



Congress Isn't Aligned with Small Business Priorities

New Research Shows Small Business Leaders Believe Congress is Focusing on the Wrong Issues – 93% Don't Consider Restricting Large Tech Companies a High Priority

Overview:

As inflation rises to historic high levels, the stock market continues to be volatile, and supply chain disruptions threaten economic recovery, small business leaders are confounded by Congress's excessive attention on a problem that doesn't exist: "fixing" the remarkably successful small and medium-sized business (SMB) digital economy.

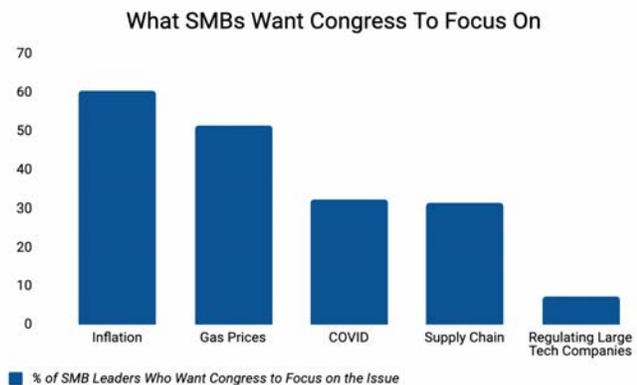
SMB leaders' priorities are clear. A new national survey found that they unequivocally want Congress to focus on inflation (60%), gas prices (51%), COVID (32%) and the supply chain (31%). In the realm of traditional business concerns, SMB leaders want Congress to focus on access to capital (20%) and regulatory relief (17%).

In contrast, only 7% of small businesses consider regulating large technology companies and the digital economy a top priority. Regardless, Congress continues to

seriously consider so-called "progressive antitrust" legislation that would fundamentally undermine how large digital companies provide millions of small businesses with affordable, easy-to-use tools and services that drive growth and success. The new survey found that 87% of SMB leaders worry that these proposed laws would make small business digital tools and services more expensive and less useful.

The Senate's [American Innovation and Choice Online Act](#) (S. 2992) and House's [American Choice and Innovation Online Act](#) (H.R. 3816) would prohibit only certain online platforms, likely Google (Alphabet), Amazon, Facebook (Meta), and Apple, from "preferencing" their own affiliated products.

"Preferencing" is a fancy word for the traditional integration of products and services that allows them to work efficiently and seamlessly together, provide security, and ultimately make them more useful and valuable to customers. These bills only impair these platforms from delivering value to consumers and create a good deal of confusion and uncertainty about what kind of product design is permissible.



The importance of digital tools and services to small business success is well documented, particularly during the pandemic. [Prior research](#) shows that digitally advanced small businesses that adopted digital tools earlier and as a critical part of the business had over three times better customer retention and an amazing 20 times better customer acquisition during the pandemic.

[Digital tools also help unlock new opportunities](#) and level the playing field for minority-owned small businesses and entrepreneurs. For example, 85% of leaders of both Hispanic-led and Black-led SMBs (6% higher than the 79% average) reported that digital tools increased their businesses' ability to collaborate, work efficiently, and be more agile in response to changed circumstances; a similar above-average number reported that digital tools helped them expand their businesses during the pandemic.

In this context, it is not surprising that SMB leaders do not prioritize digital economy legislation, and that nearly 90 percent of small business owners worry that regulating large tech companies would make online small business tools and services more expensive and more difficult to use.

Top Findings:

- Only 7% of SMB leaders consider “increasing regulations on large tech companies” a top-three business concern that the Administration or Congress should address this year.
- To the extent that SMB leaders do have tech-related regulatory concerns that Congress could work on, the broad majority aren't concerned with antitrust: 47% identified data security as their top priority, 26% said data privacy, and only 16% said antitrust.
- 87% of SMB leaders worry that proposed “progressive antitrust” laws targeting larger tech companies would make small business digital tools and services more expensive and less useful to them.

The study, conducted from March 31, 2022 to April 6, 2022, with a sample size of 1,000 and a margin of error in the total sample of +/- 3.1%, can be found [here](#).

What This Means:

Congress is pursuing legislation in the middle of economic turmoil that small businesses do not want, and are worried will hurt their bottom line. The sponsors and supporters of S. 2992 and H.R. 3816 claim that certain technology companies have grown too large and need to be reined in. They claim that this will help small businesses grow. Small business owners disagree: In reality, these bills will hurt the millions of small businesses that use digital tools from America's leading technology companies to run and grow their businesses.

About 3C:

The Connected Commerce Council is a non-profit organization with a single goal: to promote small businesses' access to digital technologies and tools. 3C provides small businesses with access to the market's most effective digital tools available, provides coaching to optimize growth and efficiency, and cultivates a policy environment that considers and respects the interests of today's small businesses.