



Written by [David Kelly](#) on November 22, 2023

# Small Businesses Are the Backbone of the American Economy

The American experiment, a constitutional republic, has given generations the opportunity to build a better life via a free-market system that encourages innovation, sparks American ingenuity, and leads to the United States' success. Small businesses have been key to the nation's success and continue to be the backbone of the American economy.

To celebrate and support small businesses and all they do for our communities, the U.S. Small Business Administration (SBA), along with other organizations across the country, has designated November 25 as "Small Business Saturday."



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According to the [SBA](#), Small Business Saturday was founded by American Express and has "become an important part of small businesses' busiest shopping season. Historically, reported projected spending among U.S. consumers who shopped at independent retailers and restaurants on Small Business Saturday reached an estimated \$17.9 billion according to the [2022 Small Business Saturday Consumer Insights Survey](#) commissioned by American Express."

Small Business Saturday is now considered a national holiday-shopping tradition dedicated to celebrating small businesses and driving more customers through their doors on the Saturday after Thanksgiving.

Entrepreneurs have taken the liberty, risk, and responsibility within the constraints of federal and state governments to build their small businesses, which represent an astounding 99.9 percent of all U.S. businesses. There are currently 33.3 million small businesses, according to [SBA statistics](#). In fact, nearly half of all U.S. employees are employed by small businesses.

In advance of Small Business Saturday, the White House [announced](#) on Tuesday "new actions to support small businesses—a key pillar of Bidenomics," and released "new data that highlights the small business boom taking place during this Administration."

"Under President Biden, Americans have filed a record 14.6 million applications to start businesses — a sign that the historic investment in small businesses is driving confidence and optimism from entrepreneurs, and generating more resilient and competitive markets," stated the White House Fact Sheet.

The White House added that, as part of the Biden administration's Investing in America Agenda, the U.S. Department of the Treasury (DOT) [announced](#) "the approval of 20 additional state awards under the State Small Business Credit Initiative (SSBCI) Technical Assistance Grant Program, totaling more than \$50.8 million."



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“These investments are a key part of the Biden-Harris Administration’s efforts to fuel the small business boom by providing small businesses and entrepreneurs the resources they need to succeed,” said Deputy Secretary Wally Adeyemo in a [press release](#). “Today’s announcements will help unlock the potential of entrepreneurs in underserved communities across the nation who may have otherwise never had the support needed to pursue their business ideas and ambitions.”

According to the DOT, these awards “will be used to provide legal, accounting, and financial advisory services to eligible small businesses applying for the SSBCI capital program and other government small business programs. The awards being announced today are in addition to the recent [announcement](#) of a new \$75 million competitive grant program, the SSBCI Investing in America Small Business Opportunity Program, to support technical assistance, such as legal services to help businesses obtaining capital from investors and advising on financial management, for very small and underserved businesses.”

The federal government’s support of small businesses has become widely accepted by most Americans, who believe government can solve problems better than markets or individuals. However, according to the [American Institute for Economic Research](#) (AIER), “this belief is contradicted by the evidence” of our ever-growing government. “The lack of belief in free markets is really the lack of belief in free people, as the market is nothing but people. Big government is usually the cause of economic and social problems, so trying to solve them with more government just exacerbates the issues.”

It is great that business organizations encourage Americans to buy from small businesses. However, supporting small-business entrepreneurs is not a proper function of government. Government must reduce its meddling in the business community, allowing a true free-market system to flourish, as intended by our nation’s Founders.

Otherwise, as AIER shared, “the further we stray from the principles that made our nation great (including free-market capitalism, a constitutional republic, and personal responsibility) the more swiftly we head down what economist Friedrich Hayek called ‘[the road to serfdom](#).’”



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