savings From April Through December 2019. The Com Said The Proposal Translates To An Average Reduction Of \$20 Per Month. (Arkansas Times, 2/28/18)

**Entergy Louisiana (New Orleans, LA)**

Entergy Louisiana Announced That Their Customers Would See An Average Rate Reduction Of \$4.20 A Month. (KSLA, 4/19/18)

**Entergy Mississippi (Jackson, MS)**

Entergy Mississippi announced plans to implement the new tax reform law that will benefit customers in three ways: short-term bill credits, long-term rate reductions, and alleviation of some future rate increases. (News Release, 2/26/18)

**Entergy New Orleans (New Orleans, LA)**

Entergy New Orleans announced plans to implement the new tax reform law that will benefit customers with \$50 million annually in near-term savings and an additional \$71 million in savings over the longer term. (News Release, 5/21/18)

**Entergy Texas (The Woodlands, TX)**

Following the passage of the Tax Cuts and Jobs Act, Entergy Texas announced that it will flow back more than \$200 million to customers over the next two years. (Press Release, 5/15/18)

**Enstar Natural Gas Company (Anchorage, AK)**

Enstar Natural Gas Company Announced It Would Pass Savings From The Tax Bill To Its Customers. (Anchorage Daily News, 3/7/18)

**EPCOR USA (Phoenix, AZ)**

EPCOR USA Passes \$1.1 Million in Tax Reform Savings to Wastewater Customers. (News Release, 6/12/18)

**Erie Insurance (Erie, PA)**

Erie Insurance Announced That Its 5,400 Permanent Full-And Part-Time Employees Would Receive A \$1,000 Cash Bonus And That It Would Contribute \$1,000 To The Account Of Any Employee Who Has A 401(k) Retirement Savings Plan. (Erie Times-News, 3/23/18)

**ES Bancshares, Inc. (Newburgh, NY)**

ES Bancshares Announced It Would Provide A \$500 Bonus To Its Full-Time Employees And Would Add At Least 10 New Jobs. (Press Release, 1/2/17)

**Evans Bancorp Inc. (Hamburg, NY)**

Evan Bancorp Inc. Announced It Would Pay \$1,000 Bonuses To Non-Senior Level Employees And Increase Its Charitable Donations. (Press Release, 1/31/18)

**Evans Tool & Die (Conyers, GA)**

Company plans to invest in new equipment and hire new workers due to tax reform. (shopfloor.org, 9/13/18)

**Everett J. Prescott Inc. (Gardiner, ME)**

Everett J. Prescott Inc. Announced 300 Employees Would Receive A Bonus; \$1,000 For Employees With More Than A Year Of Service, \$250 For Employees With Less Than A Year. (WABI, 3/5/18)

**Eversource Energy (Boston, MA)**

Some Massachusetts Customers Of Eversource Energy "Could End Up Paying Less For Their Electricity After The Energy Company Proposed Changes Based On The New Federal Tax Law." (State House News Service, 1/4/18)

**Excel Boat Company (Ridgely, TN)**

The Mountain View, AR-based company announced it is opening a new manufacturing plant in Ridgely, TN that will create 200 new jobs. (Rep. David Kustoff statement-gop.gov, 5/8/18)

**Express Employment Professionals (Oklahoma City, OK)**

Express Employment Professional Announced It Would Pay A \$2,000 Bonus To More Than 200 Nonexecutive Employees. (The Oklahoman, 12/27/17)

**Express Scripts (St. Louis, MO)**

Express Scripts Announced That Its Non-Executive Employees Would Receive Bonuses Ranging From \$500 To \$2,000 Depending On An Employees' Tenure. (St. Louis Post-Dispatch, 2/28/18)

**Exxon Mobil (Irving, TX)**

Exxon Mobil Said It Plans To Invest An Additional \$35 Billion In The United States Over The Next Five Years. (CNBC, 1/29/18)

***F***

**F&M Bank (Timberville, VA)**

F&M Bank Announced That Employees Who Work More Than 30 Hours A Week Would Receive A One-Time Bonus Of \$1,100 And Those Who Work Less Would Receive \$750. (*WHSV-Harrisonburg*, 2/20/18)

**Family Express (Valparaiso, IN)**

Family Express Announced It Would Increase Its Base Wage To \$11 Per Hour. (*Northwest Indiana Times*, 2/5/18)

**FedEx (Memphis, TN)**

FedEx Announced Plans To Spend More Than \$3.2 Billion In Wage Increases, Bonuses, Pension Funding And Capital Investment. (*Reuters*, 1/26/18)

**Few Spirits (Evanston, IL)**

This small craft distiller has hired two new employees. (*New York Times*, 4/23/18)

**Fiat Chrysler (Auburn Hills, MI)**

Fiat Chrysler Said It Would Pay A Bonus Of \$2,000 To About 60,000 FCA Hourly And Salaried Employees In The U.S., Excluding Senior Leadership. (*Detroit Free Press*, 1/11/18)

- The Company Also Said It Will Invest More Than \$1 Billion To Modernize Their Warren Truck Plant, Adding 2,500 Jobs And Moving Production Of Its Ram Heavy Duty Trucks From Mexico. (*Detroit Free Press*, 1/11/18)

**Fidelity Bank (Dunmore, PA)**

Fidelity Bank Announced That \$1,000 Was Paid To All Of The Bank's Full-Time Employees Who Earn Less Than \$100,000 In Annual Compensation And The Bank's 11 Part-Time Employees Received A Cash Payment Of \$500. (*The Citizen's Voice*, 1/4/18)

**Fifth Third Bancorp (Cincinnati, OH)**

Fifth Third Bancorp Announced It Will Pay More Than 13,500 Employees A \$1,000 Bonus And Raise The Minimum Wage For Its Workforce To \$15. (*CNBC*, 12/20/17)

**Financial Institutions, Inc. (Warsaw, NY)**

Financial Institutions, Inc. Announced It Would Pay \$500 Bonuses To Employees Not Covered By Certain Incentive Programs. (*Press Release*, 1/29/18)

**FireBird Bronze (Damascus, OR)**

Company was able to offer health insurance for the first time. (*Washington Examiner*, 1/14/18)

**Fireking Baking Company (Braintree, MA)**

The passage of the tax reform plan created an opportunity to accelerate equipment purchases for the company. The firm has ordered 6 new ovens, a new bread production line, 3 industrial mixers and a slicing packaging line. The additional equipment will create 10 new full-time jobs. (Self-reported and also *Fox News*, 4/17/18)

**First Bank (Longmont, CO)**

Company provided a \$1,000 bonus for full-time employees and \$500 bonus for part-time employees; increased its minimum wage; and created a 9% salary increase pool for existing employees. (*American Bankers Association*, 12/22/17)

**First Bank & Trust Company (Abingdon, VA)**

First Bank And Trust Company Said It Would Give Back 30 Percent Of Its Tax Savings To Employees By Raising Its Minimum Wage To \$15 Per Hour. *(ABA Banking Journal, 1/22/18)*

**FirstCapital Bank Of Texas (Texas)**

FirstCapital Bank Of Texas' Chairman Announced They Are Giving All Non-Executive Employees A \$500 Tax Cut Bonus. *(Twitter, 12/20/17)*

**First Communications, LLC (Akron, OH)**

First Communications, LLC Announced That All Full-Time Employees Would Receive A \$1,000 Bonus And That They Would Invest An Addition \$3 Million In Capital Improvements. *(Akron Beacon Journal, 3/10/18)*

**First Farmers Bank And Trust (Converse, IN)**

First Farmers Bank And Trust Announced "It Would Raise Its Minimum Hourly Wage By \$2.50, Provide A 2017 Year-End Bonus Of \$750 For All Full-Time Employees, Invest At Least \$250,000 Annually In Community Development Activities And Spend At Least \$150,000 Per Year On Employee Professional Development." *(ABA Banking Journal, 1/2/18)*

**First Financial Bancorp (Cincinnati, OH)**

First Financial Bancorp Announced It Will Raise The Starting Wage For All New And Existing Hourly Associates To \$15 An Hour Effective Immediately And Has Made A \$3 Million Contribution To Its Newly Established Charitable Foundation. *(Press Release, 1/3/18)*

**First Federal Community Bank (Dover, OH)**

First Federal Community Bank Paid A \$1,000 Bonus To Full-Time Employees, A \$500 Bonus To Part-Timers And Increased Charitable Donations. *(ABA Banking Journal, 1/23/18)*

**First Financial Northwest, INC (Renton, WA)**

First Financial Northwest Inc Announced A \$1,000 After-Tax Bonus For All Non-Executive Employees. *(Press Release, 1/2/18)*

**First Hawaiian Bank (Honolulu, HI)**

First Hawaiian Bank Said It Would Give Out \$1,500 Bonuses To 2,264 Employees And Increase The Minimum Wage For Its Workforce To \$15 An Hour. *(The Honolulu Star-Advertiser, 12/22/17)*

**First Horizon National Corp. (Memphis, TN)**

First Horizon National Corp. Announced It Would Give About 4,000 Employees A \$1,000 Bonus. *(USA Today Network, 12/27/17)*

**First Merchants Corporation (Muncie, IN)**

First Merchants Corporation Announced A \$1 Per Hour Wage Increase For Hourly Employees, \$500 Bonuses For Full-Time Employees, Excluding Senior Management And A Pro-Rated Bonus For Part-Time Employees. *(Press Release, 1/16/18)*

**First Midwest Bancorp (Itasca, IL)**

First Midwest Bancorp, Inc. Announced An Increase In Their Minimum Pay Rate To \$15 For Hourly Employees, A Special Bonus Up To \$1,035 To Nearly 85% Of Their Employees And A \$2 Million Contribution To The First Midwest Charitable Foundation. *(Press Release, 1/11/18)*

**First Northern Community Bancorp (Dixon, CA)**

First Northern Community Bancorp Announced They Would Raise Their Base Pay By \$2 Per Hour And Pay \$1,000 Bonuses For All Non-Executive Employees. (Press Release, 2/1/18)

**First Sentinel Bank (Richlands, VA)**

First Sentinel Bank Announced That All Employees Of The Bank Would Receive A One-Time Cash Bonus Of \$750. (Bluefield Daily Telegraph, 3/26/18)

**First Solar (Perrysburg, OH)**

Company is expanding its manufacturing facilities and hiring 500 new workers. (Utility Dive, 6/13/18)

**First Southwest Bank (Alamosa, CO)**

First Southwest Bank Announced That It Would Raise Its Base Wage To \$14 Per Hour Plus Full Benefits. (Press Release, 1/22/18)

**First Tennessee Bank (Memphis, TN)**

First Tennessee Bank Announced It Raised Its Base Wage To \$15 Per Hour For About 1,200 Employees, Increasing Their Payroll By About \$6 Million. (Commercial Appeal, 2/15/18)

**Fishbeck, Thompson, Carr & Huber Engineering (Grand Rapids, MI)**

Fishbeck, Thompson, Carr & Huber Engineering Announced \$1,500 Bonuses To All Of Its 400 Full-Time And Part Time Employees. (Grand Rapids Business Journal, 1/16/18)

**Five Senses Spa, Salon And Barbershop (Peoria, IL)**

Five Senses Spa, Salon And Barbershop Announced That It Has Given \$500 Bonuses To Its 20 Employees. (The Hill, 4/17/18)

**Fleet Advantage (Fort Lauderdale, FL)**

Fleet Advantage provided greater options for its customers and helped expand its vehicle leasing operations. (The Hayride, 7/10/18)

**Flemington Car And Truck Country Family Of Brands (Flemington, NJ)**

The Flemington Car And Truck Country Family Of Brands Will Award its Full-Time Employees A \$500 Bonus, In Addition To Potentially Upgrading Its Facility And Hiring Additional Workers. (NJBiz.com, 1/8/18)

**Flood Insurance Agency (Florida)**

The Flood Insurance Agency Announced It Would Provide A \$1,000 Bonus To Its Employees. (The Flood Insurance Agency, Accessed 1/4/18)

**Florida Concrete Unlimited (Miami, FL)**

Florida Concrete Unlimited Paid Higher Year-End Bonuses And Gave Pay Raises To All Employees. (Florida Concrete Unlimited Statement, February 2018)

**Florida Power & Light (Juno Beach, FL)**

Florida Power & Light Said That Savings From The Federal Tax Overhaul Will Allow It To Avoid Billing Customers For The \$1.3 Billion Cost Of Restoring Electricity After Hurricane Irma. (Herald Tribune, 1/16/18)

**Flushing Financial Corporation (Uniondale, NY)**

Flushing Financial Corporation Announced A Plan To Increase The Dividend In 2018 By Two Cents Per Share Per Quarter And Provide Each Full-Time And Part-Time Employee With A One-Time Bonus, Of \$1,000 And \$500 Respectively. (*Press Release*, 1/22/18)

**FMS Bank (Fort Morgan, CO)**

FMS Bank Increased Its 401(K) Match By An Additional Percentage Point In 2018. (*ABA Banking Journal*, 1/23/18)

**FNB Corporation (Pittsburgh, PA)**

FNB Corporation Said It Would Raise Its Minimum Wage To \$15 Per Hour By The End Of 2019 And Make An Additional One-Time 401(K) Contribution To Eligible Employees. (*ABA Banking Journal*, 1/22/18)

**Fontainebleau (Las Vegas, NV)**

New York Developer Steven Witkoff Announced Plans To Revive The Stalled Fontainebleau Resort Due To Tax Reform. The \$3 Billion Project Is Estimated To Lead To 5,000 Construction Jobs And 6,000 Permanent Jobs. (*Las Vegas Review Journal*, 12/28/18)

**Frank Rewold and Son, Inc. (Rochester, MI)**

Company credits the administration's tax policies with allowing them to hire more employees and double the firm's profit sharing. (*Detroit Free Press*, 6/15/18)

**Franklin Savings Bank (Franklin, NH)**

Franklin Savings Bank Announced That All Of Its Employees Would Receive A \$1,000 Bonus. (*Press Release*, 2/26/18)

**Frito-Lay (Frankfort, IN)**

Frito-Lay, a division of PepsiCo, Inc., announced plans to invest \$159 million in enhancements at two manufacturing facilities in Indiana and also hire 50 additional employees. (*Shopfloor.org*, 8/8/18)

**Fulton Financial Corporation (Lancaster, PA)**

Fulton Financial Corporation Announced Their Base Wage Would Be Raised To \$12 Per Hour, They Will Pay Bonuses In The Form Of An Additional Week Of Pay For 75% Of The 3,700 Employees And Provide \$2 Million In Increased Charitable Donations. (*Press Release*, 1/18/18)

**G**

**Gardner Company (Boise, ID)**

Company provided employee bonuses as a result of the tax reform law. (*WHOTV.com*, 1/3/18)

**Gate City Bank (Fargo, ND)**

Gate City Bank Announced It Would Provide \$1,000 Bonuses To Its Employees, \$500,000 In Free Home Appraisals To Its Customers, And Planned To Donate \$500,000 To The Community. (*inforum*, 12/29/17)

**The Gateway Tavern Restaurant Group (Wareham, MA)**

A Group Of Restaurants Including The Gateway Tavern In Wareham, The Stowaway In Mattapoisett, Sail Loft In Dartmouth, Duck Inn Pub In Hyannis And Speedwell Tavern In Plymouth Announced Each Full-Time Employee Would Receive A One-Time Cash Bonus Of \$500, And Each Qualifying Part-Time Employee Would Receive \$200. A Total Of 93 Checks Were Distributed. (*Wicked Local Marion*, 2/16/18)

**GE Appliances (Louisville, KY)**

Due to tax reform, GE Appliances has launched \$200 million in investment in U.S. manufacturing, adding 400 new jobs. ([shopfloor.org](http://shopfloor.org), 10/1/18)

**Georgia Power (Atlanta, GA)**

Georgia Power Expects To Pass On \$1.2 Billion In Savings To Customers, With The Typical Residential Customer Receiving Approximately \$70 In Refunds Over Two-Years. ([Press Release](#), 3/6/18)

**Georgia Tire Company (Vidalia, GA)**

Company plans to issue employee bonuses due to tax reform. ([Rep. Rick Allen statement- www.gop.gov](#), 3/20/18)

**GetFoundFirst (Blackfoot, ID)**

Company provided employee bonuses as a result of the tax reform law. ([WHOTV.com](#), 1/3/18)

**Ghostface Brewing ( Mooresville, NC)**

Ghostface Brewing Said That They Used The Tax Break To Buy More Equipment, Hire More People And Focus On Distribution To Local Grocery Stores And Restaurants. ([MarketWatch](#), 4/26/18)

**GKM Auto Parts (Zanesville, OH)**

GKM Auto Parts Announced It Is Reinstating Health Care Benefits To Its Employees Using Savings From The New Tax Reform Law. ([Press Release](#), 2/23/18)

**Glass & Sons Collision Center (Reading, PA)**

Glass & Sons Collision Center Said It Paid \$1,000 Bonuses To Its Employees. ([Reading Eagle](#), 5/6/18)

**Glier's Meats (Covington, KY)**

Since the enactment of tax reform, the company has been able to make capital investments, including new machinery. The firm resumed offering comprehensive health benefits to its employees as well as provided a significant increase in employee wages. It has expanded its staff by 4 new workers so far in 2018 and expects to hire 5 additional new workers in the coming months. ([News Release](#), 6/13/18)

**Gray Skies Distillery (Grand Rapids, MI)**

Company has been able to expand production due to lower excise tax contained in the Tax Cuts and Jobs Act. ([WZZM 13](#), 6/4/18)

**Great Southern Bancorp, Inc. (Springfield, MO)**

Great Southern Bancorp Announced It Would Distributed Bonuses To Its 1,200 Employees, Including A \$1,000 Bonus For Full-Time Employees. ([Press Release](#), 1/3/18)

**Great Southern Wood Preserving, Inc. (Abbeville, AL)**

Great Southern Wood Preserving, Inc. Announced It Would Make Investments On An Ongoing Basis To Lower Healthcare Costs For Employees, Allow Employees To Accrue More Paid Time Off, Develop Scholarships For Dependents Of Employees And Enhance Other Benefits Going Forward. ([Press Release](#), 3/29/18)

**Great Western Bancorp (Sioux Falls, SD)**

Great Western Bancorp Announced That It Would Raise Its Minimum Wage To \$15, Provide A Special One-Time \$500 Bonus Or Wage Increase For Nearly 70% Of Its Workforce And Provide Enhancements To Employees' Health Care Offerings Effective For The 2018 Enrollment Period. ([Press Release](#), 1/10/18)

**Green Mountain Power (Colchester, VT)**

Green Mountain Power Filed With The Vermont Public Utility Commission Seeking To Lower Bills For Customers By \$6 Million. (Press Release, 1/23/18)

**Griffith Trucking, Broadway Express & Heartland Classics (Effingham & Newton, IL)**

The Owner Of Griffith Trucking, Broadway Express & Heartland Classics Announced He Would Pay His 65 Employees A \$1,000 Bonus. (The Effingham Daily News, 1/31/18)

**Groomer's Seafood (Corpus Christi, TX)**

Company plans to build a new Groomer's Seafood on several acres across from their current location, along with a new 23,000-square-foot distribution facility in Austin, and looking at the possibility of a smaller one in Houston. (Caller Times, 2/2/18)

**Group 1 Automotive (Houston, TX)**

Group 1 Automotive Announced \$500 Cash Bonuses For Non-Management Dealership Employees And Operational Support Staff In The United States. (Press Release, 1/12/18)

**Gulf Coast Bank (Louisiana)**

Gulf Coast Bank Announced It Raised Its Minimum Wage To \$12.00 Dollars Per Hour, Giving The Bank One Of The Highest Starting Salaries For Unskilled Workers In The State. (Press Release, 1/4/18)

**Gulf Power (Pensacola, FL)**

Gulf Power Has Filed A Request With The Florida Public Service Commission Seeking Approval To Pass Along Approximately \$103 Million In Tax Savings To Its 460,000 Customers. (Pensacola News Journal, 2/14/18)

***H***

**HM Manufacturing (Wauconda, IL)**

With the passage of tax reform, the company has been able to provide its employees with bonuses, raises, and 100 percent paid healthcare. (Newsmax, 5/18/18)

**HT Metals (Tucson, AZ)**

Tax cuts delivered a new 20 percent small business tax deduction, allowing the company to protect one-fifth of its earnings to reinvest back into the business. With these additional funds, the firm has purchased an additional piece of equipment and improved benefits for employees. (azcentral.com, 10/11/18)

**The Hammock Source (Greenville, NC)**

The Hammock Source Said It Has Given Its Employees \$1,000 Bonuses. (The Hill, 4/17/18)

**Happy State Bank (Happy, TX)**

Happy State Bank Announced It Would Provide Wage Increases That Directly Impact Over 600 Of The Bank's 700+ Employees. (Press Release, 1/24/18)

**HarborOne Bank (Brockton, MA)**

HarborOne Bank Announced It Would Give A \$500 Bonus To More Than 600 Bank Employees And Accelerated Its Plan To Implement A \$15 Minimum Wage. (Boston Business Journal, 12/27/17)

**Haciendas at Grace Village (Las Cruces, NM)**

Company plans to hire more employees and increase salaries for existing staff. (Albuquerque Journal, 2/19/18)

**Harris Corporation (Melbourne, FL)**

Harris Corporation Said It Would Boost Pension Contributions, Increase Research And Development Spending And Provide A One-Time Stock Grant To Its Non-Executive Employees. (*Orlando Sentinel*, 1/30/18)

**Hartford Financial Services Group Inc. (Hartford, CT)**

The Hartford Financial Services Group Will Award \$1,000 Bonuses To Approximately 9,500 Employees. (*Hartford Courant*, 1/5/18)

**Hawaiian Electric Companies (Hawaii)**

Hawaiian Electric Companies Expect That 460,000 Customers Could See Lower Electric Bills As A Result Of The Federal Corporate Income Tax Cut. (*Press Release*, 1/10/18)

**Hawaii National Bank (Hawaii)**

Hawaii National Bank Announced It Awarded \$1,000 Cash Bonuses And Raised Its Hourly Minimum Wage. (*Pacific Business News*, 1/4/18)

**Haworth Inc. (Holland, MI)**

Haworth Inc. Announced \$5 Million In Bonuses To Employees; Full Time Employees Will Receive A One-Time Bonuses Of \$1,000, And Part-Timers Will Collect \$500. (*MLive*, 1/31/18)

**Hawthorn Bank (Jefferson City, MO)**

Hawthorn Bank Announced That Full-Time Employees Would Receive Bonuses Of \$1,000 And Part-Time Employees Would Receive \$500. (*News Tribune*, 2/2/18)

**Heartland Bank (Geneva, NE)**

Heartland Bank Paid A \$1,000 Bonus To Full-Time, Non-Executive Employees And A \$500 Bonus To Part-Timers. (*ABA Banking Journal*, 1/11/18)

**Helping Hands Health Care (Cincinnati, OH)**

As a result of the Tax Cuts & Jobs Act, Helping Hands Healthcare was able to use tax reform savings to purchase the office building it had been leasing for 17 years. (*Press Release*, 6/15/18)

**Henry Schein Inc. (Melville, NY)**

Henry Schein Inc. Announced It Would Spend About \$4 Million To Pay One-Time Cash Bonuses Of \$1,000 To Some Of Its U.S. Workers. (*Newsday*, 2/20/18)

**Hinee Gourmet Coffee (Helotes, TX)**

Hinee Gourmet Coffee Announced Plans To Upgrade Equipment And Enhance Wages, Benefits, And Bonus Programs. (*Press Release*, 2/5/18)

**Home Bancshares, Inc. (Conway, AK)**

Home Bancshares, Inc. Announced Plans To Distribute A One-Time Bonus Of \$500 For More Than 850 Full-Time Tenured Employees. (*Press Release*, 1/12/18)

**Home Depot, Inc (Atlanta, GA)**

Home Depot Inc Said It Would Give Its U.S. Employees A New One-Time Cash Bonus Of Up To \$1,000 For Hourly Associates. (*Reuters*, 1/25/18)

**HomeStreet, Inc (Seattle, WA)**

Homestreet, Inc. Announced That It Raised The Company Minimum Wage To \$15 Per Hour Across All 111 Retail Branches And Lending Centers In Seven States. *(Press Release, 1/16/18)*

**Honeywell (Morris Plains, NJ)**

Honeywell Announced It Would Increase Its 401(k) Match. *(Press Release, 1/26/18)*

**Horizon Blue Cross Blue Shield (Newark, NJ)**

Horizon Blue Cross Blue Shield Announced That It Will Be Spending An Additional \$125 Million Over Five Years On Health Initiatives. *(The Associated Press, 2/28/18)*

**Hormel Foods Corp. (Austin, MN)**

Hormel Foods Corp. Announced It Would Award Stock Options To Its Employees And Raise Starting Wages To \$13 An Hour (With Plans To Increase Wages To \$14 An Hour By 2020). *(The Post Bulletin, 2/22/18)*

**Hostess Brands Inc. (Kansas City, MO)**

Hostess Brands will give corporate and hourly baker employees a \$1,250 bonus, which includes \$750 in cash and a \$500 401(k) contribution. More than 1,000 employees will receive bonuses. *(Kansas City Business Journal, 2/1/18)*

**Humana (Louisville, KY)**

Humana Announced A Base Wage Increase To \$15 Per Hour, Acceleration Of Annual Performance-Based Incentive Program And Additional Community Investments. *(The Louisville Courier-Journal, 1/17/18)*

**Hunter Chase & Associates (Springfield Township, MO)**

Hunter Chase & Associates Announced It Was Able To Provide Bonuses To Its 30 Employees And Invest In New Equipment. *(Fox Business, 3/15/18)*

