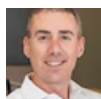
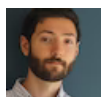


Biden Goes Big on Small Businesses

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Lower costs, bigger markets, modernized operations, and tools to grow. The Biden Administration's big legislative wins—the Infrastructure Investment and Jobs Act (IIJA), CHIPS and Science Act (CHIPS), and Inflation Reduction Act (IRA)—help small business owners now and set them up for economic success in the future. Here's how:

1. Lowering Costs

Bottom Line: The Biden Administration is making it less expensive to provide employee benefits, ship products, and run a small business.

- The IRA expands Affordable Care Act premium tax credits and lowers prescription drug prices, potentially saving employers thousands in health care costs. ¹

- Through IRA, new startups can now deduct research and development costs from payroll to help small businesses afford to employ the nation's best and brightest.²
- Whether by rail, semi-truck, or plane, the IIJA helps small businesses reliably and efficiently transport their products. The IIJA also lowers shipping costs and reduces the likelihood of supply chain disruptions.³
- Oil released from the strategic petroleum reserve has helped shave \$1.30 off a gallon of gas since June.⁴
- The IRA's overall deficit reduction will slow inflation and ease price pressures on small businesses.⁵

Spotlight: Small business owners and employees will see big health care savings. According to Third Way data, a typical family with health coverage at work will pay about \$1,000 less a year, and a family with coverage through an exchange will pay about \$1,400 less a year. The exchanges are a particularly useful tool for the owners of small businesses themselves: 25% of Marketplace enrollment among working-age adults consists of small business owners.⁶

2. Expanding Markets and Customers

Bottom Line: The Biden Administration is making hundreds of billions of dollars in contracts available to American businesses to manufacture and build, ensuring all small businesses are connected to online markets through universal broadband, and expanding next-generation markets.

- Small businesses will see a massive surge in market opportunities for contracts across a variety of critical industries thanks to \$550 billion in infrastructure funding through IIJA, \$52 billion in CHIPS to revitalize the semiconductor industry, and \$386 billion in IRA to spur a clean energy economy. These huge investments, alongside the Biden Administration's commitment to increasing equity in government contracting, means more dollars in the pockets of small businesses, particularly those owned by women and people of color.
- The \$10 billion investment in building innovation hubs across the country as part of CHIPS will spur development in numerous technology and manufacturing sectors, while building up industries and small businesses in new places.⁷
- The new CHIPS initiative at the National Science Foundation will bring together partners, including small businesses, working on semiconductors and a variety of other technologies to better ensure that what is invented in America can also be made in America.⁸

Spotlight: Substantial new government contracts will be available to small businesses and, specifically, women-, minority-, and veteran-owned businesses because of the IIJA, CHIPS, and IRA. Third Way estimates that the total pool of new federal contracts to be roughly \$133 billion. Based on the Biden Administration's contracting trends, \$50 billion of those contracts would go to small businesses. Of those contracts, over \$10 billion would go to women-owned small businesses and more than \$24 billion to small-disadvantaged businesses.⁹

3. Modernizing Operations

Bottom Line: The Biden Administration is fixing supply chains, helping small businesses retrofit facilities, and afford the capital investments of the future.

- The pandemic's impact on supply chains hit small businesses particularly hard, and the IIJA reduces the likelihood of future incidents. Upgrades to America's airports, bridges, roads, and ports ensure small businesses can reliably supply their operations, transport goods, and reach customers without fear of disruption.¹⁰
- Access to reliable and affordable internet is essential for small businesses to make it in the modern economy.¹¹ IIJA's \$65 billion investment in broadband means small businesses, especially those in rural places, will be able to modernize their operations, capture more customers, and expand their pool of workers.¹²
- The Biden Administration is helping small businesses contribute to the low-carbon energy transition and saving them money in the process.¹³ Small businesses can now receive tax credits that ease the cost of installing solar panels, increasing building energy efficiency, and switching to electric vehicle fleets.¹⁴

Spotlight: Markets are everywhere, and rural small businesses need more help to reach them. Thanks to the broadband expansion in IIJA, the 20% of rural small businesses not using broadband will have substantially more opportunities to sell to global online markets.¹⁵

4. Helping Businesses Start and Scale

Bottom Line: The Biden Administration is helping entrepreneurs and small businesses get seed capital and the tools to grow.

- The American Rescue Plan’s reauthorization and expansion of the Small Business Credit Initiative means \$10 billion directly goes to supporting businesses with fewer than 10 employees, helping socially and economically disadvantaged business owners, and investing in technical assistance efforts.¹⁶
- IIJA made the Minority Business Development Agency (MBDA) permanent while also expanding its scope. This effort creates more regional MBDA offices and rural business centers, increases the agency’s grant-making capacity, and supports efforts to provide more business development and industry-focused services.¹⁷ All of this helps minority-owned small businesses increase their access to capital, contracts, and markets.
- The recent reauthorization of both the Small Business Innovation Research and Small Business Technology Transfer programs will ensure thousands of small businesses are able to access early-stage funding to help them bring innovative ideas to market.¹⁸

Spotlight: By both providing critical lifelines to small businesses during the pandemic and investing in longer-term initiatives, the Biden administration has cultivated an environment ripe for entrepreneurship. Since January 2021, there have been over 9.1 million applications for new businesses—58% more than at the same point in President Trump’s first term.¹⁹ This growth was also more prominent in minority communities—[Third Way Data](#) finds that from 2019 to 2021, majority Black counties saw twice the increase in new businesses compared to the nation as a whole.

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