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250 YEARS OF AMERICAN LEGACY: SMALL BUSINESSES AND THE AMERICAN DREAM

HEARING

BEFORE THE

COMMITTEE ON SMALL BUSINESS
UNITED STATES
HOUSE OF REPRESENTATIVES

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250 YEARS OF AMERICAN LEGACY: SMALL BUSINESSES AND THE AMERICAN DREAM

WEDNESDAY, JULY 1, 2026

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
Washington, DC.

The Committee met, pursuant to call, at 10:04 a.m., in Room 2360, Rayburn House Office Building, Hon. Roger Williams [chairman of the Committee] presiding.

Present: Representatives Williams, Meuser, Van Duyne, Ellzey, Jack, King-Hinds, Schmidt, Patronis, Tran, Olszewski, and Goodlander.

Chairman WILLIAMS. Before we get started, I want to recognize Representative King-Hinds, who is with us, to lead us in the pledge and the prayer. Would you please stand.

Ms. KING-HINDS. Heavenly Father, thank you for the opportunity to gather in service. As we celebrate 250 years of America's small business, we give thanks and ask for continued blessings for the innovators, the entrepreneurs, the workers, and the families behind these small businesses that have worked really hard to build our communities and strengthen our country.

Today, I also ask each and every one of you to lift up those who are facing hardship, whatever it may be, especially the people from my district where another typhoon threatens to hit this Fourth of July while many of us are still recovering from a super-typhoon 2 months ago.

God, I also pray that the Members of this Committee be—their words, their thoughts, and their actions is a reflection of your goodness, kindness, and mercy so that we can continue the work of further providing opportunities for small businesses and future businesses across this great nation for 250 more years.

In God's name we pray, amen.

All. I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

Chairman WILLIAMS. Good morning everyone. And I now call the Committee on Small Business to order. Without objection, the Chair is authorized to declare a recess of the Committee at any time. I now recognize myself for my opening statement.

I want to welcome everybody to today's hearing, 250 Years of American Legacy: Small Businesses and the American Dream. Happy birthday.

I want to thank our witnesses for joining us today at this time, and for sharing their time with us and their experience and perspectives with this Committee.

And in just a few days, our nation will celebrate the 250th anniversary of an American independence. Throughout this year, this Committee has been welcoming to small business owners from every corner of the country to share their experiences and their perspectives. Time and time again, their stories have reflected the same qualities that have defined America for the past 250 years: Hard work, innovation, and resilience in the pursuit of an opportunity.

As we reflect on our nation's history, it is clear that any American story would be incomplete without recognizing the role of the small business entrepreneurs. American history is, in many ways, a story of a small business, from the earliest settlements to the modern economy, entrepreneurship has been woven into the fabric of our nation.

The men and women who built America were farmers, they were merchants, craftsmen, innovators, and manufacturers. From America's earliest days, small businesses created jobs, introduced new ideas, and helped transform a collection of colleagues into the most prosperous nation in history.

The American Revolution itself was shaped by entrepreneurs. Taverns served as gathering places for discussion, organization. Printers, including Benjamin Franklin, distributed ideas that have inspired us for a new nation and for centuries.

Small businesses were not merely witnesses to American history, they were the architects of American history. And just as a small business helped build America, this country has provided an environment where small businesses can thrive. Free markets, access to capital, and strong protections for private property and intellectual property, have created the most dynamic economy in the world, and the best place to start a small business.

So consider the American innovators who changed the world: Benjamin Franklin, Thomas Edison, Alexander Graham Bell and the Wright Brothers, Walter Chrysler, and countless others. Their achievements transformed industries, strengthened communities, and improved everyday life for millions and millions around the world.

As that spirit of innovation comes today across the country, millions of small business owners are developing new technologies and carrying forward the tradition of the American enterprise. Today's hearing is not only about celebrating the past, it is also about preserving the American Dream for future generations. We have some in this room today.

And several of our witnesses represent businesses that have endured wars, recessions, technological change, and shifting markets. Their stories demonstrate that entrepreneurship is not simply about starting a small business, it is about building a legacy.

So as we look forward to America's next 250 years—and I will be there if you want to come; we will set something up, okay?—we must ensure that small businesses remain equipped to compete, innovate, and grow.

The success of our nation has always been tied to the success of entrepreneurs and if America is to remain prosperous and strong, it will be because future generations continue the work of building, creating, and taking risk.

I would like to thank our witnesses again for being here on the Fourth of July and, again, for being here. I look forward to the discussion.

I now yield to our Ranking Member from Maryland, my friend, Mr. Olszewski, for his opening remarks.

Mr. OLSZEWSKI. Thank you very much, Mr. Chairman. And good morning to all. I appreciate you calling this very timely hearing. Thanks to all of our witnesses for your presence today.

I want to just express my excitement about America's 250th. Mr. Chairman, I look forward to joining you in 250 years more as well.

But as we approach this milestone, this 250th anniversary of our country's founding, as a former American Government teacher, I am reminded of the first words in the preamble to our Constitution: We, the people, of the U.S., in order to form a more perfect union.

For 250 years, our effort to build that more perfect union has endured countless trials and tribulations, tragedies and triumphs. We are blessed to live in the greatest country in the world, where opportunity and prosperity are available to all.

America became the greatest country in the world, in part, because of the ingenuity and grit of our small businesses and the hundreds of millions of immigrants, our forefathers, who came ashore to start building their dreams. Immigrants, like your ancestors and mine, are how we formed that more perfect union. But today we know our union is also under attack.

Corporate greed is causing our markets to consolidate, making it harder for scrappy new startups to enter and remain in business. Simply put, the deck is stacked against the little guy. As everything becomes less affordable due to tariffs and the war, small companies are struggling to pay their bills and their staff. These are our constituents, and they are being left behind.

ICE is swarming our cities, provoking fear in workers, small business owners and our neighbors. That does not make us safer. It makes us less strong.

To that end, Mr. Chairman, I request unanimous consent to insert this statement of the American Business Immigration Coalition and Small Business Majority into the record.

Chairman WILLIAMS. So moved.

Mr. OLSZEWSKI. Thank you. But there is good news. Our main street businesses are resilient, and they show up for our communities in the face of hardship. That is the American way. That is the spirit of our nation.

Small businesses are the backbone of our economy, and their issues aren't Democratic, they are not Republican. They are American issues. It is why I am proud to have worked with Chairman Williams and Members across the aisle in this Committee to pass commonsense legislation to improve small business assistance across the federal government. But we cannot celebrate main street one day, and look the other way when this administration's policies make lives harder.

So I look forward to a robust discussion about what has truly driven the success of main street in our nation, and what hasn't, the impacts of tariffs, healthcare costs, and the massive unnecessary disruption to our immigrant communities.

So as we commemorate America's 250th anniversary, let's honor the generations of entrepreneurs, immigrants, and the motivated hard workers who helped build this nation. Let's choose action over inaction and bipartisan solutions over gridlock.

I yield back.

Chairman WILLIAMS. The gentleman yields back. We will now move to the witness introductions.

Our first witness is Mr. Adrian Adornetto. Mr. Adornetto is the owner of Adornetto's and Giacomo's in Zanesville, Ohio. Is that right? These family-owned businesses have been serving customers in Ohio for more than 65 years. Mr. Adornetto's family's American story began when his grandparents emigrated from Sicily, Italy, and helped build the foundation for Adornetto's Pizzeria, which his father Jimmy opened in 1958. Jimmy later founded Giacomo's Bakery in 1994, fulfilling his passion for artisan bread. Both family businesses continue to serve fresh scratch-made Italian food and baked goods.

Mr. Adornetto's purchase of the family business in 2012 continues the tradition of quality Italian food and community service. Today he is investing the next generation by teaching his 11-year-old son, who is here, the family business, with the hope that he will one day become its third generation owner.

Thank you for being here today very much.

The next witness is Mr. Philip Freeman. Mr. Freeman is the founder and CEO of Murphy's Naturals, a North Carolina-based manufacturer of natural outdoor products, and The Loading Dock, an innovative cowarehousing space for entrepreneurs.

Mr. Freeman spent 23 years in packaging sales before founding Murphy's Naturals in his garage in 2013 when what began as a search for an effective natural mosquito repellent has grown into a nationally recognized brand. And as the businesses expanded, he founded The Loading Dock, a coworking and warehouse community that has helped hundreds of small businesses launch and grow by providing affordable flexible workplace.

Those mosquitoes, do you have an office in Texas?

Mr. FREEMAN. We are very popular.

Chairman WILLIAMS. Okay. Mr. Freeman is part of the U.S. Chamber of Commerce Small Business Council where he advocates for policies to strengthen America's small businesses. He earned a communications degree from Virginia Tech and served 8 years as Deep-Sea Diving Officer in the U.S. Navy. Thank you for your service, and I look forward to our discussion here.

Our next witness is Mrs. Anne Shybunko-Moore. Mrs. Shybunko-Moore is the CEO and owner of GSE Dynamics, a U.S. defense manufacturer founded by her father, Daniel, in 1971. GSE Dynamics serves the defense industrial base by supplying the U.S. Air Force, Navy, Army, and major aerospace manufacturers. She joined her father's company in 2001 and has led its expansion into one of the nation's largest federally certified Women-Owned Small Business. She also serves on the Manufacturing and America Advisory

Committee, where she provides strategic guidance to the federal government on strengthening supply chains, including global competitiveness and supporting America's small business manufacturers.

Mrs. Shybunko-Moore and her husband, Jamie, have four sons who may one day carry on the family business as its next generation of leaders. I look forward to your testimony.

I now recognize the Ranking Member from Maryland, Mr. Olszewski, to briefly introduce our last witness appearing before us today.

Mr. OLSZEWSKI. Thank you, Mr. Chairman. Happy to welcome Ms. Veronica Cool, who is the President and CEO of Cool & Associates, LLC, a bilingual outreach and strategy firm specializing in marketing and engagement for the Latino community.

Before her time as an entrepreneur, Ms. Cool was a banker with Wells Fargo and Bank of America, respectively. Previously, Ms. Cool also sat on the Open Society Institute Board and the Maryland Governor's Workforce Investment Board and has served as the Chairperson of the Maryland Hispanic Chamber of Commerce.

Prior to coming to Congress, as Baltimore County executive, I had the privilege to partner with Ms. Cool's firm to provide my constituents with translation services for our town halls.

Thank you so much for being an outstanding partner in our language and interpretation work and for helping to level the playing field for our immigrant entrepreneur communities, both then and now.

Ms. Cool holds a bachelor's degree in finance and international business from Kutztown University of Pennsylvania and a master's degree in finance from Loyola University in Maryland. Welcome, Ms. Cool.

Chairman WILLIAMS. There is a Cool, Texas, in my district. Yeah. If you run for office there, you will have instant name ID.

Before recognizing the witnesses, I would like to remind them that their oral testimony is restricted to 5 minutes in length. If you see the light turn red in front of you, it means your 5 minutes have concluded, and you should wrap up your testimony. If you continue to go further, you will hear this, and that means you need to stop. But we will be fine on time.

I now recognize Mr. Adornetto for his 5-minute opening remarks.

STATEMENTS OF ADRIAN ADORNETTO, OWNER, ADORNETTO'S-GIACOMO'S; PHILIP FREEMAN, FOUNDER & CEO, MURPHY'S NATURALS, INC.-THE LOADING DOCK, LLC; ANNE SHYBUNKO-MOORE, OWNER & CEO, GSE DYNAMICS, INC.; AND VERONICA COOL, PRESIDENT & CEO, COOL & ASSOCIATES LLC.

STATEMENT OF ADRIAN ADORNETTO

Mr. ADORNETTO. Chairman Williams, Ranking Member Dr. Olszewski, and distinguished Members of the Committee, good morning, and thank you for inviting me to testify today. It is a privilege to appear before you and share my family's story and what entrepreneurship has meant to generations of Americans like mine.

I am grateful to have my wife, Erika, here with me, along with two of our four children, Enzo and Giada. The other two, Gabriella and Jase, are back home in Ohio. They are the reason this work matters, because everything my family has built has always been about creating opportunity for the next generation.

My name is Adrian Adornetto. I am a husband, a father, a proud American by birth, a Sicilian by heritage, an entrepreneur by calling, and a product of the American Dream. My grandparents, Phillip and Catherine Adornetto, came to this country from Sicily with hope, determination, faith, and an unwavering belief in the opportunity, and a lot of courage, might I add.

My grandmother was only 9 years old, my grandfather was a teenager when they left everything they knew in search of a better life in America. They actually later met in America and married and settled in a small town called Zanesville, Ohio, where they raised three sons. One became a doctor of optometry, one built a career in financial management and leadership, and then my father, James, Jim Adornetto, chose entrepreneurship.

With the encouragement and sacrifice of his parents and his two brothers, my father opened Adornetto's Pizzeria in 1958 when he was just 19 years old. He later opened Giacomo's Bread & More in 1994. I grew up in those restaurants.

Just the other day, I realized my first boardroom was not in the corporate office, it was every Sunday morning after church around the breakfast table, and my grandmother, father, aunts, uncles, and relatives talked about the previous week's business, what worked well, what didn't work well, how do we improve it, what is on tap for next week.

Growing up, I became—growing up, I dreamed of becoming an actor, and my family never pressured me into the restaurant business. But over time, the restaurant business found me, and I fell in love with the energy, the teamwork, the busy nights, and the chance to create memorable experiences for guests.

In 2013, my father and I completed the transition of the family business. I purchased the operating business, while he retained the real estate. We wanted it to be a transition specifically. We were father and son first, business partners second.

Those lessons and other lessons also shaped the way I viewed leadership beyond my own restaurants. As a past board chair, the Ohio Restaurant Hospitality Alliance, I had the opportunity to work with and advocate for restaurants and hospitality businesses across our State.

That experience reinforced something I already knew from my own family businesses. Small business leadership matters. It matters to employees, communities, local suppliers, young workers, and the future of main street.

You see, my grandparents sought the American Dream, my father spent his life building it, and I have been blessed with the opportunity to continue it. Now my greatest responsibility is to preserve it for my children and, hopefully, someday for my grandchildren. No pressure. No pressure, guys.

But preserving that dream requires more than the family pride. It requires business environment where small businesses can survive, reinvest, hire, and pass opportunity on to the next generation.

Running a restaurant has never been easy over the years. We have faced recessions, supply disruptions, inflation, labor challenges, rising operating costs, but nothing, nothing compared to COVID, which nearly shut us down permanently.

We survived because of our employees, our community, and our ability to adapt. I have spoken a lot about my family. There is also my employee family. My family's business would not be where it is today without thousands of Ohioans who have worked for us over the past 6 decades.

Many start at entry-level jobs as teenagers, saw an opportunity in this industry, and offered—that the industry offered and worked their way to positions of greater responsibility.

I am grateful to Members of Congress who recognize small businesses are still carrying the burden from the pandemic, inflation, and rising costs. Tax provisions, such as accelerated depreciation, make a real difference. They allowed me to reinvest in my business, complete overdue improvements, renovate locations, and hire local Zanesville, Ohio contractors to do the work.

Family businesses do not just pass down recipes, they pass down values, responsibilities, work ethic, integrity, and the belief that every generation should leave something better than it found. Restaurants and small businesses like mine are part of the American fabric.

To our patrons, we are gathering places for first dates, anniversaries, birthdays, sports celebrations, and family milestones. To our communities, we are employers, training grounds, and taxpayers, and anchors to the local economy.

Thank you again for allowing me to share my life or family's story. It is in many ways a story of America.

May God bless our small businesses, the customers who support them, the employees who work them, the families who build them, and the United States of America.

Chairman WILLIAMS. Gentleman yields back.

I now recognize Mr. Freeman for his 5-minute opening remarks.

STATEMENT OF PHILIP FREEMAN

Mr. FREEMAN. Chairman Williams, Ranking Member Olszewski, distinguished Members of the Committee, thank you for the opportunity to testify today.

My name is Philip Freeman, and I am the founder and CEO of Murphy's Naturals, a natural products company based in Raleigh, North Carolina, that manufactures plant-based mosquito repellents. I am also the founder of The Loading Dock, a coworking and cowarehousing community serving nearly 1300 members and 450 small businesses.

I am proud to testify on behalf of the U.S. Chamber of Commerce and its Small Business Council, of which I am a Member. As we mark 250 years of American independence, there is no better time to reflect on the ultimate engine of this nation's prosperity: American small business.

My entrepreneurial journey didn't start in the traditional way, and I didn't have a formal finance background or education. It started on the Virginia farm where I was raised and later during my service as a Deep-Sea Diving Officer in the United States Navy.

For decades, I filed away business ideas, telling myself the time wasn't right. But sitting in my garage in Raleigh, I looked at a simple problem that we had at home. My wife, Pam, who is here, she is an absolute mosquito magnet, and we both disliked the chemical repellents that were on the market. Because I couldn't find an effective natural alternative, I developed one myself. So garage-born. That is the American story: Identifying a need, taking a risk, and building something from nothing.

What started in our garage has grown into a 120,000-square-foot manufacturing facility where we make 85 percent of our products and employ nearly 50 full-time team members.

But scaling is never a straight line. Early on, I hit a massive roadblock, which was space. Traditional commercial leases were rigid, expensive, and completely mismatched for the bootstrap startup. I signed a multiyear personal guaranteed lease for a small space, outgrew it in 6 months, and found myself trapped. There had to be a better way.

When I finally found a larger facility, I decided to build a concept to help other entrepreneurs facing those same hurdles. I leased extra space, and I launched The Loading Dock. Today, we provide flexible, affordable cowarehousing for hundreds of startups across three campuses.

Essentially, we were a startup starting a startup for startups, and that is a little bit crazy and not well-advised, but it has worked.

But that is what small business owners do. We don't just solve our own problems. We build the infrastructure to help others solve theirs. But we can't do it alone.

On behalf of entrepreneurs working around the clock, I want to highlight three urgent priorities for the Committee.

First, access to capital and flexible space. The single greatest barrier for an early-stage company is infrastructure. Congress can unlock immense growth by expanding access to SBA lending tools and supporting flexible small business infrastructure.

Second, regulatory clarity and innovation. Small businesses can't afford teams of lawyers. We need clear, accessible guidance from federal agencies so entrepreneurs have a clear path to bring forward disruptive beneficial ideas.

Three, pathways for veterans and second-career founders. Our most successful founders are often veterans who bring decades of wisdom. Congress must continue to fund vital pipelines, like Hiring Our Heroes and The Honor Foundation.

We provide generous education opportunities for veterans. Imagine the economic impact if we could provide similar grants and favorable loans for veterans taking a startup risk.

Members of the Committee, 250 years ago, our Founders of this nation bet everything on a radical idea, that free people, given the opportunity, would build something extraordinary. The American Dream is not a relic of the past. It is alive in every garage, spare bedroom, and warehouse bay across your districts. But it requires tending, it requires policies that lower barriers, reward responsibility and trust in American ingenuity.

I am here because I believe this Committee has the power to make it easier for the next Philip Freeman to take that leap a little

sooner with the confidence that their country is the wind at their back.

Thank you, and I look forward to your questions.

Chairman WILLIAMS. Gentleman yields back.

I now recognize Mrs. Shybunko-Moore for her 5-minute opening remarks.

STATEMENT OF ANNE SHYBUNKO-MOORE

Mrs. SHYBUNKO-MOORE. Chairman Williams, Ranking Member Olszewski, and Members of the Committee, my name is Anne Shybunko-Moore, and I am the owner and CEO of GSE Dynamics. We are a family-owned defense manufacturer on Long Island, New York.

I am honored to be here on behalf of the small businesses and manufacturers that drive our nation's economy. My company grew out of the cradle of aviation on Long Island. It was from Long Island's Roosevelt Field that Charles Lindbergh began his flight across the Atlantic.

And it was on Long Island during the Golden Age of Aviation following The Great War that manufacturers pioneered aircraft, not for wartime, but for peacetime, opening the skies for commercial flight.

And it was a Long Island company named Grumman Aerospace that transformed carrier-based aircraft during World War II. Grumman helped give the arsenal of democracy its wings. Later, Grumman answered the call to make the impossible real, crafting the Apollo Lunar Module that landed America on the moon.

Grumman also built something else, my father, Daniel Shybunko's, career. My father was an engineer when the company encouraged him to start a small side business in 1971. And 8 years later, he left Grumman to run GSE Dynamics full-time.

Decades after I walked the factory floor as a child, he invited me to join the company in 2001. And in 2003, GSE became a woman-owned small business, and I continued to work beside my dad until his passing in 2019.

And today, GSE is a top woman-owned supplier for the U.S. military, building complex assemblies for the B-52 bomber, the M1 Abrams tank, naval submarines, and many more. We are the top woman-owned small business supplier to DLA Aviation and a critical supplier for the U.S. Navy's periscope mast fairings. And with over 90 employees, we are among the 93 percent of U.S. manufacturers classified as small businesses.

This is my family's story, and this is GSE's story. This is a true Long Island story. And today, just days from America's 250th anniversary, this is an American story.

America's small businesses have always been where innovation takes flight. But as everyone in this room knows, America's success does not just happen. It must be built, it must be protected, and it must be strengthened.

The best investment in manufacturers comes from public policies that help small businesses like mine invest, grow, and thrive. First and foremost, that means protecting pro-growth tax policies like those Congress passed last year in H.R. 1. Provisions like immediate expensing are helping GSE invest in the future.

Already this year, we have purchased a new 5-Axis Machining Center that will help us build better and faster. We are also expanding a facility and investing in new research to help keep GSE on the cutting-edge.

Secondly, we need reliable access to capital, because long before a product leaves the factory floor, manufacturers must invest in expensive equipment and raw materials to build it. That is why increasing SBA lending limits is so important, precisely as this Committee did through the Made in America Manufacturing Finance Act.

Third, we must address workforce shortages. Manufacturing offers great careers for highly skilled technicians, machinists, welders, tradespeople, along with administrative and professional staff. We must strengthen employer-led workforce training and encourage more young people to see manufacturing as a career of purpose and opportunity.

And finally, we must remember that our national security depends on a strong Defense Industrial Base. To build more resilient supply chains, we need a 21st century permitting system. We need to protect pro-America, pro-manufacturing trade agreements, like the USMCA, and we need more access to key inputs, like critical minerals.

And when I think about America's 250th anniversary, I think about the chance my father took 50 years ago on a country that rewards risk-takers. I think about GSE's contribution, not just to Long Island's story as the cradle of aviation, but to America's story as the land of opportunity, a place where manufacturers don't just build products; we build families, and we build communities, and we build a stronger country.

Fifty years from now, I hope another family business will be here telling its story or maybe even my son, James, will be sharing GSE's next chapter. That will happen through your courage and your vision to back policies that strengthen America's industrial base.

If our leaders work together, America will lead as the best place in the world to create and make things, and our dreams will take flight. Thank you very much.

Chairman WILLIAMS. Thank you. Well said. The gentlelady yields back.

I now recognize Ms. Cool for her 5-minute opening remarks.

STATEMENT OF VERONICA COOL

Ms. COOL. Chairman Williams, Ranking Member Velázquez, Congressman Johnny O, thank you very much for having me today.

Fifteen years ago, I was sitting at my kitchen table wondering whether filing the paperwork for a tiny government subcontract was even worth the effort. Today, it is one of the greatest honors of my life to appear before Congress because that little opportunity became the foundation of a company that now helps strengthen communities across our entire country. That is the American Dream.

My name is Veronica Cool, and I am the founder, president, and CEO of Cool & Associates, LLC, a Maryland-based small business I started in 2011. I was born in Dominican Republic, and I came

to the U.S. believing what millions of immigrants have believed for generations: That if I worked hard, if I kept learning, treating people with integrity and I persevered, I could build a better life. And America gave me that opportunity.

When I started my business, I didn't have investors, I didn't have venture capital or a family business I inherited. I had 20 years of banking experience, grit, and an idea. That organizations could better serve people by building trust, not just translating words. And that little tiny idea became the basis for my company.

Today, our team helps government agencies across all aisles. Hospitals, nonprofits, universities, and businesses communicate more effectively, engage communities and solve very complicated issues. But our success, just like my fellow witnesses here, didn't happen overnight.

Like every single entrepreneur, we had to work really hard and earn it. One of our very first government contracts was a tiny little thing, as I mentioned earlier. And I remember thinking, it probably wasn't even worth it. The paperwork was excessive, the compliance reporting was extensive. And for us being tiny, it actually felt like more work than the work we were getting paid to do. But, of course, we kept delivering and working on it.

That one opportunity became another and then another, and every project taught us something. Every satisfied client became a reference. Every single problem, mistake and challenge made us stronger.

Recently I had one of those full-circle moments that we all celebrate and hope for. During a really competitive procurement bid, I learned that the prime contractor and every subcontractor in that group had adjusted their schedule around ours because the agency wanted the Cool team included in the proposal, not because we were the biggest, not because it was a large marketing budget, but because over 15 years, we had earned the reputation for delivering quality, building trust, and helping organizations genuinely connect with the communities they serve.

I have been fortunate to receive awards throughout my career, but that one moment meant more to me than any other plaque or recognition. It told me that our work became trusted enough to influence outcomes that improve communities and create opportunity. To me, that is what entrepreneurship is all about.

Small businesses do not just create jobs. We solve problems. We strengthen neighborhoods, and we mentor future leaders. We create opportunities for others. We build legacy. That is what my father taught me.

My team experienced that firsthand during the COVID-19 pandemic. We supported the State of Maryland, Governor Hogan at that time, by translating and culturally adapting urgent public health information in a matter of hours so essential workers and multilingual communities could receive lifesaving information when they needed it the most. We were proud to do it even though it required around-the-clock work, significant personal sacrifice, and tremendous resilience.

Experiences like that have taught me that one important lesson. Communication is economic infrastructure. And being in Baltimore,

we know that ports and highways are transportation, but communication is an integral part of that.

When people understand how to access healthcare, workforce opportunities, government services, and small business resources, they show up, and they participate. When they participate, businesses grow, communities become stronger, and our economy benefits.

And as Congress looks to that next 250 years, I am hoping for something simple. Please continue to create an environment where entrepreneurs can do what they do best: Innovate, adapt, and build.

Please provide greater predictability, reduce unnecessary administrative burdens, invest in workforce development and technology.

Please ensure that qualified small businesses have the opportunity to compete.

The American Dream, I know, did not guarantee success, but it did promise opportunity. That opportunity changed my life, and I hope, together, we can ensure remains available for the future generation of entrepreneurs.

I thank you for the opportunity and look forward to your questions.

Chairman WILLIAMS. The gentlelady yields back. Those were great opening comments—thank you—for all of you. We will now move to the Member questions under the 5-minute rule that we went over with you. I now recognize myself for 5 minutes.

Mr. Adornetto, successfully been in business for 68 years, you said, crossing two generations. And according to Pizza Today, your business is in the top 100 independently owned pizzerias in the nation.

My question is, what has enabled you to remain successful across multiple generations? And as you look to the future, what lessons do you hope to pass down to the next generation that is sitting behind you to ensure that you continue for many years and many more generations to come?

Mr. ADORNETTO. You know, as I said in my opening statement, Mr. Chairman—thank you for the question, by the way—just the work ethic that was passed down to me from my grandparents, my father has helped us achieve that; our community, our great workforce that we have had in the past and currently. And hopefully in the future—reference the future—hopefully have more workforce development. We need that in hospitality industry, making sure that people realize that they can make a career of that. And, obviously, access the capital and expansion will help out greatly, and continuing to achieve that award with Pizza Today in the future as well for the next generations to come.

Chairman WILLIAMS. Great. Mr. Freeman, to you, you started your first company, Murphy's Naturals, in search of a natural bug repellent for your wife. That is a great story in itself.

After experiencing the firsthand challenges of starting the scaling back—scaling a business, you then launched your second business, The Loading Dock, which is a flexible warehouse space, as you talked about, where you help mentor and guide other growing entrepreneurs.

So the question is, can you share how The Loading Dock is helping other small business owners overcome barriers, grow their companies, and achieve the American Dream?

Mr. FREEMAN. Yes, sir. And thank you, Mr. Chairman, for the question.

One of the biggest hurdles that I ran into starting off was I was a solopreneur. I was doing things on my own. I didn't have much of a base of support to work from, to ask questions about how you start a new business. It was really figuring it out myself in that scrappy way.

There were many hurdles that I had to overcome. Some were, as I mentioned before, signing a multiyear lease for a warehouse and having to personally guarantee that when I really didn't know if my business would thrive or not. I figured there had to be a better way to do this.

So what we did was we created a vast amount of warehouse space, and we divided it into individual units. And that allowed small business to come in and use as little as a hundred square feet to support their business, and that is an incredible thing for them to have that flexibility.

Now we have units as big as 2400 square feet, but we don't require a lease, and we don't require a personal guarantee. As a matter of fact, they don't even have to buy the material handling equipment that they need to move their goods, to receive goods, to warehouse goods, and to ship goods. We supply all of that, and it is shared.

So by removing some of those hurdles, it made a massive difference for people to be willing to start something, and I would never want anyone to regret never starting something because of those hurdles. Now, we can't remove the hurdles to entrepreneurialism, but we can lower them. And if we lower them and we get a few more people to say, yes, I am going to give it a try, then that matters.

And then lastly, as far as that is concerned, we have built a community. When you think about all those different entrepreneurs working in the same building together, they share ideas, they commiserate, they speak about the victories, the challenges, and that is a big deal.

When you have other people to work with, even though they are not part of the same company, that is a very, very big deal and to have that community.

And that is all around Murphy's Naturals at our main headquarters. So we derive energy from all of those people, and several of those people became team members at Murphy's Naturals as well. So very beneficial.

Chairman WILLIAMS. Well, thank you for that.

And in the limited time I have got, Mrs. Shybunko-Moore, since the founding of our nation, small businesses have played a vital role in strengthening America's ability to defend itself.

Could you speak briefly to the unique role that small businesses like yours play in supporting America's warfighters today, and, more broadly, can you talk about what is critical for our national security that we continue to foster an environment where small business can start, grow, and thrive?

Mrs. SHYBUNKO-MOORE. Thank you very much for the question. It is a big question for something very important that we all do.

So to support, obviously, the defense industrial base brings pride every day, not only to me and my family, but to my employees, which is the most important thing that I have, right? My workforce.

So I think right now, I am going to get to the end of your question first with the time allotted here. We have to focus on workforce and make sure that we continue to train the workforce that can manufacture the parts that we need for our national security. We need to make sure that we are building our supply chain, we need to make sure that we are building capacity and capability in this nation and which right now, I believe it was referenced, it is diminishing right now with all the different business dealings that are going on. We absolutely have a diminishing supply chain in our defense industrial base, which poses a threat.

And I also believe we need to do some more branding and marketing for manufacturing. We have to make sure that people understand that it is a noble job to be in a manufacturing company.

Chairman WILLIAMS. My time is up.

Mrs. SHYBUNKO-MOORE. I saw that. That is why I went to the end of your question first. Thank you.

Chairman WILLIAMS. I now recognize the Ranking Member for 5 minutes of questions.

Mr. OLSZEWSKI. Thank you very much, Mr. Chairman. It is the 250th anniversary. So, Ms. Cool, I will start with a fun question.

Why is America the best place to start a small business?

Ms. COOL. Oh, my gosh. The United States of America rewards innovation. When an immigrant can come with the focus and the determination to build the business from the ground up like me, that is rewarded. That is absolutely rewarded.

And being able to create jobs, invest in my neighborhoods, invest in my communities, you can't do that anywhere else in the world. So happy birthday.

Mr. OLSZEWSKI. Happy birthday, America, indeed. And, Ms. Cool, your story is an inspiration and, I think, speaks to that promise.

I know that minority Committee staff released two reports warning about the ways in which the Trump administration is draining main street of critical immigrant staff and entrepreneurs.

So, Mr. Chairman, I would ask unanimous consent to put those reports into the record.

Chairman WILLIAMS. So moved.

Mr. OLSZEWSKI. Thank you. Ms. Cool, can you speak to how you see President Trump's mass deportations as hurting your clients' ability to find and keep workers and make sales?

Ms. COOL. Well, I can speak from the perspective of seeing what is happening in my communities and the organizations we serve.

When there is uncertainty around immigration, many employers report greater difficulty recruiting and retaining workers, and the community declines in participating because hesitation, they are fearful. So whether we are talking about healthcare, workforce, we need stability. Trust matters.

My hope is that we can maintain a legal or a lawful immigration system that also serves the small businesses so that our workers can grow and our communities can feel more stable.

Mr. OLSZEWSKI. I appreciate that perspective. Mrs. Shybunko-Moore, someone who has a difficult name, I appreciate sharing that with you.

Women-owned small businesses saw 2.3 billion less in federal contract dollars than in 2024. The WOSB program is severely underused and the goals are unmet.

Can you speak to how bolstering this critical program might help small businesses and the industrial base?

Mrs. SHYBUNKO-MOORE. Yeah, absolutely, and thank you for that question, indeed. So I think in general, before you get to the woman-owned small business specific, though, I think you have to accept the fact that there are more barriers to entry into federal contracting as a whole.

So I would say that across the board, it is hard to get companies to, again, enter into federal contracting. And then, as you narrow into the woman-owned small business, you have to ensure that they are mentored and trained and understand all the requirements and regulations in order to succeed.

And when I was on the National Women's Business Council a few years back, that was really the focus. You can bring them to the federal contracting world, but you really have to ensure that they will succeed in it. And I think that is definitely a focus of mine in terms of making sure that we are mentoring and training and working together as partners in that federal contracting world.

Small business community is very close, and we do tend to want everyone to rise and succeed. So I think it is imperative that, again, we continue to look at what the red tape is to get into federal contracting, that we minimize it—I know the administrator is working on that—the access, again, to capital, so that women-owned businesses can succeed and grow.

And overall, just be able to have a conversation, communication direct with the government, which I will say in my years of experience, I am thrilled to see that there is strong communication right now between the small business leaders, and specifically, Defense Logistics Agency. I have never seen the support right now, because I think they recognize the need and the imperative nature of making sure that these businesses thrive.

Mr. OLSZEWSKI. Appreciate that. And then, Mr. Freeman, you write that several of your product components can't be sourced in the U.S. and that, quote, "tariffs will eliminate profits and put this innovative technology into a loss position."

Can you just expand a little bit upon that and, sort of, the impacts you are seeing? Thanks.

Mr. FREEMAN. I will be happy to. Thank you. So, yeah, tariffs are definitely a challenge, especially when you don't have the time to plan for them. Because oftentimes, we are pricing products for retail and giving those price points well in advance.

And we have had the situation where tariffs have hit us in a way that we had to absorb a lot of that additional cost. But we show adaptability. And where it created some challenges for us, it also created opportunities as well.

In terms of because we are a manufacturer, people actually asked us if we could manufacture for them as a U.S.-based company. So there are challenges with it, but there are also benefits.

Mr. OLSZEWSKI. Thank you for that. I see my time has expired. Happy birthday, America.

Mr. Chairman, I yield back.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Mr. Meuser from the great State of Pennsylvania for 5 minutes.

Mr. MEUSER. Thank you, Mr. Chairman. Thank you all for being here very much. We are glad to be with you. It seems like a very strong and positive discussion we are having, so that is very important to hear.

I have spent a lot of time helping grow small businesses to a large business myself for almost 25 years. And sometimes when people say, What does it take? I say, Well, find out what you like, be committed to it, and in 20 years you might have something.

So there is a lot of—the environment matters, of course, small business accounts for 99 percent of—not employment, but of the businesses, about 60 percent of the employment. So it is really truly the proverbial, but literal backbone of the United States economy.

Taxes, regulations, skills development, workforce, overall environment that can be created within a State, you know, State regulations, like in Pennsylvania, matter a lot. We tend to have—we are very, very overly burdened with regulations in Pennsylvania. We need to change that. Versus Florida, Georgia, the Carolinas, Tennessee, Texas, where all the jobs are going to. You know, consumer demand, I mean, that is a big part of government, right? Making sure that interest rates are there, access to capital, of course, all of those regulations.

But outside of that—well, you know, there is an old saying, too, just get out of my way, which you probably say on occasion. But then again, from OSHA, many of the other regulations and workers' compensation, you know, all these things are definitely necessary.

You know, there is a reason—I just looked this up. You know, the EU, in 1995, had a GDP of $8.3 trillion, 800 billion more than the United States. We were at 7.6. Today, the EU is at 21.2, and we are at $30 trillion. So we are obviously doing a lot right as far as growing an economy.

So just based upon the conversations and statements you have been making—and, Ms. Moore, I am going to start with you, if you don't mind. I am from Long Island originally, by the way, so I see your business is in Hauppauge. And I grew up there, and I remember Grumman extremely well. I think everybody worked at Grumman there for a little while.

Mrs. SHYBUNKO-MOORE. They did.

Mr. MEUSER. But congratulations on your business. If you were sitting in my seat, if you were making some of these governmental rules and all, what do you think you would need to make you grow better over the next 5 years?

Mrs. SHYBUNKO-MOORE. Yeah. Thank you. And happy to hear that you are from Long Island.

I think right now, people need to recognize that, first of all, small businesses in manufacturing to me is a center aisle issue. Everyone should support small businesses and manufacturing.

And at the end of the day, no matter what decisions are happening here, we still have to work every day, make our product and feed, for myself, 90 families, right? At the end of the day, that is what I am responsible for.

So I am always looking at the decisions that are being done and made here, ensuring that, again, in order to grow, access to capital is always the key. I would like to buy more equipment, I would like to grow my capacity, I would like to grow my capability, continue to grow and expand and support the U.S. Defense Industrial Base, and then, obviously, create jobs that people can be proud of, that people can support their families on.

So sometimes I have to stop hearing the noise that is sometimes out there and focus that I just have to continue waking up every morning and making the products that I make and meet the goals and production rates that I have.

Mr. MEUSER. Products, people, process. All the Ps you got to nail. Payment, very important in business.

Mrs. SHYBUNKO-MOORE. Yes.

Mr. MEUSER. The working family tax cut, which was in the big beautiful bill, you mentioned earlier the importance of it, 199A, the bonus depreciation, the R&D tax cuts——

Mrs. SHYBUNKO-MOORE. Yes.

Mr. MEUSER.—perhaps the overtime also help your employers.

Move on to Ms. Cool, could you maybe answer the same question as far as what would you like to see improve from a regulatory government tax standpoint for your business to grow better over the next 5 years?

Ms. COOL. I would say predictability. We need to be able to plan. For us to invest, buy equipment, hire people. Same thing with my clients. I cannot get commitments on contracts or proposals because they themselves are impacted what may happen tomorrow.

So as we are planning to feed our families, to keep our folks employed, to pay for kids' colleges, mortgages, we can't afford to go out and make willy-nilly decisions because tomorrow the rules have changed.