**Huntington Ingalls Industries (Newport News, VA)**

Huntington Ingalls Industries Announced It Would Pay A One-Time \$500 Bonus To All Employees That Do Not Work Through An Incentive Plan. *(Sun Herald, 2/15/18)*

**I**

**IAT Insurance Group (Raleigh, NC)**

IAT Insurance Group Announced It Would Pay A \$3,000 Bonus To Approximately 700 Employees. *(Press Release, 12/21/17)*

**IberiaBank Corporation (LaFayette, LA)**

Iberia Bank Corporation Announced A Pay Raise Of \$2 Per Hour For Associates Who Currently Earn \$15 Per Hour Or Less And A \$1,000 Cash Bonus For All Part-Time And Full-Time Associates Who Currently Earn Between \$15/Hour And \$100,000 Annually. *(Press Release, 1/26/18)*

**INB (Spokane, WA)**

INB announced it would raise its starting wage to \$15 per hour and provide \$500 year-end bonuses to all employees except senior executives. *(The Spokesman-Review, 1/2/18)*

**IDEXX Laboratories Inc. (Westbrook, ME)**

IDEXX Laboratories Inc. Announced That It Would Increase Its Contributions To Employee 401(k) Plans. *(MaineBiz, 2/2/18)*

**Illinois Commerce Commission (Illinois)**

Newly Approved Tariffs From The Illinois Commerce Commission Will Mean Customers Who Use Peoples Gas, North Shore Gas, Nicor Gas, Ameren Gas And Illinois-American Water Company Will See Credits On Their Bills Soon. The ICC Wants Customers To Claim Part Of The Savings From A Large Corporate Income Tax Rate Cut. Illinois Leaders Estimated Savings Could Be As High As \$3.3 Million For North Shore Customers. Customers Who Use Peoples Gas Could Save As Much As \$30 Million Each Year. (WAND-17, 4/20/18)

**Indiana Michigan Power (Ft. Wayne, IN)**

Indiana Michigan Power Announced They Would Pass Savings From The Tax Bill Along To Utility Customers. (The Detroit News, 4/11/18)

**Industrial Weldors & Machinists (Duluth, MN)**

Company invested in employees' pensions. (twincities.com, 8/8/2018)

**Inland Northwest Bank (Spokane, WA)**

Inland Northwest Bank Announced It Would Raise Its Starting Wage To \$15 Per Hour And Provide \$500 Year-End Bonuses To All Employees Except Senior Executives. (The Spokesman Review, 1/2/18)

**Insperty (Houston, TX)**

Insperty Announced It Would Pay Bonuses Ranging From \$1,000 To \$4,000. (Press Release, 2/9/18)

**InUnison, Inc. (Idaho Falls, ID)**

Company provided employee bonuses as a result of the tax reform law. (WHOTV.com, 1/3/18)

**Intermountain Gas Company (Boise, ID)**

Company has filed to reduce its base rates by an average of 5.5 percent as a result of recent federal and state reductions in the corporate tax rate. (News Release, 3/23/18)

**Interstate Power & Light (Cedar Rapids, IA)**

Interstate Power & Light Said It Would Return Between \$18.6 Million And \$19.6 Million To Customers. (Des Moines Register, 1/29/18)

**Iowa-American Water Co. (Davenport, IA)**

Iowa-American Water Co. Announced It Would Provide Between \$1.5 Million And \$1.8 Million In Savings To Customers. (Des Moines Register, 1/29/18)

**ISG (Stamford, CT)**

ISG Announced It Would Earmark Funds For Additional Investment In Global Digital Initiatives Over The Next Two Years To Accelerate Growth, And Make An Additional Contribution Of \$500 To Every U.S. Employee's 401(K) Retirement Account. (Press Release, 12/22/17)

**ITC Holdings Corporation (Novi, MI)**

ITC Holdings Corporation Announced That It Will Pass Savings From The Tax Bill On To Its Energy Customers. (Press Release, 4/2/18)

**J**

**Jakes Electric (Clinton, WI)**

Company provided wage increases to employees as result of tax reform. (heartland.org, 9/12/18)

**Jamison Door Company (Hagerstown, MD)**

Company provided two bonuses to all 120 employees as a result of tax reform. The firm is also reinvesting in the business, spending \$1.5 million on new, state-of-the-art equipment and \$3.5 million for a new manufacturing facility. ([shopfloor.org](#), 7/5/18)

**JetBlue (New York, NY)**

JetBlue Announced It Planned To Distribute A \$1,000 Bonus To About 21,000 Crewmembers. (Press Release, 1/4/18)

**J.M. Smucker Company (Orrville, OH)**

J.M. Smucker Company Announced It Would Pay \$1,000 Bonuses To About 5,000 Employees, Increase Its Charitable Donations By \$1 Million And Contribute \$20 Million To Employee Pension Plans. (Press Release, 2/16/18)

**Johnson Bank (Racine, WI)**

Johnson Bank Committed To A Minimum \$15 Hourly Pay Rate For Employees. ([Milwaukee Journal Sentinel](#), 1/26/18)

**Jonah Bank (Casper, WY)**

Jonah Bank Announced It Announced It Would Give Each Of Its Employees A \$1,000 Bonus And “Significantly Increase” Its Giving In The Casper And Cheyenne Communities. (KTWO)

**Jones Auto & Towing (Riverview, FL)**

Jones Auto & Towing Said It Plans To Put Two Additional Trucks On The Road, Creating Two New Full-Time Jobs. ([HeraldTribune](#), 1/21/18)

**Jordan Winery (Sonoma, CA)**

Jordan Winery Announced That It Will Give A \$1,000 Bonus To Each Of Its 85 Employees. (Press Release, 12/22/17)

**Joseph’s Lite Cookies (Sebastian, FL)**

Joseph’s Lite Cookies Announced It Would Provide \$3,000 - \$4,200 In Salary Increases. ([The Washington Examiner](#), 2/5/18)

**JPMorgan Chase (New York, NY)**

JPMorgan Chase Unveiled A \$20 Billion Investment Plan To Increase Wages For 22,000 Employees By An Average Of 10 Percent, Hire 4,000 Employees And Open Up To 400 Chase Branches In New Cities. (Reuters, 1/23/18)

- JPMorgan Chase Will Also Give Eligible Employees An Annual Award Of \$750. (Reuters, 1/23/18)

**Junk King (Reno, NV)**

Company has been able to purchase an additional truck and hire more employees as a result of tax reform. ([ElkoDaily.com](#), 5/23/18)

**K**

**Kalb Industries Of Nevada, LTD. (Las Vegas, NV)**

Kalb Industries Of Nevada Provided Pay Raises To Employees Who Have Been With The Company Three Months Or Longer. (Press Release, 12/20/17)

**Kaman Corp. (Bloomfield, CT)**

Kaman Corp. Announced That About 2,400 Workers Will Be Eligible For A \$1,000 Bonus. (Hartford Business, 4/18/18)

**Kansas City Power And Light (Kansas City, MO)**

Kansas City Power And Light Announced Its Intention To File Rate Update Cases With The Kansas Corporation Commission And The Missouri Public Service Commission To Pass Approximately \$100 Million In Annual Tax Savings To Customers. (Press Release, 1/18/18)

**Kansas City Southern (Kansas City, MO)**

Kansas City Southern Announced It Would Provide A \$1,000 Bonus To Employees. (Press Release, 12/21/17)

**Kennedy Fabricating (Splendora, TX)**

Company sees new jobs and new work as domestic and foreign investment is increasing due to tax reform. (The Woodlands Patch 5/8/2018)

**Key Bank (Cleveland, OH)**

Key Bank Announced It Will Increase Its Minimum Wage To \$15 Per Hour For New And Existing Employees And Will Also Make Contributions To Employees' 401(K) Retirement Accounts. (Buffalo Business First, 1/10/18)

**KeyCorp (Cleveland, OH)**

KeyCorp Announced They Would Increase Their Minimum Wage And Begin Making Additional Retirement Plan Contributions. (Press Release, 1/18/18)

**Kimmins Contracting (Tampa, FL)**

Kimmins Contracting Announced That They Provided Each Of Their Employees With A \$1,000 Bonus. (Press Release, 4/6/18)

**King Soopers (Denver, CO)**

The grocery chain raised its employee 401(k) matches and offered workers a new tuition reimbursement program. (The Denver Post, 9/17/18)

**Kish Bancorp, Inc. (Belleville, PA)**

Kish Bancorp, Inc. Announced They Would Raise Their Base Wage, Provide \$1,000 Bonuses For Full-Time Employees, A \$500 Bonuses For Part-Time Employees, Spend \$10 Million In Capital Expenditures Over The Next Three Years And Increase Charitable Giving By A Minimum Of \$50,000. (Centre Daily Times, 1/18/18)

**Koch Trucking (Golden Valley, MN)**

Koch Trucking Raised Driver Pay From 41 Cents To 45 Cents Per Mile And The Maximum Sign-On Bonus To \$7,000 From \$5,000. (Transport Topics, 2/12/18)

**Koloa Rum Company (Kalaheo, Kauai, HI)**

The company announced it will award all of its employees with \$1,000 bonuses and 5 percent salary increases. Koloa Rum Company's financial success, due in part to tax reform, will also allow the company to increase its match to the employees' 401k plan from 4 percent to 7 1/2 percent in 2018; add a new bottling line to increase its production capacity and operating efficiency; accelerate plans for a new distillery; and bolster its distribution, sales and marketing programs. (The Garden Island, 3/25/18)

**Kraft Heinz (Pittsburgh, PA & Chicago, IL)**

Kraft Heinz Announced Plans To Provide \$1.3 Billion In Pre-Funding Of Post-Retirement Benefit Plans, \$800 Million In Capital Expenditures And \$300 Million In Strategic Investments. ([Press Release](#), 2/16/18)

**Kris-Tech Wire (Rome, NY)**

Company is building an addition and acquiring new equipment thanks to tax reform. ([Rep. Tenney press release](#), 8/2/18)

**Kroger Co. (Cincinnati, OH)**

Kroger Has Said It Would Spend \$500 Million On Compensation, Including Raising Starting Wages In Some Regions To \$10 An Hour. ([The Wall Street Journal](#), 4/10/18)

**L**

**Lakestone Bank & Trust (Lapeer, MI)**

Lakestone Bank And Trust Said It Would Increase Pay For Hourly Employees By \$1 Per Hour And Provide \$1,000 Bonuses For Salaried Employees. ([The County Press](#), 1/28/18)

**Land & Co. (Wyoming, MI)**

Land & Co. Announced Its 151 Full-Time Employees Would Each Get A \$1,000 Bonus, Its 17 Part-Time Workers Would Get \$500 And Its Nine Seasonal Workers Would Each Get \$250. ([MLive](#), 2/5/18)

**Larry H. Miller Group of Companies (Sandy, UT)**

The Larry H. Miller Group Of Companies Announced That About 10,000 Employees Would Receive An Extra \$1,000 In Their Next Paycheck. ([Deseret News](#), 3/1/18)

**Lawrence Paper Company (Lawrence, KS)**

Lawrence Paper Company Announced \$500 Bonuses For All Of Its 300 Employees And Plans To Spend \$5 Million In New Equipment And Expansion. ([KWCH](#), 1/10/18)

**Lazy Magnolia Brewery (Kiln, MS)**

With the money saved from the tax cut, the brewery has been able to improve benefits for employees, convert two part-time jobs to full time, and improve the brewery's taproom. ([CNN.com](#), 6/2/18)

**Leak Sealers (Lumberton, TX)**

Leak Sealers Announced It Would Hand Out Bonuses To Its 100 Employees. ([Beaumont Enterprise](#), 2/8/18)

**Lee Container Company (Homerville, GA)**

Company says tax reform is enabling them to purchase more equipment and expand their business. ((Rep. Buddy Carter statement- [www.gop.gov](#), 3/20/18)

**Lewis and Clark Brewing Co. (Helena, MT)**

Lewis And Clark Brewing Co. Expects To Save \$25,000 This Year And Intends To Use That Money To Hire More Employees. ([Independent Record](#), 3/6/18)

**Liberty Landscape Supply (Jacksonville, FL)**

Liberty Landscape Supply was able to purchase an \$80,000 truck and hire another driver thanks to the new tax reform law. ([Washington Times](#), 6/28/18)

**Liberty Utilities-Empire District (Joplin, MO)**

Utility is passing on tax savings in the form of rate reductions. Residential customers will see a \$5.16 per month decrease on average. ([ky3.com](#), 8/16/18)

**LiDestri Food and Drink (Rochester, NY)**

LiDestri Food & Drink Announced That They Gave All Of Their 1,200 Employees At Each Of Their Five U.S. Facilities An Extra Full Paycheck. ([WXXI News](#), 2/15/18)

**Lima Pallet Company (Lima, OH)**

Lima Pallet Company Announced It Is Adding 15-20 New Jobs And Giving All Its Employees Pay Raises. ([WLIO](#), 3/26/18)

**LincolnWay Community Bank (New Lenox, IL)**

LincolnWay Community Bank Announced It Would Pay Its 33 Employees A One-Time \$1,000 Bonus. ([New Lenox Patch](#), 2/5/18)

**Lockheed Martin Corp. (Marietta, GA)**

Lockheed Martin Corp. Announced It Would Contribute \$5 Billion In Cash Toward Its Pensions And Increase Its Commitment To Initiatives Such As Employee Training And Charitable Contributions. ([Chief Investment Officer](#), 2/1/18)

- Lockheed Martin said it plans to shift an estimated \$460 million in savings the company said it generated through the recent U.S. tax reform law toward research and development as well as investments in technology startups. ([Executive Mosaic](#), 6/11/18)

**Loram Maintenance of Way, Inc. (Hamel, MN)**

Company testified that it is using tax reform to invest in "first and foremost our people, secondly on equipment and technology, and lastly on enhancing our global competitiveness." ([House Ways and Means Committee testimony](#), 5/23/18)

- Loram increased the permanent wage range for its field employees by \$1 per hour which represents an increase of over seven percent.
- Loram funded a \$1,500 bonus to all non-executive employees.
- Loram is developing and funding new training programs for employees intended to improve safety, enhance technical skills, accelerate product development innovations, and improve project management.

**Louisville Gas & Electric Company And Kentucky Utilities Company (Louisville, KY)**

Louisville Gas & Electric Company And Kentucky Utilities Company Announced They Will File A Unanimous Settlement Agreement With The Kentucky Public Service Commission Requesting Approval To Return Tax Savings To Customers This Spring. If Approved By The Commission, Customers Would See Nearly \$180 Million In Savings. ([Press Release](#), 1/29/18)

**Lowes ( Mooresville, NC)**

Lowes Said It Would Give More Than 260,000 Hourly Employees Bonuses Of Up To \$1,000 And Will Expand Benefits Packages. ([CNBC](#), 2/1/18)

**Lupo's Meat Plant (Endicott, NY)**

Lupo's Meat Plant Said Recent Tax Cuts Have Allowed The Business To Raise Wages And Maintain Healthcare. ([Spectrum News](#), 5/4/18)

**M****M&T Bank Corporation (Buffalo, NY)**

M&T Bank Corporation Announced Hourly Paid Employees Will See Pay Starting At \$14-16 Per Hour For A Total Investment Of \$25M. (Press Release, 1/17/18)

**Mack Molding (Arlington, VT)**

Company is investing \$5.4 million to upgrade existing facilities and create 100 new jobs in North Carolina and Vermont. (shepflor.org, 7/16/18)

**MainSource Financial Group (Greensburg, IN)**

MainSource Financial Group Announced It Will Raise The Starting Pay And Minimum Hourly Rate To \$15 An Hour, A Move That Will Affect Over 200 Employees. (Press Release, 1/3/18)

**Marlin Steel Wire Products (Baltimore, MD)**

Company has hired 10 percent more workers to manage more than \$1 million in new equipment that the firm plans to buy thanks to tax reform. (Shepflor.org, 1/9/2018)

**Marriott International (Bethesda, MD)**

Company is giving employees a special 401(k) match this year as a result of its recent cash windfalls, including tax savings from changes in the tax code. Employees will receive a 5-to-1 match up to \$1,000 in their retirement plans this year. (Motley Fool, 5/25/18)

**Maspeth Federal Savings (Maspeth, NY)**

Maspeth Federal Savings Announced It Would Raise Its Base Wage To \$15 Per Hour, Provide \$1,000 Bonuses For All Full-Time Employees And \$500 Bonuses For All Part-Time Employees. (American Banking Journal, 2/19/18)

**Massachusetts Department of Public Utilities (Boston, MA)**

The Massachusetts Department Of Public Utilities Ordered Electric, Gas, And Water Companies To Determine New Rates, So Consumer Bills Are Adjusted To Reflect The Corporate Tax Cuts Approved By Congress. (Boston Globe, 2/3/18)

**Mastercard Inc. (Purchase, NY)**

Mastercard Inc. Announced It Is Increasing Its Employer Match For 401(K) Plans To 10%. (Pensions & Investments, 2/5/18)

**MB Financial, Inc. (Chicago, IL)**

MB Financial Announced It Would Raise The Minimum Wage To \$15 Per Hour And Pay Bonuses, Affecting Nearly 75 Percent Of The Company's 3,6000 Team Members. (Press Release, 1/2/18)

**McCormick & Company (Baltimore, MD)**

McCormick & Company Announced It Is Offering \$1,000 Bonuses To Eligible Hourly Employees And Says It Plans To "Accelerate" Wage Increases. (The Associated Press, 3/27/18)

**McDonald's (Oak Brook, IL)**

McDonald's Announced That It Is Expanding Its Education Benefits Program, Tripling The Amount Of Money Some Workers Can Get Each Year To Help Pay For College Or Trade School Tuition. (The Associated Press, 3/29/18)

**McFarland Interiors (St. Charles, MO)**

Company is upgrading its design software and testing new product lines. (*Wall Street Journal*, 3/7/18)

**McKee Foods (Collegedale, TN)**

McKee Foods Announced It Would Pay \$1,000 Cash Bonuses For Full-Time Employees And \$500 Bonuses For Part-Time Employees. McKee Employs 6,250 People At Its Bakeries. (*Times Free Press*, 4/12/18)

**MEC Aerial Work Platforms (Kerman, CA)**

MEC Aerial Work Platforms Announced They Were Able To Pay Each Of Their 130 Employees A \$1,000 Bonus. (*ABC30*, 5/2/18)

**Melaleuca Inc. (Idaho Falls, ID)**

Melaleuca Inc. Announced It Will Give Their 2,000 Employees A One-Time Bonus Of \$100 For Every Year They Have Worked At The Company. (*The Associated Press*, 12/21/17)

**Merck (Kenilworth, NJ)**

Merck Announced Plans To Provide A One-Time, Long-Term Incentive Award For Its Eligible Non-Executive Employees In The Second Quarter Of 2018. It Also Plans To Invest Approximately \$12 Billion Over 5 Years In Capital Projects Including Approximately \$8 Billion In The United States. (*Press Release*, 2/2/18)

**Meridian Bancorp (Boston, MA)**

Meridian Bank Announced It Will Raise The Minimum Wage To \$15 Per Hour, Provide An Additional 20% To The 2017 Bonus As Part Of The Bank's Incentive Compensation Plan, Increase Its Capital Spending Budget, And Increase Its Charitable Giving. (*Press Release*, 1/3/18)

**Metairie Bank (Metairie, LA)**

Metairie Bank Announced That It Would Pay A \$1,000 Bonus For All Of Its 120 Employees And Would Increase Its Hourly Minimum Wage To \$12 Per Hour. (*New Orleans City Business*, 1/26/18)

**Metallix (Shrewsbury, NJ)**

Due to tax reform, every employee received a \$1,000 bonus. Company also expanded its existing facilities in North Carolina. (*shopfloor.org*, 8/2/18)

**MetLife (New York, NY)**

Metlife Announced It Would Establish A New Company Minimum Wage Of \$15 An Hour, As Well As A New Group Life Insurance Benefit Of \$75,000, Regardless Of An Employee's Pay. Metlife Is Also Creating A \$10 Million Skills Development Fund Designed To "Accelerate A Culture Of Learning And Innovation." (*Washington Examiner*, 2/12/18)

**MidAmerican Energy (Des Moines, IA)**

MidAmerican Energy Estimated It Would Return Between \$90.8 Million And \$112.3 Million To Electric Customers. (*Des Moines Register*, 1/29/18)

**Mid-AM Metal Forming (Rogersville, MO)**

Mid-AM Metal Forming Announced It Is Giving Its 140 Employees Cash Bonuses. (*Ozarks First*, 1/6/18)

**Middlefield Banc Corp. (Middlefield, OH)**

Middlefield Banc Corp. Announced It Would Pay \$1,000 Bonuses To Each Employee. (*Press Release*, 2/14/18)

**Mill Steel Company (Grand Rapids, MI)**

Mill Steel Company Announced It Would Give A One-Time \$1,000 Bonus To All 400 Of Its Full-Time Employees. (*Grand Rapids Business Journal*, 2/8/18)

**Mincey Marble (Gainesville, GA)**

Mincey Marble Announced It Would Provide Employees With Bonuses Of Up To \$1,000 Depending On Their Length Of Service With The Company. (*Press Release*, 1/31/18)

**Minnesota Power (Duluth, MN)**

Utility will pass along tax reform savings via a 1.5% credit on each monthly bill. (*Duluth News Tribune*, 8/10/18)

**Mission Produce (Oxnard, CA)**

Mission Produce Announced Plans To Pay All Of Its U.S.-Based Employees A \$1,000 Bonus. (*Reno Gazette Journal*, 2/22/18)

**Mooneyhan's Auto Service (West Columbia, SC)**

Company is building a new bay in its shop and adding new employees. (*The Lexington Ledger*, 2/21/18)

**Mountaire (Millsboro, DE)**

Mountaire Announced It Would Pay \$1,000 For All Active Full-Time Hourly And Piece Rate Employees With More Than 180 Days Of Employment And \$500 For All Employees With Between 1-179 Days Of Employment. (*Press Release*, 1/26/18)

**MusicNotes Inc. (Madison, WI)**

Musicnotes Inc. Said That It Has Given All Eligible Employees A 3 Percent Raise In Salary. (*Milwaukee Business Journal*, 1/8/18)

**Muncie Aviation Company (Muncie, IN)**

Muncie Aviation Company Announced It Would Pay A Bonus To All Of Its 55 Full-Time And Eight Part-Time Employees. (*Star Press*, 3/2/18)

**MutualBank (Muncie, IN)**

MutualBank Announced It Would Pay \$750 I Bonuses For All Non-Executive Employees And Provide A \$.50 Per Hour Pay Raise For Hourly Employees. (*Press Release*, 1/20/18)

**N****National Bank Holdings Corp. (Greenwood Village, CO)**

National Bank Holdings Corp. Announced It Would Provide A \$1,000 Bonus To About Half Of The Company's Employees. (*Kansas City Business Journal*, 12/29/17)

**National Grid (Waltham, MA)**

National Grid announced that Massachusetts customers can expect to pay less next winter than originally projected, thanks to the decision to decrease a proposed rate hike by \$36 million — from an \$87 million increase to a \$51 million increase, a drop of about 41 percent. (*New Boston Post*, 1/11/18)

**National Grid Rhode Island (Providence, RI)**

National Grid Rhode Island Announced That It Is Reducing Its Electric And Gas Base Distribution Rate Proposal With The Rhode Island Public Utilities Commission (RIPUC) By More Than \$25 Million. (*Press Release*, 1/11/18)

**Nationwide Insurance (Columbus, OH)**

Nationwide Insurance Announced It Will Give A \$1,000 Bonus To All But Its Highest-Ranking Executives And Increase The Company Match For The 401(K) Retirement-Saving Plan. *(Columbus Dispatch, 1/3/18)*

**Navient (Wilmington, DE)**

Navient Announced That 98% Of Their 6,700 Employees Would Receive A \$1,000 Bonus. *(Times Leader, 1/2/18)*

**NBC Universal (New York, NY)**

NBC Universal Announced That They Would Award Special \$1,000 Bonuses To More Than One Hundred Thousand Eligible Frontline And Non-Executive Employees. *(The Hill, 12/20/17)*

**NBT Bancorp Inc. (Norwich, NY)**

NBT Bancorp Inc. Announced It Would Raise Their Starting Hourly Pay Rate To \$15 Per Hour And Provide A Permanent Minimum Increase Of 5% For Employees Earning \$50,000 Or Less. *(Press Release, 1/22/18)*

**Nephron Pharmaceuticals (Columbia, SC)**

Nephron Pharmaceuticals Announced That 640 Employees Would Receive A Five Percent Pay Raise, Bringing The Average Salary To \$70,000 A Year And A Base Wage Of \$15 An Hour. *(The Post And Courier, 12/27/17)*

**Nelnet (Lincoln, NE)**

Nelnet Will Give Nearly All Of Its 4,100 Employees A \$1,000 Bonus. *(Lincoln Journal-Star, 12/22/17)*

**New Jersey Natural Gas (New Jersey)**

New Jersey Natural Gas Submitted A Filing To The New Jersey Board Of Public Utilities To Pass Through The Benefits Of The Recently Enacted Federal Tax Reform To Customers. NJNG Announced It Will Reduce Customers' Rates By \$21 Million, Resulting In A \$31, Or 3 Percent, Decrease To A Typical Residential Heating Customer's Annual Bill. NJNG Also Announced It Will Provide A One-Time Refund To Customers Totaling Approximately \$31 Million. *(Press Release, 3/2/18)*

**NexTier Bank (Butler, PA)**

NexTier Bank Announced A One-Time Bonus Of \$1,000 For All Employees In Addition To Annual Bonuses Paid In Late 2017. *(Press Release, 1/12/18)*

