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ALL TALK; NO SUBSTANCE; NO PLAN: McCain and Obama Turn Their Backs on 23 Million Small Business Owners

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Why aren't the presidential candidates addressing the needs of Main Street? How can the Wall Street fat cats get away such shameful negligence and mismanagement? How can they have their butts saved by a \$400 million bailout by Washington as small businesses get a big fat zero, while Senators Obama and McCain stand idly by, saying nothing?

A recent study found that more small businesses filed for bankruptcy in April than in any other month since the new bankruptcy laws took effect in 2005. Filings were up 49%, according to a report by Jupiter eSources, which monitors court records. For the whole year ended April, 2008, 93,096 businesses and individuals went bankrupt, and I'll lay odds that that number has been rising exponentially over the summer, especially among small business owners. But you don't have to read a report to see the writing on the wall. Business is down and it's sinking fast.

This is all just in time for the Presidential candidates to start making promises about a brighter future. While Obama and McCain split hairs over flag pins, the ambiguity of national security, who has the crazier friends and who has the better commercials, 23 million small business owners are in crisis. Last time I checked, their votes counted too. Why isn't anyone addressing them?

It could be as simple as it seems. The candidates have yet to lock horns on this issue because neither one has a clear comprehensive plan to help the hard working Americans

who struggle day to day. They are turning their backs on the very real concerns of 23 million small business owners. They don't even have any members on their staff with small business expertise. This amounts to a substantive disregard for the needs of small business voters. It's a travesty.

With entrenched interests so pervasive in Washington, willful ignorance is only to be expected from these quarters. But I was hoping and expecting two politicians running for office on the platforms that they are championing the needs of the little guy to do a lot better.

Sure, both candidates pay plenty of lip service to the problems facing small business owners. Each has their sound bites which they hope will become a catch phrase that will captivate the masses and reel them in. But what's the game plan? No one seems to know for sure.

McCain recently spoke of small businessmen and women referring to them as "The engine for economic growth in America." He also correctly acknowledged that small businesses create the majority of new jobs every year. In an April 10 speech to small business owners, he obligingly praised those in attendance for their hard work and ingenuity. He provided a cascade of platitudes to the audience on hand. It was all very nice. And useless.

His were the kind of generalities that made for good political theater. In fact, standing in front of a German sausage shop or wandering the aisles of a mom and pop grocery store seem to be McCain's favorite photo op. Too bad he offers no details on how he is going to help them. Nothing -- not a notion, a suggestion, a blueprint or a prediction. It was all talk...as usual.

This tactic reminds me of the fortunetellers who speak in generalities hoping to connect with their customers. They say what the desperate want to hear and move on before they catch on! You can't entirely blame McCain though. He's admitted he doesn't understand the economy very well so how much can we expect him to do anything about it?

Senator Obama's stance looks slightly more promising, in that he sort of has one. But is it an Obama Burger - all bread and no meat? Last time I checked, Obama had no small business experience. (Then again, neither does McCain, Bush, or any key figure in Washington.) Obama speaks of cutting health care costs, improving access to capital and investigating innovation and development. But his tax credits will not encourage small businesses to offer health care and will only help the biggest and wealthiest of these enterprises. Meanwhile, what he fails to mention is when, how, and how much is it going to cost? This specious stance makes for great speeches but comes up short in the substance department. Still, I commend him for at least addressing the issue, however vapid his ideas might be. At least it's a start.

Now if the politicians asked me (and I wish they would), the first thing the country's small business industry needs is a \$25 billion economic stimulus plan. Not next year. Not in 100 days. Now!

Washington must legislate that credit lenders loosen their guidelines in order to allow small businesses more capital. This in turn will allow them to flourish, which in turn provides more income to be circulated back into the marketplace, which in turn keeps the economy on an upwardly mobile path.

This isn't as radical as it may seem. Wall Street tycoons get to borrow at 2.26%. Why not the small businessman? And if Obama is serious about all those innovations, he can begin with more programs that place successful small business owners in a position to teach those starting their business how to navigate the inevitable pitfalls.

It's so simple you may wonder why this plan isn't already being put into place. The reason is due to lack of representation. Small businesses don't have lobbyists to lean on Washington bigwigs and wine and dine the fat cats in order to sway resources in their direction. They're too busy working to make payroll, paying back bank loans and flat out trying to stay afloat in a dwindling economy. They've been surviving on scraps and it's time to turn things around.

There are other solutions, all of which can help. Government should move to require banks to expand small business loans and quadruple the Small Business Administration's operating budget to \$ 3 billion annually (five times the existing budget, which is a joke). The new administration must make sure it keeps its word and awards money by recent court rulings. It can also provide aid to businesses owned by minorities and women (a more likely scenario under an Obama administration). Another solution would be to create a program which encourages college students to work for small businesses.

Government agencies dedicated to small business are so scattered, no one knows who to call to help. Why not put them all under one umbrella department? There can even be a website and 1-800 number that small businesses can refer to for answering questions and addressing common problems.

I've worked for thousands of businesses and I've seen what works and what doesn't. I know this will work. If the politicians really want to do something that's going to help this country's small businesses, they have plenty of ideas from which to choose. No more excuses. It's time to take action. Whether they do, or not, remains to be seen.

George Cloutier is founder and Chairman of [American Management Services, Inc.](#), the leading consultants and turnaround experts for small and mid-sized businesses. A magna cum laude graduate of Harvard, and holder of an MBA from Harvard Business School, Cloutier is one of the most sought after experts on small business by government agencies and corporations around the world. He is also one of the most colorful denizens of "Richistan," Robert Frank's New York Time's bestseller.