



Small business owners. Small business values.

May 25, 2010

To:

President Barack Obama	Karen Mills, Administrator, Small Business Administration
Senate Majority Leader Harry Reid	Senate Minority Leader Mitch McConnell
House Speaker Nancy Pelosi	House Minority Leader John Boehner
Sen. Mary Landrieu, Chair, Senate Committee on Small Business and Entrepreneurship	Sen. Olympia Snowe, Ranking Member, Senate Committee on Small Business and Entrepreneurship
Rep. Nydia Velázquez, Chair, House Small Business Committee	Rep. Sam Graves, Ranking Member, House Small Business Committee
Kathleen Sebelius, Secretary of Health and Human Services	Timothy Geithner, Secretary of the Treasury
Gary Locke, Secretary of Commerce	Hilda Solis, Secretary of Labor

Re: Commemorating National Small Business Week and assessing progress on Main Street policy priorities

Dear President Obama, House and Senate Leaders, Administrator Mills, and Cabinet Secretaries,

As small business leaders in the Main Street Alliance network, we wish to take this occasion to commemorate National Small Business Week. This is an important opportunity to reflect on the values that guide us as small business owners, assess the state of the small business nation, and highlight priorities that will help promote lasting prosperity for our businesses and the communities we serve.



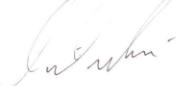
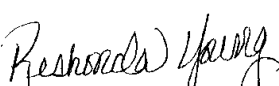

The Main Street Alliance creates opportunities for true small business owners like us to speak for ourselves on important issues that impact our businesses and our communities. We bring to the table a practical, realistic point of view based on our experiences building our enterprises, one brick at a time, to create something of substance – a body of work, a reputation of trust, a place in our communities. We do this for more than money (though we all seek a decent living and a measure of financial security), as our vision recognizes other critical factors beyond our own drive to succeed – the contributions of our employees, our customers, and our communities.

We understand the concept of “collective self-interest” intuitively because it lies at the heart of our success. We believe in both individual and shared responsibility. We believe in service and commitment to community. We know small businesses succeed when communities thrive, and thriving communities are built on the values of inclusion and equity, shared opportunity and shared responsibility, sustainability and a commitment to follow through on your promises. These are small business values.

We aim to engage constructively with the pressing challenges our communities and nation face, and to contribute to lasting solutions. We know government has a critical role to play in meeting and addressing these challenges with us. We expect of our policymakers the same standards of commitment, honesty and responsibility we demand of ourselves and our employees. We want to see talent, energy, imagination and integrity reflected in the institutions of our democracy. In that spirit, we offer the Main Street Alliance’s “State of the Small Business Nation” for 2010.

Sincerely,

Main Street Alliance Executive Committee Members:

				
Kelly Conklin Foley-Waite Associates Bloomfield, NJ	Leanne Clarke Haleyanne Jewelry Seattle, WA	David Borris Hel’s Kitchen Catering Northbrook, IL	ReShonda Young Alpha Express, Inc Waterloo, IA	Melanie Collins Melanie’s Home Childcare Falmouth, ME



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The State of the Small Business Nation **The Main Street Alliance – May 2010**

Over the past three years, Main Street small business owners have seen our businesses through the most challenging economic crisis of most of our lifetimes. There have been many lessons to draw from this difficult time. One of those lessons is that unfettered “free markets” can fail miserably in the allocation of risk and resources, producing catastrophic consequences for the whole economy.

Another lesson is that our success is tightly intertwined with that of our communities. Healthy businesses serve as a bedrock for healthy communities. We deliver important goods and services. We create good jobs. We give back to our communities and contribute to the local character that makes each community unique. Conversely, our success depends on the stability and prosperity of our communities. Economic troubles that begin one exploding mortgage at a time can mushroom into a crisis that endangers us all. Though this economic crisis grew from Wall Street’s toxic financial products, Main Street businesses are the ones who’ve taken it on the chin. We’re still working to pick ourselves up, dust ourselves off, and get the engines of our local economies humming again.

