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Wisconsin

Statement Before The Assembly Committee on Jobs, The Economy and Small Business

By

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Assembly Bill 1

Good morning, and I thank you Mr. Chairman and members of the Committee for the opportunity to share some comments with you in support of passage of Assembly Bill 1.

The members of NFIB can be found on the Main Streets all across our state. Our 12,000 members typically employ fewer than twenty employees, and produce gross sales of less than $350,000 per year.

These are truly the small businesses that are the strength of Wisconsin's economy – they produce the jobs, the products, the innovations, the civic involvement, and the commitment to their local communities.

These small businesses have had a long-standing interest in the procurement process at the local, state and federal level.

Studies by NFIB show a majority of small-business owners have a product or service that state government could purchase, but most of those firms don't participate in the state procurement process. In the last three years, just 16% had submitted a bid to offer a product or service to state government; only 9% said their business was currently listed on the state's electronic listing (VendorNet), and just 19% have ever been notified of an opportunity to sell a product or service to the State of Wisconsin.

This is a dismal record which documents the state's failure to promote and encourage greater small and minority business participation in selling their goods and services to the state.

While the media focus seems to always be on Wall Street, the economic struggle and battle for survival is also being fought on Main Street. The NFIB's Small Business Optimism Index last month fell to the second lowest reading in the 35 year history of the survey. The number of new businesses opening in the east, east central and northeastern parts of the state slipped 7.3 percent. Green Bay's new business openings dropped 9.3 percent, and similar decreases have been reported in Oshkosh, Appleton and Fond du Lac.

Assembly Bill 1 would require purchasing from businesses located in the state, and also set goals for purchasing by local government.

We believe this legislation would have a powerful impact on local economies throughout the state.

An Economic Impact Analysis in Austin, Texas was one of the first major studies to examine the impact of shopping at local businesses. It found that for every $100 spent at a local bookstore, $45 stayed in the local economy. A study in Maine showed similar results.

Local businesses employ local labor, buy their supplies and services from other local businesses, and they keep their profits invested in their communities.

Another more recent study found if just 10% of consumer spending were redirected toward local businesses, it would give San Francisco a $192 million economic boost and generate 1300 new jobs.

That's why state and local government should set the example, to encourage and promote government purchasing from state and local business, and that's why **small business is pleased to support passage of Assembly Bill 1.**

Thank you.