**Nexus Services, Inc. (Verona, VA)**

Nexus Services, Inc Announced That Employees Will Receive A 5% Raise And That They Plan To Hire Another 200 Workers Over The Course Of 2018 – Doubling The Size Of Their Workforce Nationwide. *(Press Release, 12/21/17)*

**Nicor Gas (Naperville, IL)**

Company will pass along \$43.6 million in tax reform savings to ratepayers. *(Daily Herald, 5/3/18)*

**Nine Line Apparel (Savannah, GA)**

Company provided tax reform bonuses ranging from \$500 to \$20,000. *(Rep. Buddy Carter statement-youtube.com, 3/28/18)*

**Noah Bank (Elkins Park, PA)**

Noah Bank Announced It Would Provide All Employees With A One-Time \$1,500 Cash Bonus. *(Press Release, 2/2/18)*

**Noble Gas Solutions (Albany, NY)**

Noble Gas Solutions Said That They Would Be Able To Hire More Employees And That Current Employees Would Receive A Raise Due To Tax Reform. (U.S. Chamber Of Commerce, 12/21/17)

**Northern Indiana Public Service Company (Merrillville, IN)**

The Northern Indiana Public Service Company Submitted A Request With The Indiana Utility Regulatory Commission (IURC) To Lower Its Previous Request To Modify Natural Gas Base Rates By \$26 Million. (Press Release, 1/29/18)

**North Shore Bank (Brookfield, WI)**

North Shore Bank Announced \$500 Bonuses For Employees. (Milwaukee Journal Sentinel, 1/26/18)

**Northwest Motor Services (Longview, WA)**

Company provided raises to its employees. (The Daily News, 4/20/18)

**NorthWestern Energy (Sioux Falls, SD)**

NorthWestern Energy Has Notified The Nebraska Public Service Commission That It Intends To Pass Some Of Its Tax Savings On To Ratepayers. (Lincoln Journal Star, 1/13/18)

NorthWestern Energy has notified the Montana Public Service Commission that it intends to pass some of its tax savings on to ratepayers. (Billings Gazette, 4/3/18)

**Novelis Inc. (Atlanta, GA)**

Novelis Inc. Said That The Positive Impact Of Tax Reform Reinforced Their Decision To Break Ground On Its New, \$300 Million Automotive Aluminum Sheet Manufacturing Facility In Guthrie, Kentucky. Novelis Expects The Facility Will Create Approximately 125 Jobs. (Press Release, 5/14/18)

**O****OceanFirst Financial Corp. (Toms River, NJ)**

OceanFirst Financial Announced It Would Raise The Minimum Wage For 232 Employees. (USA Today Network, 12/23/17)

**Ohio Industrial Sales (Twinsburg OH)**

Ohio Industrial Sales Said They Paid \$500 Bonuses To All 13 Employees And Gave Out Raises Due To Tax Reform. (Akron Beacon Journal, 1/5/18)

**Ohnward Bancshares (Maquoketa, IA)**

Ohnward Bancshares Announced It Would Pay A \$1,000 Bonus To Every Company Employee. (Clinton Herald, 12/22/17)

**Oklahoma Corporation Commission (Oklahoma City, OK)**

The Oklahoma Corporation Commission voted Tuesday to transfer about \$150 million a year in new corporate tax cuts to the customer, meaning most Oklahomans can expect to start seeing a lower utility bill in the mail later this year. (News On 6, 1/9/18)

**Oklahoma Gas and Electric (Oklahoma City, OK)**

Company is seeking a substantially reduced rate increase due to federal tax reform. (Press Release, 1/16/18)

**Old National Bancorp (Evansville, IN)**

The company increased its 401(k) match to 75% of the first 4% contributed into the plan, and 50% of the next 4% contributed into the plan, for a total maximum match of 5%. (*American Bankers Association, 2018*)

**Ole Smoky Distillery (Gatlinburg, TN)**

Company announced bonuses for all employees below senior management, the hiring of additional workers, the purchase of new equipment, and plans to open a new distillery. (*bevnet.com, 4/17/18*)

**Omaha Track (Omaha, NE)**

Omaha Track Announced It Would Provide An Extra Bonus Of \$500 For Its 200 Employees. (*Press Release, 3/9/18*)

**Oncor (Dallas, TX)**

Oncor Announced That It Would Work With The Public Utility Commission Of Texas To Determine The Best Way To Distribute Tax Reform Savings Back To Customers. (*The Dallas Morning News, 1/17/18*)

**OneMain Holdings, Inc. (Evansville, IN)**

OneMain Holdings, Inc. Announced It Expects To Reinvest A Portion Of Its Expected Tax Savings Into An Employee Minimum Wage Increase And Special Bonus Payments. (*OneMain Holdings, Inc., 2/14/18*)

**Otelco (Oneonta, AL)**

Otelco Announced It Would All Of It's Employees Would Receive A \$500 Bonus. (*Press Release, 3/5/18*)

**Our Town America (Clearwater, FL)**

Our Town America's CEO Said They Would Use Tax Cut Savings To Raise Wages, Hire New Staff, And Add Even More Features And Equipment To Our Brand New Headquarters — A 44,000 Square Foot Office Building In Clearwater. (*Tallahassee Democrat, 4/29/18*)

**Overseas Hardwoods Company (Stockton, AL)**

Overseas Hardwoods Company Announced That All Non-Management Employees Would Receive A \$1,000 Bonus. (*Press Release, 3/9/18*)

**Ozark Motor Lines (Memphis, TN)**

Ozark Motor Lines is rolling out its first-ever driver per diem program to benefit drivers in response to tax law changes. (*The Trucker, 4/30/18*)

**P**

**Pacific Power (Portland, OR)**

Pacific Power Announced That It Hopes To Reduce The Rates Paid By Its Customer Following Approval From The State Public Utility Commission. (*Press Release, 1/3/18*)

**Pan Am Systems, Inc. (North Billerica, MA)**

Pan Am Systems, Inc. Announced That It Would Be Issuing A One-Time Bonus Of \$1,100.00 To Each Employee Of The Company. (*Press Release, 5/23/18*)

**Panhandle Cleaning and Restoration (Wheeling, WV)**

Company plans to invest in more trucks and equipment. (*The Intelligencer, 5/3/18*)

**Pattison Sand Company (Clayton, IA)**

Pattison Sand Company Gave Every Employee A \$600 Cash Bonus And Raised Their Base Pay By \$1.50-2.50 An Hour. (*Press Release*)

**Paychex, Inc. (Rochester, NY)**

Paychex, Inc. Announced It Plans To Increase Its Investments In Its Employees. (The Motley Fool, 3/26/18)

**Payne Trucking Co. (Fredericksburg, VA)**

Payne Trucking Co. Announced It Would Give Its 81 Employees A Bonus Ranging From \$250 To \$750. (Fredericksburg.com, 2/8/18)

**PC Connection, Inc. (Merrimack, NH)**

PC Connection, Inc. Announced It Would Pay A \$1,000 Bonus To Each Of Its Employees. (Press Release, 2/7/18)

**Penske Automotive Group (Bloomfield Hills, MI)**

Penske Automotive Group Announced It Would Enhance The Company's U.S. 401(k) Savings Plan By Increasing Company Matching Contributions From 1.5% To 2.5% Of Eligible Contributions. (Press Release, 1/31/18)

**Pentucket Bank (Haverhill, MA)**

Pentucket Bank Paid \$500 Bonuses, Increased Base Wages, And Increased Additional Educational Opportunities. (American Bankers Association)

**Peoples Bank (Bellingham, WA)**

Peoples Bank Announced A \$15 Per Hour Minimum Wage And Raised Its 401(K) Match One Percentage Point To 8 Percent. (ABA Banking Journal, 1/11/18)

**Peoples Bank (Magnolia, AK)**

Peoples Bank Provided A \$500 Bonus And Contributed \$50,000 To Its Charitable Fund. (ABA Banking Journal, 1/16/18)

**Pepco (Washington, DC)**

Pepco Announced They Will File With The Public Service Commission Of The District Of To Provide Annual Tax Savings To More Than 296,000 Electric Customers In The District Of Columbia. If Approved, Pepco Would Plan To Begin Providing A Credit Lowering Customer Bills Starting In The First Quarter Of 2018. (Press Release, 1/5/18)

**PepsiCo, Inc. (Purchase, NY)**

PepsiCo, Inc. Announced They Would Pay \$1,000 Bonuses \$ To Full-Time, Front-Line U.S. Employees. (Press Release, 2/13/18)

**Pfizer Inc. (New York, NY)**

Pfizer Inc. Announced \$100 Million In Tax Reform Bonuses For Non-Executive Employees. (Press Release, 1/30/18)

**Philpott Solutions Group, Inc. (Brunswick, OH)**

Each employee received a \$1,500 bonus in their last pay in December 2017, which its Board awarded as a direct result of Tax Reform (House Ways and Means Committee testimony, 5/23/18)

**Pilgrim Bank (Cohasset, MA)**

Pilgrim Bank increased its minimum wage to \$15 per hour; provided a \$1,000 contribution to the 401(k)s of all full-time non-officers; provided a \$500 contribution to the 401(k)s of all part-

time employees; and increased its charitable contributions budget for 2018. (*American Bankers Association*)

**Pioneer Credit Recovery (New York)**

Pioneer Credit Recovery Announced \$1,000 Bonuses For 800 Employees. (*Buffalo Business First*, 12/29/17)

**Pinnacle Bank (Nebraska)**

Pinnacle Bank Will Give \$1,000 Bonuses To 1,007 Employees In Nebraska, Kansas, And Missouri. (*Lincoln Journal-Star*, 12/22/17)

**Pitney Bowes (Stamford, CT)**

Pitney Bowes Announced An \$18 Million Investment Commitment To Raise Wages. (*Press Release*, 1/31/18)

**Pivot Manufacturing (Phoenix, AZ)**

Company has purchased new machines as result of the tax reform law. (*kjzz.org*, 5/16/18)

**Plexus Corp. (Neenah, WI)**

Plexus Corp. Announced It Would Provide Cash Bonuses To Nearly 16,000 Employees, Totaling Approximately \$13 Million. (*Press Release*, 2/20/18)

**PNC Financial Services Group (Pittsburgh, PA)**

PNC Financial Services Group Announced It Would Give 90 Percent Of Its Employees A \$1,000 Bonus, Add \$1,500 To Employees' Defined Benefit Pension Plan, Raise The Minimum Wage For Its Workforce To \$15, And Make A \$200 Million Contribution To The PNC Foundation. (*Pittsburgh Post-Gazette*, 12/22/17)

**PodcastOne (Los Angeles, CA)**

PodcastOne Announced It Would Award All Full-Time Employees A \$1,000 Cash Bonus. (*Press Release*, 1/30/18)

**Pottle's Transporation (Hermon, ME)**

Pottle's Transporation Plans To Purchase New Tractors And Trailers This Year Due To Tax Reform. (*Transport Topics*, 2/12/18)

**Premera Blue Cross Blue Shield (Alaska)**

Premera Blue Cross Blue Shield, Alaska's Only Remaining Health Insurance Provider On The Individual Market, Announced It Will Invest \$50 Million In The State Over The Next Four Years By Offering Premium Rebates, Telemedicine Programs For Rural Communities And Mental Health Programs Focused On Issues Like Addiction And Homelessness. (*KTVU*, 3/12/18)

**Primrose School (South Tampa, FL)**

Primrose School increased salaries for its 85 teachers and management staff by \$500 to \$1,000 and spent more than \$150,000 on school infrastructure investment. (*The Hayride*, 7/10/18)

**Prospector Hotel & Gambling Hall (Ely, NV)**

Prospector Hotel & Gambling Hall Announced That It Awarded Its Full-Time Workers With A Special \$500 Bonus And Raised Its Starting Wages To \$12 Per Hour. (*Press Release*, 2/22/18)

**Protective Life Corporation (Birmingham, AL)**

Protective Life Corporation Announced It Is Giving A Special \$1000 Bonus To About 75 Percent Of Its Employees And Is Establishing A Minimum Wage Across Its Employee Base Of \$15 Per Hour. ([AL.com](#), 2/13/18)

**Public Service Company Of New Mexico (Albuquerque, NM)**

Public Service Company Of New Mexico Announced That It Would Pass Its Savings From The Tax Bill On To Customers. ([Albuquerque Journal](#), 2/27/18)

**Q**

**Quad/Graphics Inc. (Sussex, WI)**

Quad/Graphics Inc. Announced It Would Offer A Special Retirement Contribution Of Approximately \$22 Million In The Form Of Quad Stock To Employees' Retirement Accounts. ([Milwaukee Journal Sentinel](#), 3/2/18)

**Quadvest Utility (Magnolia, TX)**

Quadvest Utility announced that that the tax reform law would allow it to proactively reduce its customers' base water and sewer fees by 26% or almost \$90 per year/family. ([Letter to Rep. Kevin Brady](#), 5/29/18)

**Quail Creek Bank (Oklahoma City, OK)**

Quail Creek Bank Announced It Would Pay Bonuses Ranging From \$1,000 To \$2,000 And Increased It's 401(k) Contributions. ([American Bankers Association](#), 3/14/18)

**Quail Creek Water Company (Sahuarita, AZ)**

Utility will pass along tax savings to ratepayers. ([Prescott eNews](#), 8/24/18)

**Quake Manufacturing (Fort Wayne, IN)**

Quake Manufacturing Announced It Would Pay Its 12 Employees A \$1,000 Bonus And Provide A Paid Gym Membership. The Small Business Said It Was Also Able To Add Long-Term Disability, Short-Term Disability And Dental Insurance. ([Wane.com](#), 2/21/18)

**Quest Diagnostics Incorporated (Secaucus, NJ)**

Quest Diagnostics Incorporated Announced It Would Pay A Bonus Of Up To \$500 For Nearly 40,000 Employees. ([Press Release](#), 2/2/18)

**R**

**Rabine Group (Schaumburg, IL)**

The Rabine Group Announced They Would Be Giving Raises That Are Roughly 50% Larger Than The Past Eight Years And Also Begin Paying Larger Bonus Incentives. ([USA Today](#), 2/21/18)

**R+L Carriers (Wilmington, OH)**

R+L Carriers Announced It Would Issue Bonuses Of Up To \$1,000 For All Its Employees. ([Wilmington News Journal](#), 2/16/18)

**Regions Bank (Birmingham, AL)**

Regions Bank Announced It Will Raise Its Minimum Wage To \$15 Per Hour, Contribute \$40 Million To Its Charitable Foundation, And Increase Its Capital Expenditures Budget By About \$100 Million. ([Commercial Appeal](#), 1/3/18)

**Renasant Bank (Tupelo, MS)**

Renasant Bank Planned To Give Pay Increases Or Bonuses To Its More Than 2,000 Employees. ([Biz Buzz](#), 1/4/18)

**Renfro Foods (Ft. Worth, TX)**

Renfro Foods Announced Plans To Pay Employee Bonuses, Make New Plant And Equipment Investments, And Provide Additional Donations To Local Community Institutions. ([U.S. Chamber of Commerce](#), 2/28/18)

**Reynolds American Inc. (Winston-Salem, NC)**

Reynolds American Inc. Announced That Most Of Its 5,500 Employees Would Receive A One-Time \$1,000 Bonus. ([Winston-Salem Journal](#), 3/7/18)

**RGF Environmental Group, Inc. (Riviera Beach, FL)**

RGF Environmental Group, Inc. Announced It Would Provide \$1,000 Bonuses To All Its Employees. ([Press Release](#), 1/15/18)

**Rio Bank (San Juan, TX)**

Rio Bank Paid All Its Employees A \$1,000 Bonus. ([ABA Banking Journal](#), 1/30/18)

**Riverbend Communications (Idaho Falls, ID)**

The company offered employee bonuses as a result of tax reform. ([WFOJTV.com](#), 1/3/18)

**Robert W. Baird & Co. (Milwaukee, WI)**

Robert W. Baird & Co. Announced It Would Pay Cash Bonuses Of \$500 To \$1,500 To Employees. The Benefit Will Be Awarded To Baird's More Than 3,500 Global Employees And Amounts To More Than \$5 Million. ([Milwaukee Journal Sentinel](#), 3/2/18)

**Rocky Mountain Power (Salt Lake City, UT)**

Rocky Mountain Power Announced It Plans To Pass Some Of Its Federal Tax Savings On To Customers. ([KIDK](#), 1/4/18)

**Rolls-Royce (Reston, VA)**

Rolls-Royce announced a new employee benefits package funded by tax credits from the 2017 Tax Cuts and Jobs Act. ([DefenseNews](#), 5/3/18)

**Rollstone Bank & Trust (Leominster, MA)**

Bank increased its charitable contributions due to tax reform law. ([Leominster Champion](#), 5/17/18)

**Royal Caribbean (Miami, FL)**

Royal Caribbean Announced That 66,000 Employees Would Receive Company Stock That Is Equivalent To 5% Of Their Pay. ([USA Today](#), 1/26/18)

**Royal Hawaiian Heritage Jewelry (Honolulu, HI)**

Company plans to use tax savings to open additional locations. ([HawaiiNewsNow](#), 12/21/17)

**RPMS Group, LLC (Dearborn, MI)**

RPMS Group, LLC Announced It Started Providing Bonuses In The Range Of \$1000-\$2000 And Increased Its Capital Investment Budget For 2018. ([Press Release](#), 1/9/18)

**Rush Enterprises Inc. (New Braunfels, TX)**

Rush Enterprises Announced It Would Provide A \$1,000 Bonus To Its Approximately 6,600 Employees After The President Signed The Tax Bill Into Law. (Press Release, 12/21/17)

**Russell Lands (Birmingham, AL)**

Russell Lands Announced \$500 Bonuses For Approximately 400 Full-Time Non-Management Staff. (Birmingham Business Journal, 1/12/18)

**Russell Marine LLC (Houston, TX)**

Russell Marine LLC Gave Its Employees An 11 Percent Raise On Average And Paid Bonuses To Employees Totaling \$900,000. The Tax Bill Has Also Allowed The Company To Invest Millions Of Dollars To Buy New Equipment. (Houston Business Journal, 5/2/18)

**Ryder System, Inc. (Miami, FL)**

Ryder System, Inc Announced It Would Pay \$23 Million In Bonuses To Eligible Employees. (Press Release, 1/29/18)

**S****Saban Capital Group (Los Angeles, CA)**

Saban Capital Group Announced It Would Give Employees A \$1,000 Bonus. (The Hill, 2/3/18)

**Sabel Steel (Montgomery, AL)**

Company gave raises across the board; plans to expand and upgrade facilities in Newnan, GA, and Baton Rouge; plans to add new equipment and hire more workers. (shopfloor.org, 7/11/18)

**Scheels All Sports (Fargo, ND)**

Scheels All Sports Announced It Would Pay Bonuses Ranging From \$500 To \$1,000. (Facebook, 12/28/17)

**Sewickley Spa (Sewickley, PA)**

Sewickley Spa Provided Their Employees With Pay Raises That Ranged From 2% To 5%. (Pittsburgh Post-Gazette, 2/5/18)

**Sheely's Furniture and Appliance (Lima, OH)**

Sheely's Furniture and Appliance Announced That Over 140 Employees Would Receive Bonuses; Full-Time Employees Will Receive \$1,000 In Cash And Part-Time Employees Will Get \$500. (ABC-Lima, 2/20/18)

**Sheffer Corporation (Cincinnati, OH)**

Sheffer Corporation Announced That All 126 Employees Will Be Given \$1,000 Bonuses. (Press Release, 1/2/18)

**ShopRite (Wilmington, DE)**

ShopRite Announced It Would Be Handing Out \$150 Bonuses To 1,000 Non-Management And Union-Represented Employees As A Result Of The Recent Tax Reform Bill Being Signed Into Law. (Press Release, 12/28/17)

**Shortway Brewing Co. (Newport, NC)**

Company increased wages and hired more workers. (carolinacoastonline.com, 5/11/18)

**Shred-X (Griffin, GA)**

Company plans to buy a new truck and hire an additional worker. (Rep. Drew Ferguson statement- [www.gop.gov](http://www.gop.gov), 3/20/18)

**Silver Dollar City (Branson, MO)**

Silver Dollar City Announced That Hourly And Salaried Employees Who Worked At Least 1,000 Hours In 2017 Will Be Getting A \$500 Bonus. (*Springfield News-Leader*, 4/17/18)

**Simulations Plus, Inc. (Lancaster, CA)**

Simulations Plus, Inc. Announced That It Would Be Distributing A One-Time \$1,000 Discretionary Cash Bonus To Each Of Its Employees. (*Press Release*, 4/24/18)

**Sinclair Broadcast Group (Hunt Valley, MD)**

Sinclair Broadcast Group Announced "It Would Pay A \$1,000 Bonus To Almost 9,000 Of Its Full-Time And Part-Time Employees After The Recent Passage Of The GOP Tax Bill." (*The Hill*, 12/22/17)

**Sko-Die (Morton Grove, IL)**

Company provided pay raises of about 3 percent to all employees and invested \$1 million in new equipment. (*Shopfloor.org*, 8/24/18)

**Solara Hospitality (Columbia, SC)**

Solara Hospitality Aid It Plans To Provide A Cash Bonus Of Up To \$500 For All Hourly-Paid Hotel Employees. (*Cola Daily*, 2/23/18)

**Somerset Savings Bank (Bound Brook, NJ)**

Somerset Savings Bank Said It Would Pay A One-Time Bonus Of \$750 For All Employees Who Aren't Senior Management. (*NJ.com*, 2/8/18)

**Sound Financial Bancorp (Seattle, WA)**

Sound Financial Bancorp Announced Plans To Increase Its Employee Incentive Compensation Plan. (*Press Release*, 2/9/18)

**Southern Grace Distilleries (Mount Pleasant, NC)**

Southern Grace Distilleries Said The Reduction In The Federal Excise Tax Has Allowed Them To Hire Additional Staff, Increase Their Whiskey Production, Expand Their Visitor Center And Invest In Marketing. (*Press Release*, 4/26/18)

**South Point Hotel And Casino (Las Vegas, NV)**

The South Point Hotel And Casino Announced It Would Give More Than \$1 Million In Bonuses and Would Rescind A Scheduled Increase In The Share Of Health Insurance Costs Paid By Employees. (*Las Vegas Sun*, 1/4/18)

**South State Bank (Columbia, SC)**

South State Bank Announced That 2,800 Employees Would Receive Bonuses; \$1,000 Bonuses For Full-Time Employees And \$500 For Part-Time Employees. (*Press Release*, 1/26/18)

**Southwest Airlines (Dallas, TX)**

Southwest Airlines Announced It Would Give \$1,000 Bonuses To All Its Full-Time And Part-Time Employees On January 8, 2018. (*Business Insider*, 1/2/18)

**Southern Grace Distillery (Mt. Pleasant, NC)**

Southern Grace Distilleries, Inc. Said They Have Expanded Whiskey Production, Hired New Staff And Increased The Size Of Their Visitors Center To Allow For More Tours And Tastings Due To Tax Reform. (Press Release, 4/26/18)

**Southwire (Carrollton, GA)**

Southwire Said It Would Pay Out \$9 Million In Bonuses And Benefits To The Majority Of Their Nearly 7,500 Employees Thanks To Tax Reform. Full-Time Employees, Not Including Executives And Upper Management, Will Each Receive A \$1,000 Bonus While Part-Time Employees Will Get \$250 Bonuses. (Atlanta Business Chronicle, 3/26/18)

**SpartanNash (Byron Center, MI)**

SpartanNash Announced It Would Issue Bonuses, Raise Wages And Invest In Employee Training In The First Quarter Of 2018. The Company Said That "Most" Of Their 16,000 Associates Would Be Eligible For The Bonuses. (Grand Rapids Business Journal, 2/23/18)

**Spellex Corporation (Tampa, FL)**

Software developer Spellex Corporation gave \$1,000 bonuses to its 26 full-time employees. (The Herald, 7/10/18)

**Spire Inc. (St. Louis, MO)**

Spire Inc. Announced That It Will Pass Utility Savings On To Customers. (Press Release, 3/22/18)

**Sports Clips Franchises, (Pittsburgh, PA)**

Pittsburgh businessman Al Rodriguez, who currently owns 16 Sport Clips barbershop franchises, announced that he will reinvest savings from the tax overhaul to open another 12 Sport Clips locations throughout Pennsylvania. "With an average of 10 employees per location, that means 120 new well-paid, stable jobs." (Crib Total Media, 1/31/18)

**Sprouts Farmers Market (Ellicott City, MD)**

Sprouts Farmers Market Announced It Would Invest An Additional \$10 Million To Improve Employee Pay And Benefits Such As Healthcare And Maternity Leave. (Produce Retailer, 2/23/18)

**Starbucks (Seattle, WA)**

Starbucks Announced That Workers Will Get A Pay Raise In April, Their Second Increase This Year. The Company Will Also Give At Least \$500 Worth Of Starbucks Stock In April To Employees At Stores, Support Centers Or Bean Roasting Plants And Store Managers Will Get \$2,000 In Stock Grants. Finally, All Workers Will Also Be Able To Earn Paid Sick Time Off Based On The Hours They Worked Starting In July. (The Associated Press, 1/24/18)

**Staub Manufacturing Solutions (Dayton, OH)**

Company has hired 14 new team members, given each employee a pay raise and a larger bonus, and is expanding its capacity for further growth by acquiring a building next door. (Testimony, 5/16/18)

**Steeley Lumber (Huntsville, TX)**

The tax reform law has enabled the company to write off the purchase of new equipment, giving them the ability to grow and keep up with incoming orders. (The Woodlands Patch, 5/8/2018)