Public policies and public investments have a critical role to play in supporting the conditions for small businesses to drive this economic recovery. In recent months, we have witnessed important strides to address pressing issues. While much remains to be done, this progress gives us hope and confidence to move forward:

Fixing Health Care for Small Businesses: The passage of comprehensive health reform could not come soon enough for small business owners and our employees. While we sought inclusion of a public health insurance option in reform to ensure real competition for the insurance industry, the final reform package takes critical steps to address the problems we face with health care. The reform package ends discrimination by insurance companies. It reduces the “hidden tax” and includes a range of other measures to make coverage more affordable for us as business owners and for our employees. It gives small businesses better choices and more bargaining power. And it provides the security to end “job lock” and allow would-be entrepreneurs with good ideas to strike out on their own and start new businesses, follow their dreams, and create the jobs our economy needs. While small businesses remain vulnerable to off-the-charts and unjustifiable rate increases, we are hopeful for the passage of robust rate review legislation to address that nagging problem.

Reining in Wall Street’s Excesses to Protect Main Street: The financial overhaul package just passed by the Senate and now headed to a House-Senate conference takes important strides to re-establish reasonable rules of the road for Wall Street and the financial sector. These rules are essential to ensure that Wall Street’s unchecked greed can’t pull the rug out from under the Main Street economy as it did in the recent financial crisis. Along with new rules to provide a measure of protection for consumers of financial products (which include small businesses and our customers) and regulate systemic risk, the overhaul package will finally restore fairness to credit and debit card contracts for small businesses and ensure that the debit transaction interchange fees we pay are reasonable and proportional.

Still, the issue of jobs and job creation remains an urgent priority nationally and in our communities. We will not win the battle with unemployment through a war of attrition. Instead, we need an “all fronts” assault to create the jobs our communities need:



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Creating the Jobs Our Communities Need: Even as the economy shows signs of improvement, we need an “all fronts” approach to job creation to get the millions of people who are now unemployed back to work and restore broad prosperity. We need to thaw the frozen credit markets by expanding lending through community banks, credit unions and the SBA, and by refocusing big banks on basic commercial lending instead of casino-style gambling on Wall Street. We also need to move aggressively to create and save good-paying jobs that are the bedrock of the small business customer base. While the job creation numbers of the last few months show an encouraging trend, we know state and local governments continue to face gaping budget deficits, and hundreds of thousands of good-paying community jobs – teachers, firefighters, and service agency jobs – are on the line. With this in mind, we support proposals to create and save hundreds of thousands of public sector and community jobs as a strategy critical to bolstering local economies. We also support investments in renewable energy and green jobs to contribute to greater entrepreneurial opportunities and our long-term economic prosperity.

Now, some politicians and lobby groups will only pay lip service to small business concerns or, even worse, will use dubious “small business” arguments, divorced from facts and reality, to advance an agenda that benefits distant corporate interests and millionaire investors at our expense:

Challenging the Use of False “Small Business” Claims to Advance Outside Special Interests: The tactic of crying crocodile tears for small business to advance the agenda of corporate lobbyists is not a new one. Efforts to eliminate a fair tax on millionaire estates and to create new loopholes for top income tax brackets are a good example of this attempted sleight of hand. The simple facts are these: estate and high-bracket income taxes impact only a tiny fraction of small businesses (even by generous definitions), whereas the elimination of these revenue sources would likely shift costs back onto the middle class – including the very small business owners who are being paid lip service. Similarly, efforts to challenge and repeal the health reform legislation in the name of small business (despite the fact that small businesses have perhaps the most to gain from health reform) advance an agenda aligned with the interests of the health insurance industry, not everyday small business owners. We encourage policymakers to recognize that Main Street small business interests and distant corporate interests are not one and the same. We urge our elected leaders to protect and promote the real needs of small businesses in the face of outside special interests that seek to maximize short-term gains no matter what the cost to local economies and a sustainable local business climate.

What is the state of the small business nation, in short? Well, we’re making progress and the business environment is showing very welcome signs of improvement. Things still need to get a lot better, though, so there is important work to do. We are committed to doing our part, and we look to government to play an important role, too.

On this, National Small Business Week 2010, the small business leaders of the Main Street Alliance network pledge to work with policymakers to take the next steps in tackling the challenges we face, to ensure a voice for real small business owners in important decisions, and to build toward lasting prosperity for small businesses, our employees, and the communities we serve.