



Presidential Candidates Offer Small Business Plans. Are They Small Business Friendly? You Decide.

by Paul A. Miller

This year is historic in that it will see the election of a sitting senator as president of the United States for the first time since John F. Kennedy was elected president. It could also be historic in that the first African-American could be elected president.

What is not historic is the role small businesses play in our economy and in the creation of jobs. Small businesses have created 233,000 jobs this year alone and make up roughly 75% of the work force, yet small businesses have not had the support of past and current presidents.

Why haven't the presidential candidates spent more time addressing the inequities facing small businesses or put forth strong pro-small business agendas?

Some will point to their web sites for details of their strong pro-small business initiatives. But what I see there is the same lip service that the current and past presidents have all paid to small businesses.

Neither of the current presidential candidates have made a central theme of their campaign the need to support small businesses. Instead, you see them pandering in states like Ohio and in certain parts of Illinois where manufacturing jobs have disappeared or where entire towns are struggling to survive.

During the Democratic primary you had Senator Obama tell an audience that he would bring manufacturing jobs back from overseas. No one believes for a minute that jobs lost overseas will come back.

I think we can guess why the candidates won't make small businesses their focus. Democrats don't want to offend the unions, while Republicans, the party small businesses have traditionally supported, don't want to offend corporate America. Result: Small businesses are stuck in the middle without any real place to go.

It's short-sighted of both parties to dismiss small businesses and just pay lip service to our needs. Just do the math and you will quickly see that a pro-small business agenda at the centerpiece of your

campaign can only help a candidate.

Do you really think hard-core union folks or corporate folks will switch parties because you come out with a strong pro-small business agenda? Doubtful. Becoming the first candidate to take a firm small business stand opens the door potentially to millions of votes you might not have received. With nearly 27 million small businesses in this country it is hard to understand why a candidate doesn't court this segment.

Let's take a closer look at what each candidate is proposing on the small business front.



Senator John McCain

released his small business agenda in August (a year and a half into his campaign). Here are some of the highlights:

Lower Energy Costs

John McCain's Lexington Project is meant to address the rising costs of energy that are hurting small businesses. Senator McCain supports increased domestic exploration of oil and natural gas and he has set a goal of 45 new nuclear power plants by 2030, creating 700,000 jobs and providing cheap electricity. In addition, he plans to devote \$2 billion annually to research that will allow the clean use of our most plentiful and low-cost energy source: coal.

Controlling Healthcare Costs

The McCain healthcare plan would provide \$5,000 for health insurance to every American family, supporting small businesses that seek to offer insurance.

CONTINUED ON PAGE 27



Paul Miller is a founding partner in Miller/Wenhold Capitol Strategies, LLC, providers of direct and grassroots lobbying, legislative and regulatory tracking, advocacy planning and implementation and related services. Before setting up Miller/Wenhold, Miller served as government affairs director for the National Office Products Alliance and the Office Furniture Dealers Alliance (NOPA/OFDA). In addition to his lobbying and regulatory monitoring activities, Paul also provides consulting services to businesses on selling to the federal, state and local government markets. For more information, visit www.mwcapitol.com.

Senator McCain opposes costly mandates or "pay or play" requirements that would raise the financial burden on small businesses and cut their ability to hire, expand, or raise payrolls.

Taxes: Simpler, Fair, Pro-Growth, and Competitive

The McCain plan keeps tax rates low: It would keep the top tax rate at 35 percent, maintain the 15 percent rates on dividends and capital gains, and phase-out the Alternative Minimum Tax. The McCain plan would also cut the corporate tax rate from 35 to 25 percent. Also proposed: allow the first-year deduction, or "expensing" of equipment and technology investments and establish a permanent tax credit equal to 10% of wages spent on R&D. Senator McCain would also seek to balance the budget, reduce federal borrowing, and control spending to reduce the burden on the economy.



Here are the key points from **Senator Obama's** small business agenda:

Fair Trade Policies

Senator Obama said he would fight for a trade policy that opens up foreign markets to support good American jobs. He will use trade agreements to spread good labor and environmental standards around the world and stand firm against agreements like the Central American Free Trade Agreement that fail to live up to those important benchmarks. Obama also proposes to pressure the World Trade Organization to enforce trade agreements and stop countries from continuing unfair government subsidies to foreign exporters and nontariff barriers on U.S. exports.

Amend the North American Free Trade Agreement

Senator Obama believes NAFTA and its potential were oversold to the American people. As president he would work with the leaders of Canada and Mexico to fix NAFTA so that it works for American workers.

Improve Transition Assistance

To help all workers adapt to a rapidly changing economy, the Obama plan would update the existing system of Trade Adjustment Assistance by extending it to service industries, creating flexible education accounts to help workers retrain, and providing retraining assistance for workers in sectors of the economy vulnerable to dislocation before they lose their jobs.

Invest In A Clean Energy Economy And Create 5 Million New Green Jobs

The Obama plan would invest \$150 billion over 10 years to advance the next generation of biofuels and fuel infrastructure, accelerate the commercialization of plug-in hybrids, promote development of commercial scale renewable energy, invest in low emissions coal plants, and begin transition to a new digital electricity grid. The plan will also invest in America's highly-skilled manufacturing workforce and manufacturing centers.

Provide Tax Relief for Small Businesses and Start Up Companies

The Obama plan would eliminate all capital gains taxes on start-up and small businesses to encourage innovation and job creation. Obama will also support small business owners by providing a \$500 "Making Work Pay" tax credit to almost every worker in America. Self-employed small business owners pay both the employee and the employer side of the payroll tax, and this measure will reduce the burdens of this double taxation.

Create a National Network of Public-Private Business Incubators

The Obama plan would support entrepreneurship and spur job growth by creating a national network of public-private business incubators. Business incubators facilitate the critical work of entrepreneurs in creating start-up companies. The plan would invest \$250 million per year to increase the number and size of incubators in disadvantaged communities throughout the country.

As you can see there are a few nice things for small business in each of these plans. But the proof is still in the pudding, as they say. Back in 2002, President Bush issued a list of priorities in which small business issues figured prominently. Yet the Bush Administration has done very little to help small businesses.

It could even be said that the Bush Administration has sabotaged the small business community by creating loopholes that allow large businesses to compete for small business contracts.

And neither the Bush nor the Clinton Administration did anything to strengthen the Small Business Administration.

So what can the small business community do about all this? First and foremost, small businesses have to begin to harness the power they could have if they could come together as a group.

We always say there's strength in numbers. If the small business community can find a way to come together and exert its power on both parties, then and only then, will it get the attention from the candidates this November and in the future.

You have the power. It's time to organize and demand a strong small business agenda of the next President and Congress—regardless of who's in power.