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## Small Biz Gets No Love From Candidates

**The presidential hopefuls offer few policies to help small businesses grow, and that could cost them the election.**

By John Fout January 03, 2008

According to the Small Business Administration, small business accounts for about two-thirds of all job creation and about half of all employment in the United States. Obviously, small business plays an important role in our economy.

You might expect the current crop of presidential candidates to include small business in their plans for economic growth. But you would be wrong. Most of the candidates are ignoring the plight of businesses on Main Street and focusing instead on the big money of Wall Street.

Many once considered the GOP the party favored by small business. This changed with President Bush's election in 2000. The Republican Party controlled the White House and Congress and milked big money from corporate lobbyists through the so-called K Street Project (an effort led by former House Speaker Tom DeLay that tried to corner corporate and other lobbyists' dollars for the GOP).

I still remember a telling moment in a Midwestern debate between Bush and former Vice President Al Gore in 2000. A man wearing jeans and a John Deere hat asked what the candidates would do to help family farmers. Bush must have only heard "farm." He went on to give a great response -- great if you were a corporate executive at a huge agri firm like **Archer Daniels Midland (ADM)**, but not if you owned a small family farm.

Nothing has changed this time around. The majority of the candidates are focusing on how to compete in the global economy and foster more corporate job growth in America. I could find only one candidate whose economic plan overtly mentioned small business: Fred Thompson, the former Republican senator from Tennessee.

Thompson wants to extend permanently a current provision that allows small businesses to expense equipment rather than depreciating assets over time.

I spoke to Dan Danner, the executive vice president of public policy at the National Federation of Independent Business (NFIB), a major advocacy group for small and independent businesses. Danner said: The major issue for our members remains the high costs of health care."

Health insurance packages often cost a double-digit percentage premium that small businesses pay vs. their corporate competitors for coverage NFIB has lobbied the campaigns for health care reform.

The most prominent mention of small business in a health care plan comes from Sen. Hillary Clinton

(D., N.Y.). Her campaign worked with NFIB and suggested a tax incentive for small businesses to buy health insurance.

Danner and NFIB "applaud the recognition of health care reform," but want to know how the mandate would work and in particular how much it would cost. NFIB played an important role in lobbying for health care reform in 1994, when Bill Clinton's administration failed to put together a successful solution.

Danner said: "NFIB will ramp up visibility over the next 12 to 15 months with both a grass-roots and national media campaign.

Danner hasn't seen progress on other issues of importance to small business. "I don't see a recognition of a difference between the big guys like a GM (GM) from the little guys," he said. Many of the campaigns call for corporate tax cuts, but these cuts so far wouldn't help S-Corps or other sole proprietorships.

The lack of respect for small business doesn't surprise George Cloutier. Cloutier runs American Management Services, Inc., which dedicates itself to improving the cash flow and profitability of small businesses.

According to a recent poll by Cloutier's company and Suffolk University, the candidates received a grade of "F" from small business owners. Cloutier commented in a release:

Clearly the presidential candidates are not reaching out and talking about the issues that concern and directly affect 23 million small business owners all over this country. Small business owners make up a large voting block and it's about time that small business owners were not ignored. Their votes count and their voices and concerns need to be addressed by the candidates running for President today.

Cloutier sees a distinct bias for Wall Street firms: "It's Main Street versus Wall Street. Bottom line is that the economy is great for big corporations and for Wall Street but small businesses are not feeling the affects of a supposedly strong economy."

It should come as no surprise that Wall Street gets more attention, because it pays for it. According to the Center for Responsive Politics, Wall Street firms have been pouring money into campaigns. Hedge funds and private-equity firms had donated more than \$6 million to campaigns, while banks have tossed in approximately \$4.5 million by the end of the third quarter of 2007, as reported to the Federal Election Commission. These figures don't include lobbyists' donations.

Wall Street offers the candidates big bucks. But candidates may want to remember the lesson Bill Clinton learned in 1994 when health care reform bombed. Ignoring the voice of small business and its advocates, like NFIB, could cost a political victory.