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Who Owns Main Street Next?

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A silver tsunami is coming to Main Street. Millions of small business owners are approaching retirement, setting up one of the largest ownership transitions in generations.

Half of small businesses are owned by people aged 55 or older, and many will need a new owner in the years ahead. ¹ By 2035, more than one million small- and mid-sized businesses—representing as much as \$5 trillion in value—could be candidates for sale. ² Whether those businesses find their next owner will shape the future of jobs, local wealth, and commercial corridors in communities across the country.

That makes getting small business mergers and acquisitions (M&A) right more important than ever. The national debate over mergers and acquisitions tends to focus on corporate giants and blockbuster deals. But on Main Street, an acquisition often means something simpler: a retiring owner finding someone to keep the doors open. Policymakers should protect competition without making these ordinary ownership transitions harder than they need to be.

But better M&A rules are only part of the answer. America also needs a stronger market for business succession—one that helps owners prepare for a sale, connects them with prospective buyers, and makes financing more accessible. A **Main Street Continuity Fund** would help viable businesses find their next owner and ensure successful businesses can thrive for another generation.

Three Barriers to Successful Transitions

A great business does not guarantee a sale. Owners need to prepare, buyers need a way to find and evaluate the businesses, and both sides need affordable advisory services and financing. For smaller businesses, those hurdles can be especially steep because the cost and complexity of a transaction do not shrink with the size of the deal. The result is a persistent gap between businesses that *could* successfully change hands and those that *do*.

Three specific barriers stand out:

1. Preparing for the Transition

Too many owners wait too long to plan for what comes next. In a national Exit Planning Institute Survey, only 42% of owners had a written transition plan, even though nearly half expected to exit within five years. ³ Among employer firms owned by people aged 55 or older, 27% plan to close or remain unsure about their long-term plans. ⁴

Even a healthy business can be difficult to sell if the owner has not organized financial records, obtained a reliable valuation, or considered potential successors. Indeed, a business that is ready to sell still needs someone ready to buy it. Nearly 80% of projected exits

through 2035 will involve businesses valued below \$2 million, the part of the market with the fewest buyers and least access to professional intermediaries.⁵

Owners need help preparing earlier—and better ways to connect with capable buyers when the time comes.

2. Closing the Deal

Small deals come with disproportionately big costs. Legal, accounting, valuation, and due diligence costs typically consume a larger share of a smaller acquisition, particularly in markets where specialized advisors are scarce. For a business valued at \$5 million, transaction fees can reach roughly 12% of its value, compared with about 4.5% for a \$250 million acquisition.⁶

That math can make otherwise viable small business deals difficult to complete. Business owners and prospective buyers need access to trusted, affordable advisors who can help them prepare for, negotiate, and complete a transaction.

3. Backing the Next Owner

Finding the right buyer does not matter if that buyer cannot afford the deal. Buyers need capital for the purchase price, transaction costs, and early operating expenses. But down payment and equity requirements can shut out otherwise qualified buyers who lack personal wealth.

Recent SBA policy changes have also raised the bar for some borrowers. New citizenship requirements now exclude businesses owned by green card holders from SBA-backed 7(a) and 504 loans, while SBA has tightened the standards lenders use to evaluate 7(a) applications.⁷ The next generation of small business owners needs accessible, affordable capital designed for small business acquisitions.

Existing Approaches

Policymakers, nonprofits, and mission-driven investors are not starting from scratch. Existing programs already help owners plan for succession, businesses prepare for transitions, train prospective buyers, and finance acquisitions. These efforts generally fall into four categories:

1. **Helping owners prepare to sell:** Succession-planning tools can encourage owners to start preparing before retirement or an unexpected exit forces the issue. Representative Jason Crow's *Small Business Succession Planning Act* would direct SBA to

develop a succession-planning toolkit and workshops while creating tax incentives for owners who develop and carry out succession plans.