**STERIS Corp. (Mentor, OH)**

The company gave \$1,000 bonuses to non-executive U.S.-based employees. (*Watchdog.org*, 6/1/18)

**Stifel Financial Corp. (St. Louis, MO)**

Stifel Financial Corp. Announced That It Would Provide A \$1,500 Bonus To Approximately 7,000 Salaried Employees. (*AdvisorHub*, 12/26/17)

**Stine Home & Yard (Sulphur, LA)**

Stine Home & Yard Announced That It Had Increased The Starting Salary For Employees And Plans To Increase 401k Matching Over The Course Of The Next Year. (*KPLC*, 4/18/18)

**St. John Properties Inc. (Baltimore, MD)**

St. John Properties Inc. Announced It Would Give Each Of Its 180 Employees A One-Time Cash Bonus Of \$1,500. (*Baltimore Sun*, 2/12/18)

**Suez Water Idaho (Boise, ID)**

Customers can expect to see a rate decrease of 5.6 percent due to tax reform. (*Idaho Business Review*, 6/19/18)

**Suit-Kote Corporation (Cortland, NY)**

Suit-Kote Corporation Announced That About 800 Employees Would Receive An Average Raise Of About \$1,400. The Company Also Said It Increased Its 401K Contributions By About \$1 Million. (*Syracuse.com*, 2/22/18)

**Summit State Bank (Santa Rosa, CA)**

Summit State Bank Announced It Would Provide A \$2,000 Bonus To Each Of Its Non-Executive Employees. (*North Bay Business Journal*, 12/29/17)

**Sundance Vacations (Wilkes-Barre, PA)**

Sundance Vacations Announced It Would Award \$125,000 In Bonuses To Its Employees. (*Press Release*, 1/30/18)

**Sugarlands Distilling Company (Gatlinburg, TN)**

The tax reform law has allowed the firm to plan expansion, buy new equipment, create more jobs, and introduce themselves to people in new neighborhoods. (*timeo.com*, 8/13/18)

**Sun Solar (Springfield, MO)**

Sun Solar Announced That It's Adding 30 New Jobs Thanks To The Tax Bill. (*Springfield News-Leader*, 4/2/18)

**SunTrust Banks Inc. (Atlanta, GA)**

SunTrust Announced It Would Give \$50 Million In Additional Community Grants To National And Local Financial Well-Being Efforts, Increase The Minimum Wage To \$15, Provide Merit Based Pay Increases For Certain Hourly Employees, And A One-Percent 401(K) Contribution To Retirement Savings For All Employees. (*Press Release*, 12/28/17)

**sweetFrog Frozen Yogurt (Richmond, VA)**

Thanks in large part to federal tax reform, the company is adding new stores and serving countless new customers. (*The Virginian-Pilot*, 9/22/18)

**Synovus Financial Corporation (Columbus, GA)**

Synovus Financial Corporation Said It Would Give A \$1,000 Bonus To All Full-Time And Part-Time Non-Executive Employees. (*ABA Banking Journal*, 1/22/18)

**T****Taco John's (Cheyenne, WY)**

Taco John's Announced That All Full-Time And Part-Time Crew Members Received A \$200 After-Tax Bonus; Franchisee Support Center Employees Received \$1,000 Bonuses And That They Increased Charitable Donations. (*Press Release*, 2/28/18)

**Target Corporation (Minneapolis, MN)**

Target Corporation Announced That It Would Raise The Bottom Of Its Hourly Wage Scale From \$11 To \$12 This Spring. (*Seattle Times*, 3/8/18)

**TCF Financial (Plymouth, MN)**

TCF Financial Announced It Will Provide Approximately \$5 Million In One-Time Bonuses To Employees, \$1,000 To Full-Time Workers And \$500 To Part-Timers, Who Earned Less Than \$100,000 In 2017, About 80 Percent Of Their workforce. (*Minneapolis Star Tribune*, 1/3/17)

**Territorial Savings Bank (Hawaii)**

Territorial Savings Bank Announced It Would Give 247 Employees A \$1,000 Bonus And Increase Its Starting Wage To \$15. (*The Star Advertiser*, 12/27/17)

**Texas Capital Bank (Dallas, TX)**

Texas Capital Bank Announced It Would Give More Than 900 Employees A \$1,000 Bonus. (*Press Release*, 12/22/17)

**Texas Roadhouse (Louisville, KY)**

Company announced that due to tax reform it is investing in the company, its customers, and employees. The firm plans to open 30 new locations across the country next year. (*News Release*, 6/13/18)

**Thermo Fisher Scientific (Waltham, MA)**

Thermo Fisher Scientific Announced That They Would Pay \$500 Bonuses. (*USA Today*, 1/26/18)

**Tingley Rubber Company (Piscataway, NJ)**

Tingley Rubber Company Announced It Will Be Issuing All U.S. Based Employees One-Time Bonuses Of \$1,000 Because Of The Recent Tax Reform Passed By Congress. (*Press Release*, 3/26/18)

**Tis The Season (West Jefferson, NC)**

The Owner Of Tis The Season Gave His Two Full-Time Employees \$1,000 Bonuses In Addition To Their Christmas Bonuses. (*Ashe Post & Times*, 1/3/18)

**The TJX Companies Inc. (Framingham, MA)**

The TJX Companies Inc. Announced That It Will Provide A One-Time, Discretionary Bonus To Eligible Associates Globally, An Incremental Contribution To The Company's Defined Contribution Retirement Plans, Institute Paid Parental Leave And Enhance Vacation Benefits For Certain U.S. Associates. (*Press Release*, 2/28/18)

**Total System Services Inc. (Columbus, GA)**

Total System Services Announced It Would Give A \$1,000 Bonus To A Majority Of Its 11,500 Employees. (Atlanta Business Chronicle, 1/2/18)

**Town Bank (Wisconsin)**

Town Bank Committed To A Minimum \$15 Hourly Pay Rate For Employees. (Milwaukee Journal Sentinel, 3/2/18)

**Travelers Cos. Inc (New York, NY)**

Travelers Cos. Inc. Announced It Would Give \$1,000 Bonuses To About 14,000 Employees And Raise Its Minimum Wage To \$15. (Hartford Courant, 12/22/17)

**Traverse City State Bank (Traverse City, MI)**

Traverse City State Bank Announced It Would Pay \$750 Bonuses To Each Of Its 90 Employees. (Traverse City Business News, March 2018)

**Tremco (Cleveland, OH)**

Tremco Announced Its Decision To Increase Investments In Equipment, Hire New Workers, And Reinvest In Employees. (Press Release, 1/12/18)

**Treppendahl Super Foods (Woodville, MS)**

Company owner testified that as a direct result of tax cuts, he upgraded and replaced 12 doors in the frozen foods section of his store during the past few months. "That may not sound like a big project to some people, but that investment cost over \$65,000 and most importantly provided work for our local refrigeration company," he said. Tax reform has also allowed the company to provide all full-time workers with raises, he said adding that this has boosted employee confidence. (The Epoch Times, 7/27/18)

**True North Steel (Billings, MT)**

Company added 35 new jobs. (KULR8.com, 2/16/18)

**Tucson Electric Power Company (Tucson, AZ)**

Tucson Electric Power Company Announced That It Will Pass Utility Savings On To Customers. (Tucson.com, 2/2/18)

**Turning Point Brands Inc. (Louisville, KY)**

Turning Point Brands Announced It Would Give A \$1,000 Bonus To Its 107 Employees. (Louisville Business First, 12/29/17)

**Tyson Foods Inc. (Springdale, AK)**

Tyson Foods Inc. Announced That 100,000 Employees Would Receive A Tax Reform Bonus: \$1,000 For Full-Time Employees And \$500 For Part-Time Employees. (Arkansas Business, 2/8/18)

**U****Uber Technologies, Inc. (San Francisco, CA)**

Under The New Tax Reform Bill, Uber Drivers Will Be Able To Deduct 20 Percent Of Their Income From Their Taxable Income Before Paying New Lower Tax Rates. (CNBC, 2/5/18)

**U-Haul (Phoenix, AZ)**

U-Haul Announced It Would Pay Over 28,000 Employees A Bonus Ranging From \$500 To \$1,200. (KSAZ, 2/9/18)

**Ulta Beauty (Bolingbrook, IL)**

Ulta Beauty Announced It Would Pay Bonuses For Hourly Associates, Totaling \$12.3 Million. (Press Release, 3/15/18)

**Umpqua Bank (Portland, OR)**

Umpqua Bank Announced That It Had Paid \$3.2 Million In Employee Profit-Sharing And Contributed \$2 Million To The Umpqua Bank Charitable Foundation. (ABA Banking Journal, 1/30/18)

**United Bank & Trust (Marysville, KS)**

United Bank & Trust Raised Hourly And Salaried Employees' Wages By \$100 Per Month. (ABA Banking Journal, 1/16/18)

**United Technologies Corp. (Farmington, CT)**

United Technologies Corp. Announced That Recent Federal Tax Reform Will Unleash Enough Of Its Capital To Hire 35,000 Workers And To Invest More Than \$15 Billion In The U.S. In The Next Five Years. (Hartford Business, 5/23/18)

**The United Illuminating Company (New Haven, CT)**

The United Illuminating Company Announced That The Tax Law Will Nearly Wipe Out An Approved \$11 Million Rate Increase This Year. (HartfordBusiness.com, 1/11/18)

**Unity Bancorp, Inc. (Clinton, NJ)**

Unity Bancorp Announced It Would Provide Employees A \$750 Bonus. (Press Release, 12/26/17)

**Universal Plumbing & Heating Co. (Las Vegas, NV)**

Universal Plumbing & Heating Co. Announced That They Would Provide Employees With Bonuses Up To \$1,000 And That They Would Begin Hiring New Employees. (Las Vegas Review-Journal, 4/12/18)

**Unum (Chattanooga, TN)**

Unum Announced It Would Increase Its Hourly Wage To At Least \$15 Per Hour, Create A Paid Parental Leave Program And Provide An Additional \$1 Million In Charitable Contributions. (Press Release, 2/1/18)

**Upper Peninsula Power Company (Marquette, MI)**

Upper Peninsula Power Company Announced It Would Pass Tax Reform Savings To Its Customers In The Form Of Lower Bills. (WJLBC, 4/2/18)

**UPS (Atlanta, GA)**

UPS Announced More Than \$12 Billion In Investments To Expand The Company's Smart Logistics Network, An Additional \$7 Billion Over Three Years For Company Infrastructure, And A \$5 Billion Tax-Qualified Contribution To The Company's Three UPS-Sponsored U.S. Pension Plans - About \$13,000 Per Participant. (Press Release, 2/1/18)

**U.S. Bancorp (Minneapolis, MN)**

U.S. Bancorp Said It Would Give Nearly 60,000 Employees A \$1,000 Bonus And Raise The Minimum Wage For Its Workforce To \$15. (American Banker, 1/2/18)

- U.S. Bancorp Will Also Make Unspecified "Enhancements" To Employee Health Plans. (American Banker, 1/2/18)

**U.S. Special Delivery (Iron Mountain, MI)**

U.S. Special Delivery Announced It Would Pay Its Employees A \$1,000 Bonus. (ABC10, 2/9/18)

**Utility Services Of Alaska (Fairbanks, AK)**

Utility Services Of Alaska Announced It Would Pass Savings From The Tax Bill To Its Customers. (Anchorage Daily News, 3/7/18)

**V****Velvet Ice Cream Company (Utica, OH)**

Velvet Ice Cream Company Announced It Is Increasing Wages For New Employees By \$1.10 Per Hour For Full-Time Employees And By 50 Cents Per Hour For Seasonal Summer Workers. Velvet Employs 125 Full-Time Workers And 50 Part-Timers In The Summer. (Newark Advocate, 3/28/18)

**Verizon (New York, NY)**

Verizon Announced That Employees (Other Than Top Management) Will Receive 50 Shares Of Restricted Stock, An Award That Could Total Over \$400 Million, Based On Verizon's Current Share Price. (CNBC, 1/23/18)

**Vermont Gas Systems, Inc. (South Burlington, VT)**

Vermont Gas Systems, Inc. Announced That It Would Reduce 2018 Customer Costs By \$2.4 Million. (Press Release, 1/23/18)

**Verst Logistics, Inc. (Walton, KY)**

Verst Logistics, Inc. Announced That They Distributed \$500 Bonuses To All Full-Time Employees Due To Tax Reform. (Press Release, 1/24/18)

**Village Foods & Pharmacy (Bryan, TX)**

Village Foods & Pharmacy Said They Were Able To Provide Employee Bonuses And Implement A 401(k) Program. (Self-reported, 5/7/18)

**Virtua Partners (Phoenix, AZ)**

The company, a global private-equity real estate investment firm, launched an Opportunity Zone Fund to raise \$200 million and utilize the tax savings opportunities created by the tax reform law. (Business Wire, 6/20/18)

**Visa (Foster City, CA)**

Visa Announced It Would Increase The Amount It Would Match Employee 401ks From 3 Percent Base To 5 Percent Base With A Total Maximum Contribution Of 10 Percent Of Eligible Pay. (Press Release, 1/3/18)

**Vivian Company (Saint Louis, MO)**

Vivian Company Announced That All 20 Full-Time Employees Would Be Given \$1000 Cash Bonuses. (Press Release, 2/5/18)

**W****Walgreens (Deerfield, IL)**

Company announced that it plans to invest in employee wage increases and in new community health care initiatives by about \$150 million due to tax reform. (Business Insider, 10/11/18)

**Walmart (Bentonville, AK)**

Walmart Will Award Employees Bonuses Ranging From \$250 To \$1,000, Totaling Roughly \$400 Million. (CNBC, 1/11/18)

- Walmart Announced It Would Increase Its Starting Wage Rate To \$11 And Expand Maternity And Parental Leave Benefits. (CNBC, 1/11/18)

**Walt Disney Company (Burbank, CA)**

Disney Announced It Would Pay Over 125,000 Employees A One-Time Cash Bonus Of \$1,000 As Well As Make A New \$50 Million Investment Into Education Programs For Employees. (CNBC, 1/23/18)

**Warwood Tool (Wheeling, WV)**

Company is developing a new line of products due to optimism generated by tax reform. (The Intelligencer, 5/3/18)

**Washington Federal (Seattle, WA)**

Washington Federal Announced "A 5 Percent Merit-Based Increase In Wages For All Employees Earning Less Than \$100,000 Annually As Well As An Investment In Employee Training Programs." (The Bellingham Herald, 12/20/17)

- The Bank Will Also Increase Its Technology Staff By 25 Percent, Add An Additional Tech Office In Boise, Idaho, And Donate \$5 Million To Community Nonprofit Organizations. (The Bellingham Herald, 12/20/17)

**Washington Trust Bancorp (Westerly, RI)**

Washington Trust Bancorp Announced \$1,000 Bonuses For Full-Time Employees, \$500 For Part-Time Employees And A \$1.00 Per Hour Salary Increase For Employees Below A Certain Compensation Level. (Press Release, 1/16/18)

**Washington Utilities And Transportation Commission (Spokane, WA)**

The Washington Utilities and Transportation Commission Said That The Reduction In The Federal Corporate Tax Rate Will Reduce Costs For Many Of The UTC's Regulated Companies. (CBS-Spokane, 1/18/18)

**Waste Management (Houston, TX)**

Waste Management Said It Would Give \$2,000 In Special Bonuses To About 34,000 Employees. (CNBC, 1/10/18)

**Webco Industries Inc. (Sand Springs, OK)**

Webco Industries Inc. Announced It Would Pay Its Employees Bonuses Up To \$2,000. (News On 6, 3/7/18)

**Webster Financial (Waterbury, CT)**

Webster Financial Announced It Would Award \$1,000 Bonuses To Non-Executive Employees, Representing About 70 Percent Of Its Workforce Of 3,300 Employees. (The Hour, 1/4/18)

- Webster Financial Also Said It Would Raise Its Minimum Wage To \$15 An Hour And Add \$1 Million To Its Annual Charitable And Community Contributions. (The Hour, 1/4/18)

**Wells Fargo (San Francisco, CA)**

Wells Fargo Announced It Would Boost Its Employees' Minimum Wage To \$15 And Would Target \$400 Million In Donations To Community Nonprofit Organizations In 2018. (CNBC, 12/20/17)

**Werner Enterprises (Omaha, NE)**

Werner Enterprises Announced They Were Able To Increase Capital Investment This Year By \$127 Million And Were Able To Offer Increases Of \$24 Million For Their 9,500 Driver Associates, Which Works Out To Over \$2,400 Per Professional Driver. (*Transport Topics*, 4/12/18)

**WeStar Energy (Topeka, KS)**

WeStar Energy Said They Would Pass Along Tax Savings To Customers. (*Press Release*, 1/18/18)

**Western Alliance Bancorp (Phoenix, AZ)**

Western Alliance Bancorp Said It "Plans To Increase The Base Pay Of The Lowest-Paid 50% Of Employees By 7.5%," Increase Bonuses, And "Increase Its 401(K) Match From 50% Of An Employee's Contribution Up To 6% Of Pay To 75% Of An Employee's Contribution Up To That Same Level." (*The Wall Street Journal*, 12/20/17)

**Western & Southern Financial Group (Cincinnati, OH)**

Western & Southern Financial Group Announced It Would Give Full-Time Employees A \$2,000 Bonus And Part-Time Employees A \$1,000 Bonus, And The Bonuses Are Tied To Company Performance. (*Cincinnati Business Courier*, 1/8/18)

**Westland Seed (Ronan, MT)**

Company is hiring more employees because of the Tax Cuts and Jobs Act. (*Daily Inter Lake*, 5/4/18)

**Wichita Railway Services, LLC (Wichita, KS)**

Wichita Railway Services, LLC Announced That It Would Pay Employees A Bonus Ranging From \$3,000 To \$6,000. (*Wichita Business Journal*, 3/30/18)

**Wild Adventures Theme Park (Valdosta, GA)**

Wild Adventures Theme Park full-time employees are receiving a \$500 bonus thanks to the recent federal corporate tax cuts. (*sovegalive.com*, 4/18/18)

**Willis Lease Finance Corporation (Novato, CA)**

Willis Lease Finance Corporation Announced It Would Provide \$1,000 Bonuses For All Non-Executive Employees. (*Press Release*, 1/19/18)

**Willow Creek Woodworks (Idaho Falls, ID)**

Company provided employee bonuses as a result of the tax reform law. (*WIHOTY.com*, 1/3/18)

**Windham Millwork (Windham, ME)**

Company plans to increase its workforce by 20 percent and start a \$1 million expansion of its facility. It also gave an immediate bonus of \$1,000 to its hourly employees and across-the-board pay increases that the company said were a direct result of tax reform. (*Testimony*, 5/16/18)

**Windsor Federal Savings (Windsor, CT)**

Windsor Federal Savings Announced A One-Time Special Bonus Of \$250 For All Employees Except Senior Management And An Increase Of Minimum Wage For Full-Time Employees To \$15 Per Hour. (*Press Release*, 12/21/17)

**Windy Hill Foliage, Inc. (Marshfield, WI)**

Windy Hill Foliage, Inc. Announced It Would Give Its 180 Employees Bonuses Of Up To \$1,200. (*Marshfield News Herald*, 3/10/18)

**Winnebago Industries (Forest City, IA)**

Winnebago Industries Announced Their Commitment To Passing A Portion Of The Tax Savings To Their Employees In The Form Of A Bonus And Other Selective Wage Adjustments, Making A Donation To Their Foundation, And Accelerating Facility Improvements. (Press Release, 3/21/18)

**Winton Machine Company (Suwanee, GA)**

Company is purchasing two new machines for its factory. (National Association of Manufacturers, 5/1/18)

**Wintrust Financial Corporation (Rosemont, IL)**

Wintrust Financial Announced It Would Raise Its Base Wage To \$15 Per Hour, A Move That Should Impact More Than 600 Employees. (Milwaukee Journal Sentinel, 1/24/18)

**Wirco Inc. (Avilla, IN)**

Wirco Inc. Announced It Would Be Paying All Of Its Employees A \$500 Bonus. (The News Sun, 2/19/18)

**Wolf Metals (Columbus, OH)**

Wolf Metals Expects Employees To Get Bonuses Based On The Use Of The New And More Efficient Machines Purchased As A Result Of The Recently Passed Tax Reform Package. (Press Release, 1/5/18)

**Wynn Resorts (Las Vegas, NV)**

Company plans to provide bonuses for its workers from tax reform savings. (Casino.org, 1/23/18)

**Wood Boat Brewery (Clayton, NY)**

Company is hiring new workers and expanding production. (capitalone.com, 4/18/18)

**Worldpay Inc. (Ohio)**

Worldpay Inc. Announced That Hourly Workers Would Receive Bonuses Ranging From \$1,000 To \$2,000 Each And That Some Hourly Wages Would Be Hiked. The Company Also Said It Is Increasing Its 401(k) Match And Investments In Wellness And Recognition Programs. (The Associated Press, 3/2/18)

**X****Xante Corporation (Mobile, AL)**

Xante Corporation Announced It Paid \$1,200 Bonuses To Most Of Its Employees. (AL.com, 2/19/18)

**Xcel Energy (Minneapolis, MN)**

Xcel Energy Announced That It Expects To Pass \$140 Million In Savings Onto Its Customers. (Star Tribune, 3/6/18)

**Y****YAM Worldwide**

YAM Worldwide Announced It Would Provide \$2,000 Bonuses To 725 Employees Who Have Been With The Company Longer Than Six Months And \$1,000 Bonuses To All Other Staffers. (CNN Money, 12/22/17)

**Yancey Bros. Co. (Austell, GA)**

Yancey Bros. Co. Announced It Would Provide Its Roughly 1,200 Employees With A \$500 Bonus. (Marietta Daily Journal, 12/29/17)

**Z**

**Zions Bancorp (Salt Lake City, UT)**

Zions Bancorp Plans To Offer \$1,000 Bonuses To 80 Percent Of Its Employees And Increase Compensation For More Than 40 Percent Of Its Employees. (American Banker, 1/2/18)

- “The \$65 Billion-Asset Company Will Also Contribute \$12 Million To Its Corporate Foundation, Which In 2017 Donated To A Range Of Nonprofits, Including The United Way, Homeless Shelters And Other Charitable Causes.” (American Banker, 1/2/18)

2/13/19

## OPENING REMARKS

Rep. Jim Hagedorn

I would like to open by thanking our witnesses for coming before our committee today as we lay out the priorities for how we can assist Small Businesses in our communities in this upcoming session.

I would also like to thank the group representing the Minnesota Small Business Development Centers who came by my office this week. Just like their CEO Charles Roe who spoke to this committee last week, the local SBDC staff demonstrated their commitment to helping entrepreneurs reach their goals.

(MN-1) SBDC accomplishments in southern Minnesota: 770 businesses assisted; 861 jobs created during the last year through access to capital, business planning and development in Southern Minnesota (many of these in women, minority, and veterans owned businesses). I am so glad that businesses have SBDC's to support them and I hope 2019 is even brighter.

Every small business is different. Finding your spot in the marketplace and working hard to make your dreams a reality is a central part of the American Dream.

(MN-1) Much like the story of KATO Trucking from Mankato, in my district, whose success story was highlighted in this year's SBDC Annual Report.

What makes America great is the ingenuity of the American small business owner. Government should not stifle this innovation.

I remember President Reagan's famous quote about the 9 most terrifying words in the English language.

"I am from the government and I am here to help"

I hold President Reagan's quote in tension with our mission to assist small business across our country. Let us not in our desire to assist, overburden our businesses with taxes and regulations saying it's for your own good.

Sometimes businesses need help along the way. Whether that's financial assistance or counseling services, there is a place for a limited government to help small businesses. I am confident that members on both sides of this committee truly care for small businesses that make up nearly half of the jobs in our country.

I am committed to finding solutions that work to help small businesses thrive, and I am happy that we have witnesses whose experience will enrich our understanding of the priorities of this committee in the 116<sup>th</sup> Congress.



## Recommendations for Subcommittees of the U.S. House Committee on Small Business

### Subcommittee on Rural Development, Agriculture, Trade, and Entrepreneurship

Entrepreneurship is a proven pathway for Americans from all walks of life to build income, independence and financial security for themselves, their families, their employees and their communities. Rural small business owners in particular have substantial potential to spur economic development in underserved areas, but they face a unique array of challenges. Additionally, 98% of American businesses that export are small businesses, and trade is a powerful tool for entrepreneurs to grow and expand. Policymakers should take targeted action to address the needs and role of rural small business owners and further enable small business trade activity. Specific recommendations for the Subcommittee include:

- Connect regional business support organizations with more federal resources and SBA programs. This involves maintaining and expanding SBA lending, counseling and procurement programs. This must also include providing rural small businesses, particularly businesses owned by people of color, with increased opportunities to participate in SBA loan programs and SBDC programs that provide vital education and outreach to entrepreneurs.
- Increase community bank lending in rural areas. SBA's guaranteed loan programs allow community banks to lend to underserved entrepreneurs like rural small businesses. We recommend increasing the program's loan limits in order to raise the number of loans made and provide additional funding to meet increased demand.
- Improve opportunities for rural small business owners to attract and retain a skilled workforce. Specifically, expand internship and mentoring programs to create career paths for youth, and to ensure access to skilled entry-level workers for rural small businesses.
- Pass the Community Broadband Act, which seeks to help local towns set up public alternatives to big Internet providers such as Comcast or Verizon. This will increase broadband availability in underserved and rural communities.
- Reauthorize the Export-Import Bank in order to continue allowing small businesses to engage in exporting activities. Small and medium-sized businesses account for 98% of the 300,000 American companies that export. The Ex-Im Bank fills in the gaps offered by traditional financing by partnering with private-sector lenders to provide loans, loan guarantees and credit to aid foreign purchasers in buying American-made goods.

