

Leveraging the Strength of Franchising to Expedite Job Growth

Increase Credit Availability

A recent report by the International Franchise Association (IFA) Educational Foundation determined that for every \$1 million of lending obtained by franchised businesses, 40.4 jobs are created and \$4.2 million in annual total economic output is realized.

Franchising & the Economy

- Over 825,000 U.S. franchised businesses
- Nearly 18 million jobs
- Over \$2.1 trillion in output

Businesses that Franchise

- Accounting/Tax Services
- Assisted Living
- Auto Services
- Bookstores
- Drug Stores
- Educational Products/Services
- Estate Planning
- Food Service
- Home Repair/Restoration
- Lodging
- Janitorial Services
- Lawn/Landscaping
- Pack and Ship Stores
- Security Systems
- Senior Living Communities
- Travel Agencies

Franchised businesses can play an important role in economic recovery and sustainable job growth. The franchise industry consistently outperforms the non-franchised business sector, creating more jobs and economic activity in local communities across the country. There are over 825,000 franchised businesses in the United States that employ nearly 18 million people while contributing over \$2.1 trillion in annual economic output to the U.S. economy.

IFA believes that Congress and the Administration should focus on policies that will help franchised businesses succeed and create more sustainable jobs:

- Increase Small Business Access to Credit
- Eliminate Tax Uncertainties for Small Business
- Reduce the Cost of Health Insurance
- Support Veterans as Small Business Owners

Access to Credit – IFA strongly supported increases to the SBA loan program maximum guarantees. We support temporary extensions of the 90% loan guarantee rate and borrower fee reductions. This spring IFA will host a Small Business Lending Summit—bringing together entrepreneurs, bankers and policy makers—to develop private sector solutions.

Eliminate Tax Uncertainties – IFA supports permanent extensions of current tax rates and a permanent solution for the estate tax in order to encourage investment, job creation and long-term economic growth. IFA also strongly supports repeal of the burdensome new 1099 reporting requirements.

Reduce the Cost of Health Insurance – IFA supports legislation that allows small franchise businesses, or a franchise system, to pool together across state lines to purchase insurance coverage. IFA will work to improve unworkable aspects of the new health care law. We support repeal of the employer mandate to provide health insurance coverage or pay a tax penalty.

Support Veterans as Small Business Owners – IFA supports enhancing franchise business opportunities for America's returning military veterans. We support the *Help Veterans Own Franchises Act*.