

Fairfax County Small Business Commission
Small Business: Legislative and Policy News
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Proposed Cuts to Small Business Administration Concern Small Business Owners

On March 16th 2017, the Trump Administration proposed reducing 43 (Forty-Three) Million Dollars from the Small Business Administration's budget. Grants for prospective entrepreneurs, initiatives in assisting startups, and the Minority Business Development Agency (MBDA) would be among the programs impacted or eliminated.

Marc Morial, President of the National Urban League argued that eliminating the Minority Business Development Agency would result in the loss of vital services performed by the MBDA including website development, obtaining and securing a minority business certification, and obtaining business loan applications.

Many minority business owners see eliminating the MBDA impeding economic growth in minority communities. Stephen L. Hightower, CEO and President of Hightowers Petroleum Co stated that "When resources to promote and support entrepreneurship and economic growth in minority communities across America and globally are taken away, then you suppress the very essence of opportunity to reach the American dream." in a Black Enterprise article dated March 23, 2017.

The proposals additionally alarmed small business owners, who contend that the cuts would be detrimental to small business growth. Julie Hutchinson is among a vast number of small business owners in the country who believe that support from the SBA provides small businesses with essential and vital resources and therefore disagreed with the administration's proposal.

Lloyd Chapman, President of the American Small Business League stated "If you want to

create jobs, you've got to do it with small businesses." Mr. Chapman expressed concern that President Trump's proposed cuts would stunt job growth. He explained that data from the U.S. Census indicated that 98% of all new net jobs are created by small businesses. (News 5 Article, March 28, 2017).

A message issued by the Office of Management and Budget (OMB) defended the proposed cuts by asserting that the reductions were aimed at eliminating duplicative programs and services that the private sector could perform more efficiently. (CNBC Article March 16, 2017.)

However, Representative Nydia Velázquez (D-NY) and ranking Democrat on the House Small Business Committee disagreed with OMB's assessment. Congresswoman Velázquez stated that the targeted programs serve an important purpose in reaching small business owners that cannot gain assistance elsewhere.

Additional cuts to the SBA would include twelve million dollar (12) reduction from technical assistant grants and other programs that the administration claims should be handled by the private sector. (Washington Post March 16, 2017).

The Small Business Majority in a written statement dated March 16, 2017 called the administration's proposal "an ill-timed move" that would harm the country's small businesses during a time of economic growth. The SBM reiterated its support for the SBA and the SBA's role in supporting small businesses nationally.

<http://www.news5cleveland.com/news/e-team/trump-looks-to-cut-funding-to-small-business-administration>

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