### Subcommittee on Economic Growth, Tax, and Capital Access

Despite the importance of entrepreneurship to our economy, small business owners—particularly women, people of color and other underserved populations—face significant hurdles accessing capital from banks and other traditional sources. In addition, our nation's tax system has benefited the wealthiest Americans and large multinational corporations at the expense of small business owners, their employees and independent entrepreneurs. Small business owners need policies that will level the playing field, drive our economy from the bottom up and allow greater access and more options for entrepreneurs to obtain responsible capital. To that end, we recommend the policy actions below:

- Ensure women and entrepreneurs of color get fair access to capital by increasing both funding for and awareness of Women's Business Development Centers and the Minority Business Development Agency. Research shows women and people of color struggle to access credit and

gain access to mentoring and networking opportunities. For example, SBA loans to women-owned business accounted for only 18% of the total number of SBA 7(a) and 504 loans approved. Similarly, an SBA study found that African-American and Hispanic business owners were most likely to report unmet credit needs.

- Dramatically expand the annual budget of the Community Development Financial Institutions (CDFI) Fund from \$250 million to \$1 billion. CDFIs are fundamental in breaking down barriers to capital access for small businesses. Expanding the Fund will further increase investment in small firms, especially those in underserved communities.
- Pass legislation extending Truth in Lending Act disclosure requirements to small business loans or credit products, such as California's small business truth in lending legislation enacted in late 2018.
- Reduce SBA loan fees to 0% for the guaranteed portion of loans under \$150,000 and 1% for loans between \$150,000 and \$700,000. The current fee structure unnecessarily adds extra costs for small business owners and dampens their ability to get credit.
- Remove barriers to obtaining government-backed loans in order to expand the reach of the loan program to borrowers who may not have the necessary credentials or credit score or may be carrying student loans. This will be especially critical to ensure equitable access to loans for women and people of color.
- Facilitate access to equity financing to small businesses within new Opportunity Zones investments. While investments in Opportunity Zones hold the potential to benefit small businesses, especially those in underserved communities, they must be implemented responsibly. This includes requiring reporting metrics that measure program success based on the number of jobs created, where those jobs are located, employee wages and the number of businesses created, particularly businesses formed by women or people of color.
- Ensure parity between online and brick-and-mortar businesses with a reasonable and fair Internet sales tax solution. In 2018, the U.S. Supreme Court ruled in favor of tax parity, saying that states can require firms to collect online sales tax purchases even if a business has no physical presence in the state. Although this should help level the playing field between brick-and-mortar businesses and their larger online retail competitors, large online retailers must enact systems to ensure this collection will not be burdensome on the small retailers that operate on their sites.
- Align form 1099 reporting thresholds and streamline income reporting for independent workers.
- Establish a standard business expense deduction for independent workers.
- Expand both federal and state Earned Income Tax Credit (EITC) programs to increase small business employees' incomes and allow self-employed entrepreneurs to buy into the programs. For example, California recently raised EITC income eligibility limits so that more workers living at or near poverty levels can receive the credit.

#### **Subcommittee on Contracting and Infrastructure**

Small businesses are the drivers of our economy, and investments in economic development and infrastructure should reflect their importance. This means ensuring community development and infrastructure initiatives benefit small businesses and their local communities, rather than large corporations. Moreover, these investments must be targeted to meet the needs of traditionally underserved business owners like women, entrepreneurs of color and rural entrepreneurs. As such, we must have a national infrastructure strategy that includes the following guidelines and recommendations:

- Ensure federal support for physical infrastructure projects that directly benefit small business commercial enterprises and include sufficient small business contracting opportunities.

- Promote supply chain diversity as part of any comprehensive infrastructure proposal to ensure small firms, especially those in rural and underserved communities, are able to participate in infrastructure investments.
- Create an "infrastructure bank" or other sustainable infrastructure financing entity to drive continued investment from the public and private sectors into the nation's roads, bridges and other infrastructure. For example, we need bipartisan legislation that would establish an infrastructure fund to make loans for state and local government-sponsored projects, such as the Partnerships to Build America Act introduced in 2017.

#### **Subcommittee: Innovation and Workforce Development**

Small businesses face particular challenges in finding and retaining skilled workers. Not only do they lack the robust resources to create job-specific training programs, but small employers also face barriers to offering benefits that are crucial to attracting top talent. This is why we need to support policies that level the playing field for small businesses and leverage education and training resources that support small employers. Small Business Majority recommends enacting the following recommendations:

- Support efforts to establish publicly-administered retirement savings programs at the federal and state levels to help more small businesses, their employees and the self-employed access retirement plans. Such programs are being implemented in California, Connecticut, Maryland, Illinois and Oregon.
- Pass the FAMILY Act to establish a national program that would provide partial wage replacement for small business employees and the self-employed to access parental leave or to handle serious health conditions for themselves and family members.
- Expand internship and mentoring programs to create career paths for youth, and to ensure access to skilled, entry-level workers for small businesses.
- Pass legislation such as the Lifelong Learning and Training Account Act, which would make lifelong learning more accessible for low- and moderate-income workers by establishing a tax-preferred savings account with a federal match. It would also help solo entrepreneurs invest in their own development and acquire skills without the aid of an employer.
- Implement studies that ensure Workforce Innovation & Opportunity Act (WIOA) programs are meeting small business and worker needs.

#### **Subcommittee: Investigations, Oversight, and Regulations**

Robust oversight of small business programs, especially lending to underserved entrepreneurs, is a critical component of the Committee's work. Recommendations for the Subcommittee include:

- Conduct hearings to increase understanding of how the recent government shutdown impacted small business owners. This data should inform policymakers in future funding discussions to ensure that funding delays do not negatively impact our nation's small business owners.
- Conduct investigative hearings into new programs for Women's Business Development Centers to ensure programs are meeting the needs of women and minority entrepreneurs.
- Investigate recent activity by the Office of Disaster Assistance (ODA) following large scale disasters in 2017 and 2018 to ensure entrepreneurs are receiving the assistance they need.
- Consider how set-aside programs can be expanded and better meet their targets for businesses owned by women, people of color and veterans.

- Address issues surrounding predatory lending, especially in rural areas. Many rural areas lack physical bank branches and are known as “banking deserts.” As a result, online and other alternative lending products have sprung up to fill this market need. While entrepreneurs welcome new innovative sources of capital, alternative financing operates in an almost entirely unregulated market, making many small business owners vulnerable to predatory practices from which they need to be protected.

## RECOMMENDATIONS TO BOOST RURAL ENTREPRENEURS

Rural small business owners have substantial potential to spur economic development in underserved areas, but they face a unique array of challenges. Small business assistance providers, philanthropic institutions and policymakers at the federal, state and local level should take targeted action to address the needs and role of rural small business owners and other members of the small business ecosystem in rural places. These recommendations are intended to help the challenges uncovered through this research and are supplemented by Small Business Majority's general knowledge of the field.

### PROMOTE AND INCREASE SMALL BUSINESS ASSISTANCE IN RURAL AREAS

- **Promote regional cooperation among rural small business assistance organizations and other area anchor institutions**, for example, by supporting regional economic clusters/partnerships between small businesses and local educational institutions with the resources to provide industry-focused training and skills development.
- **Connect regional business support organizations with more federal resources and SBA programs**. This involves maintaining and expanding SBA lending, counseling and procurement programs. This must also include providing rural small businesses, particularly businesses owned by people of color, with increased opportunities to participate in SBA loan programs and SBDC programs that provide vital education and outreach to entrepreneurs.
- **Ensure current programs that support rural entrepreneurs continue**. Programs such as the Rural Microentrepreneur Assistance Program, Value-Added Producer Grants and the Intermediary Relending Program administered by the U.S. Department of Agriculture are examples of federal programs that provide important support for rural entrepreneurs. States provide such support through various grants and programs, including initiatives like the Texas Young Farmer Grant and the Minnesota Crop Research Grant Program.
- **Equip business support organizations with more resources to conduct comprehensive outreach and education programs that provide rural small business owners with essential business information** on topics such as loan options, where to find business assistance, offering employee benefits to recruit and retain talented workers, etc. This should include elevating these resources and guiding rural small business owners to the existing quality small business technical assistance providers, lenders and other resource providers in their areas, and expanding upon these resources in areas that may be facing gaps in assistance. This could also include creating formal consortiums of local business support organizations to meet regularly, share resources, streamline processes for small businesses and solicit their input on economic development decisions.

### INCREASE SMALL BUSINESS LENDING OPTIONS AND INVESTMENTS IN RURAL ENTREPRENEURS

- **Expand online resources and lending platforms for rural small business owners who have few local options**. Given the severe need for increased access to capital, online lending provides one of the best ways for rural business owners to secure a loan given the lack of viable options in their communities. New online platforms that offer responsible lending options could help close the funding gap for these entrepreneurs, assuming issues related to broadband access among rural residents are also addressed.
- **Increase transparency in online lending to improve the small business lending landscape**. While more lending options are needed for rural small business owners, the current online lending landscape is unregulated and predatory. Local and state governments can help

facilitate safe, responsible online loan options for these businesses. For example, California recently passed a small business truth in lending law to increase transparency of financial products marketed to small firms, which can be used as a model for other states.

- **Strengthen and expand local lending, especially community bank lending, which provides more than half of all small business lending.** Community banks nationally approved 60% of small business loans in 2016—compared to a 45% success rate with large banks. One proposal to stimulate community lending includes updating the Community Reinvestment Act activity by streamlining the process by which banks can earn CRA credit by investing in regions outside their branch service areas.
- **Ensure Opportunity Zones guidelines are designed to benefit Main Street small business owners rather than focusing on incentivizing real estate development.** Roughly 40% of Opportunity Zones are in rural zip codes. While these investments hold the potential to benefit small businesses, especially those in underserved communities, they must be implemented responsibly. This could include requiring reporting metrics that measure program success based on the number of jobs created, where those jobs are located, employee wages and the number of businesses created, particularly businesses formed by women or people of color. Metrics should also include assessment of displacement risks for small businesses.
- **Use tax credits as a tool to spark economic development.** For example, the New Markets Tax Credit has helped attract more than \$60 billion in private sector funding to build businesses in economically-distressed communities across the United States. States and localities can also use tax credits as incentives for investment in rural communities, as with Pennsylvania's Rural Jobs and Investment Tax Credit Program, which provides a tax credit for investors in a Rural Growth Fund.

#### IMPROVE AFFORDABILITY AND ACCESS TO HEALTHCARE IN RURAL AREAS

- **Expand Medicaid**, which has been proven to benefit both small business employees and self-employed individuals and rural Americans, in states that have yet to do so under the ACA. Roughly 616,000 small business employees in 15 states that have still not expanded Medicaid could gain coverage if all remaining states expanded Medicaid.
- **Provide additional options** for consumers in counties that have few or no participating insurers in the ACA marketplaces by allowing them to buy in to Medicare or Medicaid.
- **Create more transparency on pricing and quality** to allow patients to make informed decisions about where they receive care, which will benefit the healthcare system overall.
- **Identify solutions for the so-called “family glitch”** to ensure more children and adults have access to affordable coverage. States can address this by considering a state subsidy for spouses and dependents who are currently unable to receive a subsidy through the marketplaces due to the fact that the primary insured family member meets the employee “affordability” standard under the law.
- **Support healthcare tax equity for the self-employed** so solo entrepreneurs can deduct their healthcare expenses from their FICA tax obligations—just like other business entities.

#### INVEST IN RURAL INFRASTRUCTURE AND ACCESS TO BROADBAND

- **Ensure broadband is available to underserved, rural communities** through activities to incentivize public alternatives to big Internet providers such as Comcast or Verizon at both the state and local level. Examples include state or federal grants or tax incentives to service providers as well as regulatory reforms that promote broadband construction. For example, Georgia is directing the state technology authority to develop a plan promoting installation along interstates and state roads.

- **Ensure governmental support for physical infrastructure projects that directly benefit small business commercial enterprises.** For example, we recommend promoting supply chain diversity as part of any comprehensive infrastructure proposal to ensure small firms, especially those in rural and underserved communities, are able to participate in infrastructure investments. Governments should also ensure that contracting opportunities are available to small businesses as part of any infrastructure reform.

#### **IMPROVE OPPORTUNITIES FOR RURAL SMALL BUSINESS OWNERS TO ATTRACT AND RETAIN A SKILLED WORKFORCE**

- **Enact policies that make it easier and more affordable for small business owners to offer robust employee benefits** such as health insurance, retirement savings and paid leave to help firms recruit and retain workers.
- **Workforce development organizations, community colleges, high schools and career tech education programs should improve coordination with local small businesses** to better understand their hiring needs to ensure training programs match the needs of the employers.
- **Expand internship and mentoring programs to create career paths for youth, and to ensure access to skilled, entry-level workers for small businesses.** One proposal that could support more workforce training is the Lifelong Learning and Training Account Act, which would make lifelong learning more accessible for low- and moderate-income workers by establishing a tax-preferred savings account with a federal match of up to \$1,000. State programs can also help solo entrepreneurs invest in their own development and acquire skills.



## EXAMINING THE UNIQUE OPPORTUNITIES AND NEEDS OF RURAL SMALL BUSINESSES

Entrepreneurship is a proven pathway for Americans from all walks of life to build income, independence and financial security for themselves, their families, their employees and their communities. Rural entrepreneurs start businesses at higher rates than their urban counterparts and have higher five-year business survival rates, and these businesses play a particularly vital role in rural America, creating roughly two-thirds of new jobs and supporting the economic and social wellbeing of their communities.<sup>1</sup> Nationwide, small business owners generate more local economic benefit than larger corporations, a fact that holds true for rural entrepreneurs as well.

Despite the importance of local businesses to rural communities, little research has been done to try to understand the unique strengths and challenges faced by rural small business owners. Understanding how to better stimulate and support rural entrepreneurship can help policymakers, philanthropic organizations and economic development organizations implement new policies and programs that would promote more economic growth. Rural communities have struggled to recover economically from the Great Recession, lagging behind their urban and suburban counterparts. Indeed, a 2016 report from the U.S. Department of Agriculture found that while the national unemployment rate has returned to pre-recession levels, it is still well below pre-2008 levels in rural areas.<sup>2</sup> Stimulating rural entrepreneurial activity could help reverse these trends and create more economic opportunity for rural residents.

To better understand the state of rural small businesses, Small Business Majority conducted a three-pronged research project to explore the unique needs and challenges of small business owners in rural communities (for the purposes of this study, small businesses were defined as fewer than 100 employees). We held focus groups with small business owners in rural communities in Georgia, Mississippi, New Mexico and Texas, and we held roundtable discussions with key stakeholders including Small Business Development Centers (SBDCs), chambers of commerce, economic development organizations and local officials within these rural small business ecosystems. We supplemented these qualitative findings with a national poll of rural (defined by U.S. Census codes) small business owners across America. Our general knowledge of small business owners nationwide helped us in identifying which findings were unique to rural small business owners.

What we learned from our polling and discussions with rural small business owners and other community stakeholders is small businesses play a key role in all facets of life within rural communities. Small business owners in rural towns are civically active and their successes and challenges are very aligned with the strengths and weaknesses of their communities. While these entrepreneurs represent great potential, they often face different challenges than those in metropolitan areas, including geographic isolation, spotty broadband services, ailing infrastructure, a reluctance among major companies, banks and healthcare providers to serve the area, difficulties in hiring and retaining qualified workers and barriers in accessing capital to build their businesses. Still, they see themselves as the backbone of the community, invest heavily in their towns and are interested in shaping local and state policy.

This summary outlines key opportunities and challenges facing small business owners in rural communities. For more information about rural small business ecosystems, demographics, general views on business ownership, more detailed findings and policy recommendations to meet the needs of rural entrepreneurs, please see the full version of this report.

<sup>1</sup> <http://theconversation.com/six-charts-that-illustrate-the-divide-between-rural-and-urban-america-72934>

<sup>2</sup> <https://www.ers.usda.gov/publications/pub-details/?pubid=80893>

## KEY FINDINGS

### **Rural small business owners are optimistic about economic conditions**

Rural small business owners surveyed in the national survey were asked to rate the current economic conditions for small businesses like theirs in their community today on a scale of zero to ten. Sixty-eight percent rated their local economy as a 6 or better, indicating generally positive economic outlooks among these business owners. A majority of respondents (56%) said the current economic climate in their community is better than the economic climate of five years ago.

### **Access to capital is particularly challenging for rural entrepreneurs**

Small business owners in focus groups and stakeholder roundtables identified access to capital as a major challenge for rural small business owners, while the poll results indicated it was more of a moderate issue for rural entrepreneurs. Roughly 1 in 5 rural small business owners surveyed in our national survey rated access to capital as one of the top three challenges to maintaining or growing their business in their community. Four in 10 poll respondents reported accessing capital is a personal problem for them.

### **Rural entrepreneurs need more information and assistance in navigating access to capital; identify various solutions**

Results from the poll, small business focus groups and stakeholder roundtables identified some discrepancies regarding awareness of local technical assistance providers and education around small business financing. According to the poll, 73% of respondents reported they are very or somewhat confident they know all the loan and capital options available in their community. However, a significant majority of 59% also agreed they need more information on the types of capital sources out there that their business might benefit from. Community stakeholders were generally aware of a wide variety of state and local programs to provide resources to small business owners around funding, but did feel there is a lack of awareness of these programs among the rural entrepreneurs they serve.

### **Rural employers struggle greatly to maintain a qualified workforce**

Across all focus groups, participants stressed that good employees are difficult to find and they can't compete for more educated or experienced employees. The poll found more evidence to support these beliefs, with 73% of respondents saying a lack of economic opportunity forces people to leave their community and more than 1 in 4 rural small business owners surveyed (26%) said they have been trying to hire more employees but are unable to find qualified workers. We also heard from focus group participants and poll respondents that finding candidates with the right level of professionalism and education was a barrier.

### **Healthcare costs and lack of providers are a significant concern of rural entrepreneurs**

Small business owners and their employees nationwide routinely struggle with access to affordable health coverage, and this challenge is especially acute for rural small businesses. The poll found 7 in 10 poll respondents agreed that the ability to offer a comprehensive benefits package to employees was a barrier to retaining current employees. What's more, almost 1 in 3 rural small business owners (32%) rated healthcare costs as one of the top issues facing their business. This sentiment was further emphasized in the feedback we received in our roundtable discussions. In the Clint, Texas focus group, for example, every single participant said they go without insurance and instead pay for their care out of pocket. The remoteness of many of these communities means they also have very limited access to healthcare, with most focus group participants reporting they have to travel at least 30 minutes to access emergency care or routine services.

#### **Taxes concern rural entrepreneurs, desire additional tax relief**

Participants in the small business owner focus groups were asked to provide feedback on the availability of and experience with local or federal tax incentives to help their small business. While asked specifically about incentive programs, responses focused on the burden of local, state and federal taxes for small businesses, which many said are too high. This sentiment was reflected in the poll, which 40% of respondents chose as one of the top three challenges facing their business. Generally, we found skepticism among focus group participants about incentive programs, with many saying they are hard to utilize and often not worth the amount of time needed to receive them. There was mixed awareness about available incentives for small business, and a general feeling that it is much easier for big businesses to navigate tax incentives.

#### **Lack of broadband and physical infrastructure is hindering rural small businesses**

Participants noted a number of infrastructure needs that constrain their small businesses. Chief among these is the availability of reliable broadband. Roughly 1 in 10 poll respondents (11%) rated lack of reliable broadband as one of the top three challenges facing their business. Stakeholders also reported that lack of reliable broadband is a major challenge for the small businesses in their areas. Participants from groups like local chambers of commerce or economic development entities noted that broadband access is a major barrier to recruiting out-of-state or international firms to their rural communities, and a lack of access to reliable internet in residential areas prohibits the ability of individuals to take on freelance or independent work out of their homes. Multiple people added that lack of access to high-speed quality internet hurts efforts from technical assistance providers to establish programs for local entrepreneurs. Other small business owners noted issues with physical infrastructure, such as water systems, roads and bridges, which in many cases are beyond repair and cause challenges for transportation.

## **RESEARCH METHODOLOGY**

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The results and recommendations in this report are based on polling of rural small business owners nationally and qualitative feedback gathered through 21 informal “focus group” style discussions with small business owners and stakeholders including leaders of local SBDCs and business support organizations, local city officials and representatives from chambers of commerce, led by Small Business Majority staff. To design the study, we drew on our own considerable expertise as well as feedback from the Robert Wood Johnson Foundation. Local partners like the Rio Grande Council of Governments, the Harlingen Area Chamber of Commerce, the County of El Paso Economic Development Office and others also contributed significantly to the design of the roundtables and discussion groups. In identifying the rural communities to work with, we relied on the expertise, knowledge and established connections of these partners to identify areas sufficiently removed from metropolitan zones.

The national survey was a non-probability, online panel sample of 530 rural small business owners, conducted by Greenberg Quinlan Rosner from September 17 to September 25, 2018. The poll was restricted to small businesses with 1-100 employees, with a cap of 25% on sole proprietors. Respondents live in U.S. Census rural-designated areas, as identified by Census Federal Information Processing Standard Publication (FIPS) codes. Please see the full report for a more detailed explanation of the methodology, include the poll toplines.



## Report

### Examining the Unique Opportunities and Challenges Facing Rural Small Businesses

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Additionally, several national partners were instrumental in designing our questionnaire for our field research. These groups include the National Cooperative Business Association, Center for Rural Entrepreneurship, Aspen Institute and the University of Wisconsin Population Health Institute.

We would also like to thank our regional partners who made considerable contributions to our research. Particularly, the Rio Grande Council of Governments and the Association of Chamber of Commerce Executives were instrumental in selecting locations and designing the focus groups and roundtables. We would also like to thank other partners including the Harlingen Area Chamber of Commerce, Wesalco Chamber of Commerce, County of El Paso Economic Development Office, the Flickinger Center for Performing Arts, MainStreet Roswell, Tupelo Chamber of Commerce, Biloxi Small Business Development Center, Great Jackson Partnership, Rankin Chamber of Commerce, USM Small Business Development Center, Baxley Chamber of Commerce, Milledgeville Chamber of Commerce, Dahlonega Chamber of Commerce, Pickens Chamber of Commerce and many others.

## ABSTRACT

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### ISSUE

Entrepreneurship represents enormous potential for stimulating economic activity, creating jobs and increasing wealth in rural communities. This is especially critical given the slower rate of recovery rural areas have experienced following the Great Recession. Despite the potential of rural entrepreneurship in transforming local communities, insufficient research has been conducted to understand the needs and challenges of business owners in rural areas. More information is needed to better understand how to support rural entrepreneurs and their communities.

### GOAL

Offer insight for policymakers, philanthropic organizations and economic development organizations who wish to foster rural small business development and provide recommendations to prioritize policies, funding and programs that will support and strengthen rural small businesses and promote more economic growth.

### METHODS

The results and recommendations are based on a national survey of 530 rural small business owners through a non-probability, online panel sample and qualitative feedback gathered through 21 informal "focus group" style discussions with small business owners and stakeholders led by Small Business Majority staff.

### FINDINGS

Across the focus group discussions, roundtables and poll results, several key findings emerged. What we learned is that small businesses play a key role in all facets of life within rural communities. They are civically active and in tune with the strengths and weaknesses of their communities. While they see many benefits to operating in their local communities, they face unique barriers as rural small business owners, including a lack of awareness of resources available to them and challenges accessing local business support programs when they are aware of them. Rural small business owners also face challenges in accessing financing options, and they struggle to find and retain a talented workforce. Additionally, their more remote locations lead to challenges accessing broadband, healthcare providers and goods and services.

### RECOMMENDATIONS

Small business assistance providers, philanthropic institutions and policymakers at the federal, state and local level should pursue targeted solutions to increase support for rural small business owners. Those who wish to support small businesses in rural areas should prioritize the following: 1) Promoting and increasing small business assistance in rural areas; 2) Increasing small business lending options and investments in rural entrepreneurs; 3) Improving affordability and access to healthcare in rural areas; 4) Investing in rural infrastructure and access to broadband; and 5) Improving opportunities for rural small business owners to attract and retain a skilled workforce.

## INTRODUCTION: EXAMINING THE UNIQUE OPPORTUNITIES AND CHALLENGES FACING RURAL SMALL BUSINESSES

Entrepreneurship is a proven pathway for Americans from all walks of life to build income, independence and financial security for themselves, their families, their employees and their communities. Rural entrepreneurs start businesses at higher rates than their urban counterparts and have higher five-year business survival rates, and these businesses play a particularly vital role in rural America, creating roughly two-thirds of new jobs and supporting the economic and social wellbeing of their communities.<sup>1</sup> Nationwide, multiple surveys conducted by Civic Economics have found small business owners generate more local economic benefit than larger corporations in their cities, a fact that holds true for rural entrepreneurs as well.<sup>2</sup>

Despite the importance of local businesses to rural communities, little research has been done to try to understand the unique strengths and challenges faced by rural small business owners. Understanding how to better stimulate and support rural entrepreneurship can help policymakers, philanthropic organizations and economic development organizations implement new policies and programs that would promote more economic growth. Rural communities have struggled to recover economically from the Great Recession, lagging behind their urban and suburban counterparts. Indeed, a 2016 report from the U.S. Department of Agriculture found that while the national unemployment rate has returned to pre-recession levels, it is still well below pre-2008 levels in rural areas.<sup>3</sup> Stimulating rural entrepreneurial activity could help reverse these trends and create more economic opportunity for rural residents.

