

United States Senate

WASHINGTON, DC 20510

April 11, 2025

The Honorable Kelly Loeffler
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Administrator Loeffler,

President Trump's trade policies have placed the survival of America's small businesses in jeopardy. As Administrator of the Small Business Administration, you have a critical responsibility to protect the interests of America's 34 million small businesses. We all support American workers and small businesses and Trump's blanket tariffs and trade war are not the solution. These entrepreneurs are the backbone of our economy, yet they are being crushed by an economic war initiated by President Trump's reckless tariff policy, which has no regard for their survival. This is not just a trade issue—it is an existential threat to small businesses and Main Streets across the country, and we need you to take immediate action to address it.

Small businesses, which operate on razor-thin margins, are uniquely vulnerable to the cost increases caused by President Trump's tariffs. Many small business owners face a dire choice: either raise prices, risking losing customers, or absorb the cost increases, potentially laying off workers or closing their doors entirely. Small businesses are already burdened by the policies of the Trump administration, which has chosen to prioritize cuts to the Small Business Administration and other critical federal investment through programs like the Community Development Financial Institutions Fund and the Manufacturing Extension Partnership. These cuts only further limit access to capital and new markets, as well as other vital support, leaving small businesses to fend for themselves while larger corporations weather the economic storm that the Trump tariffs have caused. These tariffs are pushing small businesses to the brink of collapse at a time when the small business economy is already struggling under the Trump Administration. The smallest businesses hemorrhaged 100,000 jobs in March¹ and a majority of small businesses are facing a decline in revenue, which has not happened since 2021.²

The situation is dire. From mom-and-pop restaurants unable to afford basic supplies like cooking oil to small manufacturers and high-tech startups struggling to afford the raw materials needed for innovation, small businesses across all sectors are facing the same crippling reality. As these costs rise, consumer confidence continues to plummet, and the economy stagnates. A survey by Small Business for America's Future found that 71 percent of small businesses will need to increase prices to survive³, but with consumer confidence at its lowest since the

¹ Press Release, *Intuit QuickBooks Small Business Index, April 2025*, QuickBooks (Apr. 1, 2025), <https://quickbooks.intuit.com/r/small-business-data/index/april-2025/>.

² *2025 Report on Employer Firms: Findings from the 2024 Small Business Credit Survey*, Federal Reserve Banks, (2025), <https://doi.org/10.55350/sbcs-20250327>.

³ *Economic Whiplash: Tariff Uncertainty is Freezing Small Business Growth*, Small Business for America's Future (Mar. 13, 2025),

pandemic, many owners know their customers cannot afford higher prices. The tariffs, therefore, are not only increasing costs, but also are undermining the very demand from customers that small businesses rely on.

The Trump administration's actions are also further harming small businesses by distorting the broader economic landscape. With rising unemployment and fewer consumers able to spend, small business owners are left struggling to maintain their customer base. As tariffs push up costs, disposable income falls, and fewer people are able to patronize small businesses. The Tax Foundation projects that Trump's tariffs will reduce U.S. GDP by 0.7 percent⁴, and that estimate does not even account for the retaliatory tariffs that will follow. Moreover, small exporters—which account for 97 percent of U.S. exporting firms⁵—will be particularly hard-hit as they are far less equipped to absorb new costs. These businesses, which make up a significant portion of American small business activity, will be severely disadvantaged in global markets, exacerbating the economic pain being felt at home.

The Trump administration is wrong when it says what it is doing will help working people. Trump's chaotic and overbroad tariffs have initiated a trade war that risks stopping or reversing economic growth, cratering the economy, and destroying good union jobs. While this Administration is asking the American people to trust these decisions, it is demonstrating that helping the American worker is last on its list of priorities. In just three months, this Administration has undermined the Inflation Reduction Act, which sent billions to fuel union jobs, cut off federal money that funded union workers, fired thousands of federal workers, and gutted federal protections for workers' rights and safety. The Trump administration is also working diligently to reduce food security and health care benefits that help American workers while taking actions – like these tariffs – that crush their financial security and make it harder, if impossible, to save for retirement. Instead of cracking down on multinational corporations that offshore American jobs or investing in domestic supply chains, the President proposed eliminating funding for the CHIPS and Science Act, bipartisan legislation which strengthened the domestic semiconductor industry, and is working on a deficit-busting tax proposal that will continue to reward corporations that send jobs abroad over Main Street small businesses. Every day, Trump is showing workers that he cannot be trusted to act in a way that will help them.

As Administrator, you must act to shield America's small business owners from the worst effects of the Trump tariffs. Failure to act will not only jeopardize the livelihoods of small business owners but may also lead to long-term financial hardship for the 60 million workers employed by small business – especially those working paycheck to paycheck who cannot afford to be laid off or have jobs delayed or denied. Indeed, American small businesses and workers are falling behind, and more must be done to support domestic manufacturing and small businesses by fixing our broken tax code, investing in our supply chains, and training a skilled workforce. Without these investments, we are only doing a disservice to millions of working families and small businesses caught in the crosshairs of this trade war. Suggesting that small businesses can easily pivot to new suppliers is not only ignorant but dangerous. The vast majority of small

https://irp.cdn-website.com/b4559992/files/uploaded/Economic_Whiplash_Stirs_Small_Business_Alarm.pdf.

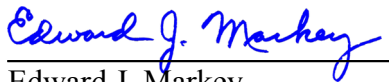
⁴ Alex Durante & Erica York, *Trump Tariffs: The Economic Impact of the Trump Trade War*, Tax Foundation (Apr. 4, 2025), <https://taxfoundation.org/research/all/federal/trump-tariffs-trade-war>.

⁵ Press Release, United States Census Bureau, A Profile of U.S. Importing and Exporting Companies, 2022-2023, (Apr. 3, 2025), <https://www.census.gov/foreign-trade/Press-Release/edb/edbrel2023.pdf>.

businesses rely on imports, and the complexity of changing supply chains is far beyond the capabilities of many entrepreneurs. The consequences of the Trump tariffs will be devastating for small businesses across the nation, and millions of jobs are at risk on Main Streets in every corner of the country.

We urge you to take swift action to ameliorate the damage being inflicted on small businesses by the President's tariff policies, combined with the chaos of cuts to federal services and investments that small businesses rely on. As a representative of millions of entrepreneurs who are on the brink of disaster and the voice of small businesses in the administration, you have an obligation to fight for their survival. Your leadership is crucial in ensuring that the concerns and struggles of small business owners are heard and that tangible solutions are implemented to protect them from the devastating effects of Trump's trade war. America's small businesses—and the workers they employ—are counting on you to take action before it is too late.

Sincerely,



Edward J. Markey
Ranking Member, Committee
on Small Business and
Entrepreneurship



Charles E. Schumer
United States Senator



Maria Cantwell
United States Senator



Jeanne Shaheen
United States Senator



Cory A. Booker
United States Senator




Christopher A. Coons
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Mazie K. Hirono
United States Senator



Jacky Rosen
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John Hickenlooper
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Adam B. Schiff
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