Mr. MEUSER. I agree very much.

Ms. COOL. But being able to have predictability is a priority.

Mr. MEUSER. That is very important. I very much agree.

Mr. Adornetto, same question to you.

Mr. ADORNETTO. Adornetto. Yes, sir. Thank you for the question.

Mr. MEUSER. Adornetto, got it.

Mr. ADORNETTO. I would say obviously predictability as well, access to capital, continue to do—specifically, you have done some things with no tax on tips on the federal level, and that has helped my industry specifically.

Mr. MEUSER. Sure.

Mr. ADORNETTO. The employees that——

Mr. MEUSER. Pardon me. My time has expired.

Mr. Chairman, I yield back.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Mr. Tran from the great State of California for 5 minutes.

Mr. TRAN. Thank you, Mr. Chairman. Thank you, Ranking Member, for convening today's hearing. Thank you to the witnesses for being here.

For 250 years, the American Dream has been built by people who believed hard work and took a leap of faith to build something of their own. Nowhere is that story more powerful than in Southern California.

There is our small business community in Southern California. In Los Angeles and Orange County, I see it every day. These are family-owned restaurants, manufacturers, contractors, startups, and neighborhood shops. They are run by entrepreneurs from every background, including Asian Americans, Latinos, and immigrant business owners who have helped power our economy and create good-paying jobs. They represent the very best of America.

This Committee has done real bipartisan work for this Congress, moving bill after bill with support from both sides of the aisle. At a time when Congress feels more divided than ever, this Committee has shown that bipartisan progress is still possible.

But good bipartisan bills sitting on the Senate floor does not help anyone on main street. In fact, there are over 20 bipartisan small business bills that have passed this House and are now stalled in the Senate. The Senate Committee on Small Business and Entrepreneurship, under the leadership of Senator Joni Ernst, has held just a handful of markups this Congress all last year and none this year.

And while those bipartisan bills stall, small businesses across America cannot afford to wait. They are facing raising costs, uncertainty, and economic pressures every single day. They are dealing with President Trump's trade war, tariffs that raises the costs of supplies, inflation, the loss of the Affordable Care Act tax credit, and the costs of oil and energy skyrocketing due to the President's war of choice in Iran.

That is why Senate gridlock is so costly. Every month, bipartisan bills sit without Senate consideration is a month small business owners go without relief while costs keep climbing around them. Main street is asking Congress for help, and right now Chairwoman Ernst isn't answering. The Small Business Committee has proven bipartisan progress is possible. Now the Senate needs to match that urgency and act.

Ms. Cool, from your perspective working with small businesses, is President Trump's erratic policies making it harder for entrepreneurs?

Ms. COOL. Speaking from my perspective, the lack of predictability certainly impacts me as a small business. So, again, anyone we work with, whether it is a client, whether it is a partner, whether it is a vendor, without knowing what is happening tomorrow, we are hampered.

Mr. TRAN. Let me follow up with, what would it mean for main street if Senate Republicans sit on these bipartisan bills while financial pressure keeps building up?

Ms. COOL. You know, again, speaking from my perspective, I can tell you that we, as small businesses, need improved procure-

ment access, improved access to technical assistance, you know, support for new technologies like AI. So when things are delayed repeatedly, we cannot make decisions, we cannot hire comfortably, we can't invest in future plans.

Mr. TRAN. Ms. Cool, the U.S. Citizenship and Immigration Services announced it will make temporary visa holders leave America to apply for green cards, something that I am actually working with the Judiciary Committee to oppose.

How will that policy hurt immigrant entrepreneurs and the Americans that they employ?

Ms. COOL. You know, we mentioned at the very beginning how the United States rewards innovation. When we do not know, regardless of the status, whether you are able to stay or not, whether tomorrow the rug gets pulled from you, that impacts our ability to make decisions. I feel like a broken record, so apologies for that.

But not knowing if a status or a current small business will not be able to function tomorrow prevents us from bidding on things, prevents us from hiring, from paying our workers. It is that simple.

Mr. TRAN. Shifting gears a bit. Healthcare costs are still a barrier to entrepreneurship for Americans looking to take the leap of faith and start a small business.

Ms. Cool, how would expanding healthcare through Medicaid and the ACA help aspiring entrepreneurs join the business community?

Ms. COOL. That is actually one of the main reasons people do not start small businesses, because they need to have their family covered. So when we don't have access to healthcare, we are unable to make or take that innovative risk to launch the business and grow the business.

Mr. TRAN. With the few seconds I have left, Mrs. Shybunko-Moore, do you have anything to add to that question?

Mrs. SHYBUNKO-MOORE. Again, I echo the predictability. But I think also, if you were to look through the lens of a small business owner, just please look at all the risks that we are trying to mitigate every day. It is healthcare, it is the cost of material, it is the cost of salaries, it is the cost of living.

So please, these are stackable for us. We are dealing with this every day, as you are voting on one issue at a time.

Mr. TRAN. Thank you so much. And with that, I yield back.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Ms. King-Hinds from the great Northern Mariana Islands for 5 minutes.

Ms. KING-HINDS. Thank you, Mr. Chairman.

As we celebrate America's 250th anniversary, one of the greatest lessons that we can learn from small businesses is resilience. I have heard you tell your stories about having to endure the pandemic, have to endure changing regulations, lack of clarity and just the changing business dynamics, right?

And so folks back home, small business back home right now have barely recovered from a super-typhoon that hit us 2 months ago. And as I head back home tomorrow, I have got to board up because another typhoon is on the way, right?

And, you know, the one beautiful thing that we saw after this last typhoon was, you know, these businesses, they lost inventory, you know, they lost their roofs, they lost equipment, but they

quickly came back the next day. They cleaned, you know, they started rebuilding, and people just started helping one another.

And the one thing that I have realized, having been a Member for 18 months, is that, you know, whether you are from the Marianas or from the United States, the continental United States, right, our communities are built by the same values, which is faith, you know, family, hard work, and the belief that tomorrow can be better than today.

And I feel that my responsibility as a Member of Congress is to ensure that you are given every opportunity in terms of, you know, just some of the policies that are out there to thrive so that this country can continue on, you know, this great American path.

So I want to yield the remainder of my time to you, and I will start with Mr. Adornetto to just—you know, if there is one policy that you can change, you know, what would it be? And I want everybody to have equal time, so—I have about 2:50. Please share.

Mr. ADORNETTO. In my industry, credit card swipe fees. They are approaching more in my profit and loss than what I pay for benefits for my employees.

Mr. FREEMAN. For my industry at Murphy's Naturals, we fall under the U.S. EPA, and it would be really helpful from an innovative standpoint if we were able to have ways, have people who could advocate for us for bringing forward new and inventive ways of using natural products that don't necessarily conform to the strict guidelines that are in place now, where we could actually add new ingredients. Because the list has been the same for a very long time on active and inerts.

So to have the ability to introduce new ingredients, natural ingredients, would be a huge help.

Ms. KING-HINDS. Okay.

Mrs. SHYBUNKO-MOORE. Thank you very much for the time. Again, in my industry, I am going to say the word predictability again and ensuring that demand signals are clear for the defense industry, making sure that we are able to buy, again, the raw material that we need to get.

So we need to talk much more about funding and how we can manage cash better in the small business so that we can grow and buy new equipment and grow capability, which I have mentioned.

But the other that I will say with these few seconds left is that I think we have to remember we are celebrating 250 years, and we are all now thinking, what does this next long game look like, the next 250 years? And I am hoping and praying every day, not only in my short life and perspective that I can pass on my company to my family, but also that we just continue to focus again on this long game of small businesses and manufacturing.

I believe, Chairman, you mentioned the architects, right? Well, I am curious what drawings we are drawing right now for the next 250 years of what U.S. manufacturing looks like, and I do hope that we are, again, looking at the long game, the decisions that are going to impact us for these next 250 years. Thank you.

Ms. COOL. So echoing a lot of what my fellow witnesses have mentioned, from me is—needs to be language access. It is not just symbolic to put something in a foreign language so we can access it. The world is global. Our community is global, regardless of what

anyone is thinking. And when we don't provide access in simple language, we are missing a swath of the population.

That is our workforce. That is our future doctors, the future architects. These are the people that are driving the next 250 years. When issues are complex and not easily digestible, we are excluding folks.

Along with language access, one of the main things that can be done is technical assistance, especially around new technologies like AI. It is not going anywhere. So do we have access to resources where small businesses can be supported and learning and implementing those tools so that we are able, then, to function and continue to be competitive?

Ms. KING-HINDS. I am out of time. I yield back.

Thank you.

Chairman WILLIAMS. The gentlelady yields back.

I now recognize Ms. Goodlander from the great State of New Hampshire for 5 minutes.

Ms. GOODLANDER. Thank you, Mr. Chairman.

And thank you to our witnesses for being here today and for sharing your American small-business stories. It is exactly the right spirit for this week, for this moment, because we have gathered in the 250th year of the greatest experiment in self-government that the world has ever known.

Two hundred and fifty years ago this week, the Second Continental Congress—and Congress doesn't get a lot of great reviews these days, but we did do one very good thing 250 years ago, and that was in creating a five-person subcommittee to draft a declaration.

The effort was led by a 33-year-old Virginian, Thomas Jefferson. He spent 17 days in a rented room in Philadelphia. And what he produced, what that congressional subcommittee produced was probably the best thing Congress has ever produced, and it was probably the most consequential document in the history of human freedom.

"We hold these truths to be self-evident"—straightforward, not bureaucratic, just a clear statement that every human being is created equal and entitled to rights, to life, liberty, and the pursuit of happiness.

I had a chance a few weeks ago to spend some time with three extraordinary small businesses in my State of New Hampshire. Our motto as a State is "Live Free or Die." And we have family farmers who have been operating their farms for 250 years. Their ancestors fought in the Revolution, and they are continuing to fight to keep these small businesses afloat.

One of the things I talked about with these three incredible small businesses was, how have you stayed in business for 250 years? And, really, I think the answer to how small businesses, how America stays forever young is a constant reinvention.

And, Ms. Cool, you said it so well, that reinvention is the small-business superpower. It is constantly inventing to solve problems and to seize opportunities. And you have all done that in your own small businesses.

But the throughline, to me, in this hearing has been the absolute urgency in giving you the predictability and the clarity that you need to continue to stay forever young and to fuel our economy.

We know that kleptocracy, that arbitrary and capricious decision-making is the enemy of predictability and clarity. Kleptocracy is bad for small business. Lawless and unconstitutional taxation is bad for small businesses. In fact, they were the sources of the Revolution.

And so, as I have listened to small businesses across the State of New Hampshire, we come back again and again to the unconstitutional, to the corrupt and extremely costly tariffs that President Trump unilaterally imposed on every small business in this country.

We challenge those tariffs in court. We were successful in the Supreme Court. We are pressing for reimbursement for every unconstitutional dollar that was taxed by this President.

Mr. Freeman, you spoke about the impact of tariffs on your small business. Have you sought to be reimbursed for these unconstitutional taxes?

Mr. FREEMAN. Certainly, as a small business, every bit of cash that we can have, that we can deploy is critical. So, yes, I mean, we have submitted for refunds of tariffs, and——

Ms. GOODLANDER. And have you received those refunds?

Mr. FREEMAN. No, but we just received an update, actually, yesterday that we will be receiving a credit, and actually coming through one of our vendors who actually imported—they were the importer of record—and they let us know about a credit that we would be receiving.

And we just recently were able to go through the process of getting on the portal and submitting for those that we had purchased directly from overseas suppliers.

Ms. GOODLANDER. Well, the amount of time and effort and cost that has been put on every small business in this country to recoup taxes that never should have been imposed in the first place is outrageous.

We are working around the clock to press this administration to issue these reimbursements way more quickly and with way less red tape and hassle. You shouldn't have to have an army of lawyers to be able to get back what is owed to you and never should have been taken from you in the first place.

So I thank you all for being here today.

And, with that, I yield back, Mr. Chairman.

Chairman WILLIAMS. The gentlelady yields back.

I now recognize Mr. Patronis and one of the great entrepreneur restaurateurs in Florida, from that great State, for 5 minutes.

Mr. PATRONIS. I got so each excited about Adrian being here, I am telling you. So thank you, Mr. Chairman. This is a cool slate of folks you invited up, no offense to anybody else.

But I am going to nerd out a little bit. My family has been in the same family restaurant business for 70 years. My uncle and dad started it back in 1958, and now my kids are working there, so three generations. It is tough; it is tough working with family.

And, yeah, you are singing to the choir when you speak "interchange fees" and "card swipe fees." Not everybody here under-

stands what that means, but everybody here that has a credit card—every single one of you use a credit card when you go out to eat. But did you know that, at Adrian's restaurant, every time you swipe that card, it costs him anywhere from 4 to 5 percent out of his pocket so you can get your miles, so you can get your rebates, you know? It is great when you use that Costco card and you get 3 percent back, but you probably didn't realize Adrian is the one paying for it. And so, yeah, the credit card swipe fees is something.

And we are in a society now—back when I was in the State legislature, I even advocated for a bill that said businesses had to take cash, because I still feel like there is an importance to having legal tender that is not, you know, some credit-card-managed, you know, type of doing business.

But it is what it is. We are in a society now where credit cards make up 75 percent of your business—or more, you know, yeah.

But that is—look, it is—but thank God, you know, it is intoxicating, the restaurant business. Where else do you get to see somebody celebrate an engagement or an anniversary or a birthday? And they can go eat at anybody's restaurant in the whole entire town, but he decided to come to yours, you know? And so it is exciting to see.

I will ask some questions.

I am assuming, as long as your business has been around, is your dad still around?

Mr. ADORNETTO. No, sir. My dad passed away in 2023.

Mr. PATRONIS. Yeah. I lost my dad in 2020. So my dad and uncle were partners. They shared a desk, you know? They worked shifts.

My brothers—I was there for 30 years, and then my brothers now still—I am the baby—we still—to kind of get along from keeping at each other's throats, they still clock in and clock out. If you want a paycheck, you are in the building taking care of the customer. If you are not there taking care of the customer, then no sense in being paid. So now, since I am in Congress, I don't get paid.

So, when you worked through that transition——

Mr. ADORNETTO. Uh-huh.

Mr. PATRONIS.—did you have siblings also in the business with you?

Mr. ADORNETTO. I did not. I did not. I was an only child.

We, actually, Congressman, share the same starting year—1950, I think I heard you say——

Mr. PATRONIS. Yeah.

Mr. ADORNETTO.—and that is when my father started his.

No, I am an only child, so the barrier wasn't that I didn't want it and worked for it to have the opportunity to talk to my father. My father wanted me to take it over. For us, being a small business, it was just the access of, how do we do this? The legalities.

Mr. PATRONIS. Yeah.

Mr. ADORNETTO. Watching for what tax implications we could trip into; talking to accountants.

And they were all great people and professionals that helped us out through it, but we spent a lot of time. And it got to one point where—I believe we were 6 months in—I said, "Hey, listen. The

founder wants to do it. He has a buyer; it happens to be his son. Let's figure out these legalities and the tax implications and let's get this done." We just dragged out money and bills and further and further.

So it was a good situation. I do know a lot of family businesses, maybe some on this panel, that have different family members, whether it is aunts, uncles, siblings, that could be quite contentious. And that is unfortunate, because that is how some businesses lose——

Mr. PATRONIS. Sure.

Mr. ADORNETTO.—and fall apart and families split apart. So——

Mr. PATRONIS. And then those are the struggles we are going through right now. Now I have—it was just four boys working for my dad, and my uncle had no kids, but now all my nieces are in it. And so my mom went from having four boys to seven granddaughters. So now the business is overrun with women running it now—which is great. They do a great job.

Mr. ADORNETTO. Uh-huh.

Mr. PATRONIS. But it is—it is still—as much as I would love to work with my family every day, some days I would love to, you know, vote them off the island because of the challenges you run into.

We——

Mr. ADORNETTO. My kids are right there. I don't want them to vote me off the island.

Mr. PATRONIS. It is okay. You don't have stock yet. But maybe if he takes advantage of the tax law, he will start gifting you the maximum amount every single year early on.

But it is—it is just an honor to see, still, people wanting to be in the restaurant business. What you have, you could not start it today. And, you know, God bless your dad for doing what he did.

Mr. ADORNETTO. Thank you.

Mr. PATRONIS. I yield, Mr. Chairman.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Mr. Schmidt from the great State of Kansas for 5 minutes.

Mr. SCHMIDT. Thank you, Mr. Chairman.

And I appreciate the witnesses being here. It has been a pleasant discussion to listen to, with folks, sort of, analytically discussing information. It doesn't always happen around this place. I was in a hearing yesterday in a different committee where I was, embarrassingly, between two folks shouting at each other, and I carefully read my notes while trying to look impartial.

I had just a handful of questions.

I was thinking about that famous line that President Reagan used, "The nine most terrifying words in the English language are, 'I'm from the government, and I'm here to help,'" and thinking about what I would characterize as part of the intellectual tension that I have heard discussed here. On the one hand, we need certainty, we need government policy that is predictable, we need to not be whipsawed all the time. I understand that. And, on the other hand, sort of, the spirit of 1776. There are times when you just have to make bold change and you are worried a little less

about the short-term uncertainty and a little more about the long-term trends and, kind of, where you are headed. And those have been in tension throughout our history.

So a couple of questions along that line.

Regulatory reform, generally—I always love the, sort of, top-line back-and-forth debates that you hear about, are regulations good or bad? And the answer is, they are both. They often have good purpose, and many of them we need. And, on the other hand, it is possible to have too much of a good thing, and you impose compliance costs that are unnecessary and create other harm, right? And so it is a balance.

I have pointed out before that, the year I was born, in 1968, the Code of Federal Regulations—which, of course, is the compiled list of all of the law made by bureaucrats, made by folks with authority we have delegated to them in Congress—was about 50,000 pages. Today, it is about 200,000 pages. It has quadrupled in my lifetime.

And I guess I would just invite—we will just go down the line, in the time I have—I would invite you to comment on regulatory compliance costs, and are there areas we should be looking, from your vantage point, where perhaps we have gone overboard and we could scale it a back a bit, free up some—some freedom of motion on your part?

Mr. Adornetto?

Mr. ADORNETTO. You know, the first one that comes to my mind is the Affordable Care Act. As a small business, I was stretching around everywhere trying to find, how does this work? What can I do? What is my resource? I even called the 1-800 number at the time, going back to 2013-2014. Still get confused by it. I have talked to insurance agents that I try to deal with, and they are confused by it.

Recently, we retired a brand that was 51 years old that we didn't mention in my testimony. As a result of that, I went from a large employer, if you can believe it or not, three restaurants, in rural Ohio, open in the evening—so a large employer to a small employer.

Mr. SCHMIDT. Uh-huh.

Mr. ADORNETTO. Just that change alone was about $3,500 a month, for virtually the same healthcare that we had prior, because of status.

And so that is where I have some ongoing issues with trying to figure out the regulations on that and make sure that I am staying compliant, make sure I am doing the right paperwork—because I do all of our own payroll and things like that in-house—and just make sure we are not getting ourselves in trouble.

Mr. SCHMIDT. Thank you very much.

Mr. Freeman?

Mr. FREEMAN. Thank you for the question and opportunity to speak to it.

I mentioned EPA regulatory earlier. Another thing that is a challenge there—and, definitely, the EPA, you know, serves its purposes, but there are challenges for small businesses, too, when you have red tape that you have to work through.

Each individual State, many of them—I would say about 37 to 38 of them—have their own regulatory bodies, but sometimes they

are in conflict with one another, and we have to hire consultants. Those consultants are very expensive.

It would be nice if there were greater coordination between the U.S. EPA and the State bodies to streamline that so we didn't have the conflicting regulations between them.

But that would be something that would be incredibly beneficial to us, to have one guiding policy for repellant products.

Mr. SCHMIDT. Thank you very much.

Time is tight, but Mrs. Shybunko-Moore?

Mrs. SHYBUNKO-MOORE. Sure.

So, in my business, Federal Acquisition Requirements are everything. And so my issue right now is: Obviously, we are advancing technology in the sector, manufacturing sector, but the federal regulations flow-down with cybersecurity right now are incredibly burdensome.

I don't think the flow-down of the supply chain on small businesses was necessarily assessed in terms of how it impacts operations every day, and I think we need to look at how we are flowing down the cybersecurity requirements with CUI and other issues.

Mr. SCHMIDT. Thank you.

Ms. Cool, I have 2 seconds, if you want to speak fast.

Ms. COOL. Super-fast. Procurement.

Chairman WILLIAMS. If you wouldn't mind saying it one more time?

Ms. COOL. Procurement. Simplifying procurement.

Mr. SCHMIDT. Thank you, Mr. Chairman.

Thank the witnesses.

Chairman WILLIAMS. The gentleman yields back.

Now we recognize Mr. Jack from the great State of Georgia. And it appears all the "little Jacks" are here.

Mr. JACK. I wish that were the case, but, Mr. Chairman, I am delighted to be joined today by my former high school basketball coach. And you, as the coach of our congressional baseball team, I thought he could hopefully share some embarrassing stories about me to you.

But I want to acknowledge Coach Michael Wylder and his wife, Kathy, and their entire family for coming.

Thank you.

And they are here to celebrate America's 250th birthday, as are we all this weekend.

And to celebrate, last year, the President of the United States enacted H.R. 1, the Working Families Tax Cuts. And I would like to start my line of questioning hearing from the small-business owners before us as to how helpful H.R. 1 was and continues to be to your business.

So, if we could start with Mr. Adornetto, I would welcome your comments and feedback.

Mr. ADORNETTO. Forgive me. I am not well-versed on that. Can you explain what those tax cuts——

Mr. JACK. The One Big Beautiful Bill Act.

Mr. ADORNETTO. Thank you.

Mr. JACK. Yes.

Mr. ADORNETTO. Of course, I mentioned in my opening testimony, but I will reiterate: the accelerated depreciation, where I can buy equipment, American-made equipment—True out of St. Louis, Missouri; Manitowoc ice machines out of Manitowoc, Wisconsin. They were great help to us in accelerating doing remodels and facelifts to our restaurants.

Mr. JACK. Wonderful. Thank you.

Mr. Freeman?

Mr. FREEMAN. Yes, sir. Definitely, when you take passthrough organizations, making those tax cuts permanent so that we are more in line with the C-corp type corporations, that is a big deal for us as well, to make those tax cuts permanent.

Mr. JACK. And if I can ask you as well, Mr. Freeman, what more could Congress be doing to make life easier and more affordable for small business?

Mr. FREEMAN. In a little bit different vein, access to capital. That is the biggest thing and has been the biggest challenge and hurdle for us, is having access to capital sufficient for the growth that we have in front of us and the opportunity.

Mr. JACK. I should ask Mr. Adornetto.

Mr. ADORNETTO. I would actually have to agree. Again, going through a restaurant remodel, that was one of the hardest challenges, was to access capital and to get hands on money to reinvest in an industry that sometimes banks don't want to open their pocketbooks for.

Mr. JACK. One of the issues I care deeply about is deregulation, and would welcome thoughts from both of you gentlemen on deregulatory efforts, what you would like to see accomplished across that as we have a few more months left in this Congress.

Mr. ADORNETTO. I welcome deregulation. There are some things with—some regulatory things with healthcare that I would probably be more concerned with more than anything else.

Mr. JACK. Sure.

Mr. Freeman?

Mr. FREEMAN. From a regulatory perspective, I understand regulation. I would say, when it goes too far and it is a hindrance to business and the progress of business, anything that can be done to help reduce the friction for small business would be incredibly helpful.

Mr. JACK. Mrs. Shybunko-Moore?

Mrs. SHYBUNKO-MOORE. I would say, any tax policy that promotes growth is obviously critical—so the immediate expensing in regards to capital investments that I am making, the R&D tax that was done.

Anything that puts more cash into my operations, where I can then reinvest and, again, be innovative and be that entrepreneur that we are, is critical.

Mr. JACK. Well, Mr. Chairman, I want to highlight just a few of the things that I have heard from constituents in my district—specifically, what we accomplished 1 year ago this Saturday.

We prevented the largest tax increase in American history by making President Trump's tax cuts permanent, saving the average American family from a $1,700 tax increase.

We delivered the largest tax cut in American history for working and middle-class Americans, including an estimated 15-percent tax cut for Americans earning between $30,000 and $80,000 annually.

We preserved the double standard deduction for more than 90 percent of taxpayers, strengthened the Child Tax Credit, and eliminated taxes on tips, taxes on overtime, so hardworking Americans can keep more of what they earn.

I also want to note, specifically in my home State of Georgia, since H.R. 1 became law, manufacturers have announced billions of dollars in new investments, not just across the country but also in my State, including new steel mills, pharmaceutical facilities, battery plants, and advanced manufacturing projects.

In my home State of Georgia specifically, companies have announced a $223-million rare-earth magnet manufacturing facility and a $400-million poultry processing plant, which means a lot to our farmers, means a lot to the ag community in Georgia. So, for those actions and stories that I have heard from my district, I am very grateful.

I wish you all well this weekend. I hope you are able to enjoy the festivities.

And, Mr. Chairman, I applaud you for hosting this committee hearing. I hope, 250 years from now, people are looking back to our transcript and enjoying the conversation we had as our country celebrates its 500th-year anniversary 250 years from Saturday.

I yield back.

Chairman WILLIAMS. Three of us have already committed to be here 250 years from now.

The gentleman yields back.

And, now, before we close, I have another question, as does the Ranking Member have a question.

So let me say this. Each of you is part of a multigenerational business or has got the potential to have one and pass one down to generations. And my business back in Texas, we now—I am second generation, third generation is running it, and fourth generation is coming down on Saturday. So we are pretty excited about that.

And I was glad to see the federal income tax exemption go from $15 million per person to $30 million per couple under the Working Families Tax Cuts.

So what does that—you know, we talk about, always, we are saving the family farm, we are doing this and that. But it is not the family farm we are saving, it is all businesses, by being able to pass this down without having to pay taxes.

So what does this change mean to you, and how does it impact your business, to pass your business on to the next generation? Maybe each one of you can answer that.

Mr. ADORNETTO. Very grateful for the change. It is greatly impactful. It will help in our situation.

Hopefully, Mr. Chairman, I will be living many more years to come, but I hope that that stays that level or possibly increases and other vehicles to help out in passing a family business down to the next generation.

Chairman WILLIAMS. Yeah.

Mr. FREEMAN. Yes, sir. As the founder of our companies, one thing that would be meaningful for us is the ability to tweak what has been put into place.

For us, if you are a C corp, there is the founder discount, which is significant when there is any sort of transaction for the company. But we were established originally as an S corp, so not eligible for that reason.

So, if it could be expanded to S corps that later became C corps—which we did—that would be very meaningful for our particular situation.

Chairman WILLIAMS. Thank you.

Mrs. SHYBUNKO-MOORE. I think, in my industry, the unpredictability is the only thing that is predictable. So any decisions that are made that can, again, provide stability is critical for me.

Anything that we can do to invest and reinvest not only in my company but in regional manufacturing and national manufacturing is just something that I am incredibly passionate about.

And so I want to make sure that when you are making decisions, that they are based on entrepreneurship and innovation and risk mitigation and how do we create the best manufacturing companies in this next generation and, more importantly, how do we stay relevant with the pace at which technology is moving.

Make sure that we are looking at steps that can be made so that, again, we can continue to pass on our companies and keep them private. Right? That is important to me, personally, that my sons are able to maintain private ownership and that it maintains a manufacturing company, not a financial company. I think that is something we have to focus on.

Chairman WILLIAMS. Okay.

Ms. Cool?

Ms. COOL. Yeah. For me, it is similar.

You know, we haven't been able to explore all the benefits. I mean, definitely have to engage my accountant and my lawyer on that. And, similarly, we are an S corp, so there is definitely opportunity—or additional cost—for me to figure out how to do this.

And I will echo what my fellow witnesses have mentioned. When major legislation like this is passed and we aren't looking at small businesses and seeking their input in advance, we have to catch up.

So, as long as we are investing the energy to ensure we have the resources to hire, to invest over the long haul, to think about the next generation, my own children, 22 and 24, how they can come into the business—all these pieces take time to plan.

Chairman WILLIAMS. All right.

I yield back, to the Ranking Member.

Mr. OLSZEWSKI. And I thank the Chairman for an opportunity to go a little deeper.

Thank you all again for your time.

I have a quick observation and then a quick question, I hope.

One is, it seems clear: Access to capital—huge issue. Yes?

Yes.

Yes.

Yes.

I have heard it over and over again from this panel, and I couldn't agree more—which is why I am concerned about a change that the SBA made back in February of 2026 around lending policies that would bar all small businesses with any amount of ownership by non-citizens lawfully in the U.S. from participating in the flagship 7(a) and 504 CDC lending programs. That change was subsequently extended to the surety bond and microloan programs.

And so my concern is, as we are talking about access to capital, we are affirmatively taking away access to capital through some of these changes.

And so, since I didn't have time before, I just wanted to add to the record again and ask unanimous consent to put a letter of concern that Members from the Committee have shared, Mr. Chairman.

Chairman WILLIAMS. So moved.

Mr. OLSZEWSKI. Thank you.

And I just would reiterate that I hope that we can do something on that issue. I think it is a very specific, tangible way that we can make access to capital available for more people, and would welcome you all in that work.

My question is really around housing, about, sort of, the cost of housing generally.

Mrs. Shybunko-Moore, I know that you spoke specifically about the Long Island press—if others want to weigh in as well—but just, sort of, talking about—can you talk briefly about, sort of, the impact you are seeing for employees as the cost of housing for starter homes is now over a million dollars in many places—people are turning 40 before they can buy their first home—and just what you are seeing on that landscape.

Mrs. SHYBUNKO-MOORE. Sure. And Long Island certainly is facing a lot of housing issues. So I will say that I have been working with local legislation on whether there can be an employee-employer effort to where we can somehow assist with their downpayment. I think that is something that had been done years ago in Long Island. I would love to see that in our region and then broadly as well, because I think they do need assistance, and I think that owning a home is an American dream that everyone should have before they are 50.

So, you know, it is something—and when I am looking at, obviously, the operations of my company, I am concerned about all the costs that my employees are trying to carry and, obviously, trying to maintain my workforce. It is hard to attract people to Long Island, it is hard to attract people to New York, because of the cost of living.

So I think we need to be creative in the way that we can somehow work with families and government and private businesses to figure out if we can find a solution with all those parties involved.

Mr. OLSZEWSKI. Yeah. I appreciate that.

I saw a lot of head-shaking, so, in the interest of time, I will take that as agreement.

I would love to have this Committee continue to engage with you and others about, to the extent it is in our purview, finding those kinds of opportunities to do partnerships with business to make homeownership more real.

I will just note as I conclude: Very proud of the ways in which this Congress passed an overwhelmingly bipartisan housing package. Probably the only major item of significance that I have seen be that kind of bipartisan approach that overwhelmingly addresses cost of living and some of those issues without some of the back-and-forth or the concerns that we have had.

There are some provisions, for example, in the reconciliation package that I actually supported, like the no tax on tips, like the no tax on Social Security, like the depreciation. There are other elements I think are problematic for Americans and for small business.

But this was legislation that was overwhelmingly bipartisan, will have the impact of lowering costs. I think it is the model for our way forward. It is why I really appreciate the partnership I have had with the Chairman in passing out some bipartisan legislation from this Committee. I echo Representative Tran's sentiments. We hope to see the Senate move on them.

It is not a "big yawn," as the President said. I think it is important, it is impactful. And I hope that we can keep working with all of you to keep making progress on that legislation.

And, again, I thank you for the time, and I yield back.

Chairman WILLIAMS. The gentleman yields back.

I have three of my fellow Congressmen here.

Do you all have about a 1-minute question real quick?

Mr. PATRONIS. I think all I want to plug, Mr. Chairman, is a very special opportunity for our guests here, just because the American 250 display is going to be in the Rayburn Room, especially for the little guys. That is at 1:30 to 3:30.

We are going to have James Madison's copy of "The Federalist," we are going to have the second printing of the Declaration of Independence, and we will have an original letter from Thomas Jefferson celebrating the 50th anniversary of our country.

So anybody in the room could stop—the Rayburn Room is right across from the House Chamber.

Chairman WILLIAMS. Congressman Schmidt?

Mr. SCHMIDT. Thank you, Mr. Chairman. Just appreciate the witnesses.

Chairman WILLIAMS. Congressman Jack?

Mr. JACK. I echo Mr. Schmidt. Thank you.

I yield back.

Chairman WILLIAMS. All right.

I would like to thank our witnesses for their testimony and for appearing before us today.

It has been a great hearing. And we always like to say that—you see a lot of hearings on TV. Some go different directions. This Committee here, we really do work hard to be bipartisan, and it shows, what we get out of here. And I appreciate all the Members.

And, without objection, Members have 5 legislative days to submit additional materials and written questions for the witnesses to the Chair, which will be forwarded to the witnesses.

I ask the witnesses to please do that promptly.

And if there is no further business, without objection, the Committee is adjourned. Thank you.

[Whereupon, at 11:36 a.m., the Committee was adjourned.]

APPENDIX

Four Generations of the American Dream

Written Testimony of Adrian Adornetto

Before the House Committee on Small Business
July 1, 2026

Chairman Williams, Ranking Member Velázquez, and distinguished Members of the House Committee on Small Business:

Good morning. Thank you for inviting me to testify before you today. It is both a privilege and a tremendous honor to appear before this Committee to share my family's story and what entrepreneurship has meant to generations of Americans like mine.

I am also grateful to have my wife, Erika, with me today, along with our children—Enzo, Giada, Gabriella, and Jase. They are the reason this work matters, because everything my family has built has always been about creating opportunity for the next generation.

My name is Adrian Adornetto. First and foremost, I am a husband and a father. I am a proud American by birth, Sicilian by heritage, an entrepreneur by calling, and a product of the American Dream.

To understand why I am here today, you first have to understand where my story began.

My grandparents, Philip and Catherine Adornetto, came to this country from Sicily with hope, determination, faith, and an unwavering belief in the American Dream. My grandmother was only nine years old and my grandfather was just sixteen when they left everything they knew in search of opportunity in America.

They settled in Zanesville, Ohio, where they raised three sons: Anthony, Alfred, and my father, James "Jim" Adornetto. My Uncle Anthony became a doctor of optometry. My Uncle Alfred built a successful career in corporate leadership. My father chose entrepreneurship.

With the encouragement and sacrifice of his parents, my father opened Adornetto's Pizzeria in 1958 when he was just nineteen years old. He later opened The Old Market House Inn in 1974 and Giacomo's in 1994.

I was born in 1977 and grew up during the 1980s. My parents divorced when I was young, but they both made sure I always had a close relationship with each of them. I spent much of my week with my mother and weekends with my father in the restaurants.

My first boardroom was not in a corporate office. It was every Sunday morning after church, around the breakfast table, where my grandparents, father, aunts, uncles, and relatives discussed the previous week's business—what worked, what did not, and how to improve. Looking back, that was my first board meeting.

When I was thirteen, my grandmother trained me at the host stand. She watched everything. If my hands were in my pockets, if I failed to greet guests warmly, or if I forgot to thank them for coming, I knew I would hear about it. Then she challenged me to learn every guest's name. She was not just teaching hospitality. She was teaching respect.

My grandmother often reminded me, "To be book smart is great. To be street smart is great. To be both is where I want you to be." Johnson & Wales University in Providence, Rhode Island gave me knowledge. My family business taught me wisdom.

Growing up, I dreamed of becoming an actor. My family never pressured me into the restaurant business. They encouraged me to pursue whatever would make me happy. But over time, the restaurant business found me.

I fell in love with the energy, the teamwork, the busy nights, the waiting lists, and the opportunity to create memorable experiences for guests.

In 2013, my father and I completed the transition of the family businesses. I purchased the operating businesses while he retained the real estate. We did not want it to be an inheritance. We wanted it to be a transition. We were father and son first, business partners second.

My father continued working alongside me until Alzheimer's disease gradually changed our lives. He passed away peacefully in February 2024. I miss him every day, but I carry with me the lessons he taught about leadership, humility, and treating people with dignity.

Those lessons also shaped the way I viewed leadership beyond my own restaurants. Small business owners have a responsibility not only to their own companies, but also to their employees, their communities, and the industries that help support local economies. I saw that firsthand through my service as Chairman of the Ohio Restaurant & Hospitality Alliance, where I had the opportunity to work with and advocate for restaurant and hospitality businesses across our state.

That experience reinforced something I had already learned in my own family business: small business leadership matters. It matters in the way we train young workers, support local suppliers, create gathering places, respond during hard times, and speak up for policies that allow entrepreneurs to grow, reinvest, and serve their communities.

As I reflect on my family's journey, I realize something important. My grandparents came to this country from Sicily with hope, determination, faith, and a belief in the American Dream. Their children became proud Italian Americans. My generation grew up simply as Americans. America is the only home I have ever known, yet I remain deeply proud of the Sicilian heritage, values, faith, love of family, resilience, and work ethic my grandparents passed down to us.

Looking at my wife and our children sitting behind me today, I cannot help but think about my grandparents. They could never have imagined that one day their grandson would have the privilege of appearing before the United States Congress to tell their story.

My grandparents sought the American Dream. My father spent his life building it. I have been blessed with the opportunity to continue it. Now my greatest responsibility is to preserve it for my children and, I hope someday, for my grandchildren.

But preserving that dream requires more than family pride. It requires a business environment where small businesses can survive, reinvest, hire, and pass opportunity on to the next generation.

Running a restaurant has never been easy. Over the years, we have faced recessions, supply disruptions, inflation, labor challenges, and rising operating costs. Each one has been a gut check. But nothing compared to COVID, which nearly shut us down permanently. We survived because of our employees, our community, and our ability to adapt. In the 1970s, my father had the foresight to add a drive-thru to our business. Decades later, that decision became a lifeline during a global pandemic.

I have spoken a lot about my immediate family, but there is also my employee family. My family's businesses would not be where they are today without the thousands of Ohioans who have worked with us over the past six decades. Many started in entry-level jobs as teenagers, saw the opportunity this industry offered, and worked their way into positions of greater responsibility. Some have stayed for decades and now serve in leadership roles.

I think of NAME, a longtime employee who began working with our family 51 years ago while also teaching in our community. He is now retired from education, but he still works with us and helps manage one of our newly renovated locations. Stories like NAME'S remind me that restaurants are not just places to eat. They are places where people build careers, relationships, and lives.

I am grateful to Members of Congress who recognize that small businesses are still carrying burdens from the pandemic, inflation, and rising costs. Tax provisions such as accelerated depreciation make a real difference. They allowed me to reinvest in my

business, complete overdue improvements, renovate locations, and hire local Ohio contractors to do the work.