To better understand the state of rural small businesses, Small Business Majority conducted a three-pronged research project to explore the unique needs and challenges of small business owners in rural communities (for the purposes of this study, small businesses were defined as fewer than 100 employees, although most participants' businesses were much smaller). We held focus groups with small business owners in rural communities in Georgia, Mississippi, New Mexico and Texas, and we held roundtable discussions with key community stakeholders including Small Business Development Centers (SBDCs), chambers of commerce, economic development organizations and local officials within these rural small business ecosystems. We supplemented these qualitative findings with a national poll of rural (defined by U.S. Census codes) small business owners across America.<sup>4</sup> Our general knowledge of small business owners nationwide helped us in identifying which findings were unique to rural small business owners.

What we learned from our polling and discussions with rural small business owners and other community stakeholders is small businesses play an important role in all facets of life within rural communities. Small business owners in rural towns are civically active and their successes and challenges are very aligned with the strengths and weaknesses of their communities. While these entrepreneurs represent great potential, they often face different challenges than those in metropolitan areas, including geographic isolation, spotty broadband services, ailing infrastructure, a reluctance among major companies, banks and healthcare providers to serve the area, difficulties in hiring and retaining qualified workers and barriers in accessing capital to build their businesses. Still, they see themselves as the backbone of the community, invest heavily in their towns and are interested in shaping local and state policy.

This report outlines key opportunities and challenges facing small business owners in rural communities and offers recommendations for policymakers, business support organizations and community leaders to better support rural entrepreneurs and help their local economies thrive.

<sup>1</sup> <http://theconversation.com/six-charts-that-illustrate-the-divide-between-rural-and-urban-america-72934>

<sup>2</sup> <http://www.civiceconomics.com/indie-impact.html>

<sup>3</sup> <https://www.ers.usda.gov/publications/pub-details/?pubid=80893>

<sup>4</sup> All poll respondents lived in U.S. Census rural-designated areas, as identified by Census Federal Information Processing Standard Publication (FIPS) codes.

## FINDINGS

### SNAPSHOT OF RURAL SMALL BUSINESS OWNERS

In general, rural small business owners are not that different from their urban counterparts: most start their businesses because they want to be their own boss and have experience in a particular industry, and business owners in all parts of the nation face challenges in accessing capital, affordable healthcare and a skilled workforce. However, due to their more remote business locations, rural entrepreneurs often encounter unique opportunities and challenges. The research we conducted shows rural small business owners stand out from the general small business population in several ways, as we discuss below.

#### Rural small business owners start businesses to create economic opportunity and fulfill a sense of civic pride

Small business owners who participated in the focus groups cited numerous reasons for starting their own business, but several common themes emerged. Specific to rural entrepreneurs, several participants noted that jobs available in their area do not allow for people to get ahead, and starting a business was a way for them to build wealth for their family. One participant noted that following the Great Recession, jobs were particularly scarce in their area and many people started businesses because it was the only job they could find.

Other motivations for rural entrepreneurs to start their businesses echoed sentiments of business owners nationwide. While a few participants noted they took over their business from a previous owner, a larger number indicated they started their own business because they wanted to be their own boss and have the flexibility that comes with running their own business, a common theme among all entrepreneurs. Overall, focus group participants reported they are experienced within their particular field and felt confident in their ability to start a new enterprise, which also emphasizes a common motivation of small business owners nationwide.

To conduct this research, we collected feedback in three ways:

1. Focus group style discussions with small business owners
2. Roundtables with small business stakeholders
3. National polling of rural small business owners

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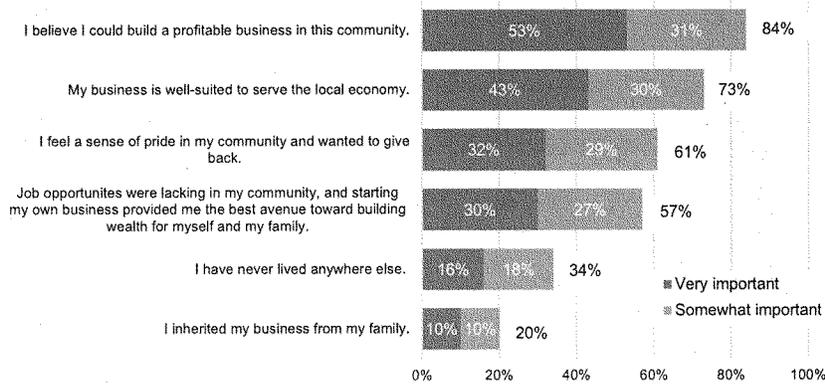
*“Business ownership is the only real way to transfer wealth to your family...I wanted the latitude to plant my flag and do it my own way as an entrepreneur.”*

*-Small business owner in Baxley, Ga.*”

Results from the poll support these anecdotal motivations for starting a business, including some of the motivations unique to rural entrepreneurs. Survey respondents were provided a list of reasons someone might start a business in their own community and were asked to rate how important these reasons were to them when they started their business (See Figure 1). Top responses for starting a business in their community that were distinct of rural small business owners, based on Small Business Majority’s knowledge of the small business community at large, included having a sense of pride in their hometown (61%) and a lack of existing job opportunities to build wealth (57%). Other responses included many factors that drive non-rural entrepreneurs as well, including feeling they had a profitable business idea (84%) and that their business was well suited to serve the local economy (73%).

**Figure 1: Rural small business owners start businesses to build wealth and due to a sense of civic pride**

Below are reasons someone might start a business in their own community. For each reason, please indicate how important (very important, somewhat important, just a little important, not important at all or don't know) each reason is to why you started your business in your community. Reminder that in this survey, when "your community" is referenced it means the community your business is located in.

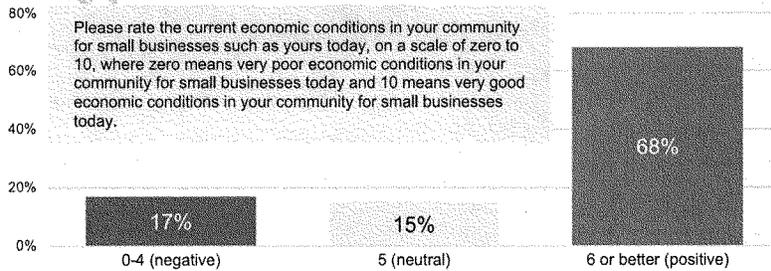


**Rural small business owners are optimistic about economic conditions**

Almost all poll respondents (88%) felt their community's natural beauty and outdoor activities make it an attractive place to live and work; however, almost three-fourths (73%) agreed that a lack of economic opportunity forces people to search for a more plentiful economic environment.

Despite this, the rural small business owners surveyed said they believe their communities' economic conditions are generally positive. The poll also asked respondents to rate the current economic conditions for small businesses like theirs in their community today on a scale of zero to ten (see Figure 2). Sixty-eight percent rated their local economy as a 6 or better, indicating a generally positive economic outlook among these business owners. A majority of respondents (56%) said the current economic climate in their community is better than the economic climate of five years ago, while nearly 3 in 10 (29%) felt conditions are about the same and 15% said conditions have worsened.

**Figure 2: Rural small business owners are optimistic about economic conditions**

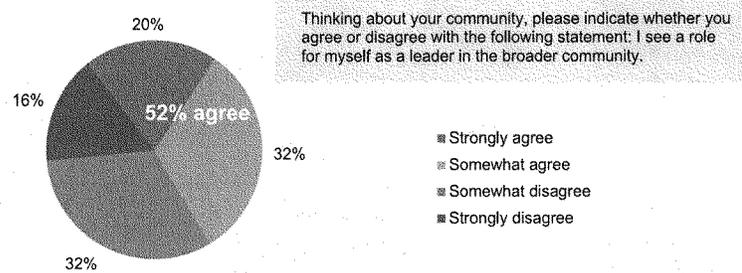


Naturally, most business owners go into business to earn a living and make a profit; rural entrepreneurs are no exception. However, small business owners also pursue entrepreneurship in their communities out of a sense of civic duty and to play a role in their towns' economic development. Rural entrepreneurs see small business ownership as a way to build wealth in a somewhat challenging economic environment but are optimistic about the economic future of their communities.

**Rural entrepreneurs see a strong role for business in strengthening their communities**

Small business owners overall were proud of their business and its potential to play a positive role in their community. More than half of poll respondents (52%) said they see a role for themselves as a leader in their broader community (See Figure 3) and 48% see themselves as a local leader in the business community.

**Figure 3: Rural small business owners see themselves as a leader in their communities**



The small business owner focus groups provided additional support for these findings. For example, a medical professional in Roswell, N.M. noted that before she had a private practice, she could move anywhere, but after opening her own office, she felt more invested in her community. The business owner felt this investment in her community is good for her business, helping with employee retention. Additionally, small business owners said they believe their businesses are the backbone of local communities and that they can positively impact their neighborhoods.

“  
*“An advantage of being a rural small business owner is that I have more contact with local leadership than I would in a bigger city. I can pick up the phone and call someone if I have a problem.”*  
 -Small business owner in Georgia”

Participants said they try to give back to their communities substantially through local groups, neighborhood associations and churches. They felt they have the opportunity to influence decisions by being a part of these organizations, where they often come into direct contact with local leadership. Small business owners also reported having more overall contact with local leadership and that they are local leaders themselves, acting as a sounding board for the community and voicing concerns to local leadership on their community's behalf. Small business owners said they want their community to grow and that they feel it's up to them and other small businesses to make that happen.

**Rural entrepreneurs rely heavily on informal networks, and struggle to utilize traditional small business support systems**

Small business owners in the focus groups were asked about their membership in local business organizations and how they connect with other local business owners in their community. Responses revealed that networking within the local community is key to the success of rural small businesses. Small business owners utilize trade associations (including regional affiliates of national associations), local chambers of commerce, rotary clubs and co-ops. Small business owners also discussed an increasing use of social media to connect with others, with one noting that their local community Facebook group page is “where things get done.” Some participants felt they don’t have sufficient networking options, however, and some discussed barriers to accessing networking opportunities, such as high fees associated with memberships.

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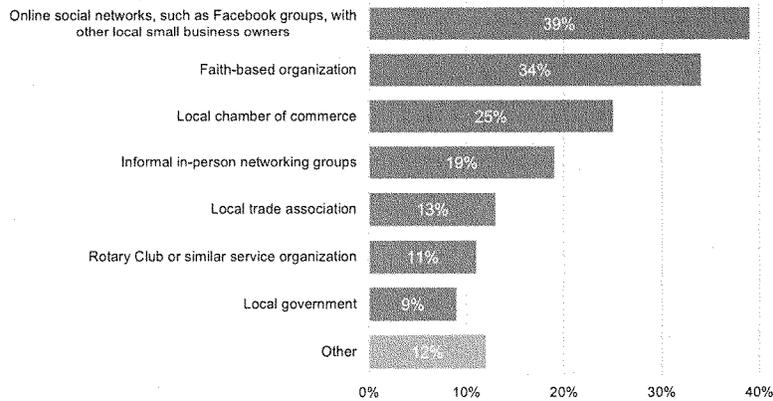
*“As a start-up, there are countless organizations and groups that want you to join, but they’re all expensive just to network—sometimes \$500 or more every year, which is not reasonable. Start-ups have to be mindful of who they first connect with.”*

*—Small business owner in Starkville, Miss.*”

The poll also asked rural small business owners about their participation in local organizations. The most common activity was being involved in an online social network like a Facebook group with other local small business owners (39%), followed with being involved with a faith-based organization (34%) and a local chamber of commerce (25%) (See Figure 4). Millennial small business owners (31%) are more likely than Generation X or baby boomer small business owners to participate in multiple roles in their community. Those with higher incomes, more employees or older businesses are also more likely to say they are involved in multiple roles in their community.

**Figure 4: Rural small business owners participate in their communities in a variety of ways**

Are you involved in any of the following community-based organizations? Please select all that apply.



Poll respondents were asked to choose up to three external factors that help them to maintain or grow their business in their community. The most cited factors included support from family and friends (44%), a robust local market for their goods or services (40%) and support from the community (37%). The poll revealed some generational differences. While younger, newer business owners surveyed (millennial and Generation X entrepreneurs) also rely heavily on the support of their family and friends, they are more likely than their baby boomer counterparts to say they rely on the support of their community as a secondary factor. Similarly, data revealed reliance on family and friends is higher among business owners of color.

Rural entrepreneurs crave a larger involvement from their government to foster a healthy environment for their business with opportunity, resources and collaboration, but 64% of respondents agreed that there is a lack of regional coordination between their local government and other stakeholders, and 75% said they believe such coordination is very important for their business growth. Small business owners in rural communities clearly need additional support to find opportunities outside of local chambers of commerce to identify events, resources and other networking opportunities.

### KEY BARRIERS RURAL ENTREPRENEURS FACE

While rural small business owners are involved in their community and desire to play a positive role in their area's growth, they must overcome unique challenges to start and grow their businesses and achieve success.

#### Overview of top challenges for rural small business owners

Many of the benefits of business ownership also speak to its top challenges. After all, small business owners may be their own boss but typically "wear all the hats." When entrepreneurs start their business, they might know their field or specialty well, but they often need to learn how to run a business, how to hire and manage employees, how to navigate benefits and basic business skills and requirements, including regulations, licensing and finding start-up capital.

“

*I don't have a partner, so I leave a TA [technical assistance] session with a list of things to do. I have to stop my normal daily tasks and try to do something new that I'm not an expert at. Everything just keeps sitting on my list of things to do. As a small business owner, you have to do it all.*

-Small business owner in Anthony, Texas

”

Rural small business owners were asked during focus group discussions about their top challenges (See Figure 5). Access to capital was frequently cited as a particular challenge, with many noting they first turned to friends and family because getting a traditional bank loan or a U.S. Small Business Administration-backed (SBA) loan is difficult without a proven track record (*see below for more details on challenges related to accessing capital*). While access to capital is a common problem for all entrepreneurs, the challenge is heightened in rural areas with fewer banking options. For example, the difficulty of finding start-up funds led one small business owner in Georgia to say it can often be easier to start a franchise than an independent small business, due to the support from a corporate structure.

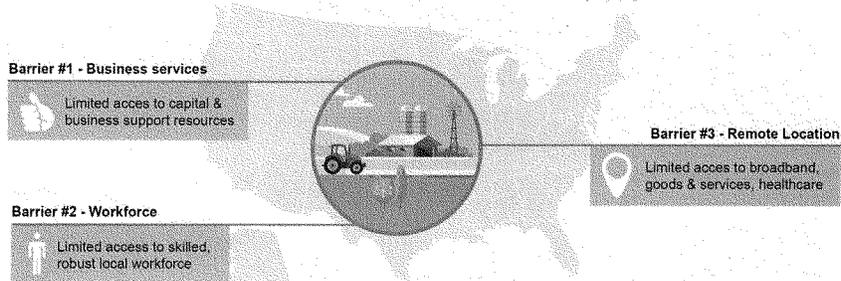
Other specific business challenges mentioned include finding reliable and capable employees within a limited job pool, understanding how to market their business, increasing consumer demand and challenges from competition. Again, while these challenges are faced by all entrepreneurs, they exhibit unique features in rural areas. Foreign competition was a particular challenge for small business owners interviewed operating along the Texas-New Mexico-Mexico border, as they noted services are often

significantly cheaper in Mexico. For example, one small business owner said it's difficult for them to charge \$15 for a haircut when customers can cross the border to Mexico and get one for \$3.

Another issue discussed was the overall cost of doing business in more remote areas. Several participants explained how costly it is to be far from resources, meaning they have to order merchandise and products online and sometimes big companies don't want to deliver to their areas. In some cases, the cost of such deliveries was prohibitive, and small business owners lost valuable time driving to pick up supplies from distant locations. Rural locations also lead to scarce access to broadband and healthcare providers.

“  
*The price of ingredients is so expensive because we are so remote. We have only one delivery option, and for one-third of that price, we can drive to El Paso, go to Costco and get a hotel.*  
 ”  
 -Small business owner in Marfa, Texas

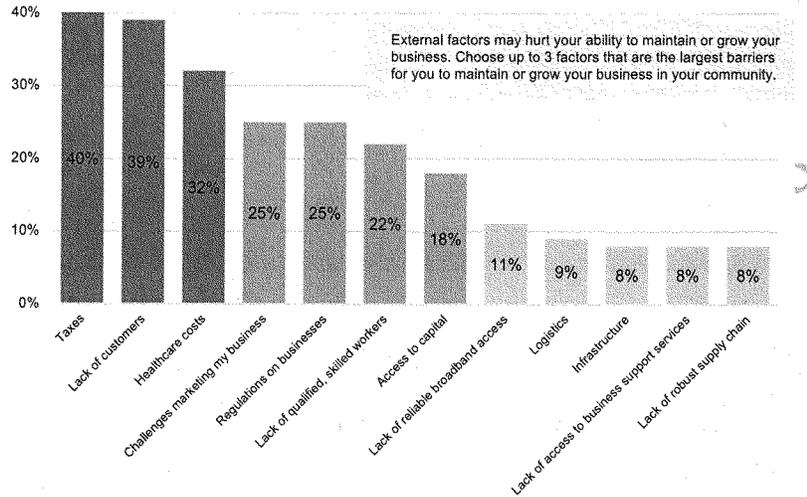
**Figure 5: Top challenges facing rural small business owners as identified by focus group participants**



Feedback from the community stakeholder roundtables echoed these concerns. Stakeholders noted the small business owners they work with express challenges like a limited skilled workforce pool, particularly a lack of workers with “soft skills” like time management, answering phones, customer service, counting out change and basic communication skills. They also noted that rural small business owners deal with a lack of access to parts and supplies, broadband access, lack of facilitators and mentors, poor financial literacy and lack of funding for programs that serve rural areas.

The poll provides additional data on what small business owners believe are the top issues facing their businesses (See Figure 6). Based on what we heard in the discussions with small business owners and stakeholders, we developed a list of factors that might hurt business owners’ ability to maintain or grow their business and asked poll respondents to choose their top three barriers. The top three barriers identified were taxes, lack of customers and healthcare costs. Lack of qualified, skilled workers, access to capital and lack of reliable broadband access—topics that were identified by roundtable participants as major issues—were rated as top barriers by a significant but smaller group of respondents. It’s important to note that the focus groups asked small business owners to name barriers in an open-ended manner, while the poll presented specific options and asked respondents to rank their top three issues. The poll was also a national sample of rural small business owners, while the focus groups and roundtables were concentrated in four states in the South and along the Mexico border. The difference in these methodologies produced poll results that varied somewhat from the qualitative feedback we received, although there was overlap as well.

**Figure 6: Top challenges facing rural small business owners as identified by poll respondents**



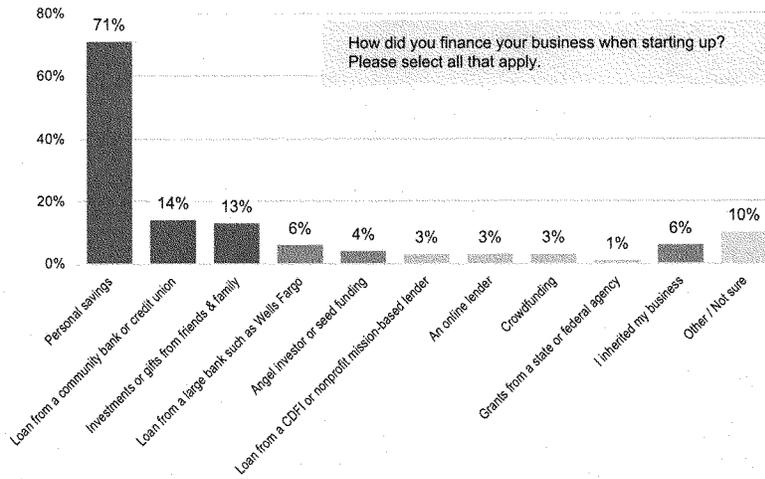
Rural small business owners face an array of challenges, many of which are specific to their location in less-populated communities. Many of these challenges are discussed in further detail in the following sections.

**Access to capital is uniquely challenging for rural entrepreneurs; most rely heavily on personal savings**

Small business owners in general, and rural small business owners in particular, face significant hurdles in accessing capital. While almost all of the participants in the focus groups and stakeholder roundtables identified this as a major challenge for rural small business owners, the poll results indicated it was more of a moderate issue for rural entrepreneurs. Roughly 1 in 5 rural small business owners surveyed in our poll rated access to capital as one of the top three challenges to maintaining or growing their business in their community. When asked directly how much of a problem it is to access capital to maintain and grow their business, 4 in 10 poll respondents reported it is a problem for them. Newer business owners (those who have been in business for less than three years) were more likely to report that access to capital is a problem for them, with 58% responding that this is a problem in maintaining and growing their business.

Poll respondents were also asked about the types of capital they used to start and grow their business (See Figure 7). Most poll respondents relied on personal savings to start their business—71% reported funding their business this way. Just 14% received a loan from a community bank or credit union, and only 6% received a loan from a large bank such as Wells Fargo. Thirteen percent of rural small business owners received investments or gifts from friends or family.

Figure 7: Rural small business owners turn to personal savings to fund business



Looking more closely at the data, small business owners who reported holding multiple roles in their community (25%), those with more than five employees (23%) and those who have owned their business for more than a decade (20%) relied more on loans from community banks than younger businesses (8%) and businesses with 5 and fewer employees (11%). This suggests that more established businesses are more likely to utilize a community bank for funding.

The poll provided additional context for the challenges small business owners face in accessing capital. Among poll respondents, more than 1 in 3 small business owners (35%) have sought a commercial loan since starting their business. Of those who have applied for a loan, 42% reported being denied. These respondents were asked why they were denied a loan, and top reasons included high amounts of existing debt (47%), lack of sufficient business revenue (41%), lack of collateral (32%), poor credit score (30%), not enough credit history (27%) and lack of business plan or projections (19%). Younger businesses (less than three years of operation) were rejected at higher rates, with 88% of those who have tried to get a loan being denied.

Feedback from stakeholder roundtable participants likewise identified this as a major challenge and offered insight into the specific obstacles rural entrepreneurs face in securing funding. Participants discussed at length issues like poor credit, lack of collateral, lack of trusted lenders in their areas and high interest rates. Several noted that many larger banks and even SBA-affiliated lenders are usually not viable options for their small business because they require significant financial statements and a proven track record and take much longer to disburse funds. Echoing the poll findings, younger entrepreneurs especially struggled to get financing without established credit.

“  
*“It’s a challenge to seek money for expansion—if we had more funding, we could double the number of employees we put to work.”*  
 —Small business owner in Starkville, Miss.”

Poll respondents were asked to rate the top two difficulties they face when accessing capital for their business. The top two reasons were that there are too few local banks willing to lend to businesses like theirs, which 20% of respondents chose as a top problem, and that there are too few local banks willing to lend to *new* businesses, chosen by 19% of respondents. Other top challenges chosen included difficulty qualifying for SBA-backed loans or bank loans (14%), a lack of grants for startup businesses (11%) and a lack of angel investors or seed funds to finance new startups (11%).

The focus groups also provided feedback on small business attitudes toward certain lending options. Entrepreneurs reported much more positive experiences with community banks than large commercial banks. Respondents added that loans from community banks have lower fees and are easier to pursue than loans from larger banks, but many still felt that community banks are not fulfilling the full funding needs of rural communities. Participants also discussed online lending, noting they often receive aggressive marketing from such companies to encourage them to seek online financing. However, small business owners said these lenders seem untrustworthy and often offer high fees, making them wary of these options.

“

*“We could not have started without our community bank... the big banks just didn't understand what we needed.”*

*-Small business owner in Roswell, N.M.*”

These findings clearly illustrate that rural small business owners do find accessing capital to be a top challenge, and they need more funding options in their area to help close this gap.

#### **Rural entrepreneurs need more information and assistance in navigating access to capital; identify variety of solutions**

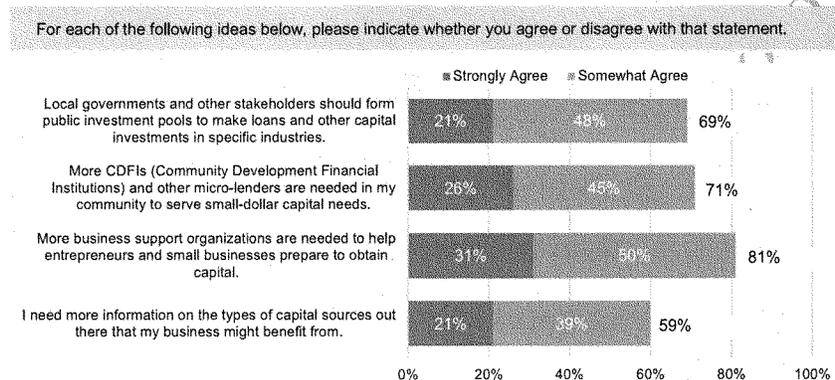
Our research illustrated that small business owners need more funding options for their business, but equally important is their need for education and information on the funding options already available to them. Results from the poll, small business focus groups and stakeholder roundtables identified some discrepancies regarding awareness of local technical assistance providers and education around small business financing. According to the poll, 73% of respondents reported they are very or somewhat confident they know all the loan and capital options available in their community. However, a significant majority of 59% also agreed they need more information on the types of capital sources out there that their business might benefit from.

Similarly, many focus group participants said there is not enough clear information or sufficient resources to help them navigate the process of finding a loan or getting their business off the ground. For example, one small business owner noted there is no simple place to go and find financing options, and that trying to understand those options can be very confusing. Another cited the lack of small business investment companies (SBICs) in their state (Mississippi) as a barrier. Many participants also reported a lack of available mentors to help navigate the process or discuss best practices.