2. **Supporting more buyers:** Acquisition entrepreneurship programs help prospective owners learn how to find, evaluate, finance, and operate an existing business. New Majority Capital, for example, trains aspiring entrepreneurs through its bETA Accelerator and offers additional technical and financial support as they pursue acquisitions. Brokers and online platforms can help solve a different part of the challenge by connecting buyers and sellers; Baton, for example, operates a digital marketplace and provides valuation and transaction support.
3. **Expanding ownership options:** Employee ownership gives owners another way to transfer a viable company while preserving jobs and local wealth. Project Equity helps owners explore and pursue employee ownership transitions, while nonprofits such as Ownership Works help companies and investors design and implement broad-based employee ownership programs.
4. **Financing acquisitions and ownership transitions:** SBA-backed loans, CDFIs, loan guarantees, and public-private funds can help buyers afford acquisitions and assemble the capital needed to purchase an existing business. Investment firms like Apis & Heritage Capital Partners provide another model by using dedicated private capital to finance transitions to employee ownership.

Each of these approaches addresses an important piece of the succession challenge, but no single piece is enough. A reliable succession plan cannot save a business if there is no buyer. Financing cannot help if an owner is not ready to sell. And even a willing buyer and seller may struggle to complete a deal without affordable professional support. America has many of the building blocks for successful ownership transitions, but lacks the connective tissue to bring them together where deals actually happen.

Main Street Continuity Fund

Congress cannot stop the silver tsunami, but it can shape what happens next. As millions of small business owners retire, America faces a generational choice: watch businesses that have anchored communities for decades disappear, or help usher in a new generation of owners. Congress must act now to turn this wave of retirements into a successful handoff to the next generation.

One place to start is for Congress to create a ***Main Street Continuity Fund***. The fund would provide federal grants to state and local partners to establish hubs that deliver end-to-end support for business transitions.

The model will look different from one community to the next. What works in a rural manufacturing town will not be what works in a major city. The federal government should set the goal and provide the resources, while states and communities bring together the lenders, advisors, business organizations, and other partners best positioned to get local deals done.

Rather than recreate services that already exist, grants would help communities coordinate existing services and fill gaps that keep otherwise viable transitions from getting done.

Grant funding could be used to:

- **Identify** viable businesses approaching an ownership transition;
- **Prepare** owners through shared legal, accounting, valuation, and succession-planning support;
- **Recruit and train** prospective buyers;
- **Connect** owners with qualified buyers and trusted advisors;
- **Expand** access to financing and reduce borrowing costs; and
- **Support** new owners after the sale while tracking business survival, job retention, and growth.

America does not need to invent every piece from scratch. Many of the tools already exist. What is missing is a system that brings them together before a good business reaches the point of closure. A Main Street Continuity Fund would turn retirement from a threat to business survival into an opportunity to create the next generation of owners. The goal is simple: when a good business is ready for its next chapter, retirement should mean a new owner—not a closed sign.

Conclusion

A stronger market for small business M&A will require more than better succession support. Policymakers also need to ensure that the broader environment makes it easier to get ordinary Main Street deals done—from predictable M&A rules and workable lending requirements to tax and securities rules that do not unnecessarily raise the cost or complexity of changing ownership.

No single policy will solve every barrier facing small business M&A. But policymakers can start by closing one of the clearest gaps: helping viable businesses prepare for transition, find their next owner, and complete the handoff successfully.

ENDNOTES



- 1.** National Center for Science and Engineering Statistics, U.S. National Science Foundation and U.S. Census Bureau. "Annual Business Survey: Owner Characteristics of Respondent Employer Firms by Sector, Sex, Ethnicity, Race, and Veteran Status for the U.S., States, Metro Areas, and Counties: 2023." *Economic Surveys, ECNSVY Annual Business Survey Characteristics of Business Owners, Table AB2300CSCBO*, 2025, https://data.census.gov/table/ABSCBO2023.AB2300CSCBO?q=AB2300*&nkd=QDESC-009. Accessed on 31 Aug 2026.
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