

Congress of the United States
House of Representatives
Washington, DC 20515-1317

November 19, 2019

Chris Pilkerton
Acting Administrator
U.S. Small Business Administration
409 3rd St, SW
Washington DC 20416

Dear Acting Administrator Pilkerton:

Earlier this year, my office held economic roundtables with community leaders in Canton, Freeport, Galesburg and Sterling, Illinois. One area discussed across these roundtables was that many small businesses, minority-owned businesses and family farmers could use additional support creating business succession plans.

As you know, succession plans allow owners to smoothly pass along their businesses after they move on to new opportunities, retire or pass away. By taking the initiative to identify a qualified successor, the next generation is prepared to take the financial, operational and administrative steps to continue business operations. In addition, these important businesses that drive economic output will be sustained in local communities.

At these roundtables, I heard the story of the family farmer who chose to sell their farm to a large farming corporation rather than pass the business on to a local next generation farmer. This is because the family farmer was unsure how to secure a local buyer. I also heard the story of the small rural town that lost their local dry cleaner when the owner retired. Unfortunately, local patrons must now drive thirty minutes to the next closest dry cleaner. Business closure and amenity loss are not the only negative consequences of failure to adequately plan for business succession. Others include job loss, depressed economic output and the loss of broader community services.

Of note, the Small Business Administration (SBA) offers services to help prepare for business succession. SBA district offices and various management and training resource partners—like Small Business Development Centers, Women Business Centers, and SCORE—provide free counseling on business succession. Even so, I am concerned that many businesses are unaware of these services and not taking advantage of them.

As such, I request the answers to the following questions:

1. What steps is the SBA and partners taking to make local businesses aware of these free counseling services?
2. In the last three years, how many businesses utilized SBA and partners' free business succession counseling? How many of these businesses are rural or minority owned businesses?
3. How many SBA and partner employees across the country specialize in business succession planning? How many of these employees are located in rural communities?
4. Is the SBA planning to place additional emphasis on succession planning in the near future?

Thank you for your consideration of this important matter. It is crucial that we do all we can to help keep businesses open and thriving in our local communities. I look forward to your timely response.

Regards,

A handwritten signature in blue ink that reads "Cheri Bustos". The signature is written in a cursive, flowing style.

Cheri Bustos
Member of Congress