

**Congress of the United States**  
**U.S. House of Representatives**  
**Committee on Small Business**  
2361 Rayburn House Office Building  
Washington, DC 20515-6515

**MEMORANDUM**

**TO:** Members of the Committee on Small Business

**FROM:** Committee Majority Staff

**DATE:** March 28, 2025

**RE:** Full Committee Hearing Titled: “Fueling America's Future: How Investment Empowers Small Business Growth”

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On **Wednesday, April 2, 2025, at 10:00 AM ET** the Committee on Small Business will hold a hearing titled “**Fueling America's Future: How Investment Empowers Small Business Growth.**” The meeting will convene in room 2360 of the Rayburn House Office Building. The purpose of this hearing is to discuss the role and importance of private sector investment and public-private partnerships in funding small business growth.

**I. Witnesses**

- **Mr. Brett Palmer**, President, Small Business Investor Alliance
- **Mr. Bill Baumel**, Managing Director, Ohio Innovation Fund
- **Mr. Bryan Yourdon**, CEO, Olympia Chimney Supply Holdings
- **Mr. Anthony Cimino**, Vice President & Head of Public Policy, Carta

**II. Background**

While most small businesses are self-funded or funded using business loans, a substantial portion of small businesses get some form of outside investment. Investment can take many forms, ranging from private equity investment and venture capital to public-private partnerships. These investors provide important working capital for small businesses without requiring payments by the businesses. In addition to the funds these investors offer to small businesses, they often provide support and guidance to founders on how to build and grow their companies.

One of the most common forms of small business investment comes from private equity. Private equity tends to focus on more mature and developed companies and is typically less tolerant of risky investments.<sup>1</sup> Conversely, venture capital often prioritizes riskier emerging businesses and

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<sup>1</sup> Rebecca Baldrige, *What is Private Equity? What is a Private Equity Fund?*, FORBES (Jul. 30, 2024)

start-ups where returns on investment can be maximized.<sup>2</sup> Together, these investors encompass a broad range of businesses seeking investments.

Outside of private sector investment, there are significant opportunities for public-private partnerships. These partnerships are aimed at businesses engaged in developing critical technologies, manufacturing initiatives, and serving governmental interests. In order to further these interests, the government will typically match private sector investment with some public funding to create mutually beneficial partnerships. For instance, the Department of Defense's Office of Strategic Capital collaborates with other federal agencies to attract institutional investors, venture capital firms, and private equity partners.<sup>3</sup>

A staple of the Small Business Administration's public-private partnership efforts is the Small Business Investment Company (SBIC) program. By supplementing the available private investment capital, SBICs fuel critical investments into small businesses in every industry and region, including manufacturing, rural, and critical technology. The SBIC program is structured to protect taxpayer dollars by being self-sustaining. These partnerships help mitigate financial risks while fostering economic development.

### **III. Conclusion**

This hearing will examine the role that investment, venture capital, and public-private partnerships play in building resilient and strong small businesses. By fostering cooperation between investors and small businesses, we can strive to bring both groups into the Golden Age of America.

### **IV. Legislation Attached**

- H.R. 2066 – Investing in All of America Act of 2025

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<sup>2</sup> Rebecca Baldrige, *Understanding Venture Capital*, FORBES (Jul. 30, 2024)

<sup>3</sup> News Release, U.S. Dep't. of Defense, Secretary of Defense Establishes Office of Strategic Capital (Dec. 1, 2022).