

Perea's bill will help small businesses

One of the biggest challenges facing small business owners and entrepreneurs has been and continues to be the inability to access sufficient credit and capital. Polling from Small Business Majority reveals 90% of small business owners believe the availability of credit is a problem. Fortunately, legislation introduced by Assembly Member Henry T. Perea (AB 722) would provide many small businesses greater opportunity to find investors who can provide capital through crowdfunding.

Crowdfunding is the practice of funding a project or venture by raising monetary contributions from a large number of people, typically via the Internet. Perea's legislation improves upon the federal JOBS Act of 2012 and strengthens investor protections by setting a cap on the amount an individual may invest and requiring companies to provide greater disclosure to potential investors, among other provisions.

While there are some programs to help provide the capital that small businesses need, there are significant gaps that remain, including in minority and rural communities and for women and veterans. AB 722 would not only provide greater protections to California investors, but would also provide these small business owners the access to capital needed to create more jobs and grow our economy.

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