

## Small Businesses

California has approximately **4.1 million small businesses**, accounting for about 99% of all businesses in the state—the highest concentration of small businesses in the nation.

Latino-owned small businesses make up **24.3% of all small businesses** in California. Minority-owned small businesses have a significant impact on the state and local economies, collectively generating **\$192 billion in annual economic output** across California.



### How will California's rushed energy policies affect small businesses, which are a vital part of the state's economy?

Here are a few key impacts across various sectors:



#### 1. Energy Costs and Utility Rates

The shift toward renewable energy often leads to higher utility rates. For small businesses, this can translate into increased monthly expenses.



#### 2. Operational Costs & Compliance Requirements

Small businesses may need to purchase new equipment such as forklifts, lawn maintenance tools, or retrofit existing infrastructure that can lead to significant expenses.



#### 3. Market Competitiveness

Small businesses that cannot afford to meet greener standards may find it challenging to compete with larger companies that are better equipped to absorb compliance costs.



#### 4. EV Mandates

Small businesses with vehicle fleets face the substantial cost of replacing gas-powered vehicles with electric or zero-emission alternatives, creating an unsustainable financial strain on those operating with narrow profit margins. The installation of charging infrastructure adds another considerable expense.

**Small businesses are the backbone of California's economy.** Policymakers must work toward solutions that protect our environment and protect our small businesses to ensure the long-term sustainability of both.

