

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 Subcommittee on Economic Growth, Tax, and Capital Access of the Committee on Small Business

FROM: Committee Majority Staff

DATE: June 2, 2025

RE: Subcommittee Hearing Titled: “Investing in America: How Private Equity Empowers Main Street”

On **Thursday, June 5, 2025, at 10:00 AM ET** the Subcommittee on Economic Growth, Tax, and Capital Access of the Committee on Small Business will hold a hearing titled “**Investing in America: How Private Equity Empowers Main Street.**” The meeting will convene in room 2360 of the Rayburn House Office Building. The purpose of this hearing is to examine how private equity serves as an alternative to traditional lending or federal funding for small businesses. In addition, Members will evaluate how private equity may provide greater access to capital while fostering a long-term, pro-growth business strategy.

I. Witnesses

- **Mr. Jordan Bastable**, Co-Founder/Managing Director, LongWater
- **Ms. Sarah Fields**, CEO, Jetta Corporation
- **Ms. Senofer Mendoza**, Founder of Mendoza Ventures & General Partner of National Advisory Committee for Innovation and Entrepreneurship

II. Background

Private equity-backed small businesses play a crucial role in driving innovation, growth, and job creation, generating \$240 billion of the U.S. GDP and employing over 1.4 million workers.¹ Unlike larger corporations, small businesses often face challenges in securing capital or managing rapid expansion. With financial backing and strategic expertise provided by private equity firms, small businesses can access the resources they need to scale, improve operations, and enhance competitiveness in the marketplace.

¹ Ernst & Young, *Economic Contribution of the U.S. Private Equity Sector in 2022*, AM. INVESTMENT COUNCIL (Mar. 2025).

The private equity-small business partnership can be a valuable resource that fuels small business growth. Outside Silicon Valley and other investment strongholds, heartland cities present a unique opportunity for private equity-backed small businesses—largely due to the comparatively lower levels of government regulation and red tape. With fewer regulatory hurdles, businesses in rural regions can often operate with more flexibility and ability to innovate and grow. Private equity firms can leverage these advantages to invest in nontraditional areas, like those in rural communities, leading to an expanded and more resilient American economy where small businesses thrive.

III. Conclusion

Private equity-backed small businesses are a powerful force in the U.S. economy, driving innovation, job creation, and economic growth across both urban and rural regions. Among other benefits, the strategic capital and expertise provided by private equity firms allows small businesses to overcome common barriers to growth and compete more effectively in the marketplace. Rural and heartland areas offer unique growth opportunities, in part, due to fewer regulatory constraints and rising local demand. As investors continue to expand into new regions, the partnership between private equity and small businesses will remain a key driver of long-term economic vitality and innovation in communities across the country.