

November 14, 2023

The Honorable Roger Williams
Chairman
U.S. House Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515

The Honorable Nydia Velázquez
Ranking Member
U.S. House Committee on Small Business
2069 Rayburn House Office Building
Washington, DC 20515

Letter for the Record: House Small Business Committee hearing, "Oversight of the SBA's Office of Entrepreneurial Development."

Dear Chairman Williams and Ranking Member Velázquez,

Interest in starting a business is at an all-time high. Since 2020, Americans have been starting new businesses at an extraordinary pace. In 2021 alone, close to [5.4 million new business applications](#) were filed, marking a historical high. Even in 2023, the momentum continues, as new business applications remain at [elevated levels](#), with the total filed applications approaching the high set in 2021.

These new businesses and the entrepreneurs behind them represent potential “customers” for the Small Business Administration's entrepreneurial development programs. SBA and its resource partners must be ready and able to meet the educational, training, and technical assistance needs of these new business owners.

BPC Action commends the committee for holding its second hearing this year on entrepreneurial development as Congress looks to reauthorize SBA for the first time in nearly 23 years.

Earlier this year, the Bipartisan Policy Center published a report on [SBA modernization](#). One key finding from that report highlights the overwhelming support among small business owners for modernizing entrepreneurial development programs. According to a survey conducted by Goldman Sachs *10,000 Small Businesses Voices*, a striking 95% of small business owners expressed support for [modernizing SBA's technical assistance](#) and entrepreneurial development programs to better reflect today's technology.

Another notable finding is the varied perspectives expressed by entrepreneurs, small business owners, SBA resource partners, and former SBA officials regarding the effectiveness of SBA's entrepreneurial development programs. While some lauded their “helpful” or “fantastic” experiences with a Small Business Development Center or SCORE mentor, others conveyed less favorable sentiments such as “not helpful,” “waste of time,” “not applicable.” A notable concern raised by various individuals, including both small business owners and policymakers interviewed by BPC, centered on a lack of diversity among mentors within the SCORE program.

Bipartisan Policy Center Action

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The committee and its counterpart in the Senate have an opportunity to build upon the strengths of SBA's entrepreneurial development programs and act on small business owners' feedback to improve these programs to better support all entrepreneurs and small businesses seeking assistance. BPC Action supports modernizing entrepreneurial development programs, increasing the effectiveness of these programs, and enhancing data collection.

Modernize Entrepreneurial Development Programs

Entrepreneurs and small business owners expect SBA and its resource partners to reflect and acknowledge their own realities. That means injecting a bit of entrepreneurial innovation into the delivery of technical assistance and education. Specifically, BPC Action supports:

- exploring the feasibility of adding skillset-based counseling instead of, or in addition to, geographic-based assistance;
- improving the gender and racial diversity of SBA resource partners on the frontlines of helping small business owners;
- considering how SCORE might adopt elements of a coaching model in addition to mentoring;
- expanding the scope of technical assistance offered by SBA resource partners, which includes introducing specialized assistance for older entrepreneurs and aiding graduates of career and technical education programs; and
- bolstering technical assistance for small businesses looking to adopt and utilize digital tools that can help their businesses grow.

Prioritize Entrepreneurial Development Effectiveness

Successful entrepreneurs and small business owners are constantly looking for ways to enhance efficiency and profitability, learning from past experiences to improve their ventures. That same spirit of continuous improvement should exist within SBA and its resource partners. To that end, BPC Action supports:

- improving linkages between SBA resource partners and lenders;
- identifying and sharing lessons learned among resource partners on the most effective ways to support entrepreneurs and small business owners.
- evaluating programs and interventions to better understand what is effective and scaling interventions that have proven to positively impact small businesses; and
- positioning SBA entrepreneurial development programs in market gaps where other service providers are not be reaching or effectively addressing needs.

Enhance Data Collection

BPC Action recognizes that there are several challenges associated with SBA resource partner data collection and sharing, as well as an interest in protecting small business owners' privacy. BPC Action encourages the committee to work toward resolving these issues, as better data can help small businesses receive higher quality service and ensure taxpayers receive a favorable return on their investment. In doing so, BPC Action encourages prioritization of improved data on:

- small businesses that seek and receive support from resource partners;
- small business owners served by demographic group and region; and
- the performance and outcomes of those businesses served by resource partners.

Modern, high-performing, and data-driven small business support has the potential to propel Americans' entrepreneurial spirit to new heights, paving the way for increased economic growth, job creation, and prosperity across our nation. Thank you for your commitment to supporting entrepreneurs and small business owners. Please consider BPC Action and BPC resources in your ongoing and vital work.

Sincerely,



Michelle Stockwell
President