

## The Agenda for Illinois' Entrepreneurs

Small Business Majority has created a comprehensive state policy agenda to ensure entrepreneurship is at the center of a thriving and inclusive economy in Illinois. The state's 1.2 million small businesses employ 2.5 million people (about half of the private workforce) and created more than 68,000 jobs in 2015. This is why it's critical that state lawmakers enact policies that support and empower these entrepreneurs, guaranteeing they have access to capital to start and grow their business, affordable and quality healthcare and benefits programs that will make it easier for them to attract and retain talented employees. To achieve these goals, legislators should consider the policy proposals outlined below.

### Expand access to capital and business support services for Illinois' entrepreneurs

Entrepreneurs—particularly women, people of color and other underserved populations—face significant hurdles accessing capital. Illinois can pursue additional policies to ensure greater access and more options for entrepreneurs to obtain responsible capital by considering the following:

- **Pass truth-in-lending legislation** that promotes fair online lending for small business. Last year California became the first state to enact guidelines for online lending to small business owners that limits predatory practices and increases transparency. Illinois should enact similar legislation, while also requiring more transparency from brokers during the lending process.
- **Establish a state bank** that makes low-interest loans for infrastructure, agriculture, affordable housing, student loans and small businesses. This will spur economic growth and lead to thriving community banks with higher lending totals.
- **Increase funding for Small Business Development Centers (SBDCs)**. These centers provide low and no-cost critical counseling and assistance by professional staff to all entrepreneurs, helping small business owners create positive economic impact.
- **Create new minority- and women-owned business accelerators** to increase access to mentoring, financing and other help for these entrepreneurs.

### Expand healthcare access and affordability

Illinois has made significant strides when it comes to expanding access to healthcare, yet thousands remain uninsured, including many entrepreneurs and small business employees. Illinois can address its remaining uninsured rate and promote more affordability for the small business community through commonsense policies to strengthen healthcare markets and expand coverage. Specific proposals include:

- **Create a state reinsurance program**, which would help stabilize premiums in the individual marketplaces by providing support for insurers facing high financial losses. States such as Maryland, New Jersey, Maine and others have been approved to implement their own reinsurance programs to protect their states' marketplaces.
- **Conduct a feasibility study on and create a Medicaid buy-in option**. Allowing individuals to buy in to public health plans such as the state Medicaid program will make great strides in ensuring freelancers and solo entrepreneurs have access to affordable healthcare.
- **Reform and streamline the state's Medicaid enrollment and renewal process** to ensure entrepreneurs and small business employees are able to take advantage of the program.
- **Address the rising costs of prescription drugs**, as these costs are [hurting small business owners' bottom lines](#).

- **Enact an individual mandate at the state level to encourage more Illinoisans to enroll in health insurance** in order to maintain balanced risk pools and keep costs down, particularly in light of the repeal of the individual mandate penalty.
- **Ensure access to reproductive healthcare and birth control**, which our polling shows is [critical to women entrepreneurs](#) as they launch and grow their businesses.

### Ensure a skilled workforce for Illinois' job creators

Illinois lawmakers must address the particular challenges small businesses face in finding and retaining skilled workers. Small employers face barriers to offering benefits that are crucial to attracting top talent, which puts them on an unequal playing field with larger businesses that have the resources to provide robust benefits. We encourage policymakers to consider the following:

- **Support the implementation of the state's Secure Choice program** by ensuring there is sufficient funding to educate small businesses and their employees about the program and how it will allow them to easily access retirement plans without any large administrative burdens. Legislators should also consider expanding options for the self-employed and small businesses with fewer than 25 employees to participate in the program.
- **Implement policies that would help more working parents afford child care**, understanding this is essential to retaining a skilled workforce. More than 1 in 3 small business owners say a lack of access to affordable child care was a barrier to starting their business, and 3 in 10 small employers report that employees' child care issues have affected productivity. Improving affordability of child care will increase workforce participation and encourage entrepreneurship.
- **Increase access to state child care tax credits** to 200% of the federal poverty level from the current 185% and allow for a phase-out as income approaches 300% of the poverty level.
- **Encourage the state to pass insurance programs to expand access to paid family and medical leave** that would provide partial wage replacement for small business employees and the self-employed to access parental leave or to handle serious health conditions for themselves and family members.

### Invest in infrastructure and economic development

Small businesses are the drivers of our economy, and investments in economic development and infrastructure should reflect their importance. This means ensuring community development and infrastructure initiatives, including access to broadband and an open internet, benefit small businesses and their local communities, rather than large corporations. Moreover, these investments must be targeted to meet the needs of traditionally underserved business owners like women and entrepreneurs of color. Specific proposals include:

- **Pass legislation to ensure net neutrality**, such as House Bill 1582, which aims to keep an open internet in Illinois by requiring all Internet service providers (ISPs) that do business with state agencies and organizations to commit to honoring net neutrality principles for all customers in Illinois, and to disclose practices and commercial terms relating to blocking, throttling or paid prioritization.
- **Invest in the state's broadband infrastructure, roads, bridges and public transportation**, as adequate infrastructure is imperative to ensuring small businesses can operate efficiently and customers can access the services they provide.
- **Raise revenue by closing inefficient corporate loopholes** that put small businesses at a competitive disadvantage and add to the deficit.