



RIGHT TO START

To: Michigan House of Representative Economic Development and Small Business Committee
Representative Jason Hoskins, Chair
Representative Kristian Grant, Majority Vice Chair
Representative Mark Tisdell, Minority Vice Chair
CC: All other Members of the House Economic Development and Small Business Committee

From: Right to Start
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Date: Tuesday, April 30th, 2024
Time: 9:00am EDT
Place: Room 326, House Office Building, Lansing, MI

Michigan House Bill 5463 – Letter in Support

New businesses create almost all net new jobs in the United States. Additionally, in Michigan, microenterprises make up more than 80% of all small businesses and employ over 400,000 Michiganders. Microenterprises in Michigan create stronger communities, grow GDP, create homegrown jobs, increase community wealth, diversify goods and services, increase lifetime incomes, and fight inequality and poverty. Yet government processes and the system overall make it harder on them to start and grow with many barriers. This has contributed to a startup slump for decades in America since the 1970's. Survey data from the Kauffman Foundation shows that entrepreneurs are left out. 81% of entrepreneurs says that government favors big businesses over them. 69% say government doesn't care about them at all.

Nonetheless, the entrepreneurial spirit is deep in our DNA. 94% of voters – nearly unanimously across party lines – say “it's important to America's future” that citizens have a fair opportunity to start and grow their own businesses. However, 92% of voters say that starting a new business today is difficult or very difficult. Young businesses create jobs, while older businesses shed jobs. This policy sets the path to remove obstacles and barriers that hinder entrepreneurship, as well as giving Michigan microenterprise businesses (those with 10 or fewer employees) a crucial voice within state government.

This policy expands entrepreneurial opportunity for all. Defining what a microenterprise business is in Michigan is important, additionally creating a Center for Microenterprise would

help entrepreneurs with a dedicated liaison and office for them inside state government. This center's goals should be focused around working to coordinate policies affecting microenterprises and entrepreneurs, cutting red tape that hinders entrepreneurship and growth, streamlining processes for microenterprises, and tracking important entrepreneurial data and metrics on government contracts for microenterprises and new, young businesses. Eventually they should encourage more government contracts to go to microenterprises and young businesses in Michigan. One government contract can make a major difference on the trajectory of a young microenterprise's growth and offer real legitimacy for a newer business.

Microenterprises need at least one person at the state government level in Michigan working on their behalf who eat, breathe, and sleep their issues and help them navigate and streamline processes, as well as enhancing entrepreneurship as economic development in the state. This center shall serve as a one stop shop, which assists and supports microenterprise businesses.

This policy is a pro-growth Michigan measure, which will remove barriers and advance microenterprise opportunity, further homegrown job creation, community growth, and build a stronger connection between microenterprise businesses and state government. Please support this measure because entrepreneurs and microenterprises are critical to the Michigan economy – for jobs, GDP, income increases, lowering inequality, decreasing poverty, strengthening competitiveness – and it's time we unleash the entrepreneurial power of Michigan's citizens.