Family businesses do not simply pass down recipes. They pass down values, responsibility, work ethic, integrity, and the belief that every generation should leave something better than it found.

Restaurants and small businesses like mine are part of the American fabric. For nearly 250 years, entrepreneurs have helped define who we are: independent, hardworking, community-minded, and hopeful about the future. To our patrons, we are gathering places for first dates, anniversaries, birthdays, sports celebrations, and family milestones. To our communities, we are employers, training grounds, taxpayers, and anchors of local economies.

Thank you for allowing me to share my family's story. It is, in many ways, the story of America. May God bless our small businesses, the families who build them, and the United States of America.

Committee on Small Business

"250 Years of American Legacy: Small Businesses and the American Dream"

July 1, 2025

TESTIMONY OF PHILIP FREEMAN

Founder & CEO, Murphy's Naturals

Founder, The Loading Dock

On Behalf of the

U.S. CHAMBER OF COMMERCE

Chairman Williams, Ranking Member Velázquez, and distinguished Members of the Committee:

Thank you for the opportunity to testify today. My name is Philip Freeman. I am the Founder and CEO of ***Murphy's Naturals***, a certified B Corporation based in Raleigh, North Carolina, that creates plant-based mosquito repellents and outdoor lifestyle products. I am also the Founder of ***The Loading Dock***, a collaborative coworking and cowarehousing community serving entrepreneurs and small businesses across 3 locations in and around Raleigh, North Carolina. I employ over 60 full-time team members, and The Loading Dock supports nearly 1,300 members and 450 companies, entrepreneurs, non-profits, and start-ups. I appear before you today on behalf of the U.S. Chamber of Commerce, where I am proud to serve on the Small Business Council, which exists to give American small businesses a seat at the table and a voice in the debate.

As we mark 250 years of American independence, I can think of no more fitting occasion to reflect on what has always been the engine of this nation's prosperity: small

business—founded and run by people who see problems, refuse to accept them, and build solutions to solve them.

My Story Is America's Story

I did not start my entrepreneurial journey in a boardroom or a venture capital office. I started it in my garage in Raleigh, North Carolina, in 2013, and before that, I worked on the apple and beef cattle farm where I was born and raised in the Blue Ridge Mountains of Virginia. It was on that farm where I saw small business in practice every day and witnessed what it took to survive and thrive—hard work, ingenuity, teamwork, and perseverance.

Prior to my entrepreneurial venture, I spent eight years as a Deep-Sea Diving Officer in the United States Navy and twenty-three years in corporate America. I filed away business ideas for decades, telling myself the time wasn't right. Then one day I realized: if I never started something, I would look back in later years with regret.

The origin idea for Murphy's Naturals came from a simple problem at home. My wife, Pam, is a mosquito magnet. She can barely walk to the mailbox without getting bitten. For me, life was spent outdoors, but for Pam, it was a constant battle unless she used the chemical-based repellents on the market. Neither of us cared for the feel of chemical repellents, so she challenged me to find a natural, effective solution for mosquitoes. I searched for a natural alternative, and I couldn't find one that worked well enough. So I decided to solve that problem and figured one out myself.

That is the American story. That has always been the American story. A person identifies a need, takes a risk, and builds something from nothing.

Once I came up with a solution that worked for us at home, I figured there must be many more mosquito magnets who would love a natural, effective solution. Because I always wanted to start my own business but never had, I decided this would be the venture to pursue. So I launched a company in our garage and named it after our dog, Murphy. From that point, Murphy's Naturals has grown into its current 120,000-square-foot manufacturing and distribution facility, where 85% of our products are made. Today, Murphy’s Naturals products are sold nationally at small and major retailers as well as online. We have a passionate team of people who, like me, believe that a company can do good and do well.

From One Problem to Two Solutions

In Murphy's Naturals' early years, I faced a new challenge: space. I needed a warehouse, but traditional commercial leases were rigid, expensive, and designed for larger, established companies—not for a scrappy startup trying to scale. Post-garage, my first space was only 2,000 square feet, but it had a loading dock, which was critical to

operations. This first lease had to be personally guaranteed and required a multi-year commitment. I outgrew it within six months and ended up stuck in a space that was too small for our growing small business.

When looking for a new location, I had the opportunity to rent much more square footage than Murphy's needed at the time. Because of my location and spacing challenges I faced early on in my entrepreneurial journey, I decided to commit to that extra space and provide space to fellow entrepreneurs. Thus, The Loading Dock was born.

In 2016, The Loading Dock opened its flagship campus—Dock 1053 near downtown Raleigh. The Loading Dock was created as a shared coworking and cowarehousing community for entrepreneurs facing the same challenges I did. Today, The Loading Dock has three locations across the Raleigh area and serves founders, nonprofits, growing startups, and established companies who need flexible, affordable space to grow. It also serves individuals who need a conducive workspace within a supportive community. Together, we have created a small-business ecosystem that fosters peer-to-peer learning. Our slogan, *Better Together*, rings true every day.

This is what American small business owners do. We don't just solve our own problems—we build infrastructure that helps others solve theirs.

What Small Businesses Need to Thrive

Members of the Committee, I am here today not just to share my story, but to speak on behalf of the millions of small business owners across this country who are working just as hard—and who need your support to succeed.

From my experience, and from the experiences of the entrepreneurs I work alongside every day at The Loading Dock, I want to highlight several priorities:

1. **Access to Flexible, Affordable Space and Capital**

   The single greatest barrier I faced—and that I hear about constantly from fellow entrepreneurs—is access to affordable space and capital in the early stages of growth. Long-term commercial leases are designed for large corporations, not for a founder who needs 2,000 square feet today and 20,000 square feet in six months. Cowarehousing and coworking models like The Loading Dock are filling this gap, but Congress can do more by supporting programs that fund flexible small business infrastructure and by expanding access to SBA lending tools.

2. **Regulatory Clarity**

   When I was developing Murphy's Naturals, I learned firsthand how complex federal regulatory requirements can be for small product manufacturers. I once developed a formulation using a highly effective natural ingredient from the Brazilian Amazon —

only to discover it was not on the EPA's approved list, sending me back to the drawing board after months of work. I am not arguing against regulation—I believe in responsible stewardship. But I am asking that regulatory agencies provide clearer, more accessible guidance for small businesses navigating compliance, so that entrepreneurs are not penalized simply for not having a team of lawyers or regulatory specialists on staff. This Committee deserves credit for holding federal regulators accountable for their impact on small businesses. I am grateful for your efforts and urge you to continue. You are making a difference.

3. Pathways for Veterans and Career-Changers to Become Entrepreneurs

I left the Navy and spent over two decades in corporate America before I became a founder. Even though my first business concepts came to me while I was still on active duty, it wasn't until my late forties that I started Murphy's Naturals. There is a stereotype that entrepreneurs are twenty-something geniuses in dorm rooms—but the reality is that some of the most successful founders are people who spent years accumulating experience, skills, and wisdom before they took the leap. I now mentor veterans looking to start businesses through The Loading Dock and organizations such as The Honor Foundation. I can tell you the demand is enormous. The U.S. Chamber Foundation's Hiring Our Heroes program guides transitioning veterans through the realities of business ownership and partners with sponsors such as the FedEx Founder's Fund, Visa, and USAA to provide grants that help veteran- and military spouse-owned small businesses sustain and grow their local impact. Congress should continue to shine a positive spotlight on these programs and more like them.

The American Dream Is Still Alive—But It Needs Tending

Two hundred and fifty years ago, the founders of this nation bet everything on a radical idea: that free people, given the opportunity to pursue their own vision, would build something extraordinary. They were right. And the proof is not just in our history books—it is in every garage, every spare bedroom, coffee shop, and every cowarehousing bay where someone is mixing a formulation, writing a business plan, or packing their first order.

The American Dream is not a relic. Its vibrancy is evident in Raleigh, North Carolina—The Oak City. It is alive in every community represented by the Members of this Committee. Much like a single acorn that is planted in the ground has the potential to become a mighty oak, the smallest of small businesses has the potential to become a prosperous company. But it requires tending. It requires policies that lower barriers, expand access, reward responsibility, and trust the ingenuity of the American entrepreneur.

I waited a long time to become a founder. I am grateful every day that I finally did. I am here today because I believe this Committee has the power to make it easier for the next Philip Freeman—whoever and wherever they are—to take that leap a little sooner, with a little more support, and a little more confidence that their country has their back.

Thank you. I welcome your questions.

Written Testimony of Anne D. Shybunko-Moore
CEO and Owner, GSE Dynamics
U.S. House Committee on Small Business
Full Committee Hearing on "250 Years of American Legacy: Small Businesses and the American Dream"

July 1, 2026

Thank you, Chairman Williams, Ranking Member Velazquez, and members of the House Small Business Committee. My name is Anne D. Shybunko-Moore, and I am the CEO and owner of GSE Dynamics. GSE Dynamics is a defense manufacturer located on Long Island, New York, specializing in providing complex structural assemblies direct to the United States Air Force, Navy, and Army. Our over 90 employees provide components for complex military technologies, including military helicopters, the A-10 Warthog Thunderbolt, B-1 and B-52 Bombers, C-5 and C-130 military transport planes, M1 Abrams tanks, and a variety of military submarines, amongst many others.

GSE is a family business that was founded by my father, Daniel Shybunko, in 1971 — the same year I was born. Owning and operating a small business has been part of my family for my entire life. At the time when my father founded the company, he was still employed as a structural engineer at Grumman Aerospace, now known as Northrup Grumman. His decision to found GSE Dynamics was encouraged by Grumman, who recognized my father's capability for engineering and design and suggested that he open a part-time company for its aerospace division. That's exactly what my father did, and for 8 years after the founding of GSE Dynamics, my father remained employed with Grumman and ran the company part-time. In 1978, after 25 years of service at Grumman, my father left to focus on GSE Dynamics.

He continued to grow the company and eventually GSE moved to our new home in Hauppauge, NY, located on Long Island. Though I had been going to the factory floor with my dad since I was five, I didn't join the company until 2001 when my father invited me to leave the medical industry and join him as Vice President at GSE Dynamics. In 2003, GSE became a Woman-Owned Small Business and I continued to work beside my dad until his passing in 2019. We were strategic in how we built the company, expanding capability and broadening our core competencies.

GSE is now a national leader in manufacturing, assembly, testing, and inspection of complex mechanical structural assemblies across a broad range of military applications. In addition to aerospace manufacturing, GSE is proud to be a part of the legacy of submarine manufacturing started in 1899 by John Phillip Holland. In 2005, GSE acquired the periscope mast fairings unit of General Dynamics Electric Boat and is a critical supplier to the U.S. Navy's nuclear submarine fleet.

GSE has also taken on a leadership role on Long Island in working with our industry colleagues, educational partners and other regional stakeholders in building an overall strategic plan for regional manufacturing.

At GSE Dynamics, we are incredibly proud of the work we do to support our military, and to be a part of the rich history of manufacturing in America — a history that is built on resilience, innovation and collaboration in our home of Long Island.

Long Island: The Cradle of Aviation

Long Island has been a central piece of the aviation industry since the invention of the airplane in 1903. Our location offers us adjacency to New York City, while our geography gives us the ideal, flat conditions for takeoff and landing. Thanks to these natural advantages, Long Island has long been the gateway to the Atlantic. Long Island's role in the budding aerospace industry was brought to national attention when Charles Lindbergh made his historical flight from Roosevelt Field to Paris in 1927, at which point the area had already consolidated a number of the nation's businesses, pioneers, and infrastructure that helped build the capacity for human flight.

Long Island's early role in the emergence of the aerospace industry made it central to American manufacturing during World War I and World War II. Long Island manufacturers trained airmen and built aircraft for the U.S. military during World War I, and our role in the war expanded our manufacturing capacity, supporting Long Island's participation in the Golden Age of Aviation that followed World War I. The Golden Age saw innovations that improved the safety, efficiency, and speed of planes that solidified our military superiority and introduced commercial air travel as a new mainstream transportation mode. During this period, Long Island's role as a hub of aerospace innovation and manufacturing continued to grow. This growth accelerated tremendously as American manufacturers turned their attention to building the Arsenal of Democracy during World War II. Long Island's airplane manufacturing expanded dramatically and, by 1945, Long Island employed over 100,000 people in the aircraft industry.

Grumman Aerospace, where both my father and grandfather spent much of their careers, was a staple of the Long Island aerospace industry and led to critically important American air superiority in all conflicts since World War II. As the United States turned its attention to the Soviet Union and the Cold War, Long Island would step up once again to help put the first man on the moon during the Space Race. Grumman was selected to design and build the Apollo Lunar Module, extending Long Island's role as the Cradle of Aviation to outer space. Across the Space Race and the broader Cold War defense buildup, Grumman grew from under 14,000 Long Island employees in 1957 to a peak above 20,000, making it the region's dominant employer for a generation.

When Neil Armstrong radioed "Houston, Tranquility Base here. The Eagle has landed", the expertise, innovation and dedication of thousands of Grumman employees was validated as the Grumman-built Eagle safely landed two American astronauts on the surface of the moon. As Armstrong became the first person to step onto the Lunar surface hours later, he reframed the Space Race into a victory for humanity, "That's one small step for man, one giant leap for mankind."

These stories of GSE Dynamics, Grumman and Long Island's role in the development of the aerospace industry are a case study in the promise of America. My father, like many of the small business owners and entrepreneurs across the country, took a risk in leaving a secure corporate job to build something of his own. He was able to earn his specialization in college, develop that specialization further in the Army Corps of Engineers, learn from some of the best engineers in the world at Grumman, and take that knowledge and build something that has not only provided for our family, but for all of the families we have employed over the last 55 years. He welcomed me into the GSE family, mentored me and allowed me to guide the future of the company. That is a legacy I cherish and am now passing down to the next generation with my son James joining the company in 2024.

Long Island's role as one of the birthplaces of aviation was made possible by the same ingenuity, hard work, and entrepreneurial spirit my father showed – exemplified by the millions of Americans who built, tested, experimented, researched, and assembled their way, one step at a time, to achieve multiple of the most important technological achievements in human history.

And just like the history of Long Island is a collection of stories similar to my father's, so too is America's history a collection of communities like Long Island. Just as I'm proud of Long Island's impact on the aerospace industry, I know many more Americans could sit here today and talk about what their communities built. The American manufacturing community is the backbone of our nation's security and prosperity. I am energized by the recognition of that impact and the investments that both are and will need to be made to secure this critical sector for our future.

Our nation's history is full of builders, innovators, pioneers and entrepreneurs, and that quality is reflected not just in the strength of our economy, but in the laws that govern us. That is, we are not just a country *of* entrepreneurs, but *for* entrepreneurs. Our success depends on giving those people the freedom to build, to start businesses, to invest in their communities. It depends on the confidence that the American system gives people – if you work hard and build something, you'll be rewarded for it. America's venture capital and financial markets are the envy of the world boasting the deepest and most liquid source of business financing anywhere. Businesses can move goods across

a nationwide logistics network, enforce contracts and patents in courts, access the world's largest capital markets, and hire from the world's leading universities.

Small businesses are at the center of this story, and the vehicle by which individuals and families can choose to build something of their own. Often operating on thin margins, small businesses are sensitive to federal policy and disproportionately impacted by new regulations or higher taxes. Small businesses are also the foundation of the manufacturing industry. Roughly 74% of manufacturers in the United States have fewer than 20 employees, and 6 million people are employed by small and medium manufacturers in the U.S. The success of manufacturing depends on federal policy that supports small businesses.

Continuing a Legacy of Manufacturing Dynamism and Innovation

There is much to celebrate in the success that the United States has had as a hub of entrepreneurship and innovation, but there is also much work to do. If we want to solidify our legacy of innovation and manufacturing, we must take action. Fortunately, Congress has already recognized the importance of public policy that strengthens manufacturing in the U.S.—and passed historic tax reform that supports and incentivizes innovation, investment, and growth in our sector.

Prior to 2017, the United States had one of the least competitive tax codes in the world. Companies were redomiciling overseas, trillions of dollars were locked offshore, and the United States had one of the highest corporate tax rates in the world. The Tax Cuts and Jobs Act, passed at the end of 2017, introduced tax reforms that began a course correction towards a pro-growth and pro-innovation tax code — which was strengthened and made permanent via last year's Working Families Tax Cuts.

First, the Working Families Tax Cuts locked in competitive tax rates for manufacturers, maintaining a 21% corporate tax rate, permanently extending the reduced individual income rates and 20% pass-through deduction for small businesses, and preventing tax increases on globally engaged larger businesses, setting a competitive baseline for both corporate and pass-through businesses.

Second, the Working Families Tax Cuts created and permanently extended critical investment incentives, allowing manufacturers to immediately expense costs of equipment, research, and manufacturing facilities while restoring a pro-growth interest deductibility standard.

Third, the Working Families Tax Cuts provided critical relief for family-owned businesses, increasing and permanently extending the estate tax exemption, supporting

the ability of family-owned businesses like GSE Dynamics to continue across generations.

Together, these provisions pave the way for the manufacturing investment we need to make to continue our success. At GSE, we will be using immediate expensing for equipment we are purchasing in 2026 and 2027. So far in 2026, we purchased a new 5-Axis Mitsui Seiki Machining Center to support our aircraft and maritime programs. To host the new machine, we need more space – and we are using the new facility deduction to expand our building. At the same time, we are investing in research to expand our advanced manufacturing capabilities, develop new software solutions, and experiment with additive manufacturing tooling parts. Engineering is at the heart of everything we do, and immediate R&D expensing is supporting our ability to maintain our innovative edge. On top of these provisions to reduce the costs of our investment, by permanently extending a higher estate tax exemption, we are better equipped to plan for and ultimately pass on the business to the next generation.

Building on Pro-Growth Policy by Expanding Access to Capital

In addition to pro-growth tax policy, this Committee and the House of Representatives have taken an important step to support the success of small businesses. Last year, the House passed the Made in America Manufacturing Finance Act, which would double the SBA loan caps for 7(a) and 504 SBA loans from $5 million to $10 million. This type of policy is exactly what is needed to expand access to capital. Manufacturers are capital intensive, and starting a small manufacturing business often depends on purchasing millions of dollars of equipment to get started. The assistance that SBA can provide is a critical piece of the financing puzzle for many looking to start and grow a manufacturing company.

I communicated the importance of this work to SBA Administrator Loeffler when she toured our facility, and I look forward to continuing to support the SBA's efforts to support manufacturers as a recently appointed member of the SBA Manufacturing Advisory Committee. Now, the Senate should pass the bill and lock in another manufacturing win. This bill, combined with the tax incentives in the Working Families Tax Cuts, can make the initial investments needed to set up or expand a manufacturing company more accessible. Congress should continue to work towards expanding access to capital for small manufacturers.

Regulatory Compliance Costs Weigh on Manufacturing Growth

Another important step to support small manufacturers would be to reduce regulatory burden. The manufacturing industry spends $350 billion each year just to comply with

federal regulations, capital that could be spent on expanding factories and production lines, hiring new workers, or raising wages. On average, manufacturers spent $29,000 per employee per year due to regulatory compliance costs. This number goes up to $50,000 per employee per year for small manufacturers. A 2023 NAM study on regulatory costs, which surveyed manufacturers across the country as part of its methodology, found that if the costs of federal regulation were reduced, funds presently allocated toward compliance would become expenditures for employee compensation and hiring, investment, and research and development.

Additionally, while the costs of regulations for small manufacturers generally are high, those burdens are even greater for manufacturers in the defense industry. Understandably, the Department of War wants to ensure its suppliers meet a certain security threshold, but complying with those requirements is far costlier in scale for small businesses than they are for larger ones. Additionally, the high barrier to entry can make it difficult for anyone who isn't a legacy manufacturer to join the industry. While GSE is small, we have been doing this for more than 50 years. Each increase in compliance requirements that has occurred in recent years was an incremental change for us. For someone new to the space who needed to meet all of those requirements at once, it would be a significant hurdle to overcome, particularly while simultaneously needing to learn the processes for government contracting.

A Comprehensive Strategy is Needed for Manufacturing Revitalization

Beyond these suggestions to expand access to capital and reduce regulatory burdens, there are other policies which would support manufacturing success in the United States. Congress should enact permitting reform that empowers companies to get shovels in the ground quicker and more efficiently. Congress should bolster American energy dominance with an all-of-the-above energy strategy. Congress should invest in infrastructure that enables us to make and move products around the country. Congress should support manufacturers' efforts to offer affordable healthcare benefits to workers and their families. And critically, Congress must ensure that we have the workforce to fill a growing manufacturing sector. Workforce shortages are a barrier to manufacturing growth in general, and a national crisis should the defense industrial base need to dramatically expand its production. Together, these policies would pave the way for a manufacturing renaissance.

The Defense Industrial Base and Supply Chain Security

The world has changed significantly over the past several decades, and some of these changes have created new challenges and vulnerabilities that we should take action to address.

Maintaining and growing a robust defense industrial base requires intentional effort and support. We need to engage more manufacturers, grow existing supply chains, and invest in the manufacturing workforce. The warning signs of fading capacity and capability are decades old. The Center for Strategic and International Studies analyzed a series of wargames focused on a conflict with China over the Taiwan strait and concluded the U.S. would likely run out of key munitions in less than one week and it would take two years to fix the shortage. U.S. shipbuilding is just as poorly positioned, CSIS wargame analysis concluded that replacement time from any meaningful combat would be roughly 40 years for aircraft carriers, 15 years for large surface combatants, and 7.5 years for attack submarines. In comparison, U.S. Navy intelligence estimates China's shipbuilding at 200 times higher capacity.

These hypothetical estimates are supported by the reality of the Israel-Iran war in June, 2025. In a twelve-day period, the U.S. fired 100, between a seventh and a third of our national stockpile, of our most advanced THAAD missile-defense interceptors. The current production rate to replenish is 12 per year. With a military that is repositioning from preparation for traditional conflicts to a hybrid of traditional, cyber and drone attacks, production capability and capacity is more critical than ever.

In addition to rebuilding the capacity for defense production, we must ensure that the supply chains fueling that production remain secure. Global supply chains have become far more integrated. International trade's share of the global economy has increased from 25.8% in 1971 when GSE Dynamics was founded, to 56.8% in 2024. While there are many benefits that come with this expanding global market, there are also vulnerabilities. Congress has already recognized and taken steps towards addressing some of these vulnerabilities, including via the CHIPS Act to onshore semiconductor manufacturing from Taiwan, and more broadly in the aftermath of Covid as the crisis exposed key medical supply chain vulnerabilities. There are many other areas, such as critical minerals, where the supply chains are still dominated by China or other countries. When it comes to those inputs which are necessary for national security, we must take steps to ensure robust domestic or allied supply chains.

The Manufacturing Workforce Shortage

Another significant challenge we face is a manufacturing workforce shortage. There are 400,000 open positions in the manufacturing sector, and the existing shortage that is already a challenge for manufacturing would be a crisis if the need to expand wartime production came. In a 2024 poll, 80% of Americans agreed that America would be better off if more Americans worked in manufacturing today. However, when asked if they thought *they* would be better off working in manufacturing, 72% of respondents said they would not. This is largely a product of social perception, not a reflection of the

quality or dignity of a manufacturing career. A survey of 18- to 20-year-olds in the US found that 74 percent perceive a stigma associated with choosing vocational school over a traditional four-year university. An overwhelming 79 percent of respondents said their parents wanted them to pursue a college education after high school, while only 5 percent said the same about vocational school.

How we measure success needs to be re-evaluated in our educational system. A person does not need a four-year degree to have a successful career, pathways to success also include those leading to the skilled trades. The shift in the perception of vocational training and trade schools has significantly undermined our national competitiveness while discouraging talented people from excellent careers in manufacturing or other trades.

At the same time that public perception of vocational training has declined, the skills needed to be taught are also evolving. As manufacturing in the U.S. grows and job roles evolve, especially with the integration of AI, there is an urgent need for stronger, more responsive training pathways to fill high-skill, high-wage roles.

The most effective way to meet this need is through employer leadership supported by a responsive public workforce system—both partners are necessary to build and sustain a skilled manufacturing workforce. Congress can help close this gap by adopting workforce legislation that funds employer-led training initiatives tailored to small and medium-sized manufacturers, whether through multi-employer partnerships or individual efforts. Congress should also take steps to encourage more people to pursue trade schools as a career option. The social stigma surrounding that education is causing significant harm to our economy, and to those who would enjoy fulfilling careers in the manufacturing industry if not outright discouraging them from doing so. Manufacturers need employees at all skill levels, and no one on that spectrum is more important than the rest. Every manufacturing job is an important piece of the puzzle, and all of them offer a stable, well-paying job.

Conclusion

GSE Dynamics is proud to be a small manufacturer in America, and we are proud of the deep history of aerospace, naval, and defense innovation and production that has been integral to the Long Island community for more than a century. My father is an example of Long Island's contribution to this innovation, and Long Island's legacy of groundbreaking ingenuity is an example of America.

When people think of the moon landing, they may think of Neil Armstrong and Buzz Aldrin, two American heroes who risked their lives for their country and the scientific advancement of all people. I also think of the millions of Americans who played their

part in that unprecedented, impossible feat. The innovators, manufacturing workers, researchers, technicians, and engineers who worked together to build the technology that would put the first man on the moon. At the Cradle of Aviation Museum on Long Island, the highlighted attraction is a Grumman-built Lunar Module. Breathtaking as it is, I find the blueprints on the walls outside the exhibit more poignant as they are signed by the men and women who made it possible, the Long Islanders who built the spacecraft that carried Americans to the Moon. Across this country, when Americans put their mind to something and work together, not even the sky is the limit.

We must now determine to expand our ambitions and take action to continue our legacy of dynamism and innovation. Recent policies, including the Infrastructure Investment and Jobs Act, the CHIPS Act, The Tax Cuts and Jobs Act, and the Working Families Tax Cuts, have been important steps towards reinvigorating the American manufacturing sector and restoring our industrial preeminence.

America's rise to a World Power was fueled by intentional investments in manufacturing innovation, infrastructure and excellence in craftsmanship and production methods. Over the past 40 years, manufacturing has become far more competitive globally, and the manufacturing dominance the US enjoyed in the 20th century has declined in the face of that competition. While this is being reversed, there is much more that needs to be done to revitalize this vital sector.

We must expand access to capital, lower the cost of regulatory compliance, invest in a skilled workforce, advance and adopt new technology, and secure our critical supply chains. History shows that advancements in the military-industrial sector do more than secure national security, they spark breakthroughs in civilian life, from the internet to GPS, jet travel, and the semiconductor industry. Today, civilian advancements are also leading to military advancements with progress in areas such as AI and drone technology. Navigating this convergence of commercial and military innovation is the defining challenge of our time.

The policies and investments discussed in this testimony are critical to the future of our nation. Long Island, where so much of the history of this nation has been written, is poised, once again, to work with communities across America to meet this challenge.

Veronica Cool, President & CEO, Cool & Associates LLC
Written Testimony for U.S. House of Representatives Committee on Small Business
250 Years of American Legacy: Small Businesses and the American Dream
July 1, 2026

Esteemed Chairman Williams, Ranking Member Velázquez, and Members of the Committee,

Thank you for inviting me to testify today. It is a privilege to appear before you as our nation prepares to celebrate the 250th anniversary of the United States.

My name is Veronica Cool, and I am the founder, President and CEO of Cool & Associates, LLC a Maryland-based small business that I started in 2011. Today, our firm partners with government agencies, healthcare systems, educational institutions, nonprofits, and private-sector organizations across the country, helping them communicate more effectively, engage diverse communities, develop strategic solutions, and strengthen organizational performance.

While I am proud of the company we have built, I am even more grateful for what made it possible. Like millions of entrepreneurs before me, I was given an opportunity. That opportunity became the American Dream.

Today I hope to share not only my own journey, but also what I have learned after fifteen years of building a business through economic uncertainty, technological disruption, changing administrations, and constant reinvention.

My Journey to Entrepreneurship
I was born in the Dominican Republic and immigrated to the United States believing something that countless newcomers before me have believed- that if I worked hard, continued learning, treated people with integrity, and remained resilient, I could build a better future.

That belief shaped every decision I have made.

Long before I started my company, I spent years as a banker, working with healthcare organizations, government agencies, nonprofits, and businesses. Again, I noticed the same challenge. Organizations genuinely wanted to serve increasingly diverse communities, but many struggled to communicate effectively and earn trust. Most people assumed the problem was language. I learned the real issue was much deeper.

Communication is about understanding people: their culture, experiences, concerns, and aspirations. Translation is simply one tool. Building trust is the real goal. That realization became the foundation of my business.

When I launched Cool years ago, I did not have investors or venture capital. I did not inherit a family business. Like so many entrepreneurs, I started with experience, determination, relationships, and an idea I believed could make organizations- and honestly, our communities, stronger.

Looking back, I realized I wasn't simply starting a company. I was expanding on a career centered on creating opportunity and building legacy.

The American Dream Is Still Being Written

My story is not that different. Across Maryland, thousands of immigrant entrepreneurs are contributing to our economy every day. According to the Maryland Comptroller's report *Immigration and the Economy*, immigrants comprise approximately 17 percent of Maryland's population and 21 percent of its labor force. The report further concludes that international migration has become the primary driver of Maryland's recent population growth, helping sustain our workforce, our tax base, and our economy.[1]

Those numbers are meaningful to me because I see them reflected in everyday real people, not just statistics.

I see small business owners opening restaurants, construction companies, accounting firms, technology startups, childcare centers, and consulting firms. I see employers creating jobs and investing back in their communities. I see families providing stable homes one paycheck at a time.

Entrepreneurship has always been one of America's greatest engines of economic mobility, and immigrants continue to play an important role in that story. As an immigrant business owner myself, I have had the privilege of experiencing that promise firsthand.

Reinvention Is the Small Business Superpower

Entrepreneurship is often celebrated through stories of success. What gets far less attention is the constant reinvention required to survive. When I first launched my business, we primarily focused on language access, i.e., simple translations. Today, we provide strategic planning, organizational assessments, facilitation, workforce development, research, stakeholder engagement, communications strategy, leadership development, and guidance on the responsible implementation of artificial intelligence. Meaning, the day-to-day operations of engaging and communicating.

That evolution reflects what I believe is one of the defining characteristics of American small businesses. We adapt. Every major challenge over the last fifteen years has required us to rethink how we serve clients. We adapted during the tech bubble, through COVID-19, and as inflation increased operating costs. And we had to adapt when clients' priorities shifted.

Today, we continue to adapt as AI transforms the way professional services are delivered.
Small businesses have never been static. Our superpower has always been our ability to adapt and evolve.

Behind Every Small Business Is a Personal Story

People often ask what it takes to build a successful business. The honest answer is fairy dust… actually, it's resilience and persistence, and of course, a large dose of humor.

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[1] COMPTROLLER OF MARYLAND, STATE OF THE ECONOMY SERIES: IMMIGRATION AND THE ECONOMY APRIL 2024

There were years when I wore every hat imaginable: Boss lady, project manager, salesperson, recruiter, HR, finance, customer service and sometimes even information technology support.

There were years when I didn't even pay myself to ensure my team was covered. There were contracts we celebrated winning and others that taught painful lessons.

One of my earliest opportunities as a business owner was a small subcontract. Financially, it was not significant, and I remember wondering whether it was even worth pursuing. The paperwork and compliance requirements were intimidating, and the administrative burden did not seem commensurate with the size of the project. Like many first-time government contractors, I questioned whether a small business like mine could realistically compete in that environment. But of course, I stayed with it!

That modest subcontract became the foundation upon which we built our company. Each successful project led to another opportunity, each client became a reference, and each challenge improved our processes.

Recently, I experienced one of those full-circle moments. Our team was participating in a highly competitive procurement. During the scheduling of oral presentations, I learned that the prime contractor and every member of the bidding team had adjusted their schedules to accommodate ours. We were later told that because Cool was part of the proposal team, the agency had elevated the proposal for review. Not because we were the largest, nor because of the allocated marketing budget. But rather because our reputation preceded us.

Over fifteen years, we have earned the trust of our clients through consistent quality, culturally responsive communications, authentic community engagement, and an unwavering commitment to delivering results. Our work had become synonymous with helping organizations build trust with the communities they serve.

I have been fortunate to receive awards and recognition throughout my career, from respected business organizations, professional associations, even the Baltimore Ravens and international institutions. I am deeply grateful for each of those honors. But that moment meant something different. It was not recognition for me personally. It was validation that our work has become a trusted catalyst for meaningful change.

When organizations communicate more effectively, people participate. When people participate, programs perform better. When programs perform better, communities become healthier, workforces become stronger, businesses grow, and economic opportunity expands. That growth creates jobs, strengthens local economies, and ultimately contributes to a stronger tax base and a more prosperous nation.

Knowing that our firm's involvement signaled confidence, again, not because of who we knew, but because of the impact we consistently deliver- is one of the greatest honors of my career.

To me, that is what building a legacy looks like. It is not measured by awards on a wall or contracts won. It is measured by earning the trust to help shape outcomes that improve lives, strengthen communities, and create opportunities that extend far beyond your own business.

During COVID, we landed the emergency translation contract for the State of Maryland… we delivered properly translated and culturally appropriate content, at the relevant reading level in less than 1-2 hours. Our small but mighty team coordinated three shifts, in essence around-the-clock support for the State to ensure every essential worker-janitor, cleaner, grocery store clerk & stocker- had the needed information to keep themselves and their family safe. As a team, we gave up sleep and took on a monumental task – proudly and eagerly, because informing our community was THE priority. I am inordinately proud that my team is willing and nimble to adapt and ALWAYS deliver, but that came at a steep cost- morale, exhaustion, increased costs, and delayed payments.

Those experiences are shared by entrepreneurs in every community across America.

Communication Is Economic Infrastructure
Over the years, I have come to believe something that may not immediately sound like economic policy. Communication is economic infrastructure. Being a proud Baltimorean, I know infrastructure brings to mind highways, airports, broadband, and obviously ports. All very important investments. But so does ensuring people understand how to participate in our economy.

When patients cannot understand discharge instructions, health outcomes suffer.
When entrepreneurs cannot navigate government procurement processes, revenue is lost.
When communities do not trust institutions, participation declines. When small business owners cannot access federal resources because they are difficult to find or understand, growth slows or dissipates.

Effective communication builds trust. Trust builds participation. Participation strengthens our economy. It is a simple principle that has guided every client engagement our company has undertaken.

Small Businesses Strengthen America
Small businesses represent 99.9 percent of all businesses in the United States, employ nearly half of the nation's private-sector workforce, and generate approximately 44%t of our country's economic activity.[2]

Those numbers are extraordinary. But behind every statistic is a family. An employee. An entrepreneur. And a dream fueled by resilience and persistence.
Every pay period, millions of business owners across America carry the responsibility of making payroll. Every contract supports another household (or several!!). Every new hire creates another opportunity.

[2] U.S. Small Business Administration, Office of Advocacy, *Frequently Asked Questions About Small Business 2024*

These realities rarely make headlines, but they define the everyday work of small businesses across this great nation.

Looking Ahead
As Congress considers the next 250 years of American entrepreneurship, I respectfully offer several recommendations.

- First, create greater predictability in the business environment. Small businesses can adapt to anything, but uncertainty, especially increasing costs associated to housing, gas and housing, makes planning and investment significantly more difficult.

- Second, continue simplifying government contracting and reducing unnecessary administrative burdens. Small businesses should spend more time serving customers than navigating paperwork. Nor incurring excessive expenses affiliated with hiring lawyers and accountants to interpret all the laws and regulations.

- Third, invest in entrepreneurship education, technical assistance, and workforce development. Programs that help entrepreneurs build financial, operational, and technological capacity strengthen our economy for the long term.

- Fourth, help small businesses responsibly adopt emerging technologies such as Artificial Intelligence. AI should expand opportunity, improve productivity, and allow business owners to remain competitive while preserving the human relationships that successful businesses are built upon.

- Finally, continue recognizing that America's entrepreneurial strength comes from its diversity, not simply demographic diversity, but diversity of industries, ideas, experiences, and perspectives. Throughout my career, I have had the privilege of serving organizations led by Republicans, Democrats, independents, nonprofits- including Fortune 500 companies, hospitals, universities, and local governments. Regardless of politics, they all shared the same goal: serving people more effectively. Small businesses do their best work when we focus on solving problems, creating opportunity, and strengthening our communities.

As I prepared these remarks, I thought about the little girl who arrived in this country believing that hard work could change the course of her life. I thought about the first client who trusted a brand-new company. I thought about every team member who has helped build Cool into what it is today.

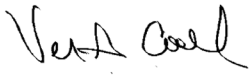
I thought about the clients who challenged us to innovate, the communities that welcomed us, and the countless entrepreneurs across the United States who wake up every morning carrying the responsibility of creating opportunity- not solely for themselves, but for others.

The American Dream has never promised certainty. Entrepreneurship certainly does not.
What it offers is something even more valuable: the freedom to build, to contribute, to innovate, and to leave something better than we found it.

That promise changed my life.

My hope is that 250 years after our nation's founding, we continue building an America where the next entrepreneur, regardless of where they were born, what language they speak, or how much money they start with, can still believe that through hard work, resilience, and opportunity, that dream remains within reach.

Thank you for the opportunity to testify. I look forward to your questions.



Veronica Cool, Founder & CEO
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Questions for the Record
Hearing: 250 Years of American Legacy: Small Businesses and the American Dream
House Committee on Small Business
July 1, 2026

Questions from Rep. Nydia M. Velázquez, Ranking Member, to Mr. Philip Freeman, Founder and CEO, Murphy's Naturals, Inc. | The Loading Dock, LLC, on behalf of the U.S. Chamber of Commerce

1. Your testimony calls for regulatory agencies to provide clearer compliance guidance for small businesses. Would you support small business immigration regulatory compliance resources as well?

Philip Freeman:
Yes, absolutely. Small business owners wear multiple hats every day and rarely have dedicated in-house legal or regulatory compliance departments to navigate complex, rapidly changing rules. Immigration regulatory compliance can be overwhelmingly complicated for small employers trying in good faith to stay compliant.

It would allow small businesses to hire with confidence and maintain compliance without forcing them to absorb excessive legal expenses or risk inadvertent, costly errors.
End of response

2. Some regulatory agencies are required to consult small businesses during rulemaking, which ensures perspectives like yours are heard in the regulatory process. Should immigration agencies also be made to consult small businesses during rulemakings?

