



**Opening Statement of Chairman Graves  
Committee on Small Business  
State of the Small Business Economy  
February 13, 2013**

Welcome to the first hearing of the Committee on Small Business in the 113<sup>th</sup> Congress.

For the last two years, we have kicked off the work of the Small Business Committee by listening to experts provide their views on the economy and challenges that lie ahead. We will do the same this year, with a distinguished panel of witnesses whose testimony will help us better understand the current environment and how real small businesses are coping in an economy that remains in a stubborn recovery.

With the economy contracting by 0.1 percent in the fourth quarter of 2012, and the unemployment rate increasing to 7.9 percent in January, there is serious concern about whether the country is on the right track. Our economy is large and complex, with many factors influencing its trajectory. As we examine these factors, we must take a hard look at the policies coming out of Washington and determine what we can do differently and better.

One thing we know is that small businesses will be the leaders of a strong recovery. Yet time and time again, the policies proposed by the current administration fail to take into account this important segment of the economy.

When small businesses do poorly, the economy suffers.

According to the National Federation of Independent Business, small business owners continue to be pessimistic about the future. These concerns have kept them from borrowing, hiring or expanding.

Business owners lack confidence in their future because of uncertainty over taxes, the burden of unnecessary regulations, the cost and compliance demands of healthcare, and low consumer spending. In fact, consumer spending, which accounts for 70 percent of overall economic activity grew at only 0.2 percent in December, a discouraging sign for small businesses looking to expand.

We look forward to hearing from our witnesses and will certainly benefit from their perspective on the state of the economy and how small businesses are fairing. Thank you for taking the time to be with us today and we look forward to your testimony.

I now yield to Ranking Member Velazquez for her opening statement.