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Open for Business: Policy Ideas to Make Entrepreneurship Easier



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No business survives on a good idea alone—nearly one in four new businesses fail within their first year. Building a business takes capital, know-how, and the ability to navigate financial and regulatory systems that have long been built around people who already have resources and connections. Effective policy must support entrepreneurs

throughout the life of a business—from startup to growth to eventual ownership transition—but this report focuses on the first stage: the obstacles between an idea and a viable business.

Those obstacles include:

- Uneven access to startup capital and opportunities to build credit.
- Licensing, permitting, and regulatory costs that accumulate before a business earns its first dollar.
- The lack of an employer-sponsored safety net, making health care and childcare costs major obstacles to starting a business.
- Limited access to the networks, mentors, and technical assistance that often determine whether an idea becomes a viable company.

These challenges reflect a broader shortage of entrepreneurial infrastructure. The evidence consistently shows that promising entrepreneurs are found in every ZIP code, community, and income bracket, but the systems that help people start businesses remain concentrated among those who already have wealth and connections. The result is a significant loss of economic opportunity: businesses never launched, jobs never created, and wealth never built.

Ideas for Turning Ambition into Viable Businesses

Begin-stage policy must help entrepreneurs overcome the obstacles between starting a business and building a viable one. That means confronting the systems—financial, regulatory, informational, and geographic—that sideline capable entrepreneurs before they ever apply for a loan or write a business plan. The recommendations that follow are designed to do exactly that.

Regulatory and Compliance Relief

- **Single-Window Business Formation Portal:** Congress should direct the Small Business Administration (SBA) to create a one-stop digital portal that streamlines

the business formation process across federal, state, and local governments. By consolidating business registration, licensing, tax registration, and permitting into a single interface, entrepreneurs could spend less time navigating government bureaucracy and more time launching and growing their businesses.

- **First-Business Fee Waiver:** Congress should reduce the upfront cost of starting a business by working with states to lower filing fees, initial licensing fees, and first-year registration costs for first-time entrepreneurs with household incomes below a designated level. A joint federal-state matching program would reimburse participating states up to a specified maximum, ensuring that administrative costs do not prevent aspiring business owners from turning an idea into a viable enterprise.
- **Microbusiness Sandbox:** Congress should establish a regulatory sandbox that gives businesses with fewer than 10 employees temporary regulatory flexibility during their first years of operation. By providing time-limited waivers and streamlined compliance requirements while maintaining core health and safety protocols, the program would give entrepreneurs an opportunity to validate their business models and generate early revenue before taking on the full cost of regulatory compliance.

Capital Access and Financing

- **Zero-Down Entrepreneurship:** Congress should reduce barriers to SBA-backed startup financing by eliminating down payment requirements for qualified first-time entrepreneurs. A pilot program could be administered through the SBA and modeled on the VA home loan program, offering low-interest 7(a) loans with little or no down payment to expand access to capital for aspiring business owners.
- **Restore SBA lending eligibility:** Ensure all qualified entrepreneurs can access SBA-backed financing by restoring eligibility for lawful permanent residents and other legally authorized business owners. The *Investing in the American Dream Act* would reverse recent SBA policy changes that excluded green card holders, refugees, and asylees from SBA loan programs, allowing creditworthy entrepreneurs to access the capital they need to start and grow businesses.

- **Entrepreneurial Education Account:** Congress should create a tax-advantaged savings account to help aspiring entrepreneurs prepare for business ownership. Contributions would be tax-deductible and could be used for qualified startup expenses or SBA-approved training, with unused balances automatically converting to a retirement account if the business is not launched within a specified timeframe.
- **Invest in Accelerators and Incubators:** Congress should expand access to community-based business accelerators and incubators that provide entrepreneurs with mentorship, technical assistance, networking opportunities, and early-stage capital. The *SPARK Act*, introduced by Senate Small Business Committee Ranking Member Ed Markey (D-MA), would establish a grant program to support locally led small business accelerators while providing direct grants and low-cost loans to underinvested businesses, helping more entrepreneurs successfully launch and scale their ventures.
- **Government Supported Pitch Competition:** Congress should establish a recurring, nationwide pitch competition to incentivize, celebrate, and accelerate high-potential small businesses. Businesses participating in district and regional semifinals could be connected to prime federal contractors and Fortune 500 companies through supplier matchmaking expos and investor networks that create pipelines for vetted, high-growth companies.

