



**Opening Statement of
Chairman Sam Graves
Committee on Small Business
Hearing: “*The Startup Movement*”
November 20, 2013**

Good afternoon. Thank you all for being with us today. I call this hearing to order.

Today’s hearing will examine a growing trend across America -- the rise of startups -- and what that means for the United States. The term startup is often synonymous with high-growth and innovation. While certain areas such as Austin, Boston, New York, and Silicon Valley traditionally have been hubs for startup firms; in the past few years we are seeing the startup trend expand to less obvious communities, such as Kansas City in my backyard.

On this Committee, we frequently highlight the benefits of small businesses to the American economy. We know that small firms create the bulk of net new jobs in this country, but interestingly enough research has shown that in fact it is a particular subset of small firms -- startups -- that are actually leading the way in job creation. Further, a report by the Pacific Research Institute estimates that in a given year each net job created by startup firms increases a state’s gross product by almost \$1.2 million; shedding light on the significant benefits growing startups can have on the local economy.

The terms startup and small business are sometimes used interchangeably, however, startups frequently have unique characteristics that distinguish them from the vast majority of traditional small businesses. Given this, the Committee will examine how startups operate and whether the differences between startups and small firms are in fact substantial enough to necessitate different policies.

Today, we are fortunate to have a panel of witnesses from across the country, including areas traditionally not viewed as startup hotbeds, but where the trend is rapidly expanding. I want to thank our panel of witnesses for taking time away from their jobs and making the trip to Washington for this important hearing. We look forward to your testimony.

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