It's clear that small business owners in rural areas need more guidance and assistance to help them navigate responsible lending options and more education about the resources available in their communities. Community stakeholders were generally aware of a wide variety of state and local programs to provide resources to small business owners around funding, but did feel there is a lack of awareness of these programs among the rural entrepreneurs they serve. One participant in Texas said he has had extreme difficulty in getting people to accept SBA-backed loans because of a local perception that these loans are government handouts. Many stakeholders also expressed concern about a lack of financial literacy among their local entrepreneurs.

Poll respondents were also asked to provide feedback on potential solutions to increase capital in their areas and address challenges they face in accessing capital, including accessing business support programs (See Figure 8). Eighty-one percent agreed more business support organizations are needed to help entrepreneurs and small businesses prepare to obtain capital. An additional 71% agreed more CDFIs and other micro-lenders are needed in their community to serve small-dollar capital needs. Almost 7 in 10 respondents (69%) felt local governments and other stakeholders should form public investment pools to make loans and other capital investments in specific industries.

**Figure 8: Rural small business owners call for increased financing solutions to strengthen small business**



The survey data revealed rural small business owners with experience seeking loans are somewhat more enthusiastic about the need for further information than their counterparts who have not sought loans. About a third of respondents have sought commercial loans, and almost two-thirds of this group (64%) agreed they need more information on the types of capital sources businesses can benefit from, a slight increase compared to those who have not sought a loan (56%). Business owners who have sought loans are also more supportive of CDFIs (79%) and the local government (74%) becoming more involved in capital needs and investments of local small businesses than respondents who have not sought a loan.

The roundtables with community stakeholders made it clear much support does exist for rural small business owners to help them find funding options for their business. Yet, focus groups and polling data from rural small business owners revealed a serious information gap about the availability of these resources and a noted desire among rural small business owners for more information about and guidance navigating through the different options that exist.

#### **Rural employers struggle greatly to maintain a qualified workforce**

One of the most common challenges we heard from focus group participants is how difficult it is to recruit and retain qualified employees. Across all focus groups, employers stressed that good employees are difficult to find and small business owners said they are willing to go above and beyond to retain talented employees. Small employers said they often offer incentives such as anniversary bonuses that grow over time or a commission-based pay structure. However, many participants felt they can't compete for more educated or experienced employees. One said their state is a "great exporter of college-educated talent," with many graduates looking outside of their small-town communities for good-paying jobs. The poll found more evidence to support these beliefs, with 73% of respondents saying a lack of economic opportunity forces people to leave their community.

We also heard from participants who said many of the available younger employees in their areas do not have the basic qualifications needed for jobs and that they lack the drive of older employees. They felt

these individuals frequently lack “soft skills” and have a poor work ethic. Many rural small business owners discussed how these employees have less motivation and, in certain areas like Baxley, Georgia, struggle with opioid use.

Community stakeholders echoed these concerns, noting a lack of qualified workers and a need for more workforce development training in both soft skills and trade skills. They agreed with the small business owner feedback that the more talented and trained youth are likely to leave for larger cities, and there is both a need to keep more talent in rural communities and a real challenge in getting remaining workers into certification programs. Stakeholders also noted that some small businesses they work with don't always understand how to seek qualified staff, how to create a positive work environment or how to train employees, and could use more education and support in this area.

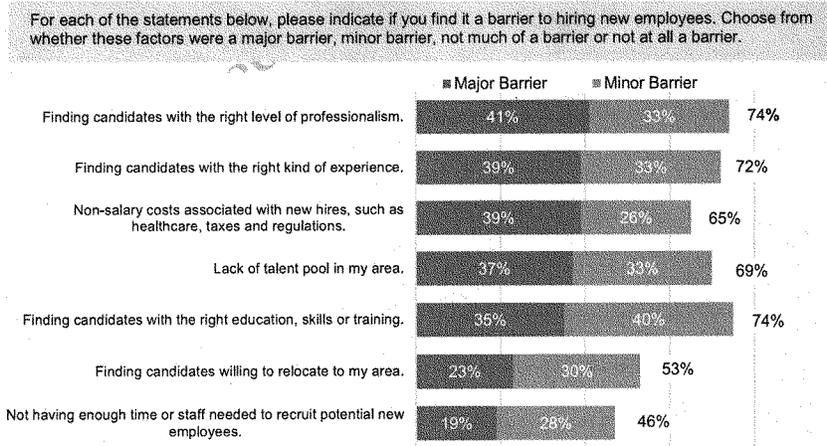
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*“A lot of times the applicants come in real good, you know, saying ‘I can do this, I can do that.’ And then when it comes down to it, all they want to do is sit behind the counter and play on their phones.”*

*-Small business owner in Harlingen, Texas* ”

Results from the poll provided additional support for these anecdotal challenges. Roughly 1 in 4 rural small business owners surveyed (26%) said they have been trying to hire more employees but are unable to find qualified workers. The respondents were asked to rate the top barriers to hiring new employees (See Figure 9). The top responses included difficulty in finding candidates with the right level of professionalism and finding candidates with the right education, skills or training, both of which 74% agreed was a barrier. Other top barriers include finding candidates with the right kind of experience (72%) and a lack of talent pool in their area (69%). Relocation of new employees was a particular issue for younger small business owners and professional service businesses compared to each of their counterparts, with nearly two-thirds of both naming it as a barrier to hiring new employees.

**Figure 9: Rural small business owners struggle to find top talent**



Respondents were also asked to rate barriers to retaining *current* employees. Seven in 10 respondents felt their ability to offer a comprehensive benefits package to employees is a barrier to retention. Other answers included employees finding other jobs with more opportunities for advancement (61%), being unable to afford to pay employees enough to keep them (56%), employees relocating to urban areas (52%) and employers having no time for professional development and training for employees (50%). However, 9 in 10 small business owners reported providing some level of on-the-job training to their employees.

Rural small business owners identified proactive solutions for workforce training issues in their communities during our focus group sessions. In areas with nearby educational institutions, business owners said they would like to have the opportunity to work with these institutions to align their workforce needs with educational programs, so they could take advantage of the labor supply of graduates. They felt there is a missed opportunity to keep more educated students in these towns. The poll found similar results, with two-thirds of respondents (67%) saying that local universities and community colleges in their community need more programs to provide vocational training specifically designed around the jobs available in that area. Yet only 1 in 3 (34%) have collaborated with other small businesses and local education institutions to create standards for skills training. Local educational institutions could be doing more to provide this kind of worker training, but small business owners may need to play a more proactive role in asking for programs that fit their workforce needs.

“

*“We need to put training in place for technical people. We have no plumbers, no HVAC technicians, no skilled laborers or tradesmen, no hospitality [workers]. The only plumber we had stopped doing that and went to work for the Border Patrol.”*

*—Small business owner in Marfa, Texas*

”

Communities near the border of Texas and Mexico face specific challenges, such as language barriers. Some participants said they are working to improve their Spanish language skills in order to improve their hiring. Some employers also cited the costs associated with workers’ compensation insurance and lower labor costs in Mexico as competitive challenges for their business.

Workforce training and retention is undoubtedly a serious issue for rural small business owners, who have fewer resources to compete for the limited number of qualified employees in their areas. Regional stakeholders and rural small business owners must work together to design programs that address these skills and retention gaps.

#### **Healthcare costs and lack of providers are a significant concern of rural entrepreneurs**

Small business owners and their employees nationwide routinely struggle with access to health coverage, and small business owners in all areas consistently rank the cost of healthcare as one of their biggest concerns. This new data indicates this challenge is especially acute for rural small businesses.

The poll found 7 in 10 poll respondents agreed that the ability to offer a comprehensive benefits package to employees was a barrier to retaining current employees. What’s more, almost 1 in 3 rural small business owners (32%) rated healthcare costs as one of the top issues facing their business. This sentiment was further emphasized in the feedback we received in our small business owner focus groups. In the Clint, Texas focus group, for example, every single participant said they go without insurance and instead pay for their care out of pocket.

The remoteness of many of these communities means they also have very limited access to healthcare, with most focus group participants reporting they have to travel at least 30 minutes to access emergency care or routine services. This causes many problems for small businesses—many discussed how difficult it is to incentivize employees to work in an area without medical care, and a lack of options impacts their healthcare costs. Even in communities with higher rates of providers, participants said they are unhappy

with their limited options and with customer service from insurance companies. Others noted that they can't get professionals like surgeons to come and stay—even if they bring in international practitioners through visa incentives, those people come and then leave after a few years.

This lack of providers means small business owners and their employees in rural communities must often travel quite far for basic medical care. A Clint small business owner noted that if he needs to seek medical care, he has to drive 20 miles to get it, which often requires him to close his shop if his wife isn't able to watch it while he's gone. What's more, our poll found only 42% of respondents felt the local healthcare sector does a good job of engaging businesses like theirs to improve the health of their community.

Despite a lack of local providers, small business owners noted that small businesses can play a role in promoting healthy communities. Small business owners understand that having healthy employees increases efficiency, which helps their bottom line, and that there is a cost to doing business without a healthy community. Additionally, participants noted that investors are more interested in communities that are healthier.

“

*“Having healthier people is more cost effective for a community—less ER expenses mean more folks are able to go out and about and buy goods.”*

*—Small business owner in Baxley, Ga.*”

Small business owners had specific ideas for ways to promote healthier communities. For example, participants in Mississippi and Georgia said they want to see more sidewalks, walking trails and bike trails to support healthier communities while making their areas a more attractive place to live and work. Some noted that access to bike trails are of particular interest to international employees and investors. Additionally, they felt that creating more trails would not only promote healthier living, but could also connect more small towns, spurring economic activity throughout their regions.

#### **Taxes concern rural entrepreneurs, desire additional tax relief**

Participants in the small business owner focus groups were asked to provide feedback on the availability of and experience with local or federal tax incentives to help their small business. While asked specifically about incentive programs like tax credits for hiring veterans or operating in underserved areas, many responses instead focused on the burden of local, state and federal taxes for small businesses, which many said are too high. As previously noted, this sentiment was reflected in the poll.

Generally, we found skepticism among focus group participants about incentive programs, with many saying they are hard to utilize and often not worth the amount of time needed to receive them. There was mixed awareness about available incentives for small business, and a general feeling that it is much easier for big businesses to navigate tax incentives. Participants also did not feel that state or federal policymakers were aware of small business tax burdens, and that overall, tax policy is not working for their small businesses.

These sentiments were echoed by the stakeholders participating in community roundtables, who added that many of the small businesses they work with don't seem to know tax incentives exist, especially since many small business owners do their own accounting. They noted that applying for tax incentives is fairly complex, and there are few local facilitators available to help small business owners navigate the tax process. Stakeholders indicated there is a huge disconnect between the programs and funds available and small business owners' ability to apply for these funds.

Despite mixed feelings about existing incentives, small business owners called for increasing tax programs to help businesses revitalize rural downtown areas. One participant said that new businesses in their area are building outside of town, rather than in the downtown corridor, and the community and businesses

are both missing an opportunity there. In general, small business owners would like for there to be more incentives that are easier for small businesses to utilize to revive these areas.

#### **Lack of broadband and physical infrastructure is hindering rural small businesses**

Participants in the rural small business owner focus groups noted a number of infrastructure needs that constrain their small businesses. Chief among these is the availability of reliable broadband. One small business owner noted that cell service is “spotty at best,” and there is little chance that telecommunications companies will invest in better service with so few potential customers. One small business owner in Roswell, N.M., whose business relies on access to electronic medical records (EMR), had to abandon their internet contract, losing hundreds of dollars, because service was too spotty and instead find a different EMR system accessible via cell service instead. Additionally, roughly 1 in 10 poll respondents (11%) rated lack of reliable broadband as one of the top three challenges facing their business.

Stakeholders participating in roundtable discussions also reported that lack of reliable broadband is a major challenge for the small businesses in their areas. Participants from groups like local chambers of commerce or economic development entities noted that broadband access is a major barrier to recruiting out-of-state or international firms to their rural communities. These leaders have tried to bring in more competition and improve the quality of rural broadband, but these efforts meet resistance. One community stakeholder also said lack of access to reliable internet in residential areas prohibits the ability of individuals to take on freelance or independent work out of their homes. Multiple people added that lack of access to high-speed quality internet hurts efforts from technical assistance providers to establish programs for local entrepreneurs.

“

*Internet access is extremely unique in regard to business transactions. It opens up the world to economic-based jobs and that is a job funded by customers outside of the state. So if I'm selling products outside of the state, that's money flowing into New Mexico. That brings money into my rural community, and they say for every economic-based job, it creates 1.5 to 2 base jobs. You have to have that influx.”*

-Small business owner in Alamogordo, N.M.

”

Other small business owners noted issues with physical infrastructure, such as water systems, roads and bridges, which in many cases are beyond repair and cause challenges for transportation. Similarly, 8% of poll respondents felt physical infrastructure like quality of local roads, bridges and highways (or lack thereof) is one of the top challenges facing their business. Focus group participants reported that even when roads are in better condition, the distance from resources can cause long wait times for repairs or deliveries. This can affect prices they pay for goods and services, making it difficult for them to keep their costs down and their business open. What's more, many of the communities would need significant infrastructure development to support more growth, with one participant noting that the local aquifer can't support growth beyond 75,000 residents.

#### **RURAL ENTREPRENEURS' ATTITUDES TOWARD EXISTING SUPPORT SYSTEMS**

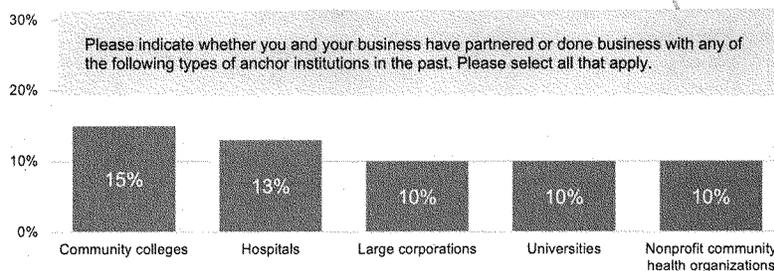
Rural small businesses exist within a broader ecosystem of enabling actors and stakeholders, and understanding this dynamic is important to identify challenges and solutions to support rural entrepreneurs. Many programs exist to benefit rural small business owners; however, availability can be inconsistent in rural regions, and when they are available, entrepreneurs are often unaware of them. Understanding small business owners' attitudes regarding the effectiveness of business support programs and anchor institutions can help improve the quality and success of existing programs, and direct future programs to best meet the needs of rural entrepreneurs.

### Small business interaction with anchor institutions could be increased

There is a lack of information on how rural entrepreneurs interact with local anchor institutions like hospitals, universities and community colleges, larger companies and others. Our polling indicated that rural small business interaction with such institutions is hindered by a relative lack of such institutions in their areas (See Figure 10). When asked about more traditional anchor institutions, 57% of poll respondents reported having a hospital in their area, 44% have community colleges, 27% have universities, 25% have large corporations and 23% have nonprofit community health organizations. However, it's important to note that nearly 1 in 4 (23%) reported having none of these anchor institutions available locally.

Survey respondents were asked how much they partner or do business with local anchor institutions. Partnering with local community colleges and hospitals were the most common activities, followed by limited involvement with large corporations, universities and nonprofit community organizations.

**Figure 10: Rural small business owners work with anchor institutions is limited**



Small business owner focus groups provided more context for the relationship between local anchor institutions and rural small business owners. There was mixed feedback from the business owners on their experiences with anchor institutions. Many said they did not see larger businesses in their area as supportive or as an opportunity for their own business. One small business owner noted that she tried to work with Walmart to market her business, but she had the “door shut” on her efforts to work with them in the community. Many participants said it’s easier for them to work with other small businesses, and they see the local small business community as a real support network. Similarly, one community stakeholder reported many small business owners feel programs offered by anchor institutions like universities aren’t aligned with Main Street small business needs.

“

*“It’s much easier to do business with other small businesses. You have to work through the whole chain with big business even if they love your product.”*

*-Small business owner in Milledgeville, Ga.*

”

However, some did cite positive stories of working with larger businesses, but noted these relationships took more time to develop and need “water to grow” in order to benefit their business. Certain institutions, like local colleges and medical facilities, are reportedly much more helpful to small businesses than other local institutions. For example, one small business owner noted that she was able to get inexpensive website development from students at the local college, at a much lower cost than a professional would have charged. Another small business owner in Anthony, Texas, was able to sign a contract to provide produce to the local Las Cruces school district, thanks in part to grant funding for local growers.

While small business owners feel anchor institutions are often difficult to utilize to help grow their small business, some are finding creative ways to benefit from such opportunities, as local artists in Marfa, Texas did by turning a former U.S. Army building into an exposition space to help sell their work. These communities offer best practices on how to engage stakeholders collaboratively. Still, it is clear rural small business owners feel more could be done to allow them to benefit from anchor institutions in their communities.

#### **Rural entrepreneurs call for increased support and regional coordination within the small business ecosystem**

The roundtable discussions and poll both collected feedback on the relationship between small business owners and small business support organizations in rural areas, as well as the coordination among these organizations. The poll provides some baseline data on the existence of such business support services in rural communities. Seventy-one percent of respondents reported they have a local chamber of commerce, 66% have a community bank or credit union, 24% have a local SBDC, 21% have an economic development corporation, 12% have an area trade association for their industry and 8% have a local CDFI.

Certain groups showed increased likelihood to utilize these resources. For example, millennials, people of color and small business owners with more than five employees reported higher levels of use of SBDCs compared to other groups. SBDCs are a growing resource and small business owners who are more optimistic about the economy reported being more likely to plan on using them.

Despite resources and support organizations generally being available to rural small business owners, many small business owners do not take advantage of these resources. Some feedback suggested this is due to a lack of awareness and a lack of coordination with rural small business ecosystems. There were mixed sentiments from the stakeholder groups on whether their local organizations were doing enough to coordinate services and resources for small business owners. Some stakeholders sensed a lack of regional coordination, while in other areas like McAllen, Texas that have many small business assistance services, there was a feeling of actual competition among those that offer business assistance services.

Small business stakeholders identified additional issues related to the availability of community support and assistance for the small business community. Many noted a decrease in the availability of grant funding from state and federal government entities to both small businesses and to business support organizations. Some noted that SBDCs are regional institutions, so their services aren't always distributed evenly in rural areas.

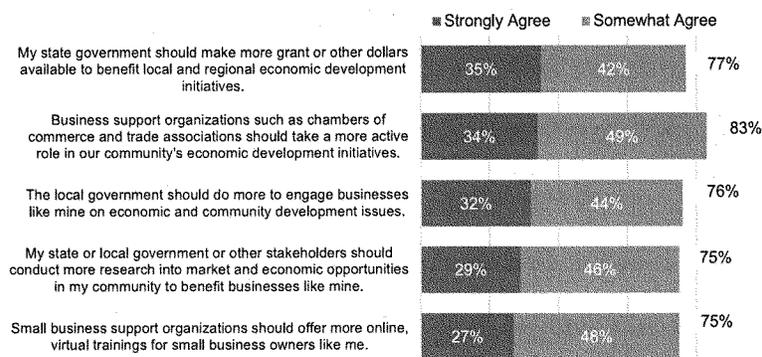
However, there were some positive examples of regional coordination. For example, one New Mexico community reported heavy involvement from the state SBA director, which has created a collaborative environment that enables coordination among local small business assistance providers and small businesses themselves. The stakeholders in this town saw themselves as a cohesive unit with the ability to reach businesses in more remote areas. It's important to note this community also had increased participation from local politicians in the stakeholder roundtables, further indicating that a high level of commitment from key figures can make a difference in the overall success of regional coordination.

Poll respondents were also asked about the issue of regional coordination. Almost two-thirds of respondents, 64%, agreed with the sentiment that there is a lack of regional coordination among local governments and other stakeholders around economic development issues. Only 36% felt their local government and other stakeholders coordinate well with other local governments and groups to promote regional economic development. Three in four said regional coordination among local governments and economic stakeholders is important to them.

The poll asked rural small business owners on some potential solutions to better engage regional stakeholders (See Figure 11). The most popular solution was for business support organizations like chambers of commerce and trade associations to take a more active role in the community's economic development initiatives, which 83% of respondents supported, with additional solutions garnering strong support.

**Figure 11: Rural small business owners support efforts to strengthen small business ecosystem**

Below are some ideas about what can be done to strengthen the small business ecosystem in your community. For each of the following ideas below, please indicate whether you agree or disagree with that statement.



More work can be done to build relationships among the members of the small business ecosystem in rural areas, and to communicate the work of business support providers among the small business owners they serve.

## RECOMMENDATIONS

Rural small business owners have substantial potential to spur economic development in underserved areas, but they face a unique array of challenges. Small business assistance providers, philanthropic institutions and policymakers at the federal, state and local level should take targeted action to address the needs and role of rural small business owners and other members of the small business ecosystem in rural places. These recommendations are intended to help the challenges uncovered through this research and are supplemented by Small Business Majority's general knowledge of the field.

### PROMOTE AND INCREASE SMALL BUSINESS ASSISTANCE IN RURAL AREAS

Small business focus groups, stakeholder roundtables and poll results all indicated challenges in providing enough resources to rural small business owners, ensuring they are informed about the tools that are available to them and coordinating among the various assistance providers. Potential solutions to these issues include the following:

- **Promote regional cooperation among rural small business assistance organizations and other area anchor institutions**, for example, by supporting regional economic clusters/partnerships between small businesses and local educational institutions with the resources to provide industry-focused training and skills development.
- **Connect regional business support organizations with more federal resources and SBA programs**. This involves maintaining and expanding SBA lending, counseling and procurement programs. This must also include providing rural small businesses, particularly businesses owned by people of color, with increased opportunities to participate in SBA loan programs and SBDC programs that provide vital education and outreach to entrepreneurs.

- **Ensure current programs that support rural entrepreneurs continue.** Programs such as the Rural Microentrepreneur Assistance Program, Value-Added Producer Grants and the Intermediary Relending Program administered by the U.S. Department of Agriculture are examples of federal programs that provide important support for rural entrepreneurs. States provide such support through various grants and programs, including initiatives like the Texas Young Farmer Grant and the Minnesota Crop Research Grant Program.
- **Equip business support organizations with more resources to conduct comprehensive outreach and education programs that provide rural small business owners with essential business information** on topics such as loan options, where to find business assistance, offering employee benefits to recruit and retain talented workers, etc. This should include elevating these resources and guiding rural small business owners to the existing quality small business technical assistance providers, lenders and other resource providers in their areas, and expanding upon these resources in areas that may be facing gaps in assistance. This could also include creating formal consortiums of local business support organizations to meet regularly, share resources, streamline processes for small businesses and solicit their input on economic development decisions.

#### **INCREASE SMALL BUSINESS LENDING OPTIONS AND INVESTMENTS IN RURAL ENTREPRENEURS**

Our small business focus groups and stakeholder roundtables outlined the difficulties rural small business owners face in finding funding for their business, problems that are heightened in rural areas due to a lack of banking options, increased likelihood of having credit issues and lacking resources to help navigate the lending process. The following solutions can greatly address these issues:

- **Expand online resources and lending platforms for rural small business owners who have few local options.** Given the severe need for increased access to capital, online lending provides one of the best ways for rural business owners to secure a loan given the lack of viable options in their communities. New online platforms that offer responsible lending options could help close the funding gap for these entrepreneurs, assuming issues related to broadband access among rural residents are also addressed.
- **Increase transparency in online lending to improve the small business lending landscape.** While more lending options are needed for rural small business owners, the current online lending landscape is unregulated and predatory. Local and state governments can help facilitate safe, responsible online loan options for these businesses. For example, California recently passed a small business truth in lending law to increase transparency of financial products marketed to small firms, which can be used as a model for other states.
- **Strengthen and expand local lending, especially community bank lending, which provides more than half of all small business lending.** Community banks nationally approved 60% of small business loans in 2016—compared to a 45% success rate with large banks. One proposal to stimulate community lending includes updating the Community Reinvestment Act activity by streamlining the process by which banks can earn CRA credit by investing in regions outside their branch service areas.
- **Ensure Opportunity Zones guidelines are designed to benefit Main Street small business owners rather than focusing on incentivizing real estate development.** Roughly 40% of Opportunity Zones are in rural zip codes. While these investments hold the potential to benefit small businesses, especially those in underserved communities, they must be implemented responsibly. This could include requiring reporting metrics that measure program success based on the number of jobs created, where those jobs are located, employee wages and the number of businesses created, particularly businesses formed by women or people of color. Metrics should also include assessment of displacement risks for small businesses.

- **Use tax credits as a tool to spark economic development.** For example, the New Markets Tax Credit has helped attract more than \$60 billion in private sector funding to build businesses in economically-distressed communities across the United States. States and localities can also use tax credits as incentives for investment in rural communities, as with Pennsylvania’s Rural Jobs and Investment Tax Credit Program, which provides a tax credit for investors in a Rural Growth Fund.

#### **IMPROVE AFFORDABILITY AND ACCESS TO HEALTHCARE IN RURAL AREAS**

Rural small business owners identified healthcare affordability and access issues that impact their bottom lines. Policy solutions to address this barrier include:

- **Expand Medicaid**, which has been proven to benefit both small business employees and self-employed individuals and rural Americans, in states that have yet to do so under the ACA. Roughly 616,000 small business employees in 15 states that have still not expanded Medicaid could gain coverage if all remaining states expanded Medicaid.
- **Provide additional options** for consumers in counties that have few or no participating insurers in the ACA marketplaces by allowing them to buy in to Medicare or Medicaid.
- **Create more transparency on pricing and quality** to allow patients to make informed decisions about where they receive care, which will benefit the healthcare system overall.
- **Identify solutions for the so-called “family glitch”** to ensure more children and adults have access to affordable coverage. States can address this by considering a state subsidy for spouses and dependents who are currently unable to receive a subsidy through the marketplaces due to the fact that the primary insured family member meets the employee “affordability” standard under the law.
- **Support healthcare tax equity for the self-employed** so solo entrepreneurs can deduct their healthcare expenses from their FICA tax obligations—just like other business entities.

