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House Bill 2123 / Supporting Entrepreneurs and New, Young Kansas Companies

Proponent and Supporter

Oral in-Person & Written Testimony

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Entrepreneurship means more homegrown jobs, higher incomes, stronger communities, lower inequality, and less poverty. More homegrown businesses make America stronger. They are the source of innovation that drive economic growth.

However, it may be surprising to learn that entrepreneurship in America faces a long-term Startup Slump. Since the 1970s, our nation's entrepreneurial activity has fallen by nearly half, according to the U.S. Census. While there has been a recent uptick in the last few years with the pandemic, the barriers faced by entrepreneurs still remain the same. Survey data from the Kauffman Foundation shows that entrepreneurs are left out. 81% of entrepreneurs say 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.

This bill will support entrepreneurs in critical areas that match what citizens want. A recent bipartisan poll of national voters by North Star Opinion Research and Hart Research found that:

- Only 31% of respondents say that state government helps people start new businesses more than gets in their way.
- On the issue of procurement, 78% support dedicating 5% of government contracts to new or young businesses.
- On economic development, 85% support shifting 5% of funds that currently help large corporations move or expand to helping citizens start and grow their own businesses.
- On workforce development, 77% support dedicating 5% of workforce training funding to help people start and grow new businesses.
- On regulatory barriers, based on people who considered starting a business but didn't, 53% said they couldn't afford government fees, 49% couldn't figure out confusing government requirements or forms, 32% said government services were poor, and 30% said government approvals were too slow.

We support passage of the bill because entrepreneurs are critical to the Kansas economy – for jobs, growth, incomes, inequality, poverty, competitiveness – and it's time we unleash the entrepreneurial power of our citizens.