



Stop the Coup 2025
a public education and mobilization campaign

Chapter 25. Small Business Administration. Author: Karen Kerrigan, President and CEO of the Small Business & Entrepreneurship Council. Sits on several federal advisory boards representing entrepreneurs and small businesses.

Kerrigan notes the importance of the SBA, which helps small businesses (and thus jobs) survive in difficult times. Successful efforts include funneling money for disaster relief; she says that conservatives would also agree with the Paycheck Protection Program (PPP), which has been credited with saving millions of jobs during the COVID-19 pandemic. But Kerrigan also points to SBA programs that have wasted taxpayer money: for example, fraudulent applications for other forms of COVID-19 relief.

The SBA's budget and priorities have fluctuated with each administration, but its core functions are: helping to finance small businesses; offering training; ensuring that small businesses get a certain percentage of government contracts; and advocating for small businesses' concerns in the regulatory process. Reforms should focus on accountability, management, transparency, and strengthening the Office of Advocacy, which helps protect small businesses from over-regulation.

Proposed reforms:

- ✓ Expand and empower the Office of Advocacy to serve as a model for a conservative administration
 - “[S]upercharge [it] to dismantle extreme regulatory policies and advance limited-government reforms that promote economic freedom and opportunity”

Kerrigan notes that the most abused aspect of the SBA's current function is the lending program. She singles out the fraudulent COVID-19 lending program for clean-up, in particular the loans made to Planned Parenthood affiliates that Kerrigan asserts were ineligible and should return the money. Further, she notes, if an investigation finds that Planned Parenthood knowingly misrepresented its eligibility, the Department of Justice should pursue it.

Proposed reforms:

- ✓ In future, move the function of making disaster loans to another agency
- ✓ In contrast, review rules that made some religious entities ineligible for SBA loans; these rules are a violation of the First Amendment (take down SBA Form 1971), she states

Finally, Kerrigan discusses ways to promote business success. She points first to the SBA's ability to encourage innovation through the SBIR program, which has “demonstrated its ability to fund advanced technologies through to private-market viability and invests more in America's heartland than venture capital invests.”

She then argues for more investment in domestic manufacturing companies, whose products help ensure supply chain availability and independence from foreign goods. To stay competitive with other countries, Kerrigan suggests that SBA should offer loans to medium-size businesses when there are no other places for them to find capital.



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This restructuring of the SBA requires new personnel, and an SBA Administrator and leadership team who share and execute the President's mission and policies effectively.

STC 2025 Commentary: Kerrigan echoes familiar conservative arguments for limiting government and reducing regulations. She adds detailed recommendations for effectively reducing regulations by using an expanded Office of Advocacy. Her call to remove or relax regulations that govern SBA and other taxpayer-funded loans to religious institutions is another example of the conservatives' concerted effort to reduce separation between church and state.

Kerrigan also echoes conservative party claims of rampant fraud in the COVID-19 loan programs and calls for investigating Planned Parenthood based on loans to its affiliates. Kerrigan argues that this money should be returned, and proposes possible legal consequences.

Chapter 25 - Key Points:

- ✓ Supercharge the SBA Office of Advocacy to reduce regulations for small businesses
- ✓ Punish Planned Parenthood for COVID-19 business loans given to affiliates
- ✓ Allow religious organizations to receive certain SBA loans