Household Financial Security

- **Affordable Care Act Premium Tax Credits**: Congress should permanently extend the enhanced Premium Tax Credit (PTC) to ensure continued access to affordable health insurance for more than 6.2 million small business owners and self-employed individuals.[1]
- **Expanded Self-Employment Assistance:** A bill by Senators Chris Coons and James Lankford called *New Opportunities for Business Ownership and Self-Sufficiency (NO BOSS) Act* would turn unemployment support into a launchpad for economic growth by modernizing the Self-Employment Assistance (SEA) program. This legislation allows unemployed workers to maintain their full UI benefits while devoting themselves to launching a small business, substituting traditional job-search requirements.[2]

- **Entrepreneurial Student Loan Forbearance:** Congress should create a federal student loan forbearance program that allows new business owners to pause payments for 12 to 18 months during the startup phase, similar to existing forbearance options for employment transitions. To protect taxpayer resources and prevent abuse, the program must incorporate strong oversight protections and anti-fraud measures, including verified proof of active business registration, tax filing or revenue verification, periodic active-operation certifications, and clear disqualification penalties for fraudulent claims. Giving legitimate entrepreneurs temporary relief from student loan payments would reduce one of the biggest financial barriers to launching a business while allowing borrowers to resume repayment once their business is established.[3]

- **Startup "Catch-Up" Contributions:** Congress should allow entrepreneurs of all ages to make additional "catch-up" retirement contributions to offset years when they are unable to save while building a business or operating before generating steady revenue. Because many founders forgo retirement savings during the startup phase to reinvest in their businesses, the tax code should provide greater flexibility to replenish those savings once the business becomes financially stable. This reform would reduce the long-term retirement penalty associated with entrepreneurship without discouraging investment in new business creation.[4]

Targeted Entrepreneurial Support

- **Improve Access to Financial Coaching.** Congress should expand access to high-quality financial coaching by supporting community-based organizations that provide personalized financial guidance to aspiring entrepreneurs and families. Legislation introduced by Rep. García would establish a grant program to expand financial coaching in low-income communities and create standardized credentialing for providers, helping more Americans build credit, manage debt, and strengthen the financial foundation needed to start and sustain a business.[5]

- **GI Bill and DEA Benefits for Military Dependents:** Congress should amend the Survivors' and Dependents' Educational Assistance (DEA) program to include entrepreneurship training, permits, and business licenses as eligible expenses, backed by dedicated federal funding. Additionally, policy should extend the same

fee-free access to SBA Small Business Development Center offerings currently enjoyed by servicemembers to their spouses and children.[6]

- **Establish an Entrepreneurial Re-entry Program for Formerly Incarcerated Individuals:** Congress should expand pathways to entrepreneurship for people returning from incarceration by providing targeted business training, technical assistance, and access to capital. Legislation introduced by Senator Markey would establish an SBA pilot program to help currently and formerly incarcerated individuals launch small businesses, reducing barriers to economic reintegration while creating opportunities for stable employment, wealth building, and lower rates of recidivism.[7]

Infrastructure and Regional Access

- **Public Library Entrepreneurship Hubs:** Congress should create a grant program that transforms public libraries into entrepreneurial hubs, specifically targeting rural and economically distressed communities. This would fund the integration of high-speed broadband, dedicated co-working spaces, and virtual technical assistance portals within existing library infrastructure.

ENDNOTES

1. Evans, Rachel, and Imani Augustus. *How to Help Entrepreneurs Take the First Step.* Center for Entrepreneurial Opportunity, 17 Dec. 2024, www.ceopolicy.org/products/how-to-help-entrepreneurs-take-the-first-step. Accessed 17 Nov. 2026.
2. "Senators Coons, Lankford Introduce Bill to Help Unemployed Workers Start Small Businesses." Office of Senator Christopher Coons, 16 July 2026, www.coons.senate.gov/news/press-releases/senators-coons-lankford-introduce-bill-to-help-unemployed-workers-start-small-businesses/. Accessed 17 Nov. 2026.
3. Evans, Rachel, and Imani Augustus. *How to Help Entrepreneurs Take the First Step.* Center for Entrepreneurial Opportunity, 17 Dec. 2024, www.ceopolicy.org/products/how-to-help-entrepreneurs-take-the-first-step. Accessed 17 Nov. 2026.
4. Evans, Rachel, and Imani Augustus. *How to Help Entrepreneurs Take the First Step.* Center for Entrepreneurial Opportunity, 17 Dec. 2024, www.ceopolicy.org/products/how-to-help-entrepreneurs-take-the-first-step. Accessed 17 Nov. 2026.
5. Tomlin-Crutchfield, Michael. "National Urban League Applauds Introduction of the Improving Access to Financial Coaching Act of 2026." National Urban League, 23 Apr. 2026, nul.org/news/national-urban-league-applauds-introduction-improving-access-financial-coaching-act-2026. Accessed 17 Nov. 2026.
6. Evans, Rachel, and Imani Augustus. *10 Ideas to Support Untapped Entrepreneurs.* Center for Entrepreneurial Opportunity, 16 Oct. 2024, www.ceopolicy.org/products/10-ideas-to-support-untapped-entrepreneurs. Accessed 17 Nov. 2026.
7. Evans, Rachel, and Imani Augustus. *10 Ideas to Support Untapped Entrepreneurs.* Center for Entrepreneurial Opportunity, 16 Oct. 2024, www.ceopolicy.org/products/10-ideas-to-support-untapped-entrepreneurs. Accessed 17 Nov. 2026.

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