

Ensuring Small-Business participation in the digital economy must be a priority in D.C.

In an increasingly digital world, America's Small Businesses face both unprecedented opportunities and risks.

On the one hand, digital tools and emerging technologies can empower Small Businesses to bolster opportunities to pursue cutting-edge innovation, securing their status as key economic engines. On the other hand, the digital economy increases threats to cybersecurity and poses questions about if and how to regulate innovation.

Artificial intelligence (AI) will be a centerpiece of the digital economy. As businesses increasingly adopt AI in their operations, Small-Business owners face specific challenges. These challenges include the potential for technology regulations to harm their businesses, insufficient access to capital and AI resources, and workforce shortages.

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WORKING SOLUTIONS

In addressing the digital economy, NSBA urges policymakers to consider barriers Small Businesses face in both adapting to the digital economy and, for those who are already immersed in it, competing with their larger counterparts. Our recommendations include:

- Establishing streamlined guidelines and protocols across the federal government that ensure the protection and security of information. Not only will streamlining these guidelines help Small Businesses understand how to protect their own information, but it will also simplify compliance hurdles required for them to pursue government contracting opportunities.
- Passing a federal data privacy standard that provides uniformity and clarity for America's Small Businesses. This standard must include strong preemption language to undo the complex patchwork of privacy policies in the U.S.
- Appropriating funds for key agencies (e.g., the Department of Commerce's National Institute of Standards and Technology (NIST), the Small Business Administration (SBA)) that provide Small Business-specific resources for deploying emerging technologies like AI.
- As the Bipartisan Senate AI Working Group recommended in its AI roadmap, clarify that AI-related expenses (e.g., business software, cloud computing services) are allowable expenses under the SBA's 7(a) loan program.