Philip Freeman:
When federal agencies issue rules without consulting small employers, the resulting requirements often impose disproportionate administrative burdens, rigid timelines, or compliance costs that small businesses are ill-equipped to absorb. Mandating early consultation with small businesses during

immigration rulemaking ensures policymakers understand real-world operational realities that don't inhibit growth.
End of response

Questions from Rep. Johnny Olszewski, Jr. to Mr. Philip Freeman, Founder and CEO, Murphy's Naturals, Inc. | The Loading Dock, LLC, on behalf of the U.S. Chamber of Commerce

1. We talked about how several of your product components cannot be sourced in the U.S., and how, as you put it, "tariffs will eliminate profits and put [your] innovative technology into a loss position." You also write that moving manufacturing out of China "will be a multiyear process." Why?

Philip Freeman:
Moving manufacturing and supply chain infrastructure out of China cannot happen overnight; it is an inherently multi-year endeavor due to several realities:

1. For many specialized consumer product components, the domestic supply chain or alternative foreign markets often lack the existing capacity, raw material availability, or manufacturing expertise. Building or expanding that capacity in North America or partner nations takes years of investment.
2. Transitioning production to North America requires designing, building, testing, and qualifying new machinery. This process requires rigorous performance checks and quality audits before mass production can even begin.
3. Changing manufacturing partners or raw material sources triggers extensive safety testing, quality assurance protocols, and mandatory regulatory filings at the state and federal level. These regulatory restraints can potentially add 12 to 24 months to any transition timeline.

4. Small businesses operate on tighter cash flows. Absorbing tariff increases while simultaneously funding new CapEx opportunities forces companies to slow down their insourcing work.

End of response

Questions for the Record
Hearing: 250 Years of American Legacy: Small Businesses and the American Dream
House Committee on Small Business
July 1, 2026

Questions from Rep. Nydia M. Velázquez, Ranking Member, to Ms. Anne Shybunko-Moore, Owner and CEO, GSE Dynamics, Inc., on behalf of the National Association of Manufacturers

1. The last administration made landmark investments in domestic computer chip manufacturing through the *CHIPS Act*. The Act gave $39 billion in capital for domestic chip manufacturing, and research and development. It also created the Advanced Manufacturing Investment Credit to help reduce the costs of building domestic chip manufacturing facilities. How helpful was the *CHIPS Act* to domestic manufacturing?

    - In his last State of the Union address, President Trump called to repeal the *CHIPS Act*, and Speaker Johnson made similar comments in 2024. How would a *CHIPS Act* repeal hurt manufacturing?

Response: The CHIPS Act, including provisions such as the 48D Advanced Manufacturing Investment Credit, have proven to be vital and effective incentives in building semi-conductor chip manufacturing in the United States. During my testimony, I spoke to the importance of securing critical supply chains, including those important for the military technology GSE Dynamics helps build, as well as the security of our economy more broadly. Domestic semiconductor manufacturing capacity is important to both and legislation such as CHIPS has supported the investment necessary to build that capacity.

From the perspective of New York manufacturers and the broader Upstate regional economy, these federal incentives coupled with state programs like Green CHIPS have successfully transformed historical industrial corridors into vibrant, high-tech ecosystems, creating tens of thousands of local jobs, securing critical tech supply chains, and ensuring long-term American technological leadership.

Questions from Rep. Johnny Olszewski, Jr. to Ms. Anne Shybunko-Moore, Owner and CEO, GSE Dynamics, Inc., on behalf of the National Association of Manufacturers

1. You previously testified before the U.S. Trade Representative that "U.S. companies are disadvantaged by import and retaliatory tariffs, leading some to offset costs by increasing prices or searching for alternative suppliers to limit costs." Do you think President Trump's tariff wars are creating those disadvantages for businesses like yours?

Response: Tariffs can present challenges for manufacturers like GSE Dynamics when they affect the cost or availability of critical inputs like raw materials, equipment and machinery, needed to manufacture products here in the United States.

As an American aerospace and defense manufacturer, we share the goal of strengthening the domestic industrial base, expanding U.S. manufacturing capacity and supporting American workers. We also recognize the importance of addressing unfair trade practices and building more resilient domestic supply chains.

As these policies are implemented, it is important to ensure manufacturers maintain access to critical inputs that may not yet be available from U.S. sources. A targeted approach can help strengthen American manufacturing, encourage greater domestic investment and ensure companies like GSE Dynamics remain competitive while supporting our national security.

Responses to Questions for the Record

Hearing: "250 Years of American Legacy: Small Businesses and the American Dream"
House Committee on Small Business | July 1, 2026
Responses of Veronica Cool, Founder, President & CEO, COOL & Associates LLC

Perspective. These responses draw on my experience as a small business owner, employer, government contractor, former banker, and communications and community-engagement professional. They focus on the practical effects of federal policies on entrepreneurs, workers, clients, and the communities we serve.

Questions from Ranking Member Nydia M. Velázquez

Question 1

I introduced H.R. 4004, the No Anonymity in Immigration Enforcement Act of 2025, which would make ICE agents show their faces and wear uniforms with their name and agency, while working. Would this make you, your clients, and their customers feel safer?

Response. Transparency and clear identification generally help build public confidence. From my experience helping organizations engage communities, people are more likely to trust and appropriately engage with institutions when they understand who they are interacting with and the authority being exercised. Public safety, the rule of law, and public trust are complementary goals, and policies that strengthen transparency can help reinforce that trust.

Question 2

The Trump administration's immigration raids and investigations sometimes use arguably illegal tactics. Knowing your rights and responsibilities as a small business owner is hard, and the GOP wants it to be harder for you to learn. Should the SBA provide comprehensive immigration know-your-rights and compliance resources?

Response. Yes. Many small businesses, particularly the smallest firms, do not have in-house attorneys, compliance departments, or human-resources teams. They need clear, accurate, current information to understand their responsibilities and operate within the law.
Through our work at COOL helping government agencies and other institutions turn complex information into clear, culturally responsive communications, we have seen that providing information is not enough; it must also be understandable, accessible, and actionable. Plain-language SBA resources explaining employer responsibilities, identifying authoritative sources of guidance, and outlining appropriate steps when businesses encounter government enforcement activity would reduce confusion and support compliance.

Question 3

Dr. Olszewski mentioned my letter to the SBA condemning its ban of immigrant entrepreneurs, and U.S. citizens with overseas investors, from obtaining SBA loans. Do the SBA's senseless restrictions constrain small businesses' capital access?

I wrote H.R. 8563, the Investing in the American Dream Act, which would restore the policy that each American small business – including immigrant-owned ones – can get federal small business loans. I have attached the bill text for your consideration. How would my bill expand capital access?

Response. Yes. Any eligibility rule that removes otherwise qualified businesses from SBA lending programs narrows the pool of entrepreneurs able to seek SBA-backed capital. As a former banker and now a small business owner, I have seen how access to capital can determine whether a business is able to purchase equipment, hire staff, bridge cash-flow gaps, invest in technology, or expand into a new market.
Based on the bill text provided to me, H.R. 8563 would apply to 7(a) loans, microloans, 504 loans, and SBA surety bond guarantees. It would permit a U.S.-located small business to qualify when at least 51 percent is owned and controlled by U.S. citizens or nationals, or by specified eligible individuals who are lawfully present and authorized to work in the United States. It would also prohibit denial solely because a qualifying business is owned by those

eligible individuals. In practical terms, that would expand access by allowing more lawfully operating, otherwise qualified small businesses to compete for SBA-supported financing while preserving underwriting and other program requirements.

Question 4

One major SBA function is to educate new entrepreneurs on how to effectively open and run a small business. This is done through resource partners, such as the Small Business Development Centers, Women's Business Centers, SCORE, and Veterans Business Outreach Centers. But President Trump has proposed cutting funding entirely for all but one of these valuable resources. Is that a good idea?

Response. No. Eliminating practical, community-based technical assistance without a comparable replacement would make it harder for many entrepreneurs to start, manage, and grow successful businesses. Running a business requires knowledge well beyond an owner's core trade or profession: finance, taxes, compliance, marketing, contracting, technology, and human resources. Resource partners can provide expertise that many early-stage and very small businesses cannot afford to purchase privately.

In our own work providing training, organizational support, workforce development, and technical assistance, we see the difference that practical, hands-on guidance can make. Entrepreneurs often do not need another document or website; they need someone who can help them understand how information applies to their business and what to do next. Accessible technical assistance can shorten the learning curve, prevent costly mistakes, and improve the likelihood that a business survives and grows.

Question 5

The SBA's independent Office of Advocacy is supposed to advocate for businesses like yours in federal agency decision-making. Were you aware of them before today's hearing?

The Office has refused to act on tariffs, the SBA's lending program changes, or immigration policy changes. Do you feel that they are doing a good job advocating for you?

Response. Before preparing for this hearing, I had only limited familiarity with the Office of Advocacy. That fact is itself instructive. An office charged with advocating for small businesses should be highly visible and actively engaged with the businesses it represents.

Based on my experience as the kind of business the Office is intended to represent, its visibility and direct engagement with entrepreneurs should be stronger. Small businesses need an effective voice within the federal policymaking process, particularly when decisions involving capital, workforce, trade, procurement, or regulatory requirements can materially affect our operations. Effective advocacy should include listening to small businesses early, bringing their practical experience into agency decision-making, and communicating back in ways entrepreneurs can readily understand.

Question 6

The SBA abruptly deleted its non-English language webpages, leaving small business owners with limited English proficiency in the dark about the federal resources for which they're eligible. I have attached my letter to the SBA highlighting the consequences of these senseless actions. Does this hit immigrant communities like yours disproportionately hard? Should these resources be restored?

Response. Yes. This issue is directly connected to my professional experience. For fifteen years, COOL has helped government agencies, healthcare organizations, educational institutions, nonprofits, and businesses communicate complex information to diverse communities. Our work has consistently shown that language access is not simply translation; it is access to information, services, and economic opportunity.

The SBA's multilingual resources should be restored and maintained. Just as important, the information should be culturally relevant, written at an appropriate reading level, easy to navigate, and connected to a clear next step. That is what turns translation into meaningful access. When those access points disappear, limited-English-proficient entrepreneurs can have greater difficulty finding and understanding programs for which they may be eligible.

As I testified, communication is economic infrastructure. When an entrepreneur cannot understand how to access a program, the program may effectively not exist for that entrepreneur. Clear multilingual information helps people comply with requirements, participate in the formal economy, pursue financing and contracting opportunities, create jobs, and contribute to the tax base.

Question 7

Is there anything else you would like to add for the record?

Response. I would emphasize the central message of my testimony: small businesses are resilient, but resilience should not be confused with unlimited capacity. We can adapt to changing markets, new technologies, and difficult economic conditions, but uncertainty and administrative complexity carry a disproportionate cost for small firms.

My own journey, from an immigrant child to a banker, entrepreneur, employer, and government contractor, and fifteen years leading a firm that works across strategic planning, organizational assessments, communications, workforce development, community engagement, language access, and responsible technology adoption have reinforced my belief in the American Dream. That experience has also shown me that opportunity becomes meaningful when people can actually reach it. Clear rules, understandable information, responsible access to capital, practical technical assistance, timely government contracting processes, and a skilled workforce all help entrepreneurs turn opportunity into jobs and economic growth.

Emerging technologies such as artificial intelligence are part of that equation. Used responsibly, they can reduce administrative burdens, improve productivity, and help small teams compete more effectively. Small businesses need practical guidance that helps them adopt new tools without losing the human judgment, trust, and accountability on which strong organizations depend.

I respectfully encourage the Committee to continue seeking perspectives from small businesses before policies are implemented, not only after impacts are felt. Small businesses do not need guarantees of success; we need a fair opportunity to compete, enough predictability to plan, and an environment in which good ideas and hard work can become sustainable businesses.

Questions from Rep. Johnny Olszewski, Jr.

Question 1

As the cost of living has spiked, Americans have less money to spend at businesses like your clients'. Has that affected your revenue?

Response. Yes, although the effect on our firm is often indirect. COOL primarily serves organizations rather than individual consumers, so we see economic pressure through client behavior: tighter budgets, delayed approvals, reduced scopes, longer sales cycles, and greater pressure on pricing. At the same time, our own costs, including wages, insurance, technology, professional services, travel, and vendors, have increased. For a small business, the combination of higher operating costs and slower client decisions can put significant pressure on margins and cash flow even when demand for the underlying work remains strong.

Question 2

How have President Trump's tariffs impacted your clients' costs, and therefore their ability to purchase your services?

I joined the Ranking Member's letter to the Trump administration urging them to consider small business perspectives in making their tariff decisions. I have attached the letter for your convenience. Do you feel the administration is listening to voices like yours?

Response. My firm is a professional-services company, so tariffs generally affect us indirectly rather than through large inventories of imported goods. When our clients face higher costs for equipment, construction materials, technology, supplies, or other inputs, discretionary and consulting budgets can tighten. That can result in delayed projects, reduced scopes, or postponed investments in communications, training, outreach, and strategic services.

The attached letter urges federal officials to engage small businesses, analyze the effects of trade policies, consider the impact of uncertainty, protect small employers, and provide resources to help businesses navigate changes. Those are sensible process recommendations from a small-business perspective. There is room for more

direct and consistent engagement with small businesses. Policymakers should seek our input before major changes take effect and provide clear, timely information that allows us to price, staff, invest, and plan responsibly.

Question 3

The One Big Beautiful Bill Act imposes numerous burdensome fees on immigrants, constraining Main Street's entrepreneurship and workforce. Should those fees be waived, if not for everyone, at least for small business owners and staff?

Response. I support targeted reductions, waivers, or hardship provisions where fees create significant barriers to lawful entrepreneurship or workforce participation. Small businesses operate with limited capital, and cumulative filing and compliance costs can directly affect hiring, investment, and growth. A fee structure should recognize legitimate program costs without unnecessarily discouraging lawful entrepreneurs and workers from participating in the economy.

Question 4

You had a discussion with Mr. Tran about how expanding health care through Medicaid and the Patient Protection and Affordable Care Act would help aspiring entrepreneurs join the business community. However, the One Big Beautiful Bill Act cut Medicaid to pay for tax cuts for the rich. Did that make it easier or harder for aspiring entrepreneurs to start small businesses?

Response. For aspiring entrepreneurs who lose access to affordable coverage or face materially higher healthcare costs, it makes starting a business harder. Leaving a job to launch a business already means accepting income uncertainty; adding uncertainty about healthcare can make that risk unacceptable, particularly for people supporting children or other family members.
This is also a competitiveness issue for existing small employers. Large companies often have greater purchasing power and can offer benefit packages that very small firms cannot match. Policies that improve healthcare affordability and portability can support business formation while helping small businesses compete for talent.

References and Source Materials

1. House Committee on Small Business, Questions for the Record, hearing "250 Years of American Legacy: Small Businesses and the American Dream," July 1, 2026.
2. Veronica Cool, Written Testimony before the U.S. House Committee on Small Business, July 1, 2026.
3. H.R. 8563, 119th Congress (2026), Investing in the American Dream Act, as provided with the Questions for the Record.
4. Letter from Ranking Member Nydia M. Velázquez and other Members to the U.S. Small Business Administration regarding removal of non-English web materials, December 12, 2025, as provided with the Questions for the Record.
5. Letter from Ranking Member Nydia M. Velázquez and other Members regarding tariff impacts on small businesses, April 16, 2025, as provided with the Questions for the Record.
6. House Committee on Small Business, Majority Staff Memorandum, "250 Years of American Legacy: Small Businesses and the American Dream," June 26, 2026.

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Jason Stverak
Chief Advocacy Officer

June 29, 2026

The Honorable Roger Williams
Chairman
House Committee on Small Business
U.S. House of Representatives
Washington, DC 20515

The Honorable Nydia M. Velázquez
Ranking Member
House Committee on Small Business
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Williams and Ranking Member Velázquez:

On behalf of the Defense Credit Union Council (DCUC) and the defense credit unions serving America's military and veteran communities, I write in advance of the Committee's July 1 hearing, **"250 Years of American Legacy: Small Businesses and the American Dream,"** to urge strong support for the **Veterans Member Business Loan Act** — **H.R. 507 / S. 110**, commonly referred to as **Vets MBL**.

As our nation celebrates its 250th birthday, Congress has an opportunity to give America's veterans a meaningful and practical gift: a fair chance to access the capital they need to start, grow, and sustain small businesses. Veterans have already given our country their discipline, leadership, technical skills, resilience, and service. After hanging up the uniform, many continue serving by building businesses, creating jobs, strengthening local economies, and mentoring the next generation of American entrepreneurs. Yet too often, the financial system does not meet them where they are.

Veteran entrepreneurs face persistent and well-documented barriers to capital. Many transition from military service without long private-sector credit histories, traditional collateral, or steady civilian income records. Frequent relocations, deployments, and career transitions can complicate underwriting even when the borrower has a viable business plan, strong character, and proven leadership ability. Many veterans are forced to rely on personal savings, credit cards, or higher-cost financing to launch or expand their businesses. That is not a lack of ambition; it is a policy failure that prevents capable veterans from fully participating in the American Dream.

Credit unions particularly those serving military and veteran communities are uniquely positioned to help close this gap. Defense credit unions understand the financial realities of servicemembers, military families, and veterans. They are relationship-based lenders that look beyond rigid formulas and work to understand the full picture of a member's financial life. They are ready and willing to provide responsible, affordable small-business financing to veteran entrepreneurs.

Unfortunately, current law limits that ability through the statutory Member Business Lending cap. In practice, the cap can force credit unions to turn away qualified veteran borrowers not because the borrower is too risky, not because the credit union lacks capital, and not because underwriting standards cannot be met — but because an outdated regulatory ceiling has already been reached. No veteran with a sound business plan should be told, "We have hit our limit," because of a decades-old rule that does not reflect today's economy.

not create a new federal program, require new taxpayer funding, or weaken safety-and-soundness requirements. Credit unions would still be required to make prudent loans, follow applicable underwriting standards, and comply with regulatory oversight. Vets MBL simply removes an arbitrary barrier that prevents responsible lenders from doing more for those who have served.

This reform would have immediate and meaningful benefits. It would expand access to affordable capital for veteran entrepreneurs; support transitioning servicemembers as they build civilian careers; strengthen small businesses in military, rural, and underserved communities; and promote job creation and local economic growth. It would also recognize a simple truth: veteran entrepreneurship is not only good for veterans — it is good for America.

DCUC has consistently urged Congress to advance this legislation because the problem is clear and the solution is ready. The American Legion and other respected veteran and financial-services advocates have also recognized the importance of this effort. H.R. 507 and S. 110 reflect the kind of bipartisan, targeted small-business policy Congress should be able to enact without delay.

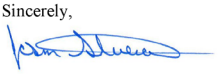
This Committee's hearing offers an important opportunity to highlight how small businesses have shaped the American legacy and how Congress can ensure that legacy remains open to those who defended it. As you examine 250 years of small-business contributions to the American Dream, I respectfully urge the Committee to elevate veteran access to capital as a central part of that discussion and to support swift passage of the Veterans Member Business Loan Act.

Because H.R. 507 has been referred to the House Committee on Financial Services, we also respectfully ask the House Committee on Small Business to work with its colleagues on that Committee and with House leadership to advance this legislation. Passing Vets MBL would be a powerful statement that Congress is serious about honoring service with opportunity.

America's veterans do not seek special treatment. They seek a fair shot. They have earned the chance to build, hire, innovate, and contribute to the nation they defended. As we mark the 250th birthday of the United States, Congress can honor our veterans not only with words, but with action.

Thank you for your leadership and for your continued focus on America's small businesses, veteran entrepreneurs, and the communities they strengthen. Please contact me at **Jason.Stverak@dcuc.org** with any questions or if DCUC can provide additional information.

Sincerely,



Jason Stverak
Chief Advocacy Officer
DCUC

SMALL BUSINESS MAJORITY

Written Statement for the Record Before the U.S. House Committee on Small Business

"250 Years of American Legacy: Small Businesses and the American Dream"

July 1, 2026

John Arensmeyer

Founder & CEO, Small Business Majority

Dear Chairman Williams, Ranking Member Velázquez and members of the House Committee on Small Business:

As a leading representative of America's 36 million small businesses, Small Business Majority is pleased to submit this statement for the record to the U.S. House Committee on Small Business to highlight how small businesses and entrepreneurship have shaped the American legacy over the last 250 years.

Small Business Majority is a national small business organization that empowers America's entrepreneurs to build a thriving and equitable economy. From our 10 offices across the country, we engage our network of more than 85,000 small businesses and 1,500 business and community organizations to deliver resources to entrepreneurs and advocate for public policy solutions that promote inclusive small business growth. Our work is bolstered by extensive research and deep connections with the small business community that enables us to educate stakeholders about keys issues impacting America's entrepreneurs, with a special focus on the smallest, most under-resourced businesses.

Small businesses shape the American legacy, but mounting challenges threaten Main Street's ability to thrive

For 250 years, entrepreneurship has been central to the American Dream, empowering millions to build businesses and define our national legacy through economic innovation, local job growth and community engagement. Today, more than 36 million small businesses operate nationwide, employing over 45% of the private sector workforce and generating 43.5% of our gross domestic product.[1] Small businesses are not only vital for job creation and economic innovation, but they also represent the building blocks of Main Street communities nationwide.

While small businesses have historically faced barriers to growth and prosperity, including limited access to capital, workforce shortages and a playing field that is tilted in favor of large, dominant corporations, Main Street now faces a new threat. Federal policy decisions over the past 16 months have led to skyrocketing costs for small businesses, resulting in an affordability crisis that grows more urgent by the day. From fluctuating tariff rates and rising utility costs to skyrocketing healthcare premiums, small businesses and their employees are being faced with mounting challenges every day that threaten the sustainability of America's small business ecosystem.

In a recent national poll conducted by Small Business Majority in June 2026, two-thirds of small businesses reported that their business expenses have risen over the past three months while half of small businesses reported decreased revenue over the same period.[2] The rising cost of doing business on Main Street has largely been driven by the administration's unprecedented implementation of sweeping, global

[1] U.S. Small Business Administration, Office of Advocacy, "Frequently Asked Questions About Small Business," February 2026, https://advocacy.sba.gov/wp-content/uploads/2026/02/FINAL_FAQsAboutSmallBusiness_2026_012826.pdf

[2] Small Business Majority, "Voice of Main Street: Rising gas prices and expenses squeeze small businesses," June 16, 2026, https://smallbusinessmajority.org/our-research/voice-of-main-street/rising-gas-prices-and-expenses-squeeze-small-businesses

tariffs over the last 15 months. These tariffs have had an immediate and direct impact on millions of small businesses that rely on imported goods and materials. Our research found that 71% of small businesses have been negatively impacted by tariffs, forcing many to increase the prices of their own products, delay business expansion plans, delay importing new materials, and change business models.[3] While small businesses have been offered some reprieve after the Supreme Court ruled that tariffs imposed under the International Emergency Economic Powers Act (IEEPA) were unlawful, millions of small businesses are still awaiting refunds and now face new tariffs through separate trade statutes that only result in higher costs and more uncertainty on Main Street.

Small businesses and their employees have also been met with skyrocketing healthcare costs across the individual and small group insurance markets this year. Small Business Majority research found that 89% of small business owners reported that their healthcare premiums have increased—forcing many to adjust coverage options or forgo coverage altogether.[4] After Congress failed to extent the Affordable Care Act's (ACA) enhanced premium tax credits, which helped millions of small business owners and employees afford healthcare, premiums in the ACA marketplace have increased by an average of nearly 60% for marketplace enrollees. The expiration of the EPTCs, paired with additional restrictions on marketplace coverage enacted by the administration, has resulted in roughly 5 million fewer individuals enrolling in coverage this year—a staggering decline that will have immediate consequences across insurance markets.[5]

Immigrant entrepreneurs are being shut out of the American Dream

America's small business economy is built on the contributions of immigrant entrepreneurs and workers. In fact, more that 1 in 5 business owners are immigrants, making up 21% of all business owners and 27% of all Main Street businesses like grocery stores, restaurants, clothing stores and other small storefronts.[6] What's more, foreign-born workers, including undocumented immigrants, account for more than 19% of the U.S. workforce, with many working for small businesses.[7] Despite the importance of immigrants to our nation's small business community, heightened immigration enforcement and restrictive federal policies targeting the immigrant community over the last 16 months have had direct, harmful impacts on immigrant-owned businesses and workers, limiting access to the American Dream of entrepreneurship.

The administration's widespread use of disruptive immigration enforcement tactics, including unannounced raids on small businesses, have sent shockwaves through Main Street communities nationwide. Small businesses have reported declines in customers, losses in sales and employees who are simply too afraid to show up to work. In fact, our research found that 47% of small business owners say increased immigration enforcement has negatively affected their business.[8]

While disruptive immigration enforcement has had far reaching impacts on the immigrant business community, the administration has also taken steps to explicitly prevent immigrant-owned businesses from accessing the resources and financing necessary to succeed. Earlier this year, the Small Business Administration (SBA) enacted new policy guidance specifying that all direct and indirect owners of small businesses must be U.S. citizens or nationals to be eligible for the agency's key loan programs, including the 7(a), 504, Microloan and Surety Bond programs. These unprecedented eligibility standards effectively

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[3] Small Business Majority, "Voice of Main Street: Small businesses being strained by rising costs," March 25, 2026, https://smallbusinessmajority.org/our-research/voice-of-main-street/small-businesses-being-strained-rising-costs
[4] Small Business Majority, "Voice of Main Street: Rising gas prices and expenses squeeze small businesses," June 16, 2026, https://smallbusinessmajority.org/our-research/voice-of-main-street/rising-gas-prices-and-expenses-squeeze-small-businesses
[5] KFF, "What We Know So Far About 2026 ACA Marketplace Enrollment, Premiums, and Deductibles," May 19, 2026, https://www.kff.org/affordable-care-act/what-we-know-so-far-about-2026-aca-marketplace-enrollment-premiums-and-deductibles/
[6] Immigration Research Initiative, "The Entrepreneurial Spirit: A Profile of Business Owners Across the United States," March 19, 2026, https://immresearch.org/reports/the-entrepreneurial-spirit-a-profile-of-business-owners-across-the-united-states/
[7] U.S. Bureau of Labor Statistics, "Foreign-Born Workers: Labor Force Characteristics — 2025," May 19, 2026, https://www.bls.gov/news.release/forbrn.nro.htm
[8] Small Business Majority, "Voice of Main Street: Small businesses support healthcare premium relief, immigration reform," November 13, 2025, https://smallbusinessmajority.org/our-research/voice-of-main-street/small-businesses-support-healthcare-premium-relief-immigration-reform

cut off access to government-guaranteed financing for any small business owned in part by entrepreneurs legally present in the U.S., including green card holders, who are following the law and working their way through the legal immigration system.

Congress and the administration should be doing everything in their power to support pathways to small business ownership for the millions of immigrant entrepreneurs who are pursuing the American Dream. However, the administration has instead decided to deny responsible financing options for immigrant entrepreneurs who have worked tirelessly to comply with immigration laws—a decision that will prevent many immigrant-owned businesses from growing their enterprises and contributing to local job growth and economic success.

Small Business Majority urges lawmakers to enact the *Investing in the American Dream Act (H.R. 8563)* which would codify access to the American Dream, ensuring that small businesses, including those that are majority owned (>51%) by citizens, nationals, green card holders, and other individuals lawfully in the U.S, can continue to access the capital needed to grow through SBA's flagship lending programs. A failure to reaffirm our nation's commitment to legal immigration and invest in small businesses would have direct consequences for local economies, communities and Main Streets that rely on immigrant-owned businesses to thrive.

Main Street is at a breaking point, and Congress must do more to bring down costs and expand access to opportunities for small businesses

From rising operational costs to targeted threats against immigrant entrepreneurs, small business owners nationwide are making it clear that current economic and policy pressures are destabilizing their business models and local economies. Millions of entrepreneurs like Alejandro Flores-Muñoz and Sayuri Tsuchitani are grappling with the direct consequences of recent federal policy decisions that have resulted in uncertainty and fear among the small business community:

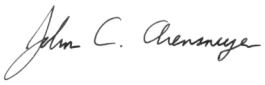
> *"I'm a DACA recipient who's been in the U.S. since I was seven. I've spent years building Combi Taco from the ground up, and today we're serving more than 30,000 meals a month, employing a team of people here in Colorado, and working with nonprofits and local governments to feed people experiencing homelessness.*
>
> *What people don't always realize is that immigration uncertainty doesn't just affect me personally, it affects every decision I make as a business owner. It's hard to plan years ahead, invest, hire, or sign long-term contracts when you don't know if the work authorization you've had for years will still be there. My business supports families, creates jobs, and serves our community, but all of that is tied to policies that remain uncertain.*
>
> *At the same time, we're dealing with the same pressures every small business is feeling. Food costs, insurance, healthcare, labor, fuel everything has gone up. We've worked hard to become more efficient instead of just passing those costs onto our clients because many of the organizations we serve are already operating on tight budgets.*
>
> *I think my story shows what's possible when immigrants are allowed to contribute. I've built businesses, created jobs, paid taxes, and invested back into my community. Small business owners don't need special treatment—we just need stability and the chance to keep doing the work we're already proving we can do."*
>
> *- Alejandro Flores-Muñoz, Owner, Combi Taco in Denver, CO*

> *"As an immigrant entrepreneur, I know firsthand how important small businesses are to our communities. Small businesses create jobs, bring people together, and contribute to local economies. But today, many immigrant-owned businesses are facing uncertainty.*

> *The current immigration climate has created anxiety not only for business owners, but also for employees, customers, and families. Many immigrants are hesitant to pursue opportunities, hire workers, or invest in growth because they are uncertain about what the future holds. When immigrants feel insecure, small businesses suffer.*
>
> *I am also concerned about recent restrictions on SBA lending that make it more difficult for immigrant entrepreneurs to access capital. Many immigrants do not have generational wealth, family resources, or established financial networks. Access to small business loans is often the bridge that allows them to start a business, hire employees, and contribute to the economy.*
>
> *When we make it harder for entrepreneurs to access capital, we are not just limiting individual businesses—we are limiting innovation, job creation, and economic growth in communities across America.*
>
> *I am proud to be an immigrant entrepreneur and proud to contribute to the American economy. My hope is that policymakers continue to support pathways that allow hardworking small business owners to grow, create jobs, and achieve the American Dream."*
>
> *- Sayuri Tsuchitani, Founder & Owner, Sumo Yoga in Los Angeles, CA*

Thank you for the opportunity to provide comments about current issues facing Main Street and the vital role immigrants play in shaping our economy and communities across the country. For any questions or additional information, please contact our Senior Director of Federal Government Affairs Alexis D'Amato Falvey at adamato@smallbusinessmajority.org.

Sincerely,



John Arensmeyer
Founder & CEO
Small Business Majority

THE DYING AMERICAN DREAM

and the Trump Administration

PART I: IMMIGRANT ENTREPRENEURS

Prepared by the
House Committee on Small Business
Democratic Staff

Committee on SMALL BUSINESS
Ranking Member Nydia M. Velázquez

December 2025

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Executive Summary

Immigrants are a diverse group, composed of many national origins and legal statuses. They come to America in search of better lives, and ultimately enrich the nation with their work, creativity, and ambition.

America has welcomed immigrants and benefitted uniquely from them. This is especially so for Main Street America, where immigrants start businesses at greater rates than United States-born individuals. These entrepreneurs work in every industry, create jobs, and pay taxes. In particular, the industries experiencing the most immigrant entrepreneurial participation are transportation and warehousing, accommodations and food service, administrative support and waste management, construction, health care, and wholesale trade. With immigrants starting and operating small businesses in American neighborhoods, the nation has seen increased innovation, job creation, economic growth, tax revenue, and budget deficit reduction. Immigrants contribute immensely to America's prosperity.

However, President Trump's return to office has prompted an unprecedented campaign to prevent and reverse immigration to America. His administration's actions and policies have prompted U.S. Immigrations and Customs Enforcement (ICE) to pursue frequent and aggressive raids, arrests, and deportations in communities across the country. ICE's crackdown is so blunt and untargeted that it has even ensnared visa holders, green card holders, and U.S. citizens. ICE agents have also been accused of physically abusing and mistreating detainees.[1]

The moral and ethical implications of the crackdown are clear, though an informational gap exists on the effects of the crackdown on America's main streets and economy. This report finds that the Trump administration's immigration enforcement is: (1) decapitating small business leadership; (2) cratering small business sales; (3) abducting Main Street workers; (4) lowering capital access; and (5) dangerously escalating petty and hate crime in America.

The Trump Administration's immigration campaign is also extraordinarily expensive, with costs at an estimated $88 billion, about $25 billion of which has already been allocated by the One Big Beautiful Bill Act.[2] These funds could have been allocated for more productive government activities, such as small business lending and counseling, health care assistance, education, and even public safety investments like crime prevention.

Despite these costs and consequences, the Trump Administration stubbornly presses on with its immigration agenda. In doing so, it will bleed small businesses of their owners, workers, sales, and innovation, rendering Main Street America a lifeless, colorless wasteland, devoid of vitality and creativity. America will lose its prosperity when it loses its immigrants.

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[1] *E.g.*, Cristian Benavides, *U.S. citizen told "you have no rights" during immigration arrest speaks out: "It hurts me"*, CBS NEWS (Jul. 28, 2025), https://www.cbsnews.com/news/kenny-laynez-arrest-you-have-no-rights-interview; Gwynne Hogan & Haidee Chu, *'Like Dogs in Here'— Videos Expose ICE Lockup Inside 26 Federal Plaza*, THE CITY (Jul. 22, 2025), https://www.thecity.nyc/2025/07/22/video-26-federal-plaza-immigration-ice-dhs-cells; Gisela Salomon & Kate Payne, *Detained immigrants at 'Alligator Alcatraz' say there are worms in food and wastewater on the floor*, ASSOCIATED PRESS (Jul. 11, 2025), https://apnews.com/article/alligator-alcatraz-immigration-detainees-florida-cc2fb9e34e760a50e97f13fe59cbf075.

[2] AM. IMMIGR. COUNCIL, MASS DEPORTATION: DEVASTATING COSTS TO AMERICA, ITS BUDGET AND ECONOMY (Oct. 2024); One Big Beautiful Bill Act, Pub. L. No. 119-21, §§ 90003-90007 (2025).

Introduction: Who Are America's Immigrant Entrepreneurs?

Throughout the nation's history, immigration has driven the growth of our economy and technological prowess. Yet, nearly 250 years since America's founding by its first immigrants, the idea of foreign-born persons living and working in society still holds immense controversy. In the last several months, Americans have heard intensely emotional, moral, and sometimes illogical arguments as to why immigration should or should not be promoted by the federal government. But what is lost in the noise and chaos of the debate – and recent presidential action – is the real, on-the-ground impact of immigrants on the success and prosperity of Main Street America. This report aims to address that informational gap by highlighting immigrant entrepreneurs, the role they play in America's business community, and how the nation's economy would fare without them.

An immigrant is a person living in the United States who was born in another country. Immigrants are a wide group consisting of lawful permanent residents (also known as green card holders), temporary visa holders, refugees, asylees, Deferred Action for Childhood Arrivals (DACA) recipients, and undocumented individuals. According to the U.S. Census Bureau, 47.8 million people are immigrants – which is 14.1 percent of the general populace.[3] Phrased differently, one in every seven people in the U.S. was born in another country. Of these immigrants, about a quarter are undocumented and almost 5 percent are refugees[4] with civil process rights.[5] The immigrant population in America is also surging: the Congressional Budget Office (CBO) estimates that the U.S. has been experiencing far higher net immigration since 2021, with 8.7 million more people immigrating between that year and 2026 than baseline expectations set in 2020.[6] Regardless of its diversity, immigration to the U.S. has always been motivated by the promise of better opportunity, a better life, and a better future for oneself and their family.

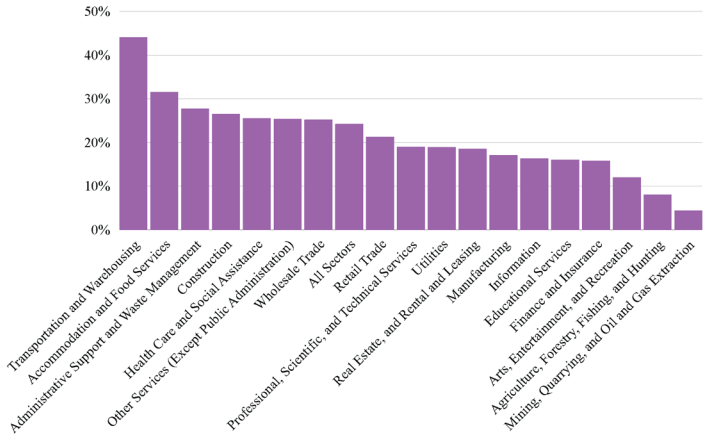


[3] *American Community Survey 1-Year Estimates: Selected Population Profiles*, U.S. CENSUS BUREAU (2023), https://data.census.gov/table?q=S0201.
[4] *E.g.*, Karen Aho et al., *The Number of Immigrants in the US Increases Yearly – And That's a Good Thing*, AM. IMMIGR. COUNCIL (Feb. 28, 2025), https://www.americanimmigrationcouncil.org/blog/number-of-immigrants-in-us-increases-yearly-and-thats-a-good-thing; Julia Gelatt et al., *Changing Origins, Rising Numbers: Unauthorized Immigrants in the United States*, MIGRATION POLICY INST. (Oct. 2025), https://www.migrationpolicy.org/research/unauthorized-immigrants-us-2025-fact-sheet.
[5] CONG. RSCH. SERV., R47399, *U.S. Refugee Admissions Program* (Jan. 20, 2023).
[6] CONG. BUDGET OFF., *Effects of the Immigration Surge on the Federal Budget and the Economy* (Jul. 23, 2024).

The nation's immigrants have long had higher entrepreneurship and innovation rates than other Americans. According to an Office of Advocacy analysis, immigrants' monthly rate of new business formation was more than twice that of U.S.-born workers, and 10.5 percent of the immigrant work force were business owners, compared with 9.3 percent of the U.S.-born work force.[7] In other words, immigrant entrepreneurs are a significant portion of American small businesses.

The largest portions of immigrant-owned firms exist in the transportation and warehousing, accommodation and food service, administrative support and waste management, construction, health care, and wholesale trade industries.[8] Figure 1 is a bar chart displaying the percentage of immigrant-owned firms, broken down by major industry. Figure 1 is accompanied by Figure 2, an accompanying table with exact numbers and breakdowns by employer and non-employer firms.

Figure 1: Percentage of Immigrant-Owned Firms by Industry and Employer Status[9]



[7] Robert W. Fairlie, *Immigrant Entrepreneurs and Small Business Owners, and their Access to Financial Capital*, OFF. OF ADVOC. (May 2012), https://advocacy.sba.gov/wp-content/uploads/2012/05/Immigrant-Entrepreneurs-Financial-Capital-Full-Report.pdf (on file with the H. COMM. ON SMALL BUS.).

