



**SMALL
BUSINESS
COMMITTEE**

OPENING STATEMENT THE HONORABLE DAVE BRAT CHAIRMAN

Subcommittee on Economic Growth, Tax, and Capital Access

STATE OF THE SMALL BUSINESS ECONOMY February 16, 2017

AS PREPARED FOR DELIVERY

Welcome to the first hearing of the Subcommittee on Economic Growth, Tax, and Capital Access in the 115th Congress.

This is my first hearing as Chairman of this Subcommittee and I couldn't be more excited as we begin a new Congress, a new presidential Administration, and, with the right policies, a new chapter for the American economy.

As a former economics professor, I am particularly pleased that we have such a distinguished panel here today to help us explain what the economic indicators are telling us and how they reflect what we hear back home from our constituents every day.

It has been said time and again, both at this Subcommittee and in the Full Committee, but I believe it cannot be stressed enough. Small businesses are the backbone of the American economy.

They represent 48 percent of the workers in the private sector, and 99.9 percent of all firms. You don't have to be an economist to understand the equation: when small businesses succeed, our country succeeds. It's just that simple.

The economy grew at an anemic rate of 1.6 percent in 2016, and 1.5 percent over the last 8 years. This rate is half of the historical average.

During this period of slow growth, 155 million Americans faced higher costs due to the Affordable Care Act. Americans also spend 1.89 trillion dollars a year just to comply with federal regulations. Finally, for most small businesses, the effective tax rate is more than 47 percent. All of these issues have converged to affect the economy at large.

Although it is important to label the problem, Congress is actively working to implement solutions.

We are starting the process to repeal and replace the Affordable Care Act. We are passing regulatory reform bills such as the Regulatory Accountability Act of 2017 and utilizing the Congressional Review Act to repeal burdensome Obama-era rules. The Administration is also taking actions, such as their "two out one in" regulatory approach to help cut red tape.



The unified Republican government is committed to helping the nation's economy escape slow growth, and we are backing up our words with action.

American small businesses are not in business to comply with Washington, though it can sometimes feel that way. Rather, they are in business to earn a profit so they can make a living for themselves and their families. In turn, they create jobs for their fellow Americans and help strengthen the economy.

As I'm certain we will hear this morning, healthcare reform, regulatory relief, simplifying and lowering taxes and getting Washington out of the way would unleash the power of our small businesses so they can do what they do best—to grow and create jobs.

We look forward to hearing from our witnesses and thank them for being here today. We will certainly benefit from their perspectives on the state of the small business economy.

I now yield to the Ranking Member for his opening statement.