#### **INVEST IN RURAL INFRASTRUCTURE AND ACCESS TO BROADBAND**

Lack of access to reliable broadband was a consistent issue identified in this research, and other infrastructure issues hinder rural small business owners. Potential solutions to greatly improve rural infrastructure include:

- **Ensure broadband is available to underserved, rural communities** through activities to incentivize public alternatives to big Internet providers such as Comcast or Verizon at both the state and local level. Examples include state or federal grants or tax incentives to service providers as well as regulatory reforms that promote broadband construction. For example, Georgia is directing the state technology authority to develop a plan promoting installation along interstates and state roads.
- **Ensure governmental support for physical infrastructure projects that directly benefit small business commercial enterprises.** For example, we recommend promoting supply chain diversity as part of any comprehensive infrastructure proposal to ensure small firms, especially those in rural and underserved communities, are able to participate in infrastructure investments. Governments should also ensure that contracting opportunities are available to small businesses as part of any infrastructure reform.

#### **IMPROVE OPPORTUNITIES FOR RURAL SMALL BUSINESS OWNERS TO ATTRACT AND RETAIN A SKILLED WORKFORCE**

Rural small business owners face unique challenges in hiring and retaining a qualified workforce. Policies that help them compete for top talent by ensuring their employees have robust benefits include the following:

- **Enact policies that make it easier and more affordable for small business owners to offer robust employee benefits** such as health insurance, retirement savings and paid leave to help firms recruit and retain workers.
- **Workforce development organizations, community colleges, high schools and career tech education programs should improve coordination with local small businesses** to better understand their hiring needs to ensure training programs match the needs of the employers.
- **Expand internship and mentoring programs to create career paths for youth, and to ensure access to skilled, entry-level workers for small businesses.** One proposal that could support more workforce training is the Lifelong Learning and Training Account Act, which would make lifelong learning more accessible for low- and moderate-income workers by establishing a tax-preferred savings account with a federal match of up to \$1,000. State programs can also help solo entrepreneurs invest in their own development and acquire skills.

## CONCLUSION

Rural entrepreneurs face many challenges, including lack of access to capital, difficulties in hiring and retaining talented employees, lack of critical infrastructure and healthcare options and fewer resources to network or find mentorships. They are increasingly optimistic about their community's economic conditions and are eager to help generate economic development in their towns, but there is still more work to be done to coordinate and expand efforts to support these entrepreneurs. We strongly encourage policymakers and business support organizations to consider the above recommendations to better promote rural small business communities.

## RESEARCH METHODOLOGY

The results and recommendations in this report are based on polling of rural small business owners nationally and qualitative feedback gathered through 21 informal "focus group" style discussions with small business owners and stakeholders led by Small Business Majority staff.

To design the study, we drew on our own considerable expertise as well as feedback from the Robert Wood Johnson Foundation. Local partners like the Rio Grande Council of Governments, the Harlingen Area Chamber of Commerce, the County of El Paso Economic Development Office and others also contributed significantly to the design of the roundtables and discussion groups. In identifying the rural communities to work with, we relied on the expertise, knowledge and established connections of these partners to identify areas sufficiently removed from metropolitan zones.

### SMALL BUSINESS OWNER FOCUS GROUPS

Small Business Majority staff worked with local business organizations to hold focus groups with small business owners in rural communities in four target states: Georgia, Mississippi, Texas and New Mexico. These qualitative discussions engaged small business owners on the top issues facing their business and their chief needs to grow the small business ecosystem in their local communities. These focus groups were intimate conversations with rural small business owners, with up to 15 participants.

Specific communities engaged through small focus groups include the following:

- Milledgeville, Baxley and Jesup, Georgia
- Tupelo, Rankin, Jackson and Oxford, Mississippi
- Roswell, New Mexico
- Anthony, a town bordering Texas and New Mexico
- Harlingen, Marfa, Clint and West El Paso, Texas

### COMMUNITY STAKEHOLDER ROUNDTABLES

Following the small business owner focus groups, Small Business Majority hosted community roundtables with stakeholders who serve the small business community. Stakeholder participants included leaders of local SBDCs and other business support organizations, representatives from economic development organizations, local city officials like representatives of mayors' offices, representatives from chambers of commerce and others.

Roundtables were held in the same four states as the previous focus groups. These discussions involved up to 16 participants, including representatives from groups like the Pickens, Georgia Chamber of Commerce and the Gulf Coast Small Business Development Center in Mississippi.

Stakeholder roundtable locations were as follows:

- Dahlonge and Pickens, Georgia
- Biloxi and Hattiesburg, Mississippi
- Deming and Alamogordo, New Mexico
- Van Horn and McAllen, Texas

### NATIONAL SURVEY OF RURAL SMALL BUSINESS OWNERS

We fielded a national online survey of 530 rural small business owners, conducted by Greenberg Quinlan Rosner from September 17 to September 25, 2018. The poll was restricted to small businesses with 1-100 employees, with a cap of 25% on sole proprietors. Respondents live in U.S. Census rural-designated areas, as identified by Census Federal Information Processing Standard Publication (FIPS) codes.

The respondents were contacted through an online non-probability opt-in panel from Research Now and Survey Sampling International (SSI) and were also screened in the questionnaire as self-reported small business owners. The data are statistically weighted to ensure the sample's regional, age, race and gender composition is aligned with the general guidance of national independent surveys of small business owners and regional, age, race and gender counts of Census-rural designated areas, as identified by Census FIPS codes. In this report, results are expressed as percentages unless otherwise noted. Results may not add to 100% due to rounding or multiple responses. Net results cited in the text may not exactly match individual results shown in the charts due to rounding. Sample sizes for the various subgroups reported on can be found in the table below.

The survey assessed rural small business owners' key concerns and needs. Questions focused on the need for technical support and access to capital, and were based on initial feedback from small business owner focus groups.

Entrepreneurs of color	100
White	429
6 or more employees	139
Self-employed	134
Millennials	103
Gen Xers	164
Baby boomers	246
Businesses owned more than 10 years	275
Businesses owned 10 years or less	255

**SURVEY TOPLINE**

530 Rural Small Business Owners Nationwide (Online, non-probability)  
 Conducted by Greenberg Quinlan Rosner for Small Business Majority  
 September 17 to September 25, 2018

1. Do you own your own business?  
     Yes.....100%
2. Do you live in the same community in which your business is located?  
     Yes .....92%  
     No.....8%
3. How many people are directly employed by your business or company, including yourself?  
     1 .....25%  
     2-5 .....48%  
     6-10 .....13%  
     11-25 .....7%  
     26-50 .....3%  
     51-100 .....3%
4. How is your business organized?  
     Sole proprietorship .....50%  
     LLC .....25%  
     S-Corp .....11%  
     Partnership .....8%  
     C-Corp (i.e. you do not pass your business income to yourself personally) .....3%  
     Other .....2%
5. Do you plan to hire full-time or part-time workers in the next calendar year?  
     Plan to hire one full-time or part-time employee .....24%  
     Plan to hire at least two full-time or part-time employees .....15%  
     No plans to hire .....50%  
     Not sure .....11%
6. How long have you owned your business?  
     Less than a year .....5%  
     1 to 3 years .....17%  
     4 to 6 years .....13%  
     7 to 10 years .....12%  
     More than 10 years .....52%

7. Below are reasons someone might start a business in their own community. For each reason, please indicate how important each reason is to why you started your business in your community. In this survey, when "your community" is referenced it means the community your business is located in.

	Very Imp	Smwt Imp	Little Imp	Just Imp at All	Not Imp DK/Ref	Very/Smwt Imp	Little/Not Imp
I believe I could build a profitable business in this community.....	53	31	8	8	-	84	16
My business is well-suited to serve the local economy.....	43	30	14	13	-	73	27
I feel a sense of pride in my community and wanted to give back.....	32	29	19	20	-	61	39
Job opportunities were lacking in my community, and starting my own business provided me the best avenue toward building wealth for myself and my family.....	30	27	19	23	0	57	42
I have never lived anywhere else.....	16	18	9	56	0	34	65
I inherited my business from my family.....	10	10	6	73	0	20	79

8. Please rate the current economic conditions in your community for small businesses such as yours today, on a scale of zero to ten, where zero means very poor economic conditions in your community for small businesses today and ten means very good economic conditions in your community for small businesses today.

10 .....	10%
6-9 .....	58%
5 .....	15%
0-4 .....	17%

9. How would you compare the current economic climate of your community to the economic climate five years ago?

Much better .....	25%
Somewhat better .....	31%
About the same .....	29%
Somewhat worse .....	11%
Much worse .....	4%
<b>Total Better.....</b>	<b>56%</b>
<b>Total Worse .....</b>	<b>15%</b>

10. In addition to owning your business, which of the following roles, if any, do you have in your community? Please select all that apply:

Volunteer with a nonprofit or faith-based organization .....	39%
Sponsor community events/programs .....	23%
Serve on the local board of directors for local business organizations, nonprofits, or other groups .....	18%
Work with other small businesses to spearhead economic development initiatives .....	16%
Serve in local government .....	6%
Other .....	2%
No roles in my community .....	37%
Multiple roles .....	24%

11. Below are external factors that may help you maintain or grow your own business. Please choose up to 3 of the following factors that are important to helping you maintain or grow your own business in your community.

Support from family and friends .....	44%
A robust local market for my goods or services .....	40%
Support from your community .....	37%
A physical environment that is highly conducive to my business.....	36
Access to business support services and networks .....	22
Access to loans and capital sources .....	19
A local government that fosters a strong economy.....	17
A robust talent pool of employees.....	17
Investments from sources outside my community.....	6
Investments from sources in my community.....	6

12. Below are external factors that may hurt your ability to maintain or grow your own business. Please choose up to 3 of the following factors that are the largest barriers for you to maintain or grow your own business in your community.

Taxes.....	40
Lack of customers .....	39
Health care costs.....	32
Challenges marketing my business.....	25
Regulations on businesses.....	25
Lack of qualified, skilled workers .....	22
Access to capital.....	18
Lack of reliable broadband access .....	11
Logistics i.e. level of difficulty to travel to meet clients or send and receive products.....	9
Infrastructure i.e. quality of local roads, bridges and highways or lack thereof.....	8
Lack of access to business support services .....	8
Lack of robust local supply chain.....	8
Not sure.....	-

13. We are now going to ask a few questions specifically around obtaining loans or other forms of capital for businesses in your community. Again, we are interested in the community where your business is based. How much of a problem is gaining access to capital to maintain and grow your business?
- A major problem ..... 12
  - Somewhat of a problem ..... 27
  - Not much of a problem ..... 36
  - Not a problem at all ..... 25
  - Not sure ..... -
  - Total Problem** ..... **40**
  - Total Not Problem** ..... **60**
  - Problem - Not ..... -20
14. Have you sought a commercial loan since starting your business?
- Yes ..... 35
  - No ..... 63
  - Not sure ..... 1
  - Yes - No ..... -28
15. (If yes) Have you ever been denied for a loan? [188 Respondents]
- Yes ..... 42
  - No ..... 54
  - Not sure ..... 4
  - Yes - No ..... -12
16. (If yes) Please indicate if any of the following reasons below were why you were denied for a loan. [79 Respondents]
- Too much existing debt ..... 47
  - Not enough business revenue ..... 41
  - Lack of collateral ..... 32
  - Poor credit score ..... 30
  - Not enough credit history ..... 27
  - Lack of business plan or projections ..... 19
  - Other ..... 6
  - Not sure ..... -
17. How confident are you that you know all the loan and capital options available to you in your community? Reminder that in this survey, when "your community" is referenced it means the community your business is located in.
- Very confident ..... 29
  - Somewhat confident ..... 43
  - Not very confident ..... 22
  - Not confident at all ..... 6
  - Not sure ..... -
  - Very/Somewhat** ..... **73**
  - Not Confident** ..... **27**
  - Confident - Not ..... 45

18. Below are difficulties some small business owners have when accessing capital for their business. Please choose the two largest difficulties for you when accessing capital for your business.

Too few local banks willing to lend to business like mine.....	20
Too few local banks willing to lend to NEW businesses.....	19
Difficulty qualifying for SBA-backed loans or bank loans.....	14
Grants for startup businesses are no longer available.....	11
Lack of angel investors or seed funds to finance new startups.....	11
Never sought capital.....	35
No issues.....	27
Not sure.....	-

19. How did you finance your business when starting up? Please select all that apply.

Personal savings.....	71
A loan from a community bank or credit union.....	14
Investments or gifts from friends or family.....	13
A loan from a large bank such as Wells Fargo.....	6
Angel investor or seed funding.....	4
A loan from a Community Development Financial Institution, or a non-profit mission-based lender.....	3
An online lender.....	3
Crowdfunding.....	3
Grants from a state or federal agency.....	1
I inherited my business.....	6
Other.....	7
Not sure.....	3

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20. For each of the following statements below, please indicate whether you agree or disagree with that statement.

	Strng Agree	Smwt Agree	Smwt Dis	Strng Dis	DK/ Ref	Total Agree	Total Dis	Agree - Dis
More business support organizations are needed to help entrepreneurs and small businesses prepare to obtain capital.....	31	50	14	5	0	81	19	62
More CDFIs (Community Development Financial Institutions) and other micro-lenders are needed in my community to serve small-dollar capital needs.....	26	45	21	8	0	71	29	42
There are fewer grants for startup businesses than there once were in my community.....	26	43	25	7	0	69	31	38
My community has fewer local community banks than it once did.....	25	26	31	18	.	51	49	3
Local governments and other stakeholders should form public investment pools to make loans and other capital investments in specific industries.....	21	48	21	11	.	69	31	37
I need more information on the types of capital sources out there that my business might benefit from.....	21	39	26	15	0	59	41	18

21. We are now going to ask a few questions about business support organizations and anchor institutions in your community. Again, we are talking about the community where your business is based. Below are examples of business support organizations. Please indicate if any of the following examples exist in your community. Select all that apply.

Chamber of Commerce.....	71
Community banks and/or credit unions.....	66
Small Business Development Center.....	24
Economic development corporation.....	21
Trade association for my industry.....	12
Community Development Financial Institutions.....	8
Not sure.....	0

22. Now, please indicate if you have ever used services and/or been a member of any of the following business support organizations. Please select all that may apply.
- Community banks and/or credit unions ..... 52
  - Chamber of Commerce ..... 31
  - Trade association for my industry ..... 16
  - Small Business Development Center ..... 14
  - Economic development corporation ..... 8
  - Community Development Financial Institutions ..... 4
  - Not sure ..... 10
23. Now, please indicate whether or not you plan on using the services and/or becoming a member of the following business support organizations in the future.
- Community banks and/or credit unions ..... 49
  - Chamber of Commerce ..... 32
  - Small Business Development Center ..... 21
  - Trade association for my industry ..... 18
  - Economic development corporation ..... 8
  - Community Development Financial Institutions ..... 4
  - Not sure ..... 9
24. Anchor institutions are larger influential institutions in your community such as large corporations, universities, colleges, and hospitals. Please indicate if any of the following examples of anchor institutions exist in your community. Select all that may apply.
- Hospitals ..... 57
  - Community colleges ..... 44
  - Universities ..... 27
  - Large corporations ..... 25
  - Nonprofit community health organizations ..... 23
  - None ..... 23
  - Not sure ..... 0
25. Now, please indicate whether you and your business have partnered or done business with any of the following types of anchor institutions in the past. Please select all that apply
- Community colleges ..... 15
  - Hospitals ..... 13
  - Large corporations ..... 10
  - Universities ..... 10
  - Nonprofit community health organizations ..... 10
  - None ..... 67
  - Not sure ..... -

26. Now, please indicate whether you and your business plan to partner or do business with any of the following types of anchor institutions in the future. Please select all that apply.

Community colleges.....	18
Hospitals .....	14
Large corporations.....	13
Universities .....	12
Nonprofit community health organizations.....	10
None .....	65
Not sure.....	-

27. Below are some ideas about what can be done to strengthen the small business ecosystem in your community. For each of the following ideas below, please indicate whether you agree or disagree with that statement.

	Strng Agree	Smwt Agree	Smwt Dis	Strng Dis	DK/ Ref	Total Agree	Total Dis	Agree -Dis
My state government should make more grant or other dollars available to benefit local and regional economic development initiatives.....	35	42	15	7	.	77	23	55
Business support organizations such as chambers of commerce and trade associations should take a more active role in our community's economic development initiatives.....	34	49	12	5	.	83	17	67
The local government should do more to engage businesses like mine on economic and community development issues.....	32	44	17	7	.	76	24	53
My state or local government or other stakeholders should conduct more research into market and economic opportunities in my community to benefit businesses like mine.....	29	46	18	7	.	75	24	51
Small business support organizations should offer more online, virtual trainings for small business owners like me.....	27	48	19	6	.	75	25	50

28. Thinking about your community, for each of the following statements below, please indicate whether you agree or disagree with that statement.

	Strng Agree	Smwt Agree	Smwt Dis	Strng Dis	DK/ Ref	Total Agree	Total Dis	Agree - Dis
Small business owners like me should partner with the nonprofit and public sector to advance social good.....	29	42	20	9	.	71	29	41
The local healthcare sector takes an active role in promoting a healthy community.....	22	41	26	11	.	63	37	26
I see a role for myself as a leader in the broader community.....	20	32	32	16	0	52	48	5
I view myself as a local leader in the business community.....	19	30	32	19	0	48	52	-3
I see a role for myself in improving the health of my community.....	18	31	34	16	.	49	51	-1
The local healthcare sector does a good job of engaging businesses like mine to improve the health of my community.....	15	28	36	22	.	42	58	-15

29. Are you involved in any of the following community-based organizations? Please select all that apply.

Online social networks, such as Facebook groups, with other local small business owners.....	39
Faith-based organization.....	34
Local chamber of commerce.....	25
Informal in-person networking groups.....	19
Local trade association.....	13
Rotary Club or similar service association.....	11
Local government.....	9
Other.....	12
Not sure.....	5

30. Thinking about your community, for each of the following statements below, please indicate whether you agree or disagree with that statement.

	Strng Agree	Smwt Agree	Smwt Dis	Strng Dis	DK/ Ref	Total Agree	Total Dis	Agree - Dis
My community's natural beauty and outdoor activities make it an attractive place to live and work.....	47	41	9	3	-	88	12	75
A lack of economic opportunity forces people to leave my community.....	34	39	19	8	-	73	27	46
My local government and other stakeholders do a good job of promoting my community as a great place to live and work.....	21	40	28	11	0	61	39	21

31. Below is a pair of statements. Please indicate which statement comes closest to your own view about local government, even if neither is exactly right.

My local government and other stakeholders coordinate well with other local governments and groups to promote regional economic development.

OR

There is a lack of regional coordination among local governments and other stakeholders around economic development issues.

First statement, much more.....	12
First statement, somewhat more.....	24
Second statement, somewhat more.....	34
Second statement, much more.....	30
Not sure.....	1
Total First Statement.....	36
Total Second Statement.....	64
First - Second.....	-28

32. How important is regional coordination among local governments and economic stakeholders to you?

Very important.....	30
Somewhat important.....	45
Not very important.....	16
Not important at all.....	9
Not sure.....	-
Very/Somewhat.....	75
Not Very/At All.....	25

33. Now we are going to ask some questions about the workforce in your community. Have you been trying to hire more employees, but cannot find qualified workers?
- Yes..... 26
  - No..... 74
  - Not sure ..... -
  - Yes - No ..... -49

34. For each of the statements below, please indicate if you find that statement a barrier to retaining your current employees. (Skip if sole proprietor and not hiring) [238 Respondents]

	Major Barr ier	Minor Barr ier	Not Much Barrier	Not at All	Not Sure	Total Barr ier	Total Not Barr ier	Barr - Not
Offering a comprehensive benefits package to employees.....	44	26	18	12	-	70	30	39
Cannot afford to pay employees enough to keep them.....	29	27	26	18	-	56	44	11
Employees find other jobs with more opportunities for advancement.....	22	39	24	15	-	61	39	23
Employees relocating to urban areas .....	22	30	22	26	1	52	47	5
No time for professional development and training for your employees.....	15	34	25	25	-	50	50	-1

35. For each of the statements below, please indicate if you find that statement a barrier to hiring new employees. (Skip if sole proprietor and not hiring) [238 Respondents]

	Major Barr ier	Minor Barr ier	Not Much Barrier	Not at All	Not Sure	Total Barr ier	Total Not Barr ier	Barr - Not
Finding candidates with the right level of professionalism.....	41	33	19	7	-	74	26	49
Finding candidates with the right kind of experience .....	39	33	18	10	-	72	28	45
Non-salary costs associated with new hires, such as health care, taxes and regulations.....	39	26	21	13	1	65	34	31
Lack of talent pool in my area.....	37	33	22	9	-	69	31	39
Finding candidates with the right education, skills or training.....	35	40	19	7	-	74	26	48
Finding candidates willing to relocate to my area .....	23	30	27	21	-	53	47	5
Not having enough time or staff needed to recruit potential new employees.....	19	28	31	23	-	46	54	-7

36. Thinking about worker training in your community, please indicate if each of the statements below is true or false. (Skip if sole proprietor and not hiring) [238 Respondents]

	True	False	Not Sure	True - False
I provide on-the-job training to my employees .....	90	10	-	80
Local universities and community colleges in my community need more programs to provide vocational training.....	67	33	-	33
I have collaborated with other small businesses and local educational institutions to create standards for skills training .....	34	66	-	32

37. These last few questions are for statistical purposes. In what year were you born?

18 - 24 .....	3
25 - 29 .....	2
30 - 34 .....	9
35 - 39 .....	6
40 - 44 .....	10
45 - 49 .....	10
50 - 54 .....	12
55 - 59 .....	16
60 - 64 .....	16
65 and over .....	16
(No answer) .....	-

38. Generally speaking, do you think of yourself as a Republican, a Democrat, an Independent, or something else?

Democrat .....	26
Independent-lean Democrat .....	6
Independent .....	11
Independent-lean Republican .....	9
Republican .....	42
Other .....	2
Don't know/Refused .....	5

39. For statistical purposes only, which of these categories best describes your total household income last year, that is in 2017?

Less than \$10,000 .....	1
\$10,000 to \$19,999 .....	3
\$20,000 to \$29,999.....	6
\$30,000 to \$49,999.....	11
\$50,000 to \$74,999.....	23
\$75,000 to \$99,999.....	15
\$100,000 to \$149,999.....	23
\$150,000 to \$199,999.....	6
\$200,000 or more .....	6
Prefer not to say.....	5
<b>Under \$50K.....</b>	<b>22</b>
<b>\$50K or more .....</b>	<b>73</b>

40. What is your race?

White .....	81
African American or Black .....	9
Hispanic or Latino .....	7
Asian or Pacific Islander.....	1
American Indian or Native American.....	1
Other.....	0
Biracial or multiracial.....	1
Prefer not to say.....	0

41. Which ONE of the following categories best describes your business?

Professional services, including taxes, accounting, IT, legal, finance, media .....	22
Retail.....	15
Construction and real estate .....	17
Healthcare and education or social services .....	5
Restaurant/food service .....	2
Wholesale and distribution of goods .....	4
Manufacturing .....	3
Leisure and hospitality .....	5
Other non-retail related services .....	12
Agriculture or mining.....	7
Not sure .....	7

42. Before you begin, please answer a few questions about yourself to ensure that the survey has a representative sample. What is your gender?

Male .....	60
Female .....	40

43. In what state do you currently live?

AL.....	2
AK.....	1
AZ.....	2
AR.....	2
CA.....	1
CO.....	2
CT.....	0
DE.....	.
DC.....	-
FL.....	3
GA.....	5
HI.....	1
ID.....	2
IL.....	4
IN.....	2
IA.....	1
KS.....	3
KY.....	3
LA.....	1
ME.....	2
MD.....	0
MA.....	0
MI.....	3
MN.....	2
MS.....	2
MO.....	4
MT.....	1
NE.....	1
NV.....	0
NH.....	0
NJ.....	-
NM.....	0
NY.....	2
NC.....	8
ND.....	0
OH.....	6
OK.....	1
OR.....	2
PA.....	4
RI.....	-
SC.....	2
SD.....	1
TN.....	4
TX.....	6

UT.....	0
VT.....	1
VA.....	2
WA.....	2
WV.....	4
WI.....	2
WY.....	1

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## U.S. Chamber Statement on the Green New Deal

Thursday, February 7, 2019 - 3:45pm

**WASHINGTON, D.C.** — U.S. Chamber of Commerce Executive Vice President and Chief Policy Officer Neil Bradley issued the following statement today on the Green New Deal:

“There are two competing approaches to addressing our country’s challenges such as climate change, healthcare and income inequality. In one approach, as exemplified by the “Green New Deal,” government asserts control over most of our economy, passing along the enormous costs and bureaucratic inefficiencies to everyday Americans. In the other, our robust system of free enterprise rises to the challenge, tapping into our deep well of ingenuity and creativity. This is the approach that built our nation and made us a land of opportunity for all, in stark contrast to failed socialist policies that have plagued many other countries over time. For instance, American companies today are investing billions in innovations that will continue to make our air and water cleaner and reduce the threat of climate change. The Chamber stands firmly behind the power of free enterprise, and we welcome this debate.”

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1615 H Street NW | Washington, DC | 20062

The Chamber’s mission is to advance human progress through an economic, political, and social system based on individual freedom, incentive, initiative, opportunity, and responsibility.