[8] *AB2200CSCBO: Annual Business Survey: Owner Characteristics of Respondent Employer Firms by Sector, Sex, Ethnicity, Race, and Veteran Status for the U.S., States, Metro Areas, Counties, and Places: 2022*, U.S. CENSUS BUREAU (2022), https://data.census.gov/table/ABSCBO2022.AB2200CSCBO (on file with the H. Comm. on Small Bus.); *AB2200NESD04: Nonemployer Statistics by Demographics series (NES-D): Owner Characteristics of Nonemployer Firms by Industry, Sex, Ethnicity, Race, and Veteran Status for the U.S., States, Metro Areas, Counties, and Places: 2022*, U.S. CENSUS BUREAU (2022), https://data.census.gov/table/ABSNESDO2022.AB2200NESD04 (on file with the H. COMM. ON SMALL BUS.).

[9] *Id.*

Figure 2: Percentage of Immigrant-Owned Firms by Industry and Employer Status[10]

Industry	Percentage of firms that are immigrant-owned	Percentage of employer firms that are immigrant-owned	Percentage of non-employer firms that are immigrant-owned
Transportation and warehousing	44.1%	22.7%	44.8%
Accommodation and food services	31.5%	37.7%	28.2%
Administrative and support and waste management and remediation services	27.7%	14.5%	28.9%
Construction	26.5%	11.5%	29.2%
Health care and social assistance	25.5%	23.4%	25.9%
Other services (except public administration)	25.4%	22.5%	25.6%
Wholesale trade	25.2%	22.5%	26.3%
All sectors	**24.2%**	**19.1%**	**24.8%**
Retail trade	21.3%	24.8%	20.6%
Professional, scientific, and technical services	19.0%	15.8%	19.6%
Utilities	18.9%	8.3%	20.0%
Real estate, and rental and leasing	18.5%	13.7%	18.7%
Manufacturing	17.1%	12.2%	19.3%
Information	16.3%	17.2%	16.1%
Educational services	16.0%	20.0%	15.8%
Finance and insurance	15.8%	9.8%	17.0%
Arts, entertainment, and recreation	12.0%	9.7%	12.1%
Agriculture, forestry, fishing and hunting	8.0%	5.6%	8.1%
Mining, quarrying, and oil and gas extraction	4.4%	3.7%	4.6%

Among employer firms, the greatest share of immigrant-owned companies can be found in the accommodation and food services, health care, and retail trade industries. Meanwhile, the largest proportions of non-employer businesses that are immigrant-owned exist in the transportation and warehousing, construction, and administrative support and waste management industries.[11]

[10] *Id.*
[11] *Id.*

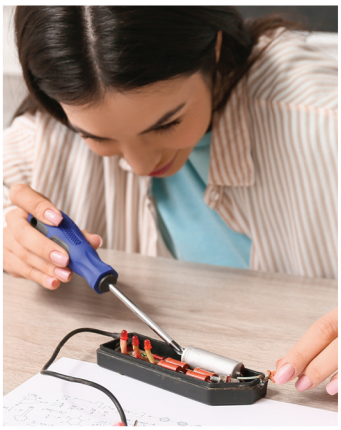
It is more than clear that immigrant entrepreneurs are an important segment of Main Street America. Hailing from origins around the globe, immigrant small business owners work and innovate in all sorts of fields but are all united by faith that their hard work will pay off, and they can earn a slice of the American Dream.

Immigrant Entrepreneurs' Contributions to America's Economy

Like all entrepreneurs, immigrants power and strengthen America's economy and neighborhoods. Growth in entrepreneurship has been on the decline since the early 1980s, reducing economic productivity by an estimated 3 to 4 percent as of 2020.[12] The CBO attributes this downturn to constraints on new business owners' capital access, as well as recessions and slower working-age population growth, and presents immigration expansion as one way to offset this trend.[13] The previous administration saw a record high of over 21 million business starts,[14] spurred by investments in small business assistance, including to immigrant entrepreneurs.

Innovation and Job Creation

Immigrants drive innovation and job creation because they start and own businesses at higher rates than non-immigrants. As stated above, immigrants' monthly rate of new business formation was more than twice that of U.S.-born workers, and 10.5 percent of the immigrant work force were business owners, compared with 9.3 percent of the U.S.-born work force.[15] More importantly, immigrant-owned businesses are more likely than others to create jobs and hire employees.[16]



Higher rates of innovation and entrepreneurship among immigrants also spur technological innovation and economic expansion. Immigrants account for 24 percent of U.S. patents, twice their share in the population,[17] and the patents that immigrants file tend to be of higher quality.[18]

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[12] CONG. BUDGET OFF., *Federal Policies in Response to Declining Entrepreneurship* (Dec. 2020).
[13] *Id.*
[14] Press Release, THE WHITE HOUSE, *FACT SHEET: Bident-Harris Administration Announces that Americans have Filed a Record 21 Million New Business Applications Since Taking Office* (Jan. 10, 2025), https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2025/01/10/fact-sheet-bident-harris-administration-announces-that-americans-have-filed-a-record-21-million-new-business-applications-since-taking-office.
[15] Fairlie, *supra* note 7.
[16] *Id.*
[17] Jennifer Hunt & Marjolaine Gauthier-Loiselle, *How much does immigration boost innovation?*, 2 AM. ECON. J.: MACROECONOMICS 31 (Apr. 2010), https://pubs.aeaweb.org/doi/10.1257/mac.2.2.31.
[18] Robert Krol, *Effects of Immigration on Entrepreneurship and Innovation*, 41 CATO J., 551 (2021), https://www.cato.org/cato-journal/fall-2021/effects-immigration-entrepreneurship-innovation.

Part of this elevated rate can be explained by immigrants' educational levels: since immigrant college graduates disproportionately hold degrees in science and engineering, a single percentage point increase in immigrant college graduates increases patents per capita by 6 percent.[19] Additionally, according to the conservative Cato Institute, collaboration on patents with an immigrant increases the productivity of U.S.-born inventors more than that same collaboration increases the immigrant inventor's productivity.[20] In fact, over half of the Silicon Valley engineering and technology startups founded from 1995 to 2005 had one or more immigrants as a key founder.[21] Innovative new firms like these often introduce new products and services, fostering technological change and productivity gains.[22]

Exports help firms create jobs and attain long-term success while also improving the U.S.'s trade imbalance with the rest of the world. Immigrant firms are more likely to export their goods and services, possibly because their owners have business networks in their home countries, as well as linguistic and cultural skills. The Office of Advocacy found that 7.1 percent of immigrant firms export goods or services, compared to 4.4 percent of non-immigrant firms, and they tend to have higher shares of exports as a percentage of their total sales.[23] For 3.2 percent of immigrant firms, exports represented at least 20 percent of their total sales, while the same was true for less than 1 percent of non-immigrant firms.[24]

Immigrants not only create jobs; statistics show they do not displace U.S.-born workers. As the nation's net immigration rate rose in the early 2020s, the average unemployment rate for U.S.-born workers reached the lowest rate on record, averaging 3.6 percent in 2023. Similarly, 2023 saw the labor force participation rate for U.S.-born workers ages 25 to 54 reach its highest point since 2002.[25] Furthermore, economists attribute worsening employment data in 2025 to the Trump Administration's immigration restrictions and a general slowdown in hiring related to the heightened uncertainty and increased costs that tariffs have imposed on the economy.[26]

Instead of displacing U.S. workers, immigrants fill gaps in the U.S.'s labor market caused by demographic changes, helping compensate for the aging of the U.S. work force and contributing to strong economic growth.[27] The proportion of Americans over the age of 65 is expected to reach about 20 percent by 2040, nearly double the proportion in 1980.[28] In recent years, the U.S.-born working-age population declined from 61.7 percent in 2018 to 60.9 percent in 2023.[29]

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[19] Hunt & Gauthier-Loiselle, *supra* note 17.
[20] Krol, *supra* note 18.
[21] Vivek Wadhwa, et al., *America's New Immigrant Entrepreneurs: Part I*, SSRN J. (Jan. 4, 2007), http://dx.doi.org/10.2139/ssrn.990152.
[22] CONG. BUDGET OFF., *supra* note 12.
[23] Fairlie, *supra* note 7.
[24] *Id.*
[25] Daniel Costa & Heidi Shierholz, *Immigrants are not hurting U.S.-born workers*, ECON. POLICY INST. (Feb. 20, 2024), https://www.epi.org/blog/immigrants-are-not-hurting-u-s-born-workers-six-facts-to-set-the-record-straight.
[26] Paul Wiseman & Christopher Rugaber, *US employers slash hiring as Trump advances a punishing trade agenda*, ASSOCIATED PRESS (Aug. 1, 2025), https://apnews.com/article/jobs-unemployment-economy-trump-federal-reserve-68a15f89d68793a6cf88a522ff33246c.
[27] Costa & Shierholz, *supra* note 25.
[28] Aho et al., *supra* note 4.
[29] *Id.*

By contrast, in 2023, 77.1 percent of immigrants, or 36.9 million people, were between the ages of 16 and 64.[30] These immigrants, who make up 18.6 percent of the U.S. labor force, are employed in numerous industries and in a mix of lower, middle, and higher-wage jobs.[31]

Economic Growth and Tax Revenue

Immigrants – even the undocumented ones – pay taxes and accelerate economic growth. In fact, according to the CBO, the recent immigration surge will result in net increases in federal tax revenues and economic activity.[32] This is because immigration contributes to positive economic forces, such as labor force growth, increased productivity for all workers due to innovation, the aforementioned job creation, and greater investment due to the expanded human capital and business formation.[33]

As a result, the CBO projects an $8.9 trillion increase in gross domestic product (GDP) between 2024 and 2034, attributed directly to the immigration surge.[34] Over the first few years of this period, up to half of the GDP growth was expected to come from new investments including additional housing for newcomers and their families, and equipment for these new workers.[35] Meanwhile, the new households' spending on goods and services would initially account for about half of the added GDP growth, rising to 70 percent by 2034.[36]



Not much data exists on undocumented immigrant entrepreneurs. However, the American Immigration Council recently highlighted that undocumented small business owners generated $27.1 billion in 2022,[37] and more broadly, immigrants contributed $419.8 billion in federal taxes in 2023 alone. Of these taxes, undocumented immigrants paid $55.8 billion.[38]

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[30] *Id.*
[31] Costa & Shierholz, *supra* note 25.
[32] CONG. BUDGET OFF., *supra* note 6.
[33] *Id.*
[34] *Id.*
[35] *Id.*
[36] *Id.*
[37] AM. IMMIGR. COUNCIL, *supra* note 2.
[38] Aho et al., *supra* note 4.

Figure 3 is a bar chart depicting 2023 tax payments made by immigrants to the federal government, state and local governments, Social Security, and Medicare, as well as the segment of payments made by undocumented immigrants. The Figure is accompanied by Figure 4, a table with exact numbers.

Figure 3: Total Tax Contributions Made by Immigrants in 2023[39]

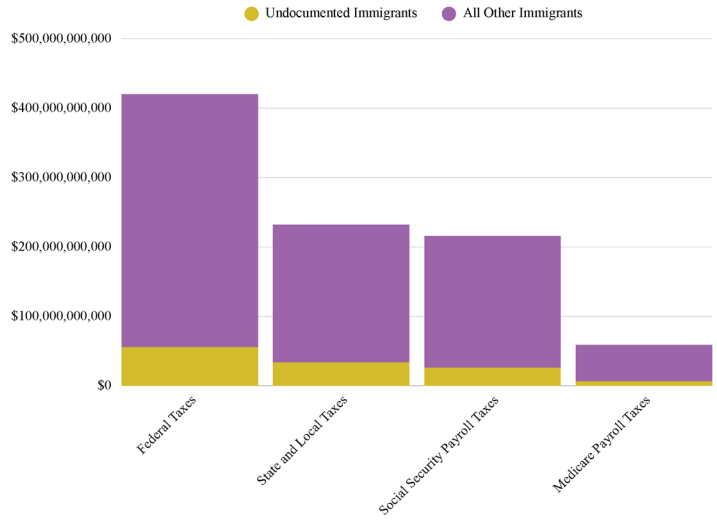


Figure 4: Total Tax Contributions Made by Immigrants in 2023[40]

	Undocumented Immigrants	All Other Immigrants
Federal Taxes	$55,800,000,000	$364,000,000,000
State and Local Taxes	$33,900,000,000	$198,200,000,000
Social Security Payroll Taxes	$26,200,000,000	$189,600,000,000
Medicare Payroll Taxes	$6,600,000,000	$52,100,000,000

[39] *Id.*
[40] *Id.*

According to the CBO's estimates, the recent immigration surge would increase federal revenues by nearly $1.2 trillion from 2024 through 2034.[41] This increase in revenue would come primarily from individual income taxes and payroll taxes paid by these immigrants, with the remainder coming from the general increase in economic activity they create.[42]

The CBO also projected a corresponding reduction in the federal deficit of $897 billion in 2034 because the additional immigrants will contribute more federal revenue than they cost in government expenditures. Much of this is because most immigrants, including 65 percent from the surge, are already ineligible for federal benefits, which they therefore do not collect – and they still pay taxes.[43] Similarly, the Department of Health and Human Services has found that the net fiscal impact of refugees and asylees is positive, and that between 2005 and 2019, they contributed $123.8 billion more in federal, state, and local tax revenues than the government spending necessitated by their presence.[44]

In summary, higher levels of immigration increase economic growth and innovation-related activities.[45] However, in the wake of the Trump Administration's escalating efforts to detain and deport foreign-born residents, recent estimates predict that the U.S. will see zero or net negative immigration in 2025.[46] The U.S. has consistently seen positive net immigration since 1960, making the impact of these missing entrepreneurs and workers unpredictable—though the change certainly harms industries including agriculture and construction.[47] The Trump Administration's own Labor Department acknowledged these harms in a recent rulemaking document, finding that the immigration crackdown contributes to a "current and imminent" agricultural labor shortage, threatening the production and price stability of domestic food.[48]



[41] CONG. BUDGET OFF., *supra* note 6.
[42] *Id.*
[43] *Id.*
[44] OFF. OF THE ASSISTANT SEC'T FOR PLAN. & EVALUATION, THE FISCAL IMPACT OF REFUGEES AND ASYLEES AT THE FEDERAL, STATE, AND LOCAL LEVELS FROM 2005-2019, U.S. DEP'T OF HEALTH & HUM. SERVS. (Feb. 15, 2024).
[45] Krol, *supra* note 18.
[46] Megan Leonhardt, *U.S. Migration Could Be Negative in 2025. That Has Economic Consequences.*, BARRONS (July 2, 2025), https://www.barrons.com/articles/migration-employment-growth-inflation-01fdab43.
[47] *Id.*; *see* Aho et al., *supra* note 4.
[48] Adverse Effect Wage Rate Methodology for the Temporary Employment of H-2A Nonimmigrants in Non-Range Occupations in the United States, 90 Fed. Reg. 47914 (Oct. 2, 2025); Lauren Kaori Gurley, *Trump administration says immigration enforcement threatens higher food prices*, WASH. POST (Oct. 11, 2025), https://www.washingtonpost.com/business/2025/10/11/immigration-crackdown-food-prices.

The Trump Administration's Crackdown on Immigrants Hurts America's Main Streets

Since returning to office in January 2025, President Trump's Administration has waged an unprecedented campaign to kidnap and expel immigrants from our nation. In May, the White House set a goal of 3,000 arrests by ICE daily – an unrealistically high expectation over triple the average number of arrests per day between January 20, 2025 and May 19, 2025.[49] This goal, justified in part by extremely racist and bigoted rhetoric targeted against immigrants of color,[50] has prompted ICE to expand its immigration detention activities and tactics.

In 2025 alone, ICE arrests have skyrocketed, with more and more people detained while in their homes, running errands, and at their workplaces.[51] Immigration agents have detained individuals in far more diverse settings – including at routine immigration proceedings intended for undocumented immigrants to receive due process.[52] ICE raids and arrests are increasingly warrantless and untargeted.[53] This means that ICE is arresting individuals regardless of status, entangling green card holders and applicants,[54] visa holders,[55] refugees and asylum seekers,[56] Deferred Action for Childhood Arrivals (DACA) status recipients,[57] and even U.S. citizens.[58] Furthermore, numerous reports have emerged of detainees being subjected to physical abuse, denial of constitutional rights, and squalid conditions, both upon arrest and in detention facilities.[59]

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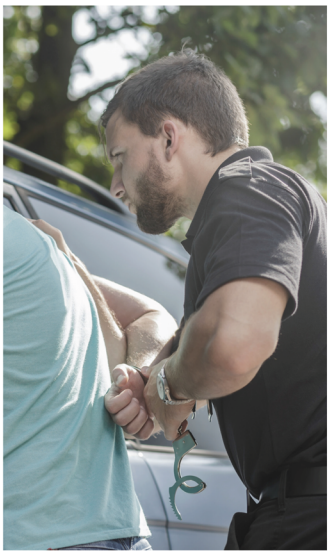
[49] Rebecca Santana, *ICE, the agency central to Trump's mass deportation plans, undergoes a shakeup*, ASSOCIATED PRESS (May 30, 2025), https://apnews.com/article/immigration-enforcement-border-trump-ice-6fecdf2313788bd889b51adfb003ca7a.
[50] AM. C.L. UNION, TRUMP ON IMMIGRATION (Jun. 6, 2024), https://www.aclu.org/publications/trump-on-immigration.
[51] IMMIGR. RSCH. INITIATIVE, WHO IS ICE ARRESTING? (Jul. 23, 2025).
[52] Todd Heisler et al., *Anatomy of an ICE Arrest*, N.Y. TIMES (Aug. 5, 2025), https://www.nytimes.com/2025/08/03/nyregion/immigrant-arrests-courthouse.html; Emma Winger, *At Graduation Time, ICE Targets Young Dreamers*, AM. IMMIGR. COUNCIL (Jun. 12, 2025), https://www.americanimmigrationcouncil.org/blog/graduation-ice-targets-young-dreamers.
[53] *E.g.*, José Olivares, *US immigration officers ordered to arrest more people even without warrants*, THE GUARDIAN (Jun. 4, 2025), https://www.theguardian.com/us-news/2025/jun/04/immigration-officials-increased-detentions-collateral-arrests.
[54] *E.g.*, Joel Rose, *Green-card holders, travelers caught in Trump's immigration crackdown*, NPR (Apr. 1, 2025), https://www.npr.org/2025/04/01/nx-s1-5339698/green-card-holders-detained-border-crackdown (on file with the H. COMM. ON SMALL BUS.); Billal Rahman, *Woman Detained During Birthday Trip Despite Pending Green Card Application*, NEWSWEEK (Jun. 2, 2025), https://www.newsweek.com/maryia-vviadzenskaya-detained-birthday-green-card-2079700.
[55] *E.g.*, April Rubin, *Tracking the foreign nationals detained by ICE as tourists or U.S. residents*, AXIOS (Apr. 1, 2025), https://www.axios.com/2025/03/20/tourists-us-residents-detained-arrested-deported-ice-immigration-trump.
[56] *E.g.*, Ximena Bustillo & Juliana Kim, *Christian refugees caught in the crosshairs of U.S. immigration policy*, NPR (Jul. 31, 2025), https://www.npr.org/2025/07/31/g-s1-80181/trump-christian-refugees-asylum-immigration (on file with the H. COMM. ON SMALL BUS.); Tania Thorne, *Advocates say an Afghan refugee was detained at San Diego immigration court*, KPBS (Jun. 16, 2025), https://www.kpbs.org/news/border-immigration/2025/06/16/advocates-say-an-afghan-refugee-was-detained-at-san-diego-immigration-court (on file with the H. COMM. ON SMALL BUS.).
[57] *E.g.*, Grethel Aguila, *DACA recipient detained at Alligator Alcatraz, attorney says. 'We don't know why'*, MIAMI HERALD (Jul. 10, 2025), https://www.miamiherald.com/news/local/immigration/article310337645.html.
[58] *E.g.*, María Luisa Paúl, *Here are the U.S. citizens caught in Trump's immigration crackdown*, WASH. POST (May 3, 2025), https://www.washingtonpost.com/immigration/2025/05/02/citizens-caught-trump-immigration-crackdown.
[59] *E.g.*, Benavides, *supra* note 1; Hogan & Chu, *supra* note 1; Salomon & Payne, *supra* note 1.

Additionally, ICE agents have begun wearing masks and concealing their identities – undermining any accountability for abuses.[60] On top of that, the Trump Administration's *One Big Beautiful Bill Act* imposes a new, onerous fee of at least $5,000 per immigration arrest, among other burdensome fees thrust onto immigrant entrepreneurs and workers.[61]

ICE's expansion of raids and arrests, wide scope of this campaign, poor treatment of detainees, and masking of officers – all under the Trump Administration – means that immigrant entrepreneurs are under threat, more than ever, by an increasingly abusive federal agency whose officers act with impunity, arbitrariness, and capriciousness. In other words, ICE's crackdown is threatening the very fabric upon which Main Street thrives.

Decapitating Small Business Leadership

Because immigrants start small businesses at greater rates than U.S.-born individuals,[62] ICE's campaign will slow business creation, particularly in the industries where immigrant-owned businesses are more common.[63] With that said, the crackdown also impacts entrepreneurs who have already opened small businesses in America. When a small business owner is arrested or deported by ICE, their leadership of their business is incapacitated – they are inherently unable to make important decisions or oversee the day-to-day operations of their firm.[64] Similarly, when an entrepreneur's relatives, such as a spouse or children, are detained, they often rightly prioritize locating them and acting to obtain the release of those relatives – drawing the entrepreneur's attention away from their business. If ICE physically mistreats a small business owner, the injuries they sustain, and the resulting health impacts, can likewise hurt their ability to run their business.[65] All these effects can cause the temporary or permanent closure of a small business, especially if it is a sole proprietorship.



[60] Leila Fadel et al., *Masked immigration agents are spurring fear and confusion across the U.S.*, NPR (Jul. 10, 2025), https://www.npr.org/2025/07/09/nx-s1-5440311/ice-raids-masked-agents (on file with the H. COMM. ON SMALL BUS.).
[61] One Big Beautiful Bill Act, Pub. L. No. 119-21, § 100017 (2025).
[62] Fairlie, *supra* note 7.
[63] ECON. POLICY INST., TRUMP'S DEPORTATION AGENDA WILL DESTROY MILLIONS OF JOBS (Jul. 10, 2025).
[64] See, e.g., *The Devastating Impact of Deporting Business Owners on Our Economy and Communities*, ILL. HISPANIC CHAMBER OF COM., https://ihccbusiness.net/ceo-letter/the-devastating-impact-of-deporting-business-owners-on-our-economy-and-communities (last visited Oct. 23, 2025).
[65] *See, e.g.*, Doc Louallen, *79-year-old US citizen claims ICE agents body-slammed him at his business, seeks $50M*, ABC NEWS (Sep. 27, 2025), https://abcnews.go.com/US/79-year-us-citizen-claims-ice-agents-body/story?id=125978834.

ICE's lack of transparency – and refusal to acknowledge Congressional oversight letters – has made it difficult for Congress to assess the breadth of this impact. However, the constant drumbeat of news reports from around the country, detailing the raids, arrests, and deportation of small business owners, indicate that the leadership incapacitation effect is not confined to any one state or region.[66] ICE's aggressive immigration enforcement is decapitating small businesses, rendering them unable to function and provide the benefits to local communities for which they are well known.

Cratering Small Business Sales

With fear of ICE raids and abuse rising, brick-and-mortar small businesses – particularly those operated and patronized by immigrants – have suffered cratering foot traffic and sales. This is because immigrant customers of small businesses are staying home regardless of status, for fear of detention and mistreatment by ICE, so there are fewer people to buy goods and services. Tourists are also far less likely to come to the U.S. and patronize businesses here.[67] These effects are particularly pronounced for immigrant-owned small businesses and small businesses located in predominantly immigrant communities.[68] Additionally, reports have surfaced that undocumented immigrants are spending less of their earnings, more generally, to hedge against any potential future apprehensions and expulsions.[69] America's main streets are losing valued customers because of ICE's campaign.



[66] ILL. HISPANIC CHAMBER OF COM., *supra* note 64; *see, e.g.*, Eric Rosane, *ICE to deport Tri-Cities father, business owner after arrest at immigration interview*, TRI-CITY HERALD (Jun. 17, 2025), https://www.tri-cityherald.com/news/local/article308777510.html; Dan Snyder & Will Kenworthy, *New Jersey leaders rally around Haddon Township restaurant owners arrested by ICE*, CBS NEWS (Feb. 27, 2025), https://www.cbsnews.com/philadelphia/news/new-jersey-haddon-township-kebab-ice; Maria M. Silva, *'One of our own': Rhinebeck rallies for Honduran immigrant detained by ICE*, TIMES-UNION (Jul. 22, 2025), https://www.timesunion.com/hudsonvalley/news/article/rhinebeck-locals-support-honduran-man-arrested-ice-20778778.php; Sapna Bansil, *Hagerstown nail salon owner freed after 5 months in ICE custody*, BALT. BANNER (Oct. 13, 2025) https://www.thebanner.com/western-maryland/melissa-tran-hagerstown-ice-custody-ZZLUF4V2RNHY3OVQZGGKIMIZ3E; Nick Mordowanec, *ICE Detains Restaurant Owner Mom for Over Two Months After 21 Years in US*, NEWSWEEK (Aug. 12, 2025), https://www.newsweek.com/ice-illegal-immigration-detained-kelly-yu-2112371; Ramon Antonio Vargas, *Trump Burger owner in Texas faces deportation after Ice arrest*, THE GUARDIAN (Aug. 9, 2025), https://www.theguardian.com/us-news/2025/aug/09/trump-burger-ice-arrest.

[67] ECON. POLICY INST., *supra* note 63; IMMIGR. RSCH. INITIATIVE, *supra* note 51.

[68] *E.g.*, Patricia Caro, *Latino businesses collapse under deportation terror: 'What is happening now is worse than what we experienced during Covid'*, EL PAÍS (Mar. 30, 2025), https://english.elpais.com/usa/2025-03-30/latino-businesses-collapse-under-deportation-terror-what-is-happening-now-is-worse-than-what-we-experienced-during-covid.html; Alfonso Galvan, *'They feel targeted': Deportation threat chills business on Minneapolis' Lake Street corridor*, SAHAN J. (Feb. 12, 2025), https://sahanjournal.com/business-work/minneapolis-lake-street-businesses-immigration-chill; Joanna Hernandez, *Business Owners in Little Village, Back of the Yards Say Sales Declining Amid Fears of ICE Raids*, WTTW (Jan. 30, 2025), https://news.wttw.com/2025/01/30/business-owners-little-village-back-yards-say-sales-declining-amid-fears-ice-raids (on file with the H. COMM. ON SMALL BUS.).

[69] ECON. POLICY INST., *supra* note 63; reports on file with the H. COMM. ON SMALL BUS.

Abducting Main Street Workers

The fear and terror of ICE raids and arrests not only depress Main Street's customer base, but also its workforce.[70] This effect could be more intense for small employers owned by immigrants, particularly if they operate in immigrant communities. Committee Democrats have repeatedly highlighted this issue in previous proceedings,[71] and intend to more fully explore the contributions and impacts immigrant small business employees have on America's economy in future work products and publications.

Lowering Capital Access

The incapacitation and expulsion of any entrepreneurs, by definition, decreases the number of individuals willing and able to invest in an American small business.[72] With fewer people in America with the money and wherewithal to start and support businesses, and with potential investors investing less due to the uncertainty and chaos emanating from the crackdown, it will be harder for the small business owners that remain to find capital to sustain and expand their operations.

The Committee and stakeholders remain concerned that personally identifiable information submitted to the Small Business Administration (SBA) for small business lending program applications and shared with the so-called "Department of Government Efficiency" (DOGE) could be in use to flag immigrant entrepreneurs, their relatives, or their employees for ICE detention.[73] DOGE's access to the SBA's systems is occurring as part of a larger effort to spy on critical federal public services, including Social Security, federal employee payroll, and the Internal Revenue Service.[74] Due to these dynamics, and previous anxieties surrounding information-sharing between public service providers and immigration agents, immigrant entrepreneurs, regardless of status, have – and will be – discouraged from applying for SBA lending services for which they are lawfully eligible, unduly constraining their access to capital.[75]

Given that capital access and lending discrimination are substantial barriers to the success of minority-owned businesses,[76] it is expected that the capital access impacts of these actions will be much worse for small businesses owned by immigrants of color rather than those owned by immigrants of European descent. The Administration's immigration policies have hurt investment and capital access for America's small businesses – especially those owned by immigrants.

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[70] *Hope on the Horizon: Prioritizing Small Business Growth in the 119th Congress:* Hearing before the H. COMM. ON SMALL BUS., 119th Cong. (Feb. 5, 2025).
[71] *Id.*
[72] *See* ECON. POLICY INST., *supra* note 63.
[73] Vittoria Elliott, *How Edward 'Big Balls' Coristine and DOGE Got Access to a Federal Payroll System That Serves the FBI*, WIRED (Jul. 30, 2025), https://www.wired.com/story/edward-coristine-big-balls-doge-federal-pay-roll-system.
[74] *Id.*
[75] *See* Lyanne Melendez & Juan Carlos Guerrero, *Bay Area restaurant owners find huge success, but could Trump's deportation push end American dream?*, ABC7 NEWS (Mar. 15, 2025), https://abc7news.com/post/business-owners-undocumented-bay-area-restaurateurs-chase-american-dream-despite-fear-deportation-trump-administration/16002617.
[76] Fairlie, *supra* note 7.

Dangerously Escalating Petty and Hate Crime

The Trump administration's immigration crackdown has also emboldened petty criminals and violent racists across America. These activities encourage petty crime because immigration agents' new practice of refusing to identify themselves and show credentials creates opportunities for other criminals to impersonate ICE personnel, with little effort, and exploit openings to terrorize and steal from their communities. Numerous cases have been documented wherein individuals posing as ICE agents rob small businesses and falsely imprison their employees. For example, on June 8, 2025, one man allegedly entered a Northeast Philadelphia automobile repair shop, identified himself as an immigration officer, zip-tied an employee, and stole roughly $1,000 in cash.[77] Similarly, on June 19, 2025, two men also reportedly targeted and mugged Latino residents of Anaheim by impersonating ICE agents.[78]

Trump officials' unhinged, cruel, and bigoted rhetoric[79] in justifying their immigration crackdown has empowered their supporters across the country, empowering them to escalate intimidation and hate crimes against immigrants, people of color, and small business owners from those groups.[80]



With elevated petty and hate crime, brick-and-mortar businesses on America's main streets are forced to close early for safety reasons, made to spend more on security measures, and turned into less attractive destinations for both workers and customers. Committee Members on both sides of the aisle have acknowledged this dynamic and highlighted the threat it can pose to our nation's small businesses.[81]

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[77] Jack Tomczuk, *Fake ICE agents exploiting fear, DA says after Mayfair robbery*, METRO PHILA. (Jun. 24, 2025), https://metrophiladelphia.com/northeast-philly-ice-impersonator-robbery.
[78] Jireh Deng, *Two men impersonated ICE agents to rob Latino residents, Anaheim police say*, L.A. TIMES (Jun. 24, 2025), https://www.latimes.com/california/story/2024-06-24/two-men-impersonated-ice-agents-to-rob-latino-anaheim-residents-police-say.
[79] AM. C.L. UNION, *supra* note 50; Benavides, *supra* note 1.
[80] BRIDGING DIVIDES INST., *Issue Brief: Mapping the Rise in Immigration-Related Demonstrations in Early 2025*, PRINCETON UNIV. (2025), https://bridgingdivides.princeton.edu/issue-brief-mapping-rise-immigration-related-demonstrations-early-2025 (last visited Aug. 6, 2025).
[81] *Crime On the Rise: How Lawlessness is Impacting Main Street America*: Hearing before the H. COMM. ON SMALL BUS., 118th Cong. (Jan. 11, 2024).

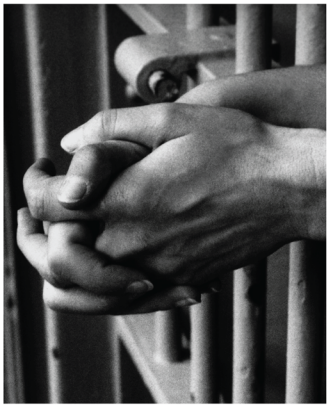
Where Else Could Agencies' Time and Resources Have Gone?

The American Immigration Council has warned that this administration's immigration crackdown would likely cost $88 billion annually, with the bulk of the costs stemming from their construction of camps in which they can concentrate immigrants.[82] That is over double the annual lending in the SBA's flagship 7(a) loan program, and more than 277 times the amount appropriated for all of the SBA's business counseling programs combined in the last fiscal year.[83] From the One Big Beautiful Bill Act alone, the Trump administration has already allocated nearly $25 billion to so-called border security activities, including immigration enforcement.[84]

This expansion of government spending, for the harassment and detention of hardworking immigrants, could be used elsewhere. For example, the federal government could be using these resources to protect and expand access to health care and education, and lower everyday costs for Americans. If the Trump Administration was serious about security and public safety, this money could have prioritized criminal investigations and crime prevention. Instead, the Administration is squandering billions of taxpayer dollars to terrorize and harm undeserving entrepreneurs, workers, and customers across the country.

Conclusion

America's main streets are in crisis. Amidst the immigration chaos, small business owners are losing capital, sales, workers, and safety upon which their businesses thrive. ICE is running rampant through American towns and cities, terrorizing, brutalizing, and kidnapping hardworking Americans – including citizens – who form the backbone of the economy. In the wake of this campaign of destruction, communities everywhere have been gripped by fear – hurting business creation, growth, and innovation like never before. Immigrants are more scared than ever to come to America, stay, and contribute to the nation. If these efforts continue or escalate, America will lose the immense benefits that come from the workforce and diversity immigration brings.



[82] AM. IMMIGR. COUNCIL, *supra* note 2.
[83] U.S. SMALL BUS. ADMIN., FISCAL YEAR 2026 CONGRESSIONAL BUDGET JUSTIFICATION & FISCAL YEAR 2026 ANNUAL PERFORMANCE PLAN (May 29, 2025).
[84] One Big Beautiful Bill Act, Pub. L. No. 119-21, §§ 90003-90007 (2025).

THE DYING AMERICAN DREAM

and the Trump Administration

PART II: IMMIGRANT WORKERS

Prepared by the
House Committee on Small Business
Democratic Staff

Committee on SMALL BUSINESS
Ranking Member Nydia M. Velázquez

March 2026

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Executive Summary

Immigrant workers – employees who were born outside of the United States – are an important element of the American labor force, staffing businesses of all sizes in every sector. They are especially critical for small businesses, and firms in sectors such as construction, transportation and utilities, professional and business services, agriculture, and leisure and hospitality. Immigrants make up sizable shares of the civilian labor force in the farming, building and grounds cleaning and maintenance, construction and extraction, food preparation and serving, production, and transportation and material movement occupations.

America's economy and main streets depend on immigrant workers to function and grow, primarily for three reasons. First, immigrant workers fill labor shortages, which disproportionately impact small businesses. This is why sectors such as construction, farming, logistics, and technology and information technology rely on immigrant workers so heavily. Second, immigrant workers pay taxes, accelerate economic growth, increase productivity for all workers, and spur new commercial investment due to their additions to the labor force. Lastly, immigrants help subsidize the American health care system because they often pay more into federal health care programs, and private health insurance, than they receive in benefits and spending.

Despite these benefits, President Trump and his appointees are fighting to expel immigrants from our nation, and to prevent more from contributing to our society, through their campaign of mass deportations and immigration enforcement. At the Trump administration's direction, U.S. Immigration and Customs Enforcement (ICE) and U.S. Customs and Border Protection (CBP) agents have embarked on alarming operations in American cities and towns, carrying out high-profile raids and indiscriminate arrests, which are increasingly warrantless and rife with abuses. Immigration agents have even killed U.S.-born citizens in broad daylight. This immigration crackdown is cutting America's labor force by: (1) preventing and scaring immigrant workers from doing their jobs, leaving employers struggling to fill lost man-hours; (2) slashing worker productivity due to the physical and mental toll of abuse at the hands of immigration agents, or fear thereof; and (3) degrading local economies and the American macroeconomic landscape as a whole.

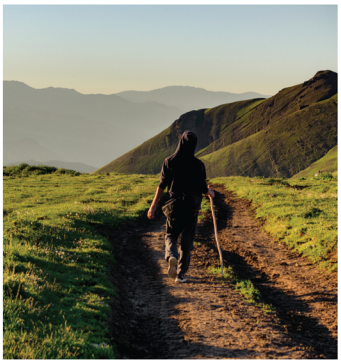
President Trump's cruel, racist approach is not the only way the federal government could address immigration issues. Instead, Congress should pursue comprehensive immigration legislation, with pathways to authorized work and status for immigrants who want to contribute to America's society and economy, and robust vetting for those individuals. Regulatory compliance resources, flexibility, and enforcement fairness for small employers would also help them weather the storm of immigration enforcement activity. Major reforms are also necessary at ICE and CBP, given the apparent entrenchment of poor practices and culture surrounding their immigration enforcement operations.

Main Street America needs immigrants to survive and thrive, and yet, the Trump administration is bleeding this labor force – sometimes literally – dry with their immigration policies and enforcement. If President Trump continues down this path, he will also kill our nation's cultural and economic wealth, robbing all Americans, U.S.-born and immigrant, of the American Dream.

Introduction: Who Are America's Immigrant Workers?

In the year since President Trump's return to the White House, America has seen drastic, chaotic shifts in immigration policy and enforcement. Immigration agents from United States Immigration and Customs Enforcement (ICE) and U.S. Customs and Border Protection (CBP) are sweeping across American communities and neighborhoods, harassing, detaining, and now killing everyday people. Despite the clearly illegal nature of these acts, Trump administration officials have justified these actions under the stated goals of public safety and immigration reduction.[1] Last December, House Committee on Small Business (Committee) Democrats published a report highlighting the worsening conditions the Trump administration's immigration crackdown was imposing on immigrant small business owners.[2] This report continues Committee Democrats' examination of immigration impacts on Main Street America. It explores how the crackdown is affecting the nation's small employers and the small business labor force, and what that means for the wider economy.

An immigrant is a person living in the U.S. who was born overseas. Immigrants are a wide group consisting of naturalized U.S. citizens, lawful permanent residents (also known as green card holders), temporary visa holders, refugees, asylees, Deferred Action for Childhood Arrivals (DACA) recipients, and undocumented individuals.



