

**OPENING STATEMENT  
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**“Struggling to Grow: Assessing the Challenges for Small Businesses in Rural America”**

**House Committee on Small Business**

**Subcommittee on Economic Growth, Tax and Capital Access**

**Chairman Tim Huelskamp (R-KS)**

**September 8, 2016 - 10:00 A.M.**

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

It has been about eight years since the 2008 financial crisis, and yet, for many Americans, it still feels like the economy has yet to recover. Just last year, thirty-six percent of counties in the United States had a negative GDP growth rate. Much of this poor economic growth can be traced back to a lack of new business creation in rural America. When businesses cannot create jobs in rural America, economic growth suffers nationwide. From 2010 to 2014, half of all new businesses were started in just 20 of our nation’s counties— all near large metropolitan centers. For these major coastal metropolitan areas, small business growth is fairly strong. Cities like San Francisco and Miami are major hubs for business creation, and the population in these areas has reached record highs.

Meanwhile, from 2010 to 2014, more Americans left non-metropolitan counties than ever before. Rural counties have also seen a net decrease in business establishment. These two forces have combined to create a lost generation of entrepreneurs in a significant portion of the United States. If the United States is to remain economically vibrant in the near future, there needs to be economic growth not just in major coastal cities, but all across America. As we’ve stressed time and time again in this Committee, the engine of economic growth and job creation in this country comes from small businesses.

While there are several reasons for this decline in entrepreneurship in rural America, many of the initiatives the Committee has focused on this Congress, including reducing regulatory burdens and improving avenues for small businesses to acquire capital, still remain at the forefront. The loss of community banks in this country due to regulatory challenges like Dodd Frank have also hurt the rural communities served by these banks very hard.

Today’s hearing will be an opportunity for our distinguished panel from across the country to discuss how to promote small business growth in America’s heartland. By understanding how small businesses can be successful in rural areas like my district in Kansas, we can not only improve the economic growth of the entire country, but create the businesses and the products of the future right at home.

I thank the witnesses for being here this afternoon. We look forward to your testimony. I now yield to Ranking Member Chu for her opening remarks.