

The Agenda for America's Entrepreneurs: A skilled small business workforce



Small Business Majority has created a comprehensive national and state policy agenda to ensure entrepreneurship is at the center of a thriving and inclusive economy. Supporting a skilled small business and independent workforce is one of our seven topics of focus.

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 at the local level that support small employers.

Additionally, we must enact meaningful immigration policies that

recognize the importance of immigrants to entrepreneurship and address employers' need for a more robust workforce. This includes the following proposals.

Ensure access to portable benefits for small business employees and independent

entrepreneurs. Benefits that help workers prepare for a secure financial future like retirement, paid family leave and child care should not depend solely on one's employer. Access to portable benefits also helps small businesses compete for top talent against larger employers. We must support policies that level the playing field for small businesses, including the following:

- 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.
 - Encourage states to pass insurance programs to expand access to paid family and medical leave. Such programs are operating successfully in California, New Jersey and Rhode Island, and others such as Washington and Washington, D.C. are currently implementing measures.
- Implement policies at the national and state level that would help more working parents afford child care, understanding this is essential to retaining a skilled workforce. For example, the Child Tax Credit Improvement Act introduced in Congress in 2017 would have increased the value of the credit for families with young children under the age of six to \$3,600. At the state level, California introduced legislation last year that would make the existing Child and Dependent Care Expenses Credit refundable so low- and moderate-income working families could benefit from a tax refund that will help defray the rising costs of childcare.

Prepare and develop employees with proper training. Small businesses face particular challenges when it comes to finding and retaining skilled workers. Small business owners struggle to hire and retain top talent, and they rarely have the necessary resources to create job-specific training programs. This is

especially true in rural areas, where entrepreneurs struggle to entice skilled workers to stay in their communities rather than leaving for better economic opportunities. Potential solutions include:

- 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.
- Support regional economic clusters and partnerships that include educational institutions with the resources to provide industry-focused training and skills development.
- Implement studies that ensure Workforce Innovation & Opportunity Act (WIOA) programs are meeting small business and worker needs.
- Increase the national minimum wage to \$12 per hour, and support state and local efforts to enact higher minimum wages in areas with a greater cost of living—understanding that creating a fair minimum wage is essential to the vibrancy of the small business economy by boosting consumer demand, reducing the burden on public assistance programs and leveling the playing field for small businesses that understand the need for properly-compensated workers.

Implement fair and comprehensive immigration policies. Immigrants are twice as likely as those born in the U.S. to start small businesses. As such, they are an essential component of our entrepreneurial, job-creating economy. We must have public policies that foster this economic dynamism and reduce limitations in the current small business hiring pool that exist under current immigration laws. Policy solutions include:

- Pass a comprehensive immigration law guaranteeing eventual citizenship for those who play by the rules and contribute to our economic success, coupled with appropriate and reasonable employment verification provisions.
- Find a long-term solution for recipients of Deferred Action for Child Arrivals (DACA), understanding that young immigrants like the Dreamers who have been protected under DACA are the lifeblood of entrepreneurship—they work at small businesses, start new ventures at higher rates and contribute to our nation's economic success.
- Find a long-term solution for recipients of Temporary Protected Status (TPS), understanding that many workers who are integral to our nation's economic success would lose their legal status and their ability to continue contributing to the economy if the program were to end.
- Support expansion of the H-1B visa program to allow more visas for low-skilled workers.
- Create a "Startup Visa" for foreign-born entrepreneurs who wish to start a business in the United States. This visa would come with certain requirements, such as raising an initial amount of funding and creating a number of jobs for non-family members within a given number of years. A 2013 study by the Kauffman Foundation concluded that granting 75,000 such startup visas would create between 500,000 and 1.6 million new American jobs within 10 years.