According to the U.S. Census Bureau, 50.2 million people are immigrants – which is 14.8% of the general populace,[3] meaning one in every seven people in the U.S. was born in another country. Of these immigrants, about a quarter are undocumented and almost 5% are refugees[4] with civil process rights.[5]

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[1] *See, e.g., Secure the Border*, THE WHITE HOUSE, https://www.whitehouse.gov/priorities/border-immigration (last visited Feb. 20, 2026).
[2] H. COMM. ON SMALL BUS., 119TH CONG., THE DYING AMERICAN DREAM, PART I: IMMIGRANT ENTREPRENEURS (Dec. 17, 2025).
[3] *Selected Population Profile in the United States*, U.S. CENSUS BUREAU: AM. CMTY. SURV. 1-YEAR ESTIMATES (2025), https://data.census.gov/table?g=010XX00US&d=ACS+1-Year+Estimates+Selected+Population+Profiles.
[4] *E.g.*, Karen Aho et al., *The Number of Immigrants in the US Increases Yearly – And That's a Good Thing*, AM. IMMIGR. COUNCIL (Feb. 28, 2025), https://www.americanimmigrationcouncil.org/blog/number-of-immigrants-in-us-increases-yearly-and-thats-a-good-thing; Julia Gelatt et al., *Changing Origins, Rising Numbers: Unauthorized Immigrants in the United States*, MIGRATION POLICY INST. (Oct. 2025), https://www.migrationpolicy.org/research/unauthorized-immigrants-us-2025-fact-sheet.

In the last administration, the immigrant population in America also surged: the Congressional Budget Office (CBO) estimated in 2024 that the U.S. had been experiencing far higher net immigration since 2021, with 8.7 million more people projected to immigrate between that year and 2026 than baseline expectations set in 2020.[6]

Most (53.9%) immigrants are of prime working age (i.e., between 25 and 54 years old), while a minority (36.5%) of U.S.-born people are in the same age range. Figure 1 is a stacked bar chart breaking down the U.S.-born and immigrant populations by age group. Figure 1 is accompanied by Figure 2, a table with exact percentages.

Figure 1: U.S.-Born People and Immigrants by Age Group[7]

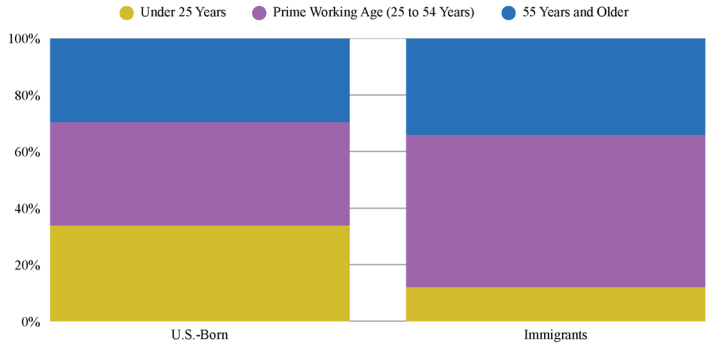


Figure 2: U.S.-Born People and Immigrants by Age Group[8]

	Under 25 Years	Prime Working Age (25 to 54 Years)	55 Years and Older	Total
U.S.-Born	33.9%	36.5%	29.5%	99.9%
Immigrants	12.1%	53.9%	33.9%	99.9%

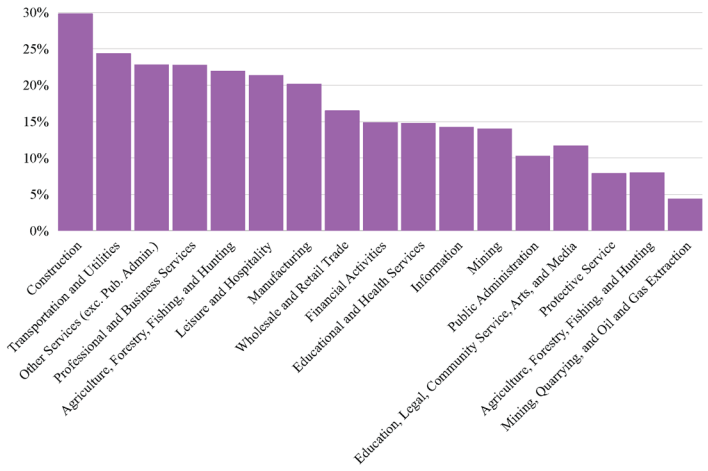
Note: Totals do not add up to 100% due to rounding.

[5] CONG. RSCH. SERV., R47399, U.S. REFUGEE ADMISSIONS PROGRAM (Jan. 20, 2023).
[6] CONG. BUDGET OFF., 60165, EFFECTS OF THE IMMIGRATION SURGE ON THE FEDERAL BUDGET AND THE ECONOMY (July 23, 2024).
[7] *Id.*
[8] *Id.*

This difference in age composition contributes to differences in U.S. civilian labor force participation: 67.6% of working age (i.e., over 16 years old) immigrants participate in the civilian labor force, and 64.5% are employed.[9] By comparison, 62.6% of working age U.S.-born people participate in the civilian labor force and 59.7% are employed.[10] In other words, immigrants are more likely to look for, and have, employment than others, in part because they tend more to be of prime working age.

Immigrants staff businesses in most fields, but the sectors with the largest shares of immigrant workers are construction; transportation and utilities; professional and business services; agriculture, forestry, fishing, and hunting; leisure and hospitality; and manufacturing. Figure 3 is a bar chart displaying the proportion of immigrants in the civilian labor force broken down by sector. Figure 3 is accompanied by Figure 4, a table with exact percentages.

Figure 3: Percentage of Immigrants in the Civilian Labor Force by Sector[11]



[9] U.S. CENSUS BUREAU, *supra* note 3.
[10] *Id.*
[11] *Table 9. Industry of Employed Civilian Workers 16 Years and Over by Generation: 2005 to 2024*, U.S. CENSUS BUREAU: FOREIGN-BORN: 2024 CURRENT POPULATION SURV. DETAILED TABLES (2025), https://www2.census.gov/programs-surveys/demo/tables/foreign-born/2024/cps2024/2024_asec_generation_table9.xlsx.

Figure 4: Percentage of Immigrants in the Civilian Labor Force by Sector[12]

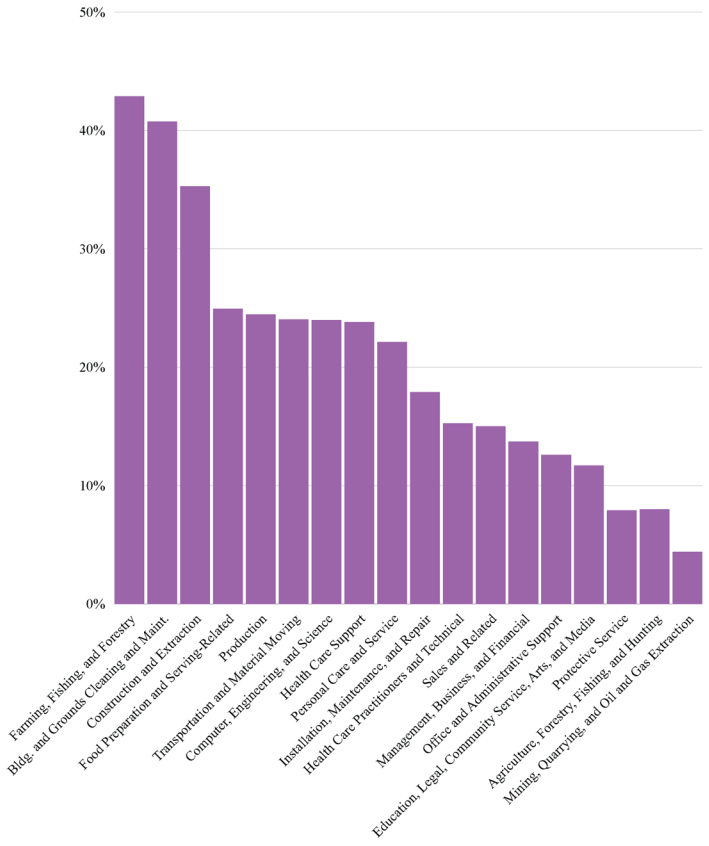
Sector	Percentage of Immigrants in the Civilian Labor Force
Construction	29.83%
Transportation and Utilities	24.37%
Other Services (except Public Admin.)	22.84%
Professional and Business Services	22.80%
Agriculture, Forestry, Fishing, and Hunting	21.94%
Leisure and Hospitality	21.36%
Manufacturing	20.18%
Wholesale and Retail Trade	16.51%
Financial Activities	14.89%
Educational and Health Services	14.82%
Information	14.23%
Mining	14.03%
Public Administration	10.28%

Among the occupations within the various sectors,[13] the share of immigrant workers is highest in the farming, fishing, and forestry; building and grounds cleaning and maintenance; construction and extraction; food preparation and serving-related; production; and transportation and material moving occupations. Figure 5 is a bar chart displaying the proportion of immigrants in the civilian labor force broken down by major occupation. Figure 5 is accompanied by Figure 6, a table with exact percentages.



[12] *Id.*
[13] Per the U.S. Census Bureau, the term "occupation" refers to the kind of work a person does at their specific job, while "sector" (a group of "industries") means the field in which their employer does business. For example, a restaurant's cook would be in the Leisure and Hospitality sector and hold a Food Preparation and Serving-Related occupation, but their general manager would hold a Management, Business, and Financial occupation while being in the same sector.

Figure 5: Percentage of Immigrants in the Civilian Labor Force by Occupation[14]



[14] *Table 8. Occupation of Employed Civilian Workers 16 Years and Over by Generation: 2005 to 2024*, U.S. CENSUS BUREAU: FOREIGN-BORN: 2024 CURRENT POPULATION SURV. DETAILED TABLES (2025), https://www2.census.gov/programs-surveys/demo/tables/foreign-born/2024/cps2024/2024_asec_generation_table8.xlsx.

Figure 6: Percentage of Immigrants in the Civilian Labor Force by Occupation[15]

Occupation	Percentage of Immigrants in the Civilian Labor Force
Farming, Fishing, and Forestry	42.89%
Building and Grounds Cleaning and Maintenance	40.75%
Construction and Extraction	35.28%
Food Preparation and Serving-Related	24.93%
Production	24.45%
Transportation and Material Moving	24.03%
Computer, Engineering, and Science	23.99%
Health Care Support	23.82%
Personal Care and Service	22.13%
Installation, Maintenance, and Repair	17.89%
Health Care Practitioners and Technical	15.26%
Sales and Related	15.00%
Management, Business, and Financial	13.71%
Office and Administrative Support	12.60%
Education, Legal, Community Service, Arts, and Media	11.71%
Protective Service	7.90%

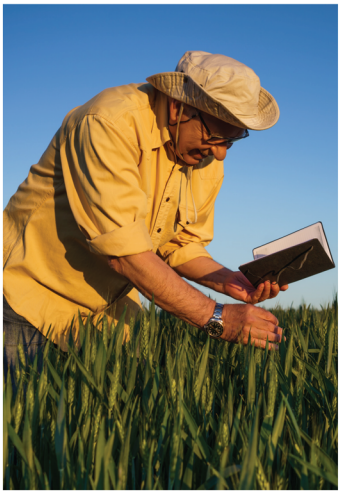
[15] *Id.*

It is believed that immigrant workers tend to cluster in blue-collar occupations, such as farming, custodial, construction, and food preparation, because the proportion of immigrants without a high school diploma or equivalent educational level is greater than that of individuals born in the U.S. Similarly, greater shares of individuals born in the U.S. hold bachelor's degrees compared to their immigrant peers.[16] However, greater shares of immigrants hold graduate degrees than U.S.-born people,[17] which may also explain why sizable portions of technical occupation labor forces, like computer, engineering, and science; and health care support, are made up of immigrants.

Immigrant workers are an essential part of labor forces in critical industries and the small firms that serve as the American economy's backbone. Immigrants of all backgrounds have always come to America in search of a slice of the American Dream: better work, better lives, and better futures for themselves and their loved ones. It is a common story shared by many hardworking people and families, from those that arrived over 250 years ago, to those that arrived just last week.

Immigrant Workers' Contributions to America's Economy

Immigrants make up over 19% of the American civilian labor force, and nearly one in five full-time employees is an immigrant.[18] Furthermore, immigration powers the nation's ability to grow the labor force. In fact, according to the Migration Policy Institute, between 2000 and 2022, immigrants accounted for nearly three-quarters of all growth in the prime working age labor force.[19] More broadly, the CBO estimates that immigration is increasingly driving U.S. population growth, and that it will entirely account for population growth beginning in 2040.[20] The drivers of these demographic changes include the aging of the U.S. populace and falling birth rates among U.S.-born people.[21] Altogether, immigrant workers have been integral contributors to the labor force and Main Street America, and their importance to the economy will only grow over time.

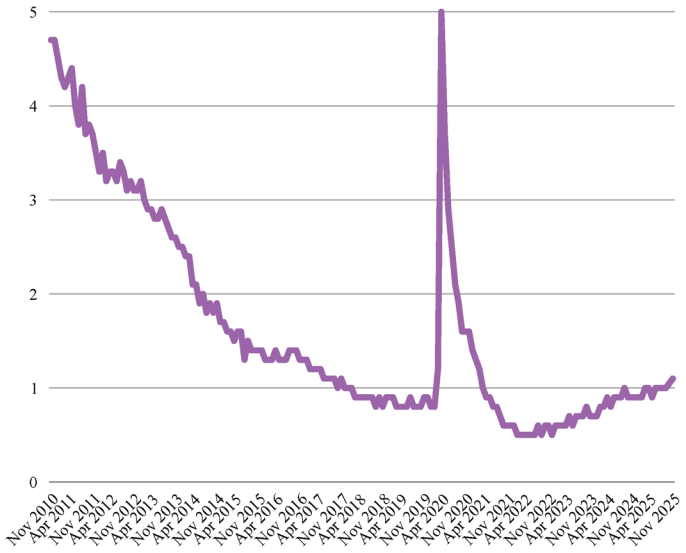


[16] U.S. CENSUS BUREAU, *supra* note 3.
[17] *Id.*
[18] *Table 7. Labor Force and Employment Status of the Civilian Population 16 Years and Over by Sex and Generation: 2005 to 2024*, U.S. CENSUS BUREAU: FOREIGN-BORN: 2024 CURRENT POPULATION SURV. DETAILED TABLES (2025), https://www2.census.gov/programs-surveys/demo/tables/foreign-born/2024/cps2024/2024_asec_generation_table7.xlsx.
[19] Julia Gelatt, *Explainer: Immigrants and the U.S. Economy*, MIGRATION POL'Y INST. (Oct. 2024), https://www.migrationpolicy.org/content/explainer-immigrants-and-us-economy.
[20] CONG. BUDGET OFF., 59697, THE DEMOGRAPHIC OUTLOOK: 2024 TO 2054 (Jan. 2024).
[21] *Id.*; Gelatt, *supra* note 19.

Filling Main Street America's Labor Shortage

In the wake of the COVID pandemic, unfilled job vacancies skyrocketed, a development that has disproportionately affected small businesses. In fact, between May 2021 and February 2025, job openings outnumbered unemployed individuals, save for the month of September 2024, when they were equal.[22] Figure 7 is a line chart depicting the ratio of unemployed individuals to job openings, seasonally adjusted, from November 2010 to November 2025. The chart shows the ratio falling from 4.7 in November 2010 to 0.8 in February 2020, briefly spiking to 5.0 at the height of the COVID pandemic in April 2020, sharply falling through April 2021, where it dips below 1.0, cratering at 0.5 at around May 2022, and steadily returning to around 1.0 in October 2024, where it has remained somewhat stable since.[23]

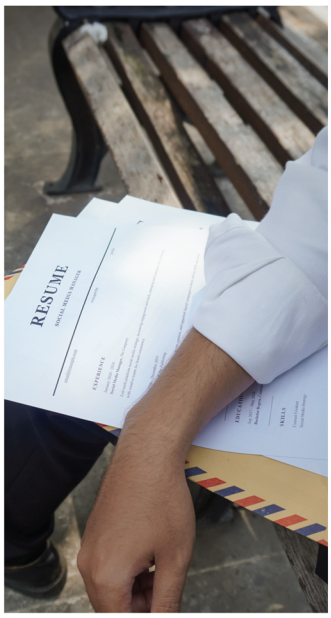
Figure 7: Ratio of Unemployed Individuals to Job Openings, Seasonally Adjusted, November 2010 to November 2025[24]



[22] *Number of unemployed persons per job opening, seasonally adjusted*, U.S. BUREAU OF LAB. STAT. (Jan. 7, 2026), https://www.bls.gov/charts/job-openings-and-labor-turnover/unemp-per-job-opening.htm.
[23] *Id.*
[24] *Id.*

Though the aggregate numbers of unemployed people and job openings are now roughly even, small employers are still having difficulties finding and retaining staff. Small business owners have testified to the Committee that in this labor environment, recruiting and retaining employees is very difficult, because unemployed Americans of all skill levels are scarce and larger firms have more resources than smaller ones to find workers and offer them lucrative compensation.[25] Per the National Federation of Independent Business, one in three small business owners have job openings that they could not fill in the past month, with 91% of hiring entrepreneurs reporting few or no qualified applicants.[26]

The U.S. Chamber of Commerce writes that the labor shortage is being driven by increasing retirements, the growing share of seniors (i.e., people at and over 65 years old) compared to other age groups in the U.S. populace, a lack of access to childcare preventing parents with young children from working, and a rise in flexible work modalities.[27]



In other words, the ability of U.S.-born people as a whole to fill jobs, staff businesses, and maintain economic growth is diminishing due to these demographic trends. The impacts of the labor shortage have been felt across industries of all types.

1. Construction

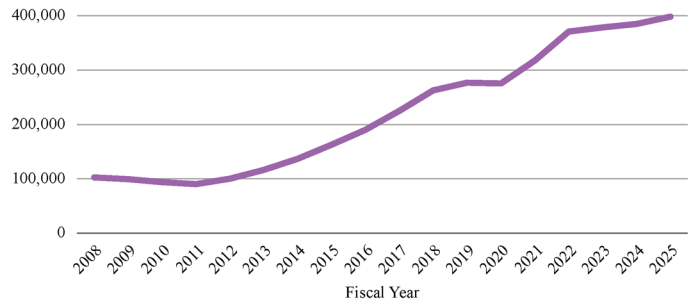
With respect to construction, 92% of contractors are having difficulty filling vacant jobs, according to the Associated General Contractors of America and National Center for Construction Education and Research. Construction projects are delivered on time only when the teams needed to build them are present and at full strength.[28] Timely completion of these projects contributes to infrastructure benefits and economic development.

[25] *See, e.g.*, *A Year in Review: The State of Small Business in America: Hearing before the H. Comm. on Small Bus.*, 118th Cong. (Dec. 12, 2023) (statement of Tammira Lucas, Chief Exec. Officer, The Cube Cowork); *Rural Entrepreneurship: Examining the Challenges and State of Rural Small Businesses: Hearing before the H. Comm. on Small Bus.*, 118th Cong. (July 26, 2023) (statement of Josh Phillips, Owner, Spawn Fly Fish).
[26] WILLIAM C. DUNKELBERG & HOLLY WADE, NAT'L FED'N OF INDEP. BUS., SMALL BUSINESS ECONOMIC TRENDS (Jan. 2026), https://www.nfib.com/wp-content/uploads/2026/01/NFIB-SBET-Report-Dec.-2025.pdf.
[27] Stephanie Ferguson Melhorn, *Understanding America's Labor Shortage*, U.S. CHAMBER OF COM. (July 22, 2025), https://www.uschamber.com/workforce/understanding-americas-labor-shortage.
[28] *2025 Workforce Survey Analysis*, ASSOCIATED GEN. CONTRACTORS OF AM. (Aug. 2025), https://www.agc.org/sites/default/files/users/user21902/2025%20Workforce%20Survey%20Analysis%20(3).pdf.

2. Agriculture

In agriculture, H-2A Temporary Agricultural Program (H-2A Program) job certifications for farmers and some livestock producers, acknowledged by the Agriculture Department USDA as "one of the clearest indicators of the scarcity of farm labor," have skyrocketed in recent years. These certifications are for jobs that agricultural businesses could not fill with existing U.S. workers, though they are not reflective of actual visa issuances.[29] Workers are increasingly more difficult for farmers to find for empty jobs at their businesses, as shown by H-2A Program data. Figure 8 is a line chart depicting the number of H-2A Program job certifications from Fiscal Years (FYs) 2008 to 2025. It shows certifications falling slightly from FYs 2008 to 2011, then rising steadily until FY 2018, when they level off somewhat until FY 2020, and spiking until FY 2022, when they relatively level through FY 2025.[30]

Figure 8: Number of H-2A Temporary Agricultural Program-Certified Positions, Fiscal Years 2008 to 2025[31]



The Trump administration's own Labor Department also acknowledged the agricultural labor shortage in a recent rulemaking.[32] Farms, ranchers, and livestock producers need sufficient workforces to harvest and process products for use or sale, maintaining the nation's food supply and prices.[33]

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[29] *Farm Labor*, U.S. DEP'T OF AGRIC.: ECON. RSCH. SERV. (Nov. 18, 2025), https://www.ers.usda.gov/topics/farm-economy/farm-labor.

[30] To generate this chart, Committee staff compiled H-2A Program certification data from the Labor Department's public disclosure files for FYs 2008 to 2025. OFF. OF FOREIGN LAB. CERTIFICATION, *Performance Data*, U.S. DEP'T OF LAB., https://www.dol.gov/agencies/eta/foreign-labor/performance (last visited Feb. 10, 2026); OFF. OF FOREIGN LAB. CERTIFICATION, *H-2A Temporary Agricultural Program – Selected Statistics, Fiscal Year (FY) 2025*, U.S. DEP'T OF LAB. (Sep. 30, 2025), https://www.dol.gov/sites/dolgov/files/ETA/oflc/pdfs/H-2A_Selected_Statistics_FY2025_Q4.pdf.

[31] *Id.*

[32] Adverse Effect Wage Rate Methodology for the Temporary Employment of H-2A Nonimmigrants in Non-Range Occupations in the United States, 90 Fed. Reg. 47914 (Oct. 2, 2025); Lauren Kaori Gurley, *Trump administration says immigration enforcement threatens higher food prices*, WASH. POST (Oct. 11, 2025), https://www.washingtonpost.com/business/2025/10/11/immigration-crackdown-food-prices.

[33] *E.g.*, Samuel Benson, *'The whole thing is screwed up': Farmers in deep-red Pennsylvania struggle to find workers*, POLITICO (Sep. 15, 2025), https://www.politico.com/news/2025/09/15/farm-labor-shortage-pennsylvania-trump-immigration-00560820.

3. Logistics

The logistics industry has similarly dealt with labor shortages. A 2025 Tech.co survey finds that almost seven in ten freight businesses are impacted by driver shortages, hurting their ability to meet demand for their services.[34] Furthermore, 63% of freight firms state their ability to recruit and retain drivers has stagnated or worsened in the last year.[35] Despite these issues, freight demand has increased for the same percentage of companies – meaning that these workers are needed more than ever.[36]

4. High-Skilled Occupations

Labor shortages have also impacted higher-skilled, white-collar industries, such as technology and information technology (IT). According to a 2025 ManpowerGroup survey, 73% of U.S. technology and IT services employers report they are struggling to find skilled talent to fill their workforces.[37] These firms need workers to help power innovation, technological progress, and software products and services to other organizations.

Immigrants play an integral part in filling these labor shortages. They fill jobs that U.S.-born workers are unwilling, unable, or overqualified to fill.[38] At small businesses, immigrant workers ensure that essential tasks are carried out, goods and services are produced consistently, and their employer can grow to its greatest potential. While some conservative policymakers claim that immigrants take jobs that U.S.-born people could instead fill,[39] empirical studies have found that, in reality, low-skilled immigrant workers compliment U.S.-born ones, by supporting other, more lucrative jobs that require the cultural and lingual fluency, and academic credentials, that U.S.-born workers tend to have at greater rates than immigrants.[40] Moreover, high-skilled immigrants tend to fill technical jobs requiring niche skills and degrees that most U.S.-born workers lack.[41]

The labor shortage in some industries is crippling to the extent that some businesses turn to undocumented immigrants to fill empty positions. According to the American Immigration Council, one in eight workers is undocumented in the construction and agriculture industries, and one in 14 workers is undocumented in the hospitality industry.[42]

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[34] TECH.CO, MOVING GOODS WITH FEWER HANDS (Jun. 30, 2025), https://tech.co/logistics/logistics-report-2025.
[35] *Id.*
[36] *Id.*
[37] MANPOWERGROUP, Q1 2026 EXPERIS TECH TALENT OUTLOOK: U.S. FINDINGS (Jan. 2026).
[38] *See, e.g.*, Benson, supra note 33.
[39] Brennan Hoban, *Do immigrants "steal" jobs from American workers?*, BROOKINGS INST. (Aug. 24, 2017), https://www.brookings.edu/articles/do-immigrants-steal-jobs-from-american-workers.
[40] *E.g.*, Gelatt, *supra* note 19; Dany Bahar et al., *The immigrant workforce supports millions of US jobs*, BROOKINGS INST. (Oct. 17, 2022), https://www.brookings.edu/articles/the-immigrant-workforce-supports-millions-of-u-s-jobs; Adam Davidson & Audie Cornish, *Immigrants Tend To Complement, Not Replace American Jobs*, NPR (May 8, 2013), https://www.npr.org/2013/05/08/182337929/immigrants-tend-to-complement-not-replace-american-jobs; *Value Added: Immigrants Create Jobs and Businesses, Boost Wages of Native-Born Workers*, AM. IMMIGR. COUNCIL (Jan. 1, 2012), https://www.americanimmigrationcouncil.org/fact-sheet/value-added-immigrants-create-jobs-and-businesses-boost-wages-native-born-workers.
[41] Gelatt, *supra* note 19.
[42] AM. IMMIGR. COUNCIL, MASS DEPORTATION: DEVASTATING COSTS TO AMERICA, ITS BUDGET AND ECONOMY (Oct. 2024), https://www.americanimmigrationcouncil.org/wp-content/uploads/2025/01/mass_deportation_report_2024.pdf.

This labor demand is why, as demonstrated above by Figures 5 and 6, immigrants make up nearly 43% of workers in farming, fishing, and forestry occupations, over 41% in building and grounds cleaning and maintenance occupations, and over 35% in construction and extraction occupations.[43] Similarly, as stated by Figures 3 and 4, over one in five workers in the construction, transportation and utilities, professional and business services, and agriculture, forestry, fishing, and hunting sectors are immigrants.[44] As the nation's economy grows and evolves, the role that immigrants play in our workforce will only grow. In fact, the CBO has found that immigrants accounted for roughly half of labor force growth between 2002 and 2018.[45] This contribution will likely increase as immigrants increasingly drive—and eventually exclusively provide—U.S. population growth, as previously mentioned.[46] Without immigrant workers, even the undocumented ones, to fill critical roles, businesses of all sizes would be unable to carry out essential operations and would cease to function properly.

Economic Growth, Tax Revenue, and Capital Investment

Immigrants – even the undocumented ones – pay taxes and accelerate economic growth. In fact, according to a 2024 CBO report, the recent immigration surge will result in net increases in federal tax revenues and economic activity.[47]

In February 2026, the conservative Cato Institute published a whitepaper with similar conclusions. They find that between 1994 and 2023, a period of nearly 30 years, immigrants created a net increase in government revenues at all levels, with a cumulative fiscal surplus of $14.5 trillion, including $3.9 trillion in debt interest savings.[48] This surplus has helped reduce the nation's deficit-to-gross domestic product (GDP) ratio and averted debt crises that would have otherwise surfaced sooner.[49] Looking ahead, the CBO's report predicted a federal revenue increase by nearly $1.2 trillion over the next ten years, and a corresponding federal deficit reduction of $897 billion, due to the recent immigration surge.[50]

These net upsides hold for undocumented immigrants as well. A 2023 American Immigration Council analysis determined that immigrants paid $419.8 billion in federal taxes, of which undocumented immigrants paid $55.8 billion. Immigrants also pay into Social Security and Medicare through payroll taxes – even if they may be ineligible for those benefits due to lack of documented status.[51] Figure 9 is a stacked bar chart depicting 2023 tax payments made by immigrants to the federal, state, and local levels of government, Social Security, and Medicare, as well as the segment of payments made by undocumented immigrants. The Figure is accompanied by Figure 10, a table with exact numbers.

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[43] U.S. CENSUS BUREAU, *supra* note 14.
[44] U.S. CENSUS BUREAU, *supra* note 11.
[45] CONG. BUDGET OFF., 58939, THE FOREIGN-BORN POPULATION, THE U.S. ECONOMY, AND THE FEDERAL BUDGET (Apr. 5, 2023).
[46] CONG. BUDGET OFF., *supra* note 20.
[47] CONG. BUDGET OFF., *supra* note 6.
[48] These figures are in real 2024 U.S. dollars.
[49] David J. Bier et al., *Immigrants' Recent Effects on Government Budgets: 1994-2023*, CATO INST. (Feb. 3, 2026), https://www.cato.org/white-paper/immigrants-recent-effects-government-budgets-1994-2023.
[50] CONG. BUDGET OFF., *supra* note 6.
[51] Aho et al., *supra* note 4.

Figure 9: Total Tax Contributions Made by Immigrants in 2023[52]

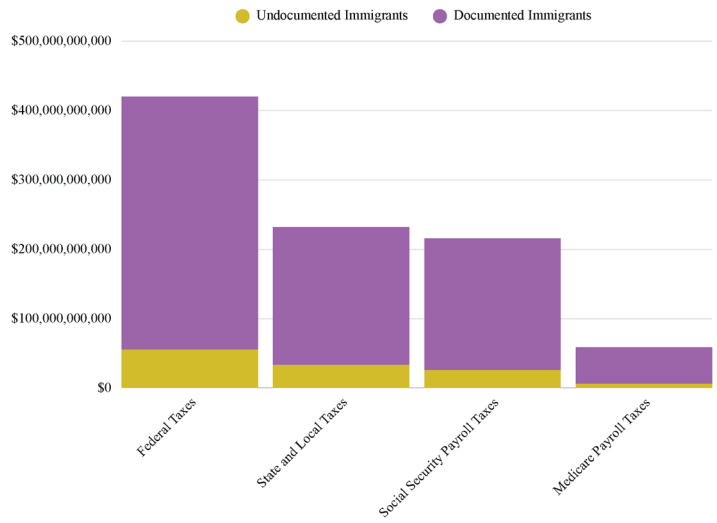


Figure 10: Total Tax Contributions Made by Immigrants in 2023[53]

	Undocumented Immigrants	Documented Immigrants	Total
Federal Taxes	$55,800,000,000	$364,000,000,000	$419,800,000,000
State and Local Taxes	$33,900,000,000	$198,200,000,000	$232,100,000,000
Social Security Payroll Taxes	$26,200,000,000	$189,600,000,000	$215,800,000,000
Medicare Payroll Taxes	$6,600,000,000	$52,100,000,000	$58,700,000,000

[52] *Id.*
[53] *Id.*

Outside of taxes, immigrants contribute to other positive economic forces, such as labor force growth, increased productivity for all workers due to innovation, job creation, and greater investment due to expanded human capital and business formation.[54] The CBO's 2024 report expressly states that due to immigrant workers, "a larger labor force can make use of more capital, and a more productive labor force can render each unit of capital more productive."[55] Because of these impacts, the report projected an $8.9 trillion increase in GDP between 2024 and 2034, attributed directly to the immigration surge.[56] Over the first few years of this period, up to half of the GDP growth was expected to come from new investments, including additional housing for newcomers and their families, and equipment for these new workers.[57] Meanwhile, the new households' spending on goods and services would initially account for about half of the added GDP growth, rising to 70 percent by 2034.[58] Overall, immigrants have made the American economy stronger and more resilient through taxes and other beneficial macroeconomic impacts.

Subsidizing American Health Care

Aside from paying into Medicare, immigrants also subsidize the American health care system. Health care companies spend less for immigrants—both citizens and noncitizens—than U.S.-born people, with average expenditures for immigrants being two-thirds the size of those for the U.S.-born.[59] Moreover, the average immigrant's annual health care insurance premium exceeds their insurer's spending on them.[60] Similarly, immigrants as a whole pay more in health care insurance premiums and Medicare taxes than those insurers and federal health care programs spend on them.[61]

Immigrants' health care payment surplus stems in part from two major drivers. First, undocumented immigrants are largely ineligible to receive benefits from those federal programs even though they pay into them.[62] Second, immigrants are generally cheaper to insure than U.S.-born people because on average, immigrants have healthier lifestyles, better health, and fewer preexisting conditions than the U.S.-born, necessitating less health care service use.[63]

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[54] CONG. BUDGET OFF., *supra* note 6.
[55] *Id.*
[56] *Id.*
[57] *Id.*
[58] *Id.*
[59] Alisha Rao et al., *Key Facts on Health Care Use and Costs Among Immigrants*, KFF (Sep. 23, 2024), https://www.kff.org/racial-equity-and-health-policy/key-facts-on-health-care-use-and-costs-among-immigrants.
[60] ERNESTO CASTAÑEDA & CARINA CIONE, IMMIGRATION REALITIES: CHALLENGING COMMON MISPERCEPTIONS 138 (2024).
[61] Mark J. Ommerborn et al., *Assessment of Immigrants' Premium and Tax Payments for Health Care and the Costs of Their Care*, 5 JAMA NETW OPEN e2241166 (2022), https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2798221.
[62] *E.g.*, Melissa Cruz, *Can Undocumented Immigrants Get SNAP or Medicaid? The Truth About Federal Benefits*, AM. IMMIGR. COUNCIL (Nov. 14, 2025), https://www.americanimmigrationcouncil.org/blog/undocumented-immigrants-snap-medicaid-benefits.
[63] Ommerborn et al., *supra* note 61; Neeraj Kaushal & Felix M. Muchomba, *Cost of Public Health Insurance for US-Born and Immigrant Adults*, 6 JAMA NETW OPEN e2334008 (2023), https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2809604.

The Committee has heard numerous testimonies that health care costs are burdensome for entrepreneurs and their workers, which impedes their abilities to function at full productivity and efficiency.[64] Any health care assistance, whether through meaningful federal investment and incentives, or through the advantages immigration and immigrant workers yield the nation, would go a long way to ensuring that small business owners and staff have the tools they need to succeed in Main Street America.

President Trump's Immigration Crackdown Is Draining Main Street's Labor Force

Upon his return to the White House in 2025, President Trump and his appointees have led an unprecedented campaign to abduct, detain, and expel immigrants from our nation. Last May, the White House set a goal of 3,000 arrests by ICE daily – an unrealistically high expectation over triple the average number of arrests per day between January 20, 2025 and May 19, 2025.[65] This goal, justified in part by extremely racist and bigoted rhetoric targeted against immigrants of color,[66] has prompted ICE to expand its immigration detention activities and tactics. CBP operations have similarly grown in scope and profile.[67]

Immigration enforcement arrests have skyrocketed, as more people – especially those without criminal records – are being arrested at home, work, school, and running errands.[68] People have also been arrested at routine immigration proceedings intended for undocumented immigrants to receive due process.[69] These arrests and raids are increasingly warrantless and untargeted.[70] In fact, in January 2026, ICE published a secret internal memorandum[71] incorrectly[72] asserting broad, expanded powers to detain people without warrants.[73]

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[64] *E.g.*, *Hope on the Horizon: Prioritizing Small Business Growth in the 119th Congress: Hearing before the H. Comm. on Small Bus.*, 119th Cong. (Feb. 5, 2025); *A Year in Review: The State of Small Business in America: Hearing before the H. Comm. on Small Bus.*, 118th Cong. (Dec. 12, 2023); *Pathways to Success: Supporting Entrepreneurs and Employees With Disabilities: Hearing before the Subcomm. on Innovation, Entrepreneurship, & Workforce Dev. of the H. Comm. on Small Bus.*, 118th Cong. (Jan. 30, 2024).

[65] Rebecca Santana, *ICE, the agency central to Trump's mass deportation plans, undergoes a shakeup*, ASSOCIATED PRESS (May 30, 2025), https://apnews.com/article/immigration-enforcement-border-trump-ice-6fecdf2313788bd889b51adfb003ca7a.

[66] AM. C.L. UNION, TRUMP ON IMMIGRATION (Jun. 6, 2024), https://www.aclu.org/publications/trump-on-immigration.

[67] *See, e.g.*, Sophia Tareen et al., *Border Patrol commander says immigration raids lead to dozens of arrests in North Carolina*, PBS NEWS (Nov. 16, 2025), https://www.pbs.org/newshour/nation/border-patrol-commander-says-immigration-raids-lead-to-dozens-of-arrests-in-north-carolina.

[68] IMMIGR. RSCH. INITIATIVE, WHO IS ICE ARRESTING? (Jul. 23, 2025).

[69] Todd Heisler et al., *Anatomy of an ICE Arrest*, N.Y. TIMES (Aug. 5, 2025), https://www.nytimes.com/2025/08/03/nyregion/immigrant-arrests-courthouse.html; Emma Winger, *At Graduation Time, ICE Targets Young Dreamers*, AM. IMMIGR. COUNCIL (Jun. 12, 2025), https://www.americanimmigrationcouncil.org/blog/graduation-ice-targets-young-dreamers.

[70] *E.g.*, José Olivares, *US immigration officers ordered to arrest more people even without warrants*, THE GUARDIAN (Jun. 4, 2025), https://www.theguardian.com/us-news/2025/jun/04/immigration-officials-increased-detentions-collateral-arrests.

[71] U.S. IMMIGR. & CUSTOMS ENF'T, CIVIL IMMIGRATION ARREST AUTHORITY: ADMINISTRATIVE ARREST WARRANTS AND WARRANTLESS ARRESTS (Jan. 28, 2026).

[72] *E.g.*, *How ICE Went Rogue*, AM. IMMIGR. COUNCIL (Feb. 11, 2026), https://www.americanimmigrationcouncil.org/fact-sheet/ice-cbp-legal-analysis.

[73] U.S. IMMIGR. & CUSTOMS ENF'T, *supra* note 71; Hamed Aleaziz & Charlie Savage, *ICE Expands Power of Agents to Arrest People Without Warrants*, N.Y. TIMES (Jan. 30, 2026), https://www.nytimes.com/2026/01/30/us/politics/ice-expands-power-agents-warrants.html.

