



Franchising[™]
Building local businesses,
one opportunity at a time.

May 20, 2009

Dear Representative:

On behalf of the International Franchise Association (IFA), I write today in strong support of H.R. 2352, the "Job Creation Through Entrepreneurship Act." In light of the economic recession, the IFA commends the House of Representatives for taking action to spur entrepreneurial development programs at the Small Business Administration (SBA). For decades, the franchise business community has benefited from the SBA's loan guarantee programs as well as the agency's programs aimed at veteran and minority groups.

As the largest and oldest franchising trade group, the IFA's mission is to safeguard the business environment for franchising worldwide. IFA represents more than 85 industries, including more than 11,000 franchisee, 1,200 franchisor and 600 supplier members nationwide. According to a 2008 study conducted by PricewaterhouseCoopers, there are more than 900,000 franchised establishments in the U.S. that are responsible for creating 21 million American jobs and generating \$2.3 trillion in economic output.

This legislation would provide for the creation of Veterans Business Centers to focus on the entrepreneurial development, counseling and instruction assistance for veteran-owned businesses. The IFA strongly supports assisting veteran-owned small businesses and veterans transitioning from military service to business ownership. For several years, the IFA's VetFran program has helped over 1,200 qualified military veterans realize their dreams of owning a small business. The IFA is ready to assist the SBA in developing programming for the Veterans Business Centers as well as specialized training and best practices programs.

In addition, H.R. 2352 will require the SBA to develop a strategic entrepreneurial development program utilizing all existing initiatives such as the Small Business Development Centers, Women's Business Centers, SCORE, and Veterans' Business Outreach Centers. The IFA has developed several initiatives that provide quality franchise business development programming to veteran, women's and minority groups. IFA's Minority Fran program provides educational information and programs to IFA members and prospective minority franchisees and participates in outreach activities to increase the awareness of franchising in minority communities. The IFA's Diversity Institute provides information to assist IFA members in expanding their diversity recruitment and multi-cultural marketing efforts at all levels – franchisees, employees, suppliers, and consumers.

We would like to take this opportunity to bring to your attention that the small business community continues to face a frozen lending market and the subsequent lack of access to capital. In order for these development initiatives to be successful, entrepreneurs need a functioning and healthy lending market including the SBA 7(a) and 504 loan programs. Over the past decade, small businesses have accounted for 60-80 percent of annual job creation, and currently account for almost 50 percent of total jobs in the private sector. A recent report by the IFA Educational Foundation determined that for every \$1 million of lending obtained by franchised businesses, 34.1 jobs are created and \$3.6 million in annual total economic output is realized. Congress should be devoting more resources and tools to the small business sector. Without this critical support, more and more individuals will find it increasingly difficult to get into business and start creating jobs to help the economy grow.

Again, we urge you to vote in favor of H.R. 2352 and provide the resources to help more individuals realize their dream of small business ownership. Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink that reads "David French". The signature is stylized and cursive.

David French
Vice President, Government Relations