

# Congress of the United States

## U.S. House of Representatives

### Committee on Small Business

2361 Rayburn House Office Building

Washington, DC 20515-6315

## MEMORANDUM

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

**FROM:** Committee Majority Staff

**DATE:** November 26, 2025

**RE:** Full Committee Hearing Titled: “Main Street Under Attack: The Cost of Crime on Small Businesses”

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On **Tuesday, December 2, 2025, at 10:00 AM ET**, the House Committee on Small Business will hold a hearing titled **“Main Street Under Attack: The Cost of Crime on Small Businesses.”** The meeting will convene in room 2360 of the Rayburn House Office Building. The purpose of this hearing is to examine how rising crime threatens small business success.

### I. Witnesses

- **Mr. Tom Wickham**, Vice President and Managing Director of Government Affairs, U.S. Chamber of Commerce
- **Ms. Lisa Plaggemier**, Executive Director, National Cybersecurity Alliance
- **Mr. Hrag Kalebjian**, Owner, Henry’s House of Coffee
- **The Honorable Gregory Jackson Jr.**, Former Deputy Director, White House Office of Gun Violence Prevention

### II. Background

Small businesses across America are increasingly vulnerable to both physical and cyber threats. Crimes such as shoplifting, burglary, and organized retail theft have immediate financial consequences that lead to rising costs that strain small businesses. 95 percent of small business retailers report they have experienced theft, with 64 percent having to increase prices because of theft.<sup>1</sup> When crime rates are high, small businesses must often factor safety considerations for both customers and employees to maintain their business.<sup>2</sup>

According to a report from the National Retail Federation, shoplifting and merchandise theft increased from 2023 to 2024, straining the supply chain and driving up costs for business owners

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<sup>1</sup> Jason Metz & Michelle Megna, *The Impact of Retail Theft on Small Businesses and States*, FORBES (Jun. 10, 2024).

<sup>2</sup> NATIONAL RETAIL FEDERATION, THE IMPACT OF RETAIL THEFT AND VIOLENCE REPORT (2025).

across the country.<sup>3</sup> For small businesses, these losses not only cut into already thin profit margins but also force small businesses to raise prices, reduce staff, or delay expansion plans to offset the financial strain.

At the same time, cybercriminals, often connected to hostile foreign adversaries like China, Russia, Iran, and North Korea, have disrupted American networks and targeted supply chains.<sup>4</sup> Cybercriminals use advanced tactics, leveraging emerging technologies like artificial intelligence (AI) and SIM farms, to target the infrastructure that small businesses depend on. The consequences of cyberattacks extend beyond economics to national security.

While cyberattacks on major corporations and critical infrastructure often dominate headlines, they create ripple effects that hit small businesses the hardest. On average, 43 percent of cyber-attacks target small businesses annually, with the average cost of a breach being over a hundred thousand dollars per incident.<sup>5</sup> As technologies emerge that make it easier for criminals to launch sophisticated attacks, small businesses face pressure to adapt, leading to a higher financial burden.

### **III. Conclusion**

Small businesses are experiencing a heightened level of physical crime and increased threats of cybercrime. Congress can strengthen Main Street's resilience by advancing evidence-based solutions that prioritize access to federal cybersecurity resources, support local law enforcement, and incentivize preventive security investments.

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<sup>3</sup> *Id.*

<sup>4</sup> *Unconstrained Actors: Assessing Global Cyber Threats to the Homeland: Hearing Before H. Comm. On Homeland Security*, 119th Cong. (Jan. 22, 2025) (statement of Mark Montgomery, Sen. Dir. Center on Cyber and Tech. Innovation, Foundation for Defense of Democracies).

<sup>5</sup> Frederick Anderson, *Important Small Business Cybersecurity Threats in 2025 (And How to Avoid Them)*, SYMQUEST (Jun. 6, 2025).