Similarly, in May 2025, according to a whistleblower complaint, ICE allegedly published another secret memorandum[74] illegally authorizing agents to raid immigrants' homes without warrants.[75]

Immigration agents are arresting individuals regardless of status, entangling green card holders and applicants,[76] visa holders,[77] refugees and asylum seekers,[78] DACA status recipients,[79] and even U.S. citizens.[80] On top of that, the Trump administration's *One Big Beautiful Bill Act*[81] imposes a new, onerous fee of at least $5,000 per immigration arrest, among other burdensome fees thrust onto immigrant entrepreneurs and workers.[82] Numerous reports have emerged of detainees being subjected to physical abuse, denial of constitutional rights, and squalid conditions, both upon arrest and in detention facilities.[83]



[74] Andrew P. Bakaj et al., *Re: Secretive DHS memo authorizes ICE to illegally enter homes without a judicial warrant in violation of the Fourth Amendment*, WHISTLEBLOWER AID (Jan. 7, 2026), https://s3.documentcloud.org/documents/26499371/dhs-ice-memo-1-21-26.pdf.
[75] Dell Cameron & Matt Giles, *US Judge Rules ICE Raids Require Judicial Warrants, Contradicting Secret ICE Memo*, WIRED (Jan. 23, 2026), https://www.wired.com/story/us-judge-rules-ice-raids-require-judicial-warrants-contradicting-secret-ice-memo.
[76] *E.g.*, Joel Rose, *Green-card holders, travelers caught in Trump's immigration crackdown*, NPR (Apr. 1, 2025), https://www.npr.org/2025/04/01/nx-s1-5339698/green-card-holders-detained-border-crackdown; Billal Rahman, *Woman Detained During Birthday Trip Despite Pending Green Card Application*, NEWSWEEK (Jun. 2, 2025), https://www.newsweek.com/maryia-vviadzenskaya-detained-birthday-green-card-2079700.
[77] *E.g.*, April Rubin, *Tracking the foreign nationals detained by ICE as tourists or U.S. residents*, AXIOS (Apr. 1, 2025), https://www.axios.com/2025/03/20/tourists-us-residents-detained-arrested-deported-ice-immigration-trump.
[78] *E.g.*, Ximena Bustillo & Juliana Kim, *Christian refugees caught in the crosshairs of U.S. immigration policy*, NPR (Jul. 31, 2025), https://www.npr.org/2025/07/31/g-s1-80181/trump-christian-refugees-asylum-immigration; Tania Thorne, *Advocates say an Afghan refugee was detained at San Diego immigration court*, KPBS (Jun. 16, 2025), https://www.kpbs.org/news/border-immigration/2025/06/16/advocates-say-an-afghan-refugee-was-detained-at-san-diego-immigration-court.
[79] *E.g.*, Grethel Aguila, *DACA recipient detained at Alligator Alcatraz, attorney says. 'We don't know why'*, MIAMI HERALD (Jul. 10, 2025), https://www.miamiherald.com/news/local/immigration/article310337645.html.
[80] *E.g.*, Nicole Foy, *We Found That More Than 170 U.S. Citizens Have Been Held by Immigration Agents. They've Been Kicked, Dragged and Detained for Days.*, PROPUBLICA (Oct. 16, 2025), https://www.propublica.org/article/immigration-dhs-american-citizens-arrested-detained-against-will.
[81] One Big Beautiful Bill Act, Pub. L. No. 119-21, § 100017 (2025).
[82] *Id.*
[83] *E.g.*, Cristian Benavides, *U.S. citizen told "you have no rights" during immigration arrest speaks out: "It hurts me"*, CBS NEWS (Jul. 28, 2025), https://www.cbsnews.com/news/kenny-laynez-arrest-you-have-no-rights-interview; Gwynne Hogan & Haidee Chu, *'Like Dogs in Here' — Videos Expose ICE Lockup Inside 26 Federal Plaza*, THE CITY (Jul. 22, 2025), https://www.thecity.nyc/2025/07/22/video-26-federal-plaza-immigration-ice-dhs-cells; Gisela Salomon & Kate Payne, *Detained immigrants at 'Alligator Alcatraz' say there are worms in food and wastewater on the floor*, ASSOCIATED PRESS (Jul. 11, 2025), https://apnews.com/article/alligator-alcatraz-immigration-detainees-florida-cc2fb9e34e760a50e97f13fe59cbf075.

Most notably, immigration agents shot and killed two U.S. citizens in the Twin Cities area, mocking and shouting profanities at their victims.[84] Many of these agents have begun wearing masks and concealing their identities – undermining any accountability for abuses.[85]

The alarming spike in untargeted and warrantless immigration enforcement activity, and documented abuses of immigrants and U.S.-born people alike, at President Trump's direction, has placed immense strain on our economy, its backbone – small businesses – and the workers who staff those small businesses. Committee Democrats' December 2025 report points out the consequences of President Trump's immigration crackdown for immigrant small business owners and entrepreneurs.[86] This crackdown is also draining America's labor force, which disproportionately hurts Main Street firms.

Workplace Absences Caused by Immigration Arrests and Fear

The most apparent impact of the Trump administration's effort is that immigrant workers are missing work regardless of status, due either to encounters with immigration agents and the resulting detention or abuse, or fear of these encounters.[87] This fear has been exacerbated by the increased willingness of agents to disregard immigrants' legal statuses and documentation, and uncertainty surrounding the statuses of certain refugee groups as the White House attempts to rescind Temporary Protected Status designations for various countries.[88] Some documented immigrants are also leaving their jobs and the U.S. entirely, leaving vacancies at their workplaces in the wake of their departures.[89]



[84] Hannah Ziegler et al., *What We Know About the Fatal ICE Shooting in Minneapolis*, N.Y. TIMES (Jan. 7, 2026), https://www.nytimes.com/2026/01/07/us/ice-shooting-minneapolis-renee-good.html; *Video Analysis of ICE Shooting Sheds Light on Contested Moments*, N.Y. TIMES (Jan. 15, 2026), https://www.nytimes.com/2026/01/15/video/ice-shooting-renee-good-minneapolis-videos.html; Bora Erden et al., Jack Brook et al., *Man is shot and killed during Minneapolis immigration crackdown, National Gurad activated*, ASSOCIATED PRESS (Jan. 24, 2026), https://apnews.com/article/immigration-enforcement-minnesota-4d1499fc5962ab880f3816259e04bdbf.

[85] Leila Fadel et al., *Masked immigration agents are spurring fear and confusion across the U.S.*, NPR (Jul. 10, 2025), https://www.npr.org/2025/07/09/nx-s1-5440311/ice-raids-masked-agents.

[86] H. COMM. ON SMALL BUS., *supra* note 2.

[87] Rebecca Davis O'Brien & Miriam Jordan, *A Chill Sets In for Undocumented Workers, and Those Who Hire Them*, N.Y. TIMES (Mar. 9, 2025), https://www.nytimes.com/2025/03/09/business/economy/immigrant-workers-deportation-fears.html.

[88] *Id.*; *e.g.*, José Olivares, *US citizen detained by immigration officials who dismissed his Real ID as fake*, THE GUARDIAN (May 24, 2025), https://www.theguardian.com/us-news/2025/may/24/us-citizen-detained-ice-real-id; Press Release, Am. C.L. Union of S. Cal., Federal Court of Appeals Hears Challenge to Cancellation of TPS for One Million Haitians and Venezuelans (Jan. 14, 2026), https://www.aclusocal.org/press-releases/federal-court-of-appeals-hears-challenge-to-cancellation-of-tps-for-one-million-haitians-and-venezuelans.

[89] Andrew Ackerman & Lauren Kaori Gurley, *U.S. could lose more immigrants than it gains for first time in 50 years*, WASH. POST (Jun. 15, 2025), https://www.washingtonpost.com/business/2025/06/15/trump-immigration-impact-economy-inflation.

The outright loss of this segment of the labor force is harming businesses in all sectors: a 2025 Clarify Capital survey finds that a majority of small business owners report immigration enforcement harms their industry, and that one in five employers lose employees due to immigration enforcement a year, with the resulting average financial burden of replacing those workers totaling to nearly $12,000.[90] Clarify Capital also concludes that 72% of small business owners have shut down locations, slashed operating hours, and halted business expansion because of labor shortages.[91] Employers in the construction, agriculture, hospitality, and senior care industries – which rely heavily on low-skilled immigrant workers, many of whom are undocumented – are disproportionately affected by immigration enforcement and the resulting workplace absences.[92] Immigrant-owned small businesses and businesses located in areas with sizable immigrant populations have also reported elevated workplace absences due to immigration detention and fear of encounters with immigration agents.[93]

Lowered Worker Productivity From Physical and Mental Health Burdens

The Committee's previous report highlights that physical health consequences of abuse by immigration agents would reduce the productivity of small business owners.[94] This logic holds for employees at businesses of all sizes who also have been physically mistreated by immigration agents. In other words, immigrant workers that experience bodily harm from ICE and CBP, and resulting health conditions, work less efficiently and effectively, reducing the value they add to their workplaces. Mental trauma stemming from encounters with immigration agents, friends and relatives' encounters with them, and fear of those encounters, can also harm the mental health of immigrant workers, which affects their productivity just like physical harm does.[95]



[90] Bryan Gerson, *US Businesses Bleeding Workers: 1 in 5 Report Losing Employees Due to Immigration Crackdowns*, CLARIFY CAP. (Feb. 21, 2025), https://clarifycapital.com/cost-of-deportations-small-business.
[91] *Id.*
[92] *Id.*; Davis O'Brien & Jordan, *supra* note 87; Taylor Nicole Rogers, *Business owners warn Trump's deportation plan could shut them down*, AUSTL. FIN. REV. (Nov. 18, 2024), https://www.afr.com/world/north-america/business-owners-warn-trump-s-deportation-plan-could-shut-them-down-20241118-p5krmp.
[93] Alfonzo Galvan, *'They feel targeted': Deportation threat chills business on Minneapolis' Lake Street corridor*, SAHAN J. (Feb. 12, 2025), https://sahanjournal.com/business-work/minneapolis-lake-street-businesses-immigration-chill.
[94] H. COMM. ON SMALL BUS., *supra* note 2.
[95] AM. IMMIGR. COUNCIL, *supra* note 42.

Resulting Economic Impacts

America's employers, large and small, are losing crucial labor force and suffering a reduction in productivity of remaining workers, which has serious implications for the American economy. From the microeconomic (i.e., little-picture, business-by-business) perspective, a loss of immigrant small business workers is also a loss of immigrant consumers and spenders, undermining sales for other firms and the local economic multiplier effect[96] that small companies yield for their surrounding communities.[97] According to a Peterson Institute for International Economics study, lower immigration growth due to the crackdown is also cutting job growth in the industries that rely upon immigrant labor the most.[98]

On a broader, macroeconomic scale, the CBO's February 2026 Budget and Economic Outlook report cites the Trump administration's immigration crackdown as a major development hurting America's economic trajectory, and the direction of the federal budget deficit, over the next ten years.[99]

The most immediate economic consequence of President Trump's immigration enforcement efforts is that they have slashed the immigration surge observed in recent years, and the benefits of that surge. This wipeout will weaken labor force growth and increase prices for services other than housing (given lost labor force), adding to the near-term inflation caused by President Trump's disastrous tariffs. In the long run, the end of the recent immigration surge will slow real GDP growth and dampen aggregate consumer demand for goods and services, as well as demand for new housing construction, which everyday Americans desperately need in the face of the ongoing affordability crisis.[100] In response to this slower labor force expansion and reduced aggregate demand, businesses may ultimately invest less, further hindering the nation's economic strength.[101]

Budgetarily, the CBO projects that the *One Big Beautiful Bill Act*, which funds much of the immigration crackdown, and other "administrative actions related to immigration" will increase the federal budget deficit by $4.7 trillion and $500 billion, respectively, over the next ten years.[102] Furthermore, losses in net immigration will also cut population growth, which will similarly cut federal revenues and increase the federal deficit.[103] In summation, President Trump's work to expel immigrants and prevent hardworking people from staffing Main Street workplaces poses a serious threat to small businesses nationwide, and to the economy at large.

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[96] *See*, *e.g.*, *The Local Multiplier Effect: How Independent Locally Owned Businesses Help Your Community Thrive*, AM. INDEP. BUS. ALL., https://amiba.net/local-multiplier (last visited Feb. 20, 2026).
[97] ECON. POLICY INST., TRUMP'S DEPORTATION AGENDA WILL DESTROY MILLIONS OF JOBS (Jul. 10, 2025); Patricia Caro, *Latino businesses collapse under deportation terror: 'What is happening now is worse than what we experienced during Covid'*, EL PAÍS (Mar. 30, 2025), https://english.elpais.com/usa/2025-03-30/latino-businesses-collapse-under-deportation-terror-what-is-happening-now-is-worse-than-what-we-experienced-during-covid.html.
[98] Jed Kolko, *Slowing immigration has halted job growth in some industries*, PETERSON INST. FOR INT'L ECON. (Sep. 9, 2025), https://www.piie.com/research/piie-charts/2025/slowing-immigration-has-halted-job-growth-some-industries.
[99] CONG. BUDGET OFF., 61882, THE BUDGET AND ECONOMIC OUTLOOK: 2026 TO 2036 (Feb. 11, 2026).
[100] *Id.*
[101] *Id.*
[102] *Id.*
[103] *Id.*

We Could Instead Bolster Main Street Employers

Given the impacts of the Trump administration's immigration crackdown, it is more than clear that the federal government must choose a different path, for the preservation of Main Street America and the nation's economic vitality.

Congress should consider meaningful immigration legislation, presenting ample pathways to authorized work, citizenship, and dignity for the hardworking people who want to come to America and earn a better life and future. Such pathways should include robust vetting measures for potential immigrants, with enough funding and manpower to prevent backlogs and avoid trapping workers and employers in legal status limbo. This approach to immigration policy has significant standing among policymakers of various stripes. For example, the CBO predicts that giving legal status to people already in the U.S. would likely boost their productivity, alongside their wages,[104] and the nonpartisan Committee for Economic Development recently issued a report mentioning immigration reform with legal status pathways for undocumented immigrants as a necessary solution to the labor shortage.[105] Even Republican witnesses have also testified before the Committee in favor of comprehensive immigration reform.[106] Strong immigration regulatory compliance resources, flexibility, and enforcement fairness for small employers would also help mitigate the disproportionate nature of the crackdown's impacts.

Conclusion

Small businesses are the backbone of our nation's economy, and immigrant workers are the backbone of those small businesses. The Trump administration's cruel, and arguably malicious, actions in immigration policy have unambiguous moral and ethical implications. The very people who make America great – those who come to this country, contribute to society, and live up to our highest ideal of the pursuit of happiness, even though they were born elsewhere – are more scared than ever to come and join in the American Dream. The Administration's efforts also have economic consequences that threaten America's prosperity. Immigrants are vital pillars of Main Street companies and communities, and in kidnapping and expelling them, President Trump is setting up America's economy for future collapse. Committee Democrats will never yield in the fight to restore our economy and prosperity for America's small businesses.

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[104] CONG. BUDGET OFF., *supra* note 45.
[105] COMM. FOR ECON. DEV., THE CONFERENCE BOARD, RESPONDING TO US LABOR SHORTAGES (Jun. 16, 2025), https://www.conference-board.org/research/solutions-briefs/responding-to-us-labor-shortages.
[106] *E.g.*, *From Nothing to Something: The Story of the American Dream: Hearing before the H. Comm. on Small Bus.*, 118th Cong. (Feb. 28, 2023).



Chairman Roger Williams and Members of the Committee, thank you for the opportunity to testify today regarding the critical role of immigrant entrepreneurs in our national economy.

I am Rebecca Shi, CEO of the American Business Immigration Coalition Action (ABIC). We represent over 1,700 employers—ranging from Fortune 500 companies and family farms to the small businesses that form the backbone of our economy. ABIC is a bipartisan voice for a simple truth: our economy cannot thrive, and our cost of living will not stabilize, if we continue to disrupt the very immigrants who help build it. Immigrant-owned businesses are absolutely essential to our national economic health and are deeply interconnected with the day-to-day lives of every American.

Our country clearly benefits from them. Entrepreneurship is a fundamental American value that our country takes pride in. It fosters our healthy and competitive economy.

Since February of 2025, small businesses have accounted for an average of 80.4% of hiring or approximately 4 million hires a month. Immigrants play an outsized role in this job creation, as they are more likely to start new businesses than the rest of the population.

Immigrants currently account for nearly 25% of business creation in many of the fastest-growing sectors of the U.S. economy. They represent approximately 24% of all entrepreneurs. When it comes to the food we eat and the services Americans rely on, immigrants comprise 36.8% of employer businesses in accommodation and food services, and 46% of non-employer business owners in transportation and warehousing.

Even within vulnerable populations, this entrepreneurial drive remains clear; in 2021, the TPS population included more than 38,100 self-employed workers who generated $1.5 billion in business income. Supporting these entrepreneurs is not merely a matter of immigration policy, it is a critical strategy for American economic growth and long-term stability.

These business owners offer direct, tangible benefits to the daily lives of all Americans, contributing an estimated $1.3 trillion in annual sales while revitalizing neighborhoods across the country. From reopening vacant storefronts to launching thriving restaurants and small businesses, immigrant-led enterprises have strengthened local economies, reversed population decline in some communities, and helped transform, bring life, jobs, culture and foot traffic to once-overlooked neighborhoods.

The American Dream is built on an environment that welcomes innovators, builders, and critical skills that advances this country. Immigrant-owned businesses are a win-win for the American people and economy, creating a lasting 'American Legacy' that strengthens our communities. As leaders who put the interest and security of this country and American people first we must ensure that the path to success remains open for all who wish to build, innovate, and contribute to our shared future.

Congress of the United States

Washington, DC 20515

February 24, 2026

Honorable Kelly Loeffler
Administrator
U.S. Small Business Administration
409 3rd St., S.W.
Washington, D.C. 20416

Dear Administrator Loeffler:

Recent changes made by the U.S. Small Business Administration ("SBA" or "the Agency") threaten to undermine local economies and job creation by impeding American small businesses. We write with deep concern regarding SBA's issuance of Policy Notice 5000-876441 and Procedural Notice 5000-876626 and urge the SBA to return to commonsense standards in place for a quarter century prior to the Trump Administration.[1]

Policy Notice 5000-876441 was released on February 2, 2026, and overturns previous SBA policy guidance that was only published a few weeks ago.[2] Policy Notice 5000-876441[3] specifically requires that one hundred percent of all direct and/or indirect owners of a small business applicant be U.S. citizens or U.S. nationals who have their principal residence in the United States, its territories, or possessions to be eligible for participation in SBA's 7(a) program or 504/Certified Development Companies ("CDC") program. Procedural Notice 5000-876626 issued on February 11, 2026, further details the requirements of the Policy Notice in Standard Operating Procedure 50 10 8.

As you know, the SBA's flagship 7(a) program encourages authorized private-sector lenders to provide loans by guaranteeing a significant portion. Loans are provided to small businesses that might not otherwise obtain financing on reasonable terms and conditions. Similarly, the SBA's 504/CDC program is administered through nonprofit CDCs and provides long-term financing for major fixed assets, such as land, buildings, and equipment. Both the 7(a) and the 504/CDC program carry a maximum loan amount of $5 million in most circumstances and have been instrumental in helping American small businesses access credit for decades.

By issuing this new policy, not only is the SBA stoking the flames of hate, but it is also barring all U.S. small businesses with any amount of ownership by non-citizens lawfully in the U.S. from participating in the SBA's two primary lending programs.

At a time when President Donald Trump's tariff and trade policies are putting immense pressure on America's small businesses, the SBA should be focused on reducing barriers and helping more small businesses access these two important programs. Instead, the SBA is spreading fear and confusion among lenders, CDC partners, and small business owners. This is now the fourth time since March 2025, that SBA has changed their guidance

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[1] OFF. OF CAP. ACCESS. SBA *Policy Notice: Update to SOP 50 10 8—Citizenship and Residency Requirements and Recession of Procedural Notice 5000-872050*, U.S. SMALL BUS. ADMIN. (FEB. 2, 2026).
OFF. OF CAP. ACCESS. SBA *Procedural Notice: Revised Applicant Ownership, Citizenship, and Residency Requirements for 7(a) and 504 Loans*, U.S. SMALL BUS. ADMIN. (FEB. 11, 2026).

[2] OFF. OF CAP. ACCESS. *SBA Policy Notice: Update to SOP 50 10 8—Citizenship and Residency Requirements*, U.S. SMALL BUS. ADMIN. (DEC. 19, 2025).

[3] Hereinafter referred to as "the Policy Notice" or "the new policy".

on this draconian policy.[4] Rather than strengthening American small businesses, this policy limits access to capital, stifles entrepreneurship, and slows economic growth at a moment when our economy can least afford it. As such, we condemn the SBA's new policy and believe it will be devasting for America's small businesses, our economy, and directly breaks President Trump's campaign promise to "put America first".

We have never received any evidence, credible or otherwise, from the SBA or any other entity, that large numbers of individuals in the U.S. without legal authorization are receiving access to SBA financing and loan products. The SBA is doing nothing except making it harder for American-owned small businesses to access capital. This policy change is entirely self-defeating and limits the growth of our GDP over the long term.

SBA should focus on providing loans to businesses that are based in the U.S., creating jobs in local communities, and able to repay their loans. By issuing this new policy, the SBA is moving both the 7(a) and the 504/CDC program away from their original purposes and their use of prudent underwriting standards to evaluate loans. The main purpose of the 7(a) program is to provide creditworthy small businesses borrowers that demonstrate an ability to repay, and who cannot find credit elsewhere, with access to loans and loan guarantees. The legal status of a borrower has no bearing on their creditworthiness or their ability to repay and should not be used as a proxy for prudent underwriting determinations. Moreover, the credit elsewhere provision of the 7(a) program creates a situation where small businesses, either partially—or fully—owned by individuals already legally permitted to be in the U.S., with nowhere else to turn for their credit needs threatening the livelihoods of these small businesses and the communities they serve.

By the SBA issuing this new policy, it shows the hypocrisy of the entire Trump Administration. Under this new policy, banks, credit unions, and other SBA-lenders will need to create new compliance regimes to certify the citizenship or nationalization status of direct and/or indirect owners and comply with the 100 percent beneficial ownership requirement. Ironically, these compliance regimes are similar to the ones that the Trump Administration and the Congressional Republicans have argued for years are either too complex, too costly, or too invasive for lenders to comply with the CFPB's Section 1071 rule,[5] in order to ensure institutions' compliance with fair lending requirements, and the Corporate Transparency Act's Beneficial Ownership requirement,[6] to ensure anonymous shell companies in the US are not being used to facilitate terrorism, sex trafficking, money laundering, and other illicit schemes. However, unlike the SBA's Policy Notice, both the Section 1071 rule and the Beneficial Ownership rule had safe harbors, remedies for good faith mistakes, and, in some situations, opportunities for applicant borrowers to decline to provide their information altogether. Requiring lenders to verify citizenship status for all direct and indirect owners, and all employees creates significant liabilities for SBA lending partners and program participants.

The Policy Notice also raises constitutional concerns, creating challenges for program lenders and participants to carry out. The Fourteenth Amendment of U.S. Constitution provides that "[n]o State shall…deny any person within its jurisdiction the equal protection of the laws."[7,8] The Equal Protection Clause requires the government

[4] OFF. OF CAP. ACCESS. *SBA Policy Notice: Policy updates to comply with Executive Order 14159 regarding citizenship requirements for obtaining 7(a) and 504 loans*. U.S. SMALL BUS. ADMIN. (March 7, 2025). OFF. OF CAP. ACCESS. *SBA Policy Notice: Update to SOP 50 10 8—Citizenship and Residency Requirements*, U.S. SMALL BUS. ADMIN. (DEC. 19, 2025). OFF. OF CAP. ACCESS. *SBA Policy Notice: Update to SOP 50 10 8—Citizenship and Residency Requirements and Recession of Procedural Notice 5000-872050*, U.S. SMALL BUS. ADMIN. (FEB. 2, 2026).
OFF. OF CAP. ACCESS. *SBA Procedural Notice: Revised Applicant Ownership, Citizenship, and Residency Requirements for 7(a) and 504 Loans*, U.S. SMALL BUS. ADMIN. (FEB. 11, 2026).

[5] 12 C.F.R Part 1002.

[6] 15 U.S.C. §5336.

[7] **U.S. Const. amend. XIV, § 1.**

[8] The Equal Protection Clause of the Fourteenth Amendment applies to state governments. The Fifth Amendment's Due Process Clause imposes equal protection restrictions on the federal government. See: *Bolling v. Sharpe*, 347 U.S. 497 (1954).

to have a valid reason for passing any law or taking any official action that treats similarly situated people or groups of people differently.[9] And for certain immutable classifications, including national origin, the government's reason must be compelling, and the law or action must be narrowly tailored.[10] Yet the SBA's Procedural Notice, specifically details Chinese citizens, citizens of the Special Administrative Region of Hong Kong, and other national origin groups as ineligible persons, with no further explanation or substantiation.[11] These specific categorical exclusions serve to further escalate suspicions of dual loyalty against Chinese Americans or those perceived to be of Chinese descent. In a moment where four in ten Americans see Asian Americans as more loyal to their countries of origin than the U.S., policies like these only reinforce these perceptions of Asian Americans as the "perpetual foreigner."[12]

Not only has the SBA failed to provide a compelling reason for prohibiting U.S. small businesses with an ownership percentage by a non-U.S. citizen or national from participating in the programs, the SBA has failed to present any evidence for why prohibiting these legitimate U.S. businesses from participation is necessary. The SBA has also repeatedly failed to answer questions from Congress on this issue.[13] Moreover, the SBA has not even attempted to narrowly tailor its action, instead taking this action in the broadest way possible prohibiting participation by every U.S. small business in every location of the country with less than one hundred percent ownership by a U.S. citizen or national.

The SBA's new policy is also likely to expose lenders and program participants to legal violations under existing federal law. The Equal Credit Opportunity Act[14] ("ECOA") prohibits creditors from discriminating against credit applicants on the basis of any protected class, including national origin.

While the Justice Department ("DoJ") and the Consumer Financial Protection Bureau ("CFPB") did recently issue a joint statement[15] withdrawing interpretative guidance the agencies had previously issued pertaining to ECOA and Regulation B,[16] seemingly permitting creditors to consider a borrower's immigration or citizenship status, the withdrawal of the joint statement does not change ECOA, Regulation B, or creditors' underlying fair lending obligations. Instead, it simply removes the agencies' prior, non-binding policy articulation. As such, the fair lending obligations of SBA lenders and program participants remain in place.

While Regulation B does permit a creditor to consider an applicant's immigration or permanent resident status, it does so in the context of the lender determining their rights and remedies regarding repayment. A blanket policy of refusing to consider applications from certain groups of noncitizens regardless of the credit qualifications of the individual borrower—like the SBA seems to have done here—is still a violation of ECOA

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[9] CONNECTICUT SUPREME COURT HISTORICAL SOCIETY. *The Right to Equal Protection under the United States Constitution and the Connecticut Constitution*.

[10] Id.

[11] OFF. OF CAP. ACCESS. SBA *Procedural Notice: Revised Applicant Ownership, Citizenship, and Residency Requirements for 7(a) and 504 Loans*, U.S. SMALL BUS. ADMIN. (FEB. 11, 2026).

[12] SOCIAL TRACKING OF ASIAN AMERICANS IN THE U.S. (STAATUS) INDEX. https://www.taaf.org/news/staatus-2025 THE ASIAN AMERICAN FOUNDATION. (FEB. 17, 2026)

[13] U.S. Senate Committee on Small Business and Entrepreneurship. *Ranking Member Markey Leads Senate Democrats Requesting Answers from SBA on Draconian Immigration Policies*. (Dec. 18, 2025).
U.S. Senate Committee on Small Business and Entrepreneurship. *Ranking Members Markey, Velázquez Decry Extreme SBA Policy Changes That Would Limit Economic Opportunity for American Entrepreneurs, Including Immigrants.* (July 15, 2025).

[14] 15 U.S.C. §1691.

[15] OFF. OF PUB. AFFAIRS. *Department of Justice and Consumer Financial Protection Bureau Withdraw Joint Statement on Fair Lending and Credit Opportunities for Noncitizen Borrowers*. U.S. DEPT. OF JUSTICE, U.S. CONSUMER FINANCIAL PROTECTION BUREAU. (JAN. 12, 2026).

16 12 C.F.R Part 1002.

and Regulation B. In its Policy Notice, the SBA doesn't say it is implementing this new policy in order to ensure repayment for lenders or that lenders "may" consider a borrower's immigration status as a factor for determining their rights and remedies regarding repayment. In fact, the SBA does not even mention "repayment" anywhere in its Policy Notice. Instead, it makes a small business applicant's immigration status and nationalization a threshold requirement to qualify for a 7(a) or 504/CDC program loan. We are deeply concerned that the SBA's unclear and shifting guidance will drive lenders and program participants to halt new originations under both programs to avoid liability, cutting off access to capital and destabilizing communities and local economies across the country.

It's important for the SBA to recognize and acknowledge the practical challenges the SBA's changes to its citizenship and nationalization requirement have created for lenders and program partners since President Trump issued Executive Order 14159.[17] For the SBA to ensure the citizenship status of each borrower individual with direct and/or indirect beneficial ownership, in the 7(a) program, the lender will be required to upload the citizenship information the borrower has certified to the lender in the SBA's electronic loan submission platform, E-Tran. SBA 7(a) lenders have already told us that the requirement to enter 100 percent of direct and indirect ownership has created issues completely unrelated to citizenship and has made deals with complex ownership structures or multiple minority owners very difficult to process. We remain concerned that the SBA's new policy will be very difficult for 7(a) lenders to implement and could cause lenders to avoid businesses with complex ownership structures, thereby decreasing 7(a) lending overall, in order to avoid legal exposure.

We fear the 504/CDC program will suffer a similar fate. Most 504 program loans are non-delegated loans and require additional processing and review by the SBA. Requiring the SBA to one hundred percent certify the business borrower's ownership by U.S. citizens or nationals is expected to result in additional processing times, delays, and costs, not only for the SBA, but for lenders and small business borrowers as well.

Small businesses are the backbone of our nation's economy. Access to capital has been a major challenge for American small businesses for decades and the SBA's capital access programs have tried to bridge the gap for the small businesses left behind by the conventional markets. Yet, the SBA's new citizenship policy creates operational challenges for lenders and program participants. Instead of denying more American small businesses access to necessary affordable capital, we should be working together to strengthen the SBA's capital access programs and increase financing opportunities for more small businesses in order to improve our local communities and national economy.

Sincerely,

Nydia M. Velázquez
Member of Congress
Ranking Member, Committee on
Small Business

Edward J. Markey
Ranking Member, Committee on
Small Business and
Entrepreneurship

[17] EXEC. Order. 14159, 90 Fed. Reg. 8443.

Adriano Espaillat Chair Congressional Hispanic Caucus	Grace Meng Chair, Congressional Asian Pacific American Caucus	Yvette D. Clarke Chair Congressional Black Caucus

Congress of the United States

Washington, DC 20515

February 24, 2026

Honorable Kelly Loeffler
Administrator
U.S. Small Business Administration
409 3rd St., S.W.
Washington, D.C. 20416

Dear Administrator Loeffler:

Recent changes made by the U.S. Small Business Administration ("SBA" or "the Agency") threaten to undermine local economies and job creation by impeding American small businesses. We write with deep concern regarding SBA's issuance of Policy Notice 5000-876441 and Procedural Notice 5000-876626 and urge the SBA to return to commonsense standards in place for a quarter century prior to the Trump Administration.[1]

Policy Notice 5000-876441 was released on February 2, 2026, and overturns previous SBA policy guidance that was only published a few weeks ago.[2] Policy Notice 5000-876441[3] specifically requires that one hundred percent of all direct and/or indirect owners of a small business applicant be U.S. citizens or U.S. nationals who have their principal residence in the United States, its territories, or possessions to be eligible for participation in SBA's 7(a) program or 504/Certified Development Companies ("CDC") program. Procedural Notice 5000-876626 issued on February 11, 2026, further details the requirements of the Policy Notice in Standard Operating Procedure 50 10 8.

As you know, the SBA's flagship 7(a) program encourages authorized private-sector lenders to provide loans by guaranteeing a significant portion. Loans are provided to small businesses that might not otherwise obtain financing on reasonable terms and conditions. Similarly, the SBA's 504/CDC program is administered through nonprofit CDCs and provides long-term financing for major fixed assets, such as land, buildings, and equipment. Both the 7(a) and the 504/CDC program carry a maximum loan amount of $5 million in most circumstances and have been instrumental in helping American small businesses access credit for decades.

By issuing this new policy, not only is the SBA stoking the flames of hate, but it is also barring all U.S. small businesses with any amount of ownership by non-citizens lawfully in the U.S. from participating in the SBA's two primary lending programs.

At a time when President Donald Trump's tariff and trade policies are putting immense pressure on America's small businesses, the SBA should be focused on reducing barriers and helping more small businesses access these two important programs. Instead, the SBA is spreading fear and confusion among lenders, CDC partners, and small business owners. This is now the fourth time since March 2025, that SBA has changed their guidance

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[1] OFF. OF CAP. ACCESS. SBA *Policy Notice: Update to SOP 50 10 8—Citizenship and Residency Requirements and Recession of Procedural Notice 5000-872050*, U.S. SMALL BUS. ADMIN. (FEB. 2, 2026).
OFF. OF CAP. ACCESS. SBA *Procedural Notice: Revised Applicant Ownership, Citizenship, and Residency Requirements for 7(a) and 504 Loans*, U.S. SMALL BUS. ADMIN. (FEB. 11, 2026).

[2] OFF. OF CAP. ACCESS. *SBA Policy Notice: Update to SOP 50 10 8—Citizenship and Residency Requirements*, U.S. SMALL BUS. ADMIN. (DEC. 19, 2025).

[3] Hereinafter referred to as "the Policy Notice" or "the new policy".

on this draconian policy.[4] Rather than strengthening American small businesses, this policy limits access to capital, stifles entrepreneurship, and slows economic growth at a moment when our economy can least afford it. As such, we condemn the SBA's new policy and believe it will be devasting for America's small businesses, our economy, and directly breaks President Trump's campaign promise to "put America first".

We have never received any evidence, credible or otherwise, from the SBA or any other entity, that large numbers of individuals in the U.S. without legal authorization are receiving access to SBA financing and loan products. The SBA is doing nothing except making it harder for American-owned small businesses to access capital. This policy change is entirely self-defeating and limits the growth of our GDP over the long term.

SBA should focus on providing loans to businesses that are based in the U.S., creating jobs in local communities, and able to repay their loans. By issuing this new policy, the SBA is moving both the 7(a) and the 504/CDC program away from their original purposes and their use of prudent underwriting standards to evaluate loans. The main purpose of the 7(a) program is to provide creditworthy small businesses borrowers that demonstrate an ability to repay, and who cannot find credit elsewhere, with access to loans and loan guarantees. The legal status of a borrower has no bearing on their creditworthiness or their ability to repay and should not be used as a proxy for prudent underwriting determinations. Moreover, the credit elsewhere provision of the 7(a) program creates a situation where small businesses, either partially—or fully—owned by individuals already legally permitted to be in the U.S., with nowhere else to turn for their credit needs threatening the livelihoods of these small businesses and the communities they serve.

By the SBA issuing this new policy, it shows the hypocrisy of the entire Trump Administration. Under this new policy, banks, credit unions, and other SBA-lenders will need to create new compliance regimes to certify the citizenship or nationalization status of direct and/or indirect owners and comply with the 100 percent beneficial ownership requirement. Ironically, these compliance regimes are similar to the ones that the Trump Administration and the Congressional Republicans have argued for years are either too complex, too costly, or too invasive for lenders to comply with the CFPB's Section 1071 rule,[5] in order to ensure institutions' compliance with fair lending requirements, and the Corporate Transparency Act's Beneficial Ownership requirement,[6] to ensure anonymous shell companies in the US are not being used to facilitate terrorism, sex trafficking, money laundering, and other illicit schemes. However, unlike the SBA's Policy Notice, both the Section 1071 rule and the Beneficial Ownership rule had safe harbors, remedies for good faith mistakes, and, in some situations, opportunities for applicant borrowers to decline to provide their information altogether. Requiring lenders to verify citizenship status for all direct and indirect owners, and all employees creates significant liabilities for SBA lending partners and program participants.

The Policy Notice also raises constitutional concerns, creating challenges for program lenders and participants to carry out. The Fourteenth Amendment of U.S. Constitution provides that "[n]o State shall…deny any person within its jurisdiction the equal protection of the laws."[7,8] The Equal Protection Clause requires the government

[4] OFF. OF CAP. ACCESS. *SBA Policy Notice: Policy updates to comply with Executive Order 14159 regarding citizenship requirements for obtaining 7(a) and 504 loans*. U.S. SMALL BUS. ADMIN. (March 7, 2025). OFF. OF CAP. ACCESS. *SBA Policy Notice: Update to SOP 50 10 8—Citizenship and Residency Requirements*, U.S. SMALL BUS. ADMIN. (DEC. 19, 2025). OFF. OF CAP. ACCESS. *SBA Policy Notice: Update to SOP 50 10 8—Citizenship and Residency Requirements and Recession of Procedural Notice 5000-872050*, U.S. SMALL BUS. ADMIN. (FEB. 2, 2026).
OFF. OF CAP. ACCESS. *SBA Procedural Notice: Revised Applicant Ownership, Citizenship, and Residency Requirements for 7(a) and 504 Loans*, U.S. SMALL BUS. ADMIN. (FEB. 11, 2026).

[5] 12 C.F.R Part 1002.

[6] 15 U.S.C. §5336.

[7] **U.S. Const. amend. XIV, § 1.**

[8] The Equal Protection Clause of the Fourteenth Amendment applies to state governments. The Fifth Amendment's Due Process Clause imposes equal protection restrictions on the federal government. See: *Bolling v. Sharpe*, 347 U.S. 497 (1954).

to have a valid reason for passing any law or taking any official action that treats similarly situated people or groups of people differently.[9] And for certain immutable classifications, including national origin, the government's reason must be compelling, and the law or action must be narrowly tailored.[10] Yet the SBA's Procedural Notice, specifically details Chinese citizens, citizens of the Special Administrative Region of Hong Kong, and other national origin groups as ineligible persons, with no further explanation or substantiation.[11] These specific categorical exclusions serve to further escalate suspicions of dual loyalty against Chinese Americans or those perceived to be of Chinese descent. In a moment where four in ten Americans see Asian Americans as more loyal to their countries of origin than the U.S., policies like these only reinforce these perceptions of Asian Americans as the "perpetual foreigner."[12]

Not only has the SBA failed to provide a compelling reason for prohibiting U.S. small businesses with an ownership percentage by a non-U.S. citizen or national from participating in the programs, the SBA has failed to present any evidence for why prohibiting these legitimate U.S. businesses from participation is necessary. The SBA has also repeatedly failed to answer questions from Congress on this issue.[13] Moreover, the SBA has not even attempted to narrowly tailor its action, instead taking this action in the broadest way possible prohibiting participation by every U.S. small business in every location of the country with less than one hundred percent ownership by a U.S. citizen or national.

The SBA's new policy is also likely to expose lenders and program participants to legal violations under existing federal law. The Equal Credit Opportunity Act[14] ("ECOA") prohibits creditors from discriminating against credit applicants on the basis of any protected class, including national origin.

While the Justice Department ("DoJ") and the Consumer Financial Protection Bureau ("CFPB") did recently issue a joint statement[15] withdrawing interpretative guidance the agencies had previously issued pertaining to ECOA and Regulation B,[16] seemingly permitting creditors to consider a borrower's immigration or citizenship status, the withdrawal of the joint statement does not change ECOA, Regulation B, or creditors' underlying fair lending obligations. Instead, it simply removes the agencies' prior, non-binding policy articulation. As such, the fair lending obligations of SBA lenders and program participants remain in place.

While Regulation B does permit a creditor to consider an applicant's immigration or permanent resident status, it does so in the context of the lender determining their rights and remedies regarding repayment. A blanket policy of refusing to consider applications from certain groups of noncitizens regardless of the credit qualifications of the individual borrower—like the SBA seems to have done here—is still a violation of ECOA

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[9] CONNECTICUT SUPREME COURT HISTORICAL SOCIETY. *The Right to Equal Protection under the United States Constitution and the Connecticut Constitution*.

[10] Id.

[11] OFF. OF CAP. ACCESS. SBA *Procedural Notice: Revised Applicant Ownership, Citizenship, and Residency Requirements for 7(a) and 504 Loans*, U.S. SMALL BUS. ADMIN. (FEB. 11, 2026).

[12] SOCIAL TRACKING OF ASIAN AMERICANS IN THE U.S. (STAATUS) INDEX. https://www.taaf.org/news/staatus-2025 THE ASIAN AMERICAN FOUNDATION. (FEB. 17, 2026)

[13] U.S. Senate Committee on Small Business and Entrepreneurship. *Ranking Member Markey Leads Senate Democrats Requesting Answers from SBA on Draconian Immigration Policies*. (Dec. 18, 2025).
U.S. Senate Committee on Small Business and Entrepreneurship. *Ranking Members Markey, Velázquez Decry Extreme SBA Policy Changes That Would Limit Economic Opportunity for American Entrepreneurs, Including Immigrants.* (July 15, 2025).

[14] 15 U.S.C. §1691.

[15] OFF. OF PUB. AFFAIRS. *Department of Justice and Consumer Financial Protection Bureau Withdraw Joint Statement on Fair Lending and Credit Opportunities for Noncitizen Borrowers*. U.S. DEPT. OF JUSTICE, U.S. CONSUMER FINANCIAL PROTECTION BUREAU. (JAN. 12, 2026).

16 12 C.F.R Part 1002.

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We fear the 504/CDC program will suffer a similar fate. Most 504 program loans are non-delegated loans and require additional processing and review by the SBA. Requiring the SBA to one hundred percent certify the business borrower's ownership by U.S. citizens or nationals is expected to result in additional processing times, delays, and costs, not only for the SBA, but for lenders and small business borrowers as well.

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Sincerely,

Nydia M. Velázquez
Member of Congress
Ranking Member, Committee on
Small Business

Edward J. Markey
Ranking Member, Committee on
Small Business and
Entrepreneurship

[17] EXEC. Order. 14159, 90 Fed. Reg. 8443.

Adriano Espaillat Chair Congressional Hispanic Caucus	Grace Meng Chair, Congressional Asian Pacific American Caucus	Yvette D. Clarke Chair Congressional Black Caucus

Congress of the United States

U.S. House of Representatives

Washington, DC 20515

April 16, 2025

Amb. Jamieson Greer
U.S. Trade Representative
Office of the U.S. Trade Representative
600 17th Street, NW
Washington, DC 20006

Hon. Scott Bessent
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Hon. Howard Lutnick
Secretary
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Hon. Kelly Loeffler
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Ambassador Greer, Secretary Bessent, Secretary Lutnick, and Administrator Loeffler:

We write regarding your imposition of widespread, indiscriminate taxes on goods imported from abroad, followed by your suspension of some of those taxes by social media post and daily increases of others. Tariffs were raised to their highest effective rates in over 100 years,[1] including on critical allies such as the European Union, Japan, South Korea, and Australia.[2] Small businesses across nearly every industry will be harmed by the tariffs and the uncertainty surrounding their 90-day pause. Especially concerning are the 145 percent duties on China, the successive daily tax hikes on Chinese imports, the remaining 10 percent tariffs still in place for all imports regardless of origin, and the specific duties in place on items such as aluminum and steel.

Contrary to your beliefs, American importers pay these taxes, and consumers ultimately shoulder the burden. Taxes on imported goods hit small businesses the hardest, with 88 percent of small firms relying on imports for the goods they produce and sell.[3] These companies operate on thinner margins and do not have the sophisticated supply chain management staff that larger firms do, putting them at a competitive disadvantage. Small firms also lack leverage in negotiating more favorable terms when they attempt to shift supply chains. The result will spike consumer and input prices across the board, reducing their affordability for everyday Americans and the Main Street businesses they support in the middle of a cost-of-living crisis.

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[1] Jesse Pound, *U.S. tariff rates under Trump will be higher than the Smoot-Hawley levels from Great Depression era*, CNBC (Apr. 3, 2025), https://www.cnbc.com/2025/04/03/us-tariff-rates-under-trump-will-be-higher-than-the-smoot-hawley-levels-from-great-depression-era.html.
[2] Jeanna Smialek, et al., *With Trump's Tariffs, the Chasm Between Allies and the U.S. Widens*, N.Y. TIMES (Apr. 2, 2025), https://www.nytimes.com/2025/04/02/world/europe/trump-tariffs-reciprocal-reaction-trade-war.html.
[3] FEDEX, FEDEX SMALL BUSINESS TRADE INDEX, 16 (Mar. 2024).

Current trade policy overlooks the very fact that not every ingredient, crop, or product can be produced domestically. While our nation is one of the world's top exporters of agricultural and food products, with volumes even reaching $196 billion under the previous administration,[4] crops like coffee,[5] tea,[6] cocoa,[7] spices[8] like natural vanilla,[9] and tropical fruit such as bananas[10] and mangoes,[11] are nearly impossible to produce at scale within the United States in the foreseeable future. Many of our nation's small businesses depend on imported agricultural products to power their payrolls, innovation, and productivity. From Main Street cafes and restaurants, to shippers, truckers, and grocers, millions of businesses rely on and derive significant revenues from import sales. Even America's own farmers sometimes use spent products in their compost to fertilize crops. Americans cannot shift en masse to domestic alternatives, because for many goods, no large sources exist in the United States.

Additionally, the suddenness of these tariffs, as well as their suspension and increases, ignores how most businesses – no matter their size – operate. Businesses make purchases that take weeks to arrive, meaning that goods that recently left their countries of origin by cargo ship – and are still on the way to America – have had taxes imposed, raised, and paused at least 5 times thus far. When those cargo ships arrive on our shores, it is entirely possible that, on the wrong day, an entrepreneur will have to pay tens of thousands of dollars extra for goods they purchased a month ago – a death sentence for their business. Entrepreneurs, and the customers who buy from them, cannot reasonably anticipate how products will be priced next month, next week, or even tomorrow.

The uncertainty and chaos emanating from these choices, and their timing, create undue anxiety for small employers, workers, and customers alike in nearly every industry. When consumers tighten their belts, small businesses will be the first to experience a decrease in demand, as they shift their spending to larger discount retailers. Main Street America cannot afford yet another recession under President Trump's watch.

In sum, small employers and entrepreneurs, who are the backbone of our economy, cannot operate in such a volatile and unpredictable economic climate. This fear and uncertainty are

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[4] CONG. RESEARCH SERV., USDA's FOREIGN AGRICULTURAL SERVICE: AN OVERVIEW (Nov. 16, 2023).
[5] NAT'L COFFEE ASSOC., *Coffee regions of the world*, https://www.aboutcoffee.org/origins/coffee-regions-of-the-world (last visited Apr. 4, 2025).
[6] UNIV. OF HAW. AT MANOA, A MARKET FEASIBILITY STUDY EXECUTIVE SUMMARY: HAWAI'I-GROWN TEA (2011), https://www.ctahr.hawaii.edu/oc/freepubs/pdf/tea_2011.pdf; John C. D'Auria et al., *United States Tea: A Synopsis of Ongoing Tea Research and Solutions to United States Tea Production Issues*, 13 FRONT. PLANT SCI. 934651 (2022), https://www.frontiersin.org/articles/10.3389/fpls.2022.934651/full.
[7] NAT'L OCEANIC & ATMOSPHERIC ADMIN., *Climate & Chocolate*, U.S. DEP'T OF COM. (Feb. 10, 2016), https://www.climate.gov/news-features/climate-and/climate-chocolate (on file with the H. COMM. ON SMALL BUS.).
[8] AM. SPICE TRADE ASSOC., Comment Letter on Unfair Trade Practices (Mar. 11, 2025), https://astaspice.org/safe-view/982280.
[9] Shelby Vittek, *A Domestic Vanilla Industry Is Slowly Unfurling in Florida*, AMBROOK RESEARCH (Apr. 12, 2023), https://ambrook.com/research/supply-chain/domestic-vanilla-bean-florida-madagascar; NAT'L INST. OF FOOD & AGRIC., *Vanilla Could Be the Next Big Crop for Small Farmers in Southern Florida*, U.S. DEP'T OF AGRIC. (Oct. 16, 2023), https://www.nifa.usda.gov/about-nifa/blogs/vanilla-could-be-next-big-crop-small-farmers-southern-florida.
[10] *All About Bananas And Why Bananas Matter*, BANANALINK https://www.bananalink.org.uk/all-about-bananas (last visited Apr. 8, 2025).
[11] *The Amazing Mango Tree*, NAT'L MANGO BD., https://www.mango.org/mango-tree (last visited Apr. 8, 2025).

illustrated by a recent National Federation of Independent Business survey finding that small business uncertainty spiked to the second-highest level since 1973.[12] The disastrous effects of this Administration's tariff policy will force the closure of these small businesses and the loss of the jobs and livelihoods they sustain.

We strongly urge you to rethink your trade war – and the recession it is causing – and to make good on your campaign promises to lower prices for Americans. Furthermore, we respectfully request that you:

1) Engage with small businesses and their stakeholders.
2) Analyze the effect your trade policies have had on our nation's small businesses and entrepreneurs, including small farmers and producers.
3) Consider how the current uncertainty around tariff policy negatively impacts how small businesses operate.
4) Take action to protect the interest of small employers, producers, farmers, and entrepreneurs.
5) Collaborate to provide resources for small businesses that can assist them in understanding and navigating your trade policies.

Pursuant to Rule X of the House of Representatives, the Committee on Small Business (Committee) has broad authority to investigate "problems of all types of small business." The Committee possesses jurisdiction over "assistance to and protection of small businesses." If you have any questions, please contact the Committee's Minority staff at (202) 225-4038.

Sincerely,

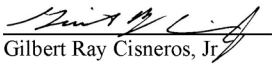
Nydia M. Velázquez
Ranking Member
Committee on Small Business

Morgan McGarvey
Vice Ranking Member
Committee on Small Business

Hillary J. Scholten
Member of Congress

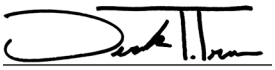
LaMonica McIver
Member of Congress

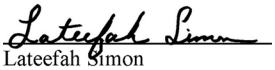
[12] NAT'L FEDERATION OF INDEP. BUS., SMALL BUSINESS ECONOMIC TRENDS, 1 (Feb. 2025).

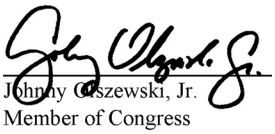

Gilbert Ray Cisneros, Jr.
Member of Congress


Kelly Morrison
Member of Congress


George Latimer
Member of Congress

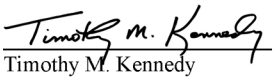

Derek T. Tran
Member of Congress

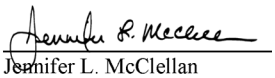

Lateefah Simon
Member of Congress


Johnny Olszewski, Jr.
Member of Congress

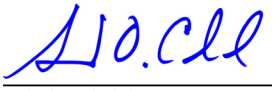

Herbert C. Conaway, Jr.
Member of Congress

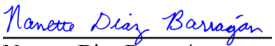

Maggie Goodlander
Member of Congress

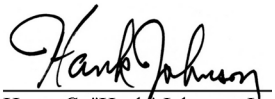

Timothy M. Kennedy
Member of Congress

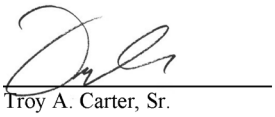

Jennifer L. McClellan
Member of Congress


Emanuel Cleaver, II
Member of Congress

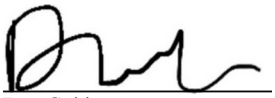

Salud Carbajal
Member of Congress


Nanette Diaz Barragán
Member of Congress


Henry C. "Hank" Johnson, Jr.
Member of Congress



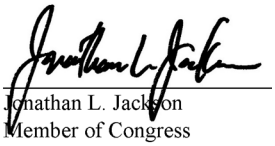
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Member of Congress



Dan Goldman
Member of Congress



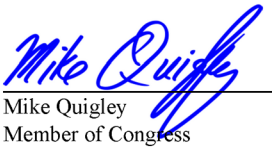
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Member of Congress



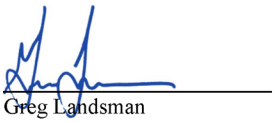
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Member of Congress



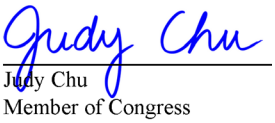
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Member of Congress



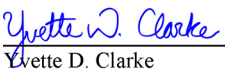
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Member of Congress



Greg Landsman
Member of Congress



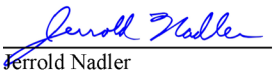
Judy Chu
Member of Congress



Yvette D. Clarke
Member of Congress



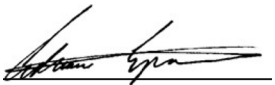
Dave Min
Member of Congress



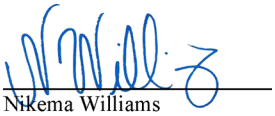
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Member of Congress



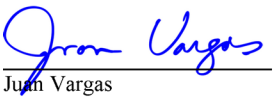
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Member of Congress



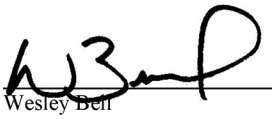
Adriano Espaillat
Member of Congress



Nikema Williams
Member of Congress



Juan Vargas
Member of Congress



Wesley Bell
Member of Congress



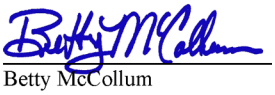
Shontel M. Brown
Member of Congress



Brittany Pettersen
Member of Congress



Scott H. Peters
Member of Congress



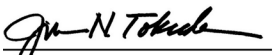
Betty McCollum
Member of Congress



Zoe Lofgren
Member of Congress



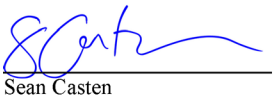
Marilyn Strickland
Member of Congress



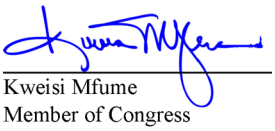
Jill Tokuda
Member of Congress



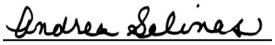
Veronica Escobar
Member of Congress



Sean Casten
Member of Congress



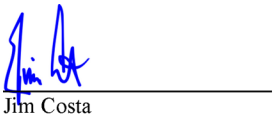
Kweisi Mfume
Member of Congress



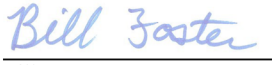
Andrea Salinas
Member of Congress



Chris Pappas
Member of Congress



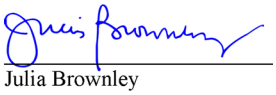
Jim Costa
Member of Congress



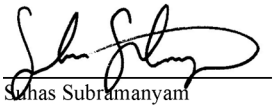
Bill Foster
Member of Congress



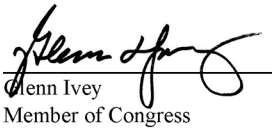
Eleanor Holmes Norton
Member of Congress



Julia Brownley
Member of Congress



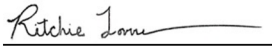
Suhas Subramanyam
Member of Congress



Glenn Ivey
Member of Congress



Gerald E. Connolly
Member of Congress



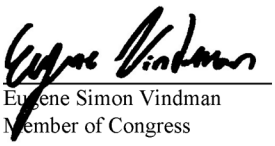
Ritchie Torres
Member of Congress



Steve Cohen
Member of Congress



Valerie P. Foushee
Member of Congress



Eugene Simon Vindman
Member of Congress



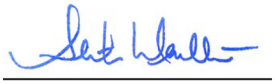
James P. McGovern
Member of Congress



Bennie G. Thompson
Member of Congress



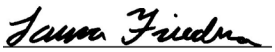
Dina Titus
Member of Congress



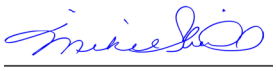
Seth Moulton
Member of Congress



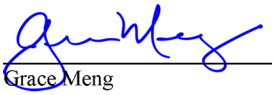
Jared Huffman
Member of Congress



Laura Friedman
Member of Congress



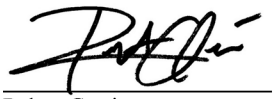
Mikie Sherrill
Member of Congress



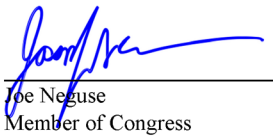
Grace Meng
Member of Congress



Darren Soto
Member of Congress



Robert Garcia
Member of Congress



Joe Neguse
Member of Congress

Congress of the United States

Washington, DC 20515

December 12, 2025

Hon. Kelly Loeffler
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Mr. Hartley Caldwell
Chief Information Officer
U.S. Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Administrator Loeffler and Mr. Caldwell:

We write with serious concerns regarding the removal of the U.S. Small Business Administration (SBA)'s non-English language webpages from its website. We were made aware that on December 3, 2025, links to the "Information in other languages" webpage from elsewhere on the website were removed that day, and the page itself became "no longer available."[1] Then, on December 4, 2025, links to Spanish language webpages from elsewhere on the website were removed, and the URLs for those pages redirected to their English language equivalents.[2]

The SBA's Spanish language webpages provided information to Spanish speaking entrepreneurs translated from their English language equivalents. They numbered in the dozens, and treated a wide range of important small business and SBA topics, such as how to start and operate a business, secure capital and other critical resources, and prepare for emergencies, as well as how the SBA could help small business owners with each of those activities.[3]

Similarly, the SBA's "Information in other languages" webpage provided information to other entrepreneurs with limited English proficiency (LEP) about the resources and assistance the SBA offers to small business owners, such as counseling through the Resource Partner network, small business loan guarantees and microloans, help navigating the federal government contracting system, and direct disaster loans. This information was offered in Simplified and Traditional Chinese, French, Italian, Japanese, Korean, Portuguese, Tagalog, Thai, and Vietnamese.[4]

Not only do small businesses form the backbone of the American economy, but ownership of a small business is also a key pathway for Americans of all backgrounds to work hard, prosper, and earn a slice of the American Dream. This is why the SBA exists and is responsible for

[1] *Page no longer available*, U.S. SMALL BUS. ADMIN. (Dec. 3, 2025), https://www.sba.gov/about-sba/information-other-languages (last visited Dec. 5, 2025).
[2] *E.g., Business Guide*, U.S. SMALL BUS. ADMIN. (Dec. 4, 2025), https://www.sba.gov/es/guia-de-negocios; U.S. SMALL BUS. ADMIN., *Guía de negocios*, WAYBACK MACHINE (Jul. 1, 2025), https://web.archive.org/web/20250701020608/https://www.sba.gov/es/guia-de-negocios.
[3] U.S. SMALL BUS. ADMIN., *La Agencia Federal de Pequeños Negocios,* WAYBACK MACHINE (Sept. 26, 2025), https://web.archive.org/web/20250926072033/https://www.sba.gov/es.
[4] U.S. SMALL BUS. ADMIN., *Information in other languages*, WAYBACK MACHINE (Feb. 21, 2025), https://web.archive.org/web/20251006131947/https://www.sba.gov/about-sba/information-other-languages.

providing help to America's entrepreneurs. It is our collective responsibility as public officials to assist and protect American small businesses, no matter the race or national origin of their owners.

According to the U.S. Census Bureau, over 1 in 5 Americans over the age of five years speak a language other than English at home,[5] and nearly 9 percent speak English less than "very well."[6] Most (56.3 percent) Americans who speak non-English at home are immigrants[7] – a group with a higher entrepreneurship rate than domestic-born Americans.[8] In other words, non-English speaking Americans own and operate a sizeable portion of America's Main Streets.

Title VI of the *Civil Rights Act of 1964* (Title VI) bars discrimination based on race or national origin in federally funded programs.[9] Offering public services in just one or two languages can prevent eligible persons from receiving them just because they were born and raised in another country speaking another language.[10] Federal agencies – dating back to the Nixon administration – have applied Title VI to language access, an application that the Supreme Court has recognized and upheld.[11]

In 2000, President Bill Clinton, citing Title VI, signed Executive Order (EO) 13166, which required agencies, including the SBA, to provide "meaningful access" to "persons who, as a result of national origin, are limited in their English proficiency."[12] Furthermore, the *CARES Act*, which was signed by President Trump, requires the SBA to "provide the resources and services made available by the Administration to small business concerns in the 10 most commonly spoken languages, other than English, in the United States."[13] The SBA has since provided services to LEP entrepreneurs, including through the use of the Spanish and "Information in other languages" webpages.[14]

While President Trump has issued EO 14224, which rescinds EO 13166,[15] EO 14224 explicitly states, "nothing in this order, however, requires or directs any change in the services provided by

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[5] *S1601: Language Spoken at Home*, U.S. CENSUS BUREAU (2024), https://data.census.gov/table/ACSST1Y2024.S1601?t=Language+Spoken+at+Home.
[6] *B16001: Language Spoken at Home by Ability to Speak English for the Population 5 Years and Over* (2024), U.S. CENSUS BUREAU, https://data.census.gov/table/ACSDT1Y2024.B16001?t=Language+Spoken+at+Home.
[7] *B16005, Nativity by Language Spoken at Home by Ability to Speak English for the Population 5 Years and Over*, U.S. CENSUS BUREAU (2024), https://data.census.gov/table/ACSDT1Y2024.B16005?t=Language+Spoken+at+Home.
[8] Robert W. Fairlie, *Immigrant Entrepreneurs and Small Business Owners, and their Access to Financial Capital*, OFF. OF ADVOC. (May 2012), https://advocacy.sba.gov/wp-content/uploads/2012/05/Immigrant-Entrepreneurs-Financial-Capital-Full-Report.pdf (on file with the H. COMM. ON SMALL BUS.).
[9] CONG. RSCH. SERV., IF13076, *Overview of Language-Access Requirements for Federally Funded Programs and Federal Agencies* (Aug. 1, 2025).
[10] *Id.*
[11] *Id.*
[12] Exec. Order No. 13166, 65 Fed. Reg. 50121 (Aug. 16, 2020).
[13] CARES Act, § 1111, 15 U.S.C. 1910 (2020).
[14] *E.g.*, U.S. GOV'T ACCOUNTABILITY OFF., GAO-10-91, *Language Access: Selected Agencies Can Improve Services to Limited English Proficient Persons* (Apr. 26, 2010); U.S. SMALL BUS. ADMIN., *supra* note 4.
[15] Exec. Order No. 14224, 90 Fed. Reg. 11363 (Mar. 1, 2025).

any agency,"[16] meaning that the SBA was not directed by the President in his EO to remove or restrict the webpage, or to diminish its services for LEP small business owners.

The removal of the Spanish language and "Information in other languages" webpages does not benefit the SBA in any meaningful way and impedes the ability of non-English-speaking entrepreneurs to find information about SBA services for which they are eligible. The removal also makes the already difficult task of launching and operating a small business more challenging, which is troubling given the man-made economic crisis imposed by President Trump's chaotic, unsound tariff policies.

We ask that the Spanish language and "Information in other languages" webpages to the SBA's website be restored and make the following informational requests below. Please respond to them by no later than **Monday, January 5, 2026:**

1. Many of the Spanish language webpages, as well as the "Information in other languages" webpage, were last edited in 2025, under President Trump, and the information and resources therein appeared to be current. Why were the webpages removed from the SBA's website?

    - Is the removal temporary or is the SBA no longer providing these services? If the removal is temporary, please outline the timeline for restoration.

2. What, if any, guidance has been issued to SBA employees regarding providing information in languages other English? Are there alternative resources available to which the SBA is now referring small business owners?

3. Who authorized the removal of the Spanish language and "Information in other languages" webpages from the SBA's website?

4. In making the decision to remove the Spanish language and "Information in other languages" webpages from the SBA's website, did you consider the impacts this might have on American small business owners with limited English proficiency (LEP)? Did you consider that the cost of hosting additional webpages on an existing website is *de minimis?*

5. Under the previous administration, the SBA's Office of Diversity, Inclusion, and Civil Rights (ODICR) ensured that individuals receiving services from SBA and SBA-funded programs are not subject to discrimination and provided information in English and other languages about language access.[17] We understand that ODICR has since been eliminated. Who is now responsible for preventing discrimination at the SBA and the

[16] *Id.*
[17] U.S. SMALL BUS. ADMIN., *2022 Equity Action Plan* (Apr. 14, 2022).

programs it funds? Who is now responsible for providing information about language access?

If you have any questions about these requests, please contact Matt Low with the House Committee on Small Business's Democratic staff at (202) 225-4038.

Sincerely,

Nydia M. Velázquez
Ranking Member
Committee on Small Business

Grace Meng
CAPAC Chair

Adriano Espaillat
Chair
Congressional Hispanic Caucus

Judy Chu
Member of Congress

Edward J. Markey
Ranking Member, Committee on Small Business and Entrepreneurship

Morgan McGarvey
Vice Ranking Member
Committee on Small Business

Hillary J. Scholten
Member of Congress

LaMonica McIver
Member of Congress

Gilbert Ray Cisneros, Jr.
Member of Congress

Kelly Morrison
Member of Congress

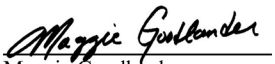
George Latimer
Member of Congress

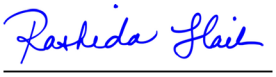
Derek T. Tran
Member of Congress

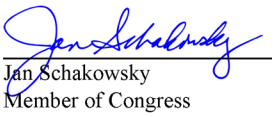
Lateefah Simon
Member of Congress

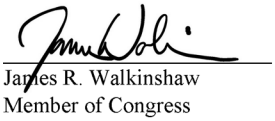
Johnny Olszewski, Jr.
Member of Congress

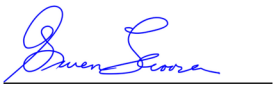
Herbert C. Conaway, Jr.
Member of Congress

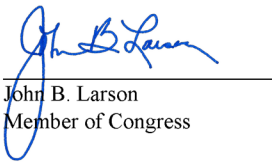

Maggie Goodlander
Member of Congress

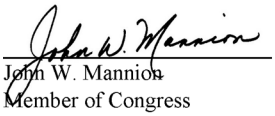

Rashida Tlaib
Member of Congress

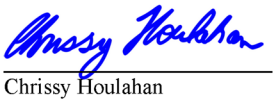

Jan Schakowsky
Member of Congress

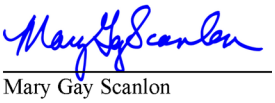

James R. Walkinshaw
Member of Congress

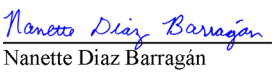

Gwen S. Moore
Member of Congress

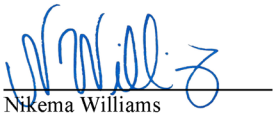

John B. Larson
Member of Congress


John W. Mannion
Member of Congress

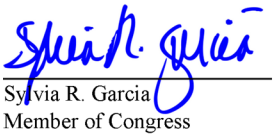

Chrissy Houlahan
Member of Congress


Mary Gay Scanlon
Member of Congress

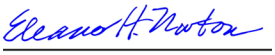

Nanette Diaz Barragán
Member of Congress


Nikema Williams
Member of Congress


Pramila Jayapal
Member of Congress

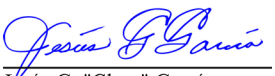

Sylvia R. Garcia
Member of Congress


Frank Pallone, Jr.
Member of Congress


Eleanor Holmes Norton
Member of Congress


Eric Swalwell
Member of Congress


Adelita S. Grijalva
Member of Congress


Jesús G. "Chuy" García
Member of Congress

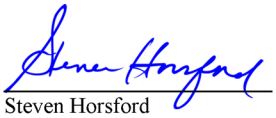

Paul D. Tonko
Member of Congress


Mike Thompson
Member of Congress


Jasmine Crockett
Member of Congress



Kevin Mullin
Member of Congress



Steven Horsford
Member of Congress



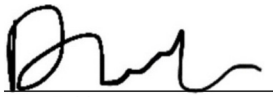
Bonnie Watson Coleman
Member of Congress



Nellie Pou
Member of Congress



James P. McGovern
Member of Congress



Dan Goldman
Member of Congress



Andre Carson
Member of Congress



Robert J. Menendez
Member of Congress



Scott H. Peters
Member of Congress



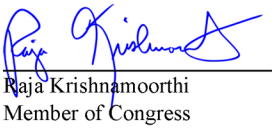
Vicente Gonzalez
Member of Congress



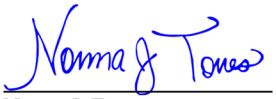
Chellie Pingree
Member of Congress



Ed Case
Member of Congress



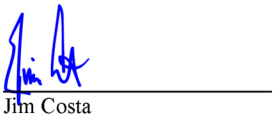
Raja Krishnamoorthi
Member of Congress



Norma J. Torres
Member of Congress



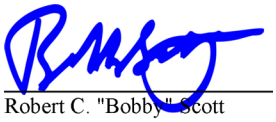
Delia C. Ramirez
Member of Congress



Jim Costa
Member of Congress



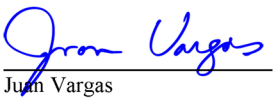
Yassamin Ansari
Member of Congress



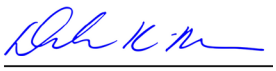
Robert C. "Bobby" Scott
Member of Congress



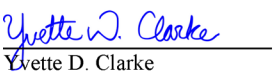
Laura Friedman
Member of Congress



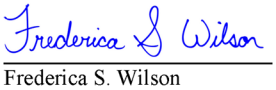
Juan Vargas
Member of Congress



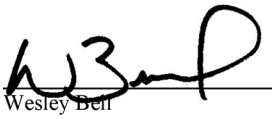
Deborah K. Ross
Member of Congress



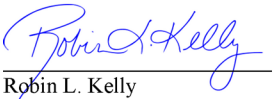
Yvette D. Clarke
Member of Congress



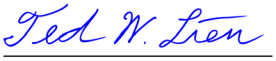
Frederica S. Wilson
Member of Congress



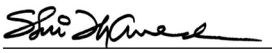
Wesley Bell
Member of Congress



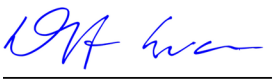
Robin L. Kelly
Member of Congress



Ted W. Lieu
Member of Congress



Shri Thanedar
Member of Congress



Dwight Evans
Member of Congress



Betty McCollum
Member of Congress



Raul Ruiz, M.D.
Member of Congress



Salud Carbajal
Member of Congress



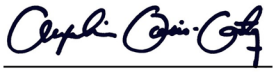
Luz M. Rivas
Member of Congress



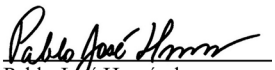
Dave Min
Member of Congress



Dina Titus
Member of Congress



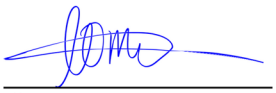
Alexandria Ocasio-Cortez
Member of Congress



Pablo José Hernández
Member of Congress



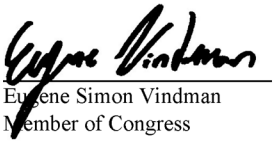
Josh Gottheimer
Member of Congress



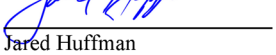
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Member of Congress



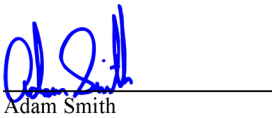
Zoe Lofgren
Member of Congress



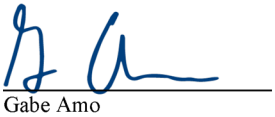
Eugene Simon Vindman
Member of Congress

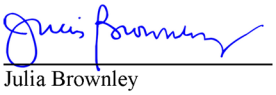


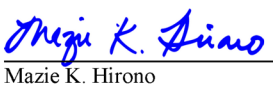
Jared Huffman
Member of Congress



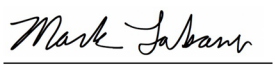
Adam Smith
Member of Congress

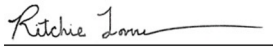

Gabe Amo
Member of Congress


Julia Brownley
Member of Congress


Mazie K. Hirono
United States Senator

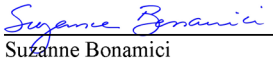

Mike Levin
Member of Congress

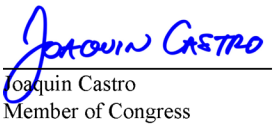

Mark Takano
Member of Congress


Ritchie Torres
Member of Congress


Jill Tokuda
Member of Congress

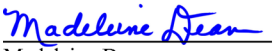

Robert Garcia
Member of Congress

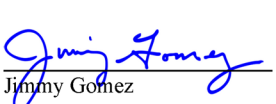

Suzanne Bonamici
Member of Congress


Joaquin Castro
Member of Congress

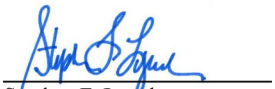

Susie Lee
Member of Congress


Valerie P. Foushee
Member of Congress

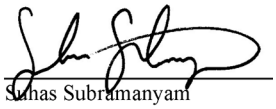

Madeleine Dean
Member of Congress

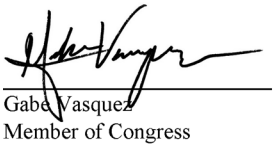

Jimmy Gomez
Member of Congress

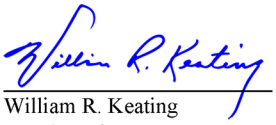

Sean Casten
Member of Congress

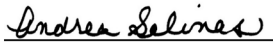

Stephen F. Lynch
Member of Congress


Greg Stanton
Member of Congress


Suhas Subramanyam
Member of Congress


Gabe Vasquez
Member of Congress


William R. Keating
Member of Congress


Andrea Salinas
Member of Congress



Mark DeSaulnier
Member of Congress

I

119TH CONGRESS
2D SESSION

H. R. 8563

To clarify eligibility for small business loans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2026

Ms. VELÁZQUEZ (for herself, Mr. OLSZEWSKI, Mr. ESPAILLAT, Ms. MENG, Mr. MIN, Ms. CHU, Ms. SIMON, Ms. CLARKE of New York, Mr. KRISHNAMOORTHI, Mr. CISNEROS, Mr. LATIMER, Mr. THANEDAR, Mrs. MCIVER, Mr. MCGARVEY, Ms. SCHOLTEN, Mr. TRAN, Ms. MORRISON, and Ms. POU) introduced the following bill; which was referred to the Committee on Small Business

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A BILL

To clarify eligibility for small business loans, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Investing in the American Dream Act".

SEC. 2. DEFINITIONS.

In this Act:

(1) COVERED LOAN.—The term "covered loan" means—

(A) a loan guaranteed under section 7(a) of the Small Business Act (15 U.S.C. 636(a));

(B) a microloan under section 7(m) of the Small Business Act (15 U.S.C. 636(m));

(C) a loan guaranteed under title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.); and

(D) a surety bond guarantee from the Small Business Administration pursuant to part B of title IV of the Small Business Investment Act of 1958 (15 U.S.C. 694a et seq.).

(2) ELIGIBLE INDIVIDUAL.—The term "eligible individual" includes—

(A) an alien (as defined in section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a))) that meets the requirements under section 2(i) of the Small Business Act (15 U.S.C. 631(i)), including—

(i) an alien granted asylum under section 208 of the Immigration and Nationality Act (8 U.S.C. 1158);

(ii) a refugee admitted to the United States under section 207 of that Act (8 U.S.C. 1157);

(iii) any alien admitted to the United States as a nonimmigrant described in section 101(a)(15) of that Act (8 U.S.C. 1101(a)(15)) whose period of authorized stay has not expired;

(iv) an alien lawfully admitted for permanent residence (as defined in section 101(a) of that Act (8 U.S.C. 1101(a))), including an alien lawfully admitted for permanent residence on a conditional basis; and

(v) an alien granted deferred action pursuant to the memorandum of the Department of Homeland Security entitled "Exercising Prosecutorial Discretion with Respect to Individuals Who Came to the United States as Children" issued on June 15, 2012; and

(B) an individual the principal residence of whom is outside the United States and its territories and possessions.

(3) SMALL BUSINESS CONCERN.—The term "small business concern" has the meaning given the term in section 3 of the Small Business Act (15 U.S.C. 632).

SEC. 3. ELIGIBILITY FOR BUSINESS LOANS.

(a) REQUIREMENT.—To be eligible for a covered loan, a small business concern shall be—

(1) located in the United States; and

(2) not less than 51 percent owned and controlled by—

(A) citizens or nationals of the United States; or

(B) eligible individuals, provided that at the time of application for a covered loan, such individuals are—

(i) lawfully present in the United States; and

(ii) authorized to be employed in the United States.

(b) PROHIBITION.—A small business concern shall not be denied eligibility for a covered loan because the small business concern is owned by eligible individuals, provided the small business concern meets the requirements under subsection (a).

(c) RULE OF CONSTRUCTION.—Nothing in this Act may be construed to provide the Small Business Administration with the authority to increase the percentage of the requirement under subsection (a)(2).

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