

Episode 45

📅 Wed, Jun 07, 2023 9:00AM ● 55:27

SUMMARY KEYWORDS

Small Business and Entrepreneurship Council, small business advocacy, Washington D.C. policy, Karen Kerrigan, National Small Business Week, congressional testimony, tax policy, Section 179 expensing, access to capital, Silicon Valley Bank collapse, bipartisan coalitions, the metaverse, Metaverse Business Alliance, crowdfunding, affordable housing, mentorship

SPEAKERS

Jason Duff, Karen Kerrigan, Ethan DeLeon

K

Karen Kerrigan 00:00

It's so great when I tell people, yes, you can have an impact. You're an individual entrepreneur, small business owner that can make an impact. And they don't believe me. But then when I see when it actually happens and I've seen it again and again and again and again, yes. And that's where, again, I just get so much satisfaction out of doing, you know, what I do as an advocate for small business owners and as their friend as well.

E

Ethan DeLeon 00:34

Hey everyone, my name is Ethan DeLeon and I'm here with our founder and CEO of Small Nation, Jason Duff. On today's episode, we're honored to have the president and CEO of the Small Business and Entrepreneurship Council, Karen Kerrigan, on the show. We want to welcome you to the Small Nation podcast, where we share some of the valuable lessons with what we have learned about entrepreneurship, real estate, economic development, and more. The point of this podcast is to create value for you, the listener, and to create a space to learn, talk about what's trending, and inspire others.

J

Jason Duff 01:00

Thank you, Ethan. Karen, it is so great to have you on the show today.

K

Karen Kerrigan 01:05

Oh, where else would I be except for with Small Nation during National Small Business Week? So that's how I was going to say that. Happy, happy Small Business Week.

J**Jason Duff** 01:15

Happy Small Business Week to you, Karen. Well, for the guests that are— for the folks listening on the show today, Karen has been a dear friend.. And she not only to me, but to entrepreneurs and small business owners around the country and even around the world. Her work happens in Washington, D.C., and I know what some of the listeners are thinking. Is there work that actually happens in Washington, D.C.? And because of people like Karen advocating, lobbying, connecting small business owners to the policymakers, that kind of work has been very impactful to what happens here on Main Street. And a lot of the small businesses and listeners of our show. So it's just an honor to have you on today. Can you share with us, tell us about your story, how you got started, maybe where you're from, but how you found your career and role today, Karen?

K**Karen Kerrigan** 02:10

Oh gosh, that's a long story, but it's a good one. I'll make it really quick.

J**Jason Duff** 02:17

Yeah.

K**Karen Kerrigan** 02:17

So I'm a New Yorker, you know, born and raised Queens, Long Island. You know, so like many other New Yorkers, I left the state, but I get back there a lot to visit family and friends, and it's such a beautiful state. And we get back as often as we can to go to the Adirondacks and New York City, and every part of that state is beautiful. But yeah, so I, you know, and then we did a little stint as a family out in the Midwest in St. Louis, Missouri. Okay. And then we ended up moving back to New York and up around the Albany, New York region. And that's where I really spent my formative years in a, in a small town just south of Albany called Ravenna, New York. You know, your quintessential way. How do you say quintessential?

J**Jason Duff** 03:09

I practice on the podcast. I tend to like create and make new words up. So it's okay. We give you permission. Yes.

K**Karen Kerrigan** 03:16

You're typical. Why don't I just say your typical small town? I like that. And it really was, you know, a great upbringing up there, just the great outdoors and lots and lots of small businesses, a Main Street, you know, and where you knew all the business owners, you knew all your community members. And it was really a fantastic way to grow up. And, you know, from there, I went to college at a State University of New York SUNY school. A school called Cortland, SUNY Cortland, which is right between Syracuse and Ithaca. And what a wonderful place to go to college. And I'm proud to serve on the foundation board. So, uh, right now and doing a lot on the entrepreneurship front actually with the college, uh, in terms of starting an entrepreneurship minor and establishing an entrepreneurship center. So, uh, that's really exciting to be able to support my alma mater, uh, in that way. And, you know, I did— I was a political science major, economics minor, went to D.C., you know, I did, you know, the internship, you know, up on Capitol Hill. I thought I was going to do all this foreign affairs and foreign policy stuff, really, but ended up, you know, just working on, you know, domestic policy issues. And for a while, worked for nonprofits and did fundraising work. Really, my last My first big job in the fundraising world was out in Chicago. And then one day as I was walking up or down Michigan Avenue, it was cold and I had an epiphany. I said, look it, I love politics, I love policy, I love, you know, I wanna get back to DC. So moved back to DC, started doing work immediately using that fundraising experience and sort of some grassroots experience to work for organizations, Citizens Against Government Waste, Citizens for a Sound Economy. And then ran into the right people at the right time who had the funding, uh, for me to start the Small Business and Entrepreneurship Council. And that was almost 30 years ago.

J**Jason Duff** 05:24

Wow.

K**Karen Kerrigan** 05:24

Uh, Jason. So I've been sort of in and out of SBE Council. I tried to leave a few times, then got dragged back in, you know, which is a good thing. But along the way, I've, I've done some other things, started Women Entrepreneurs Inc. I've done a lot of traveling around the world for the State Departments across administrations, the Biden administration, the— excuse me, the Obama administration, the Bush administration. It's really been a great, a great ride. But so there's this, this interesting, you know, sort of mosaic, you know, these experiences that I've had have gotten me to where I am. And, and it's been a great ride in Washington, D.C. And there's still so much to do for small business. So, you know, it just seems like You know, the demand for what we do is there, and it's a relentless, you know, it's a relentless job, but it's a job that I love.

J**Jason Duff** 06:17

Well, you do a great job at it. And one thing that— you're very humble, but one thing that has impressed me is the importance and power of relationships that you have. And I think your time in D.C. and some of the folks that you have introduced me to have been some of the finest and highest quality people that are reporting on issues that matter to small business owners. And really, in DC, there's a landscape of other organizations that are lobbying and advocating for small businesses. Can you maybe share in the ecosystem some of those other partners and organizations along with the Small Business and Entrepreneurship Council that are really helping advance those initiatives?

K**Karen Kerrigan** 07:01

Yeah, we work with a whole range of business organizations, and I actually happened to chair and was the first chair and still the chair to this day of a group called the Small Business Roundtable, which is a broad-based business organization, you know, that works to promote inclusiveness, you know, in the small business community and try to get a lot done on the small business front. But it includes the Black Chamber, the Hispanic Chamber, the Pan-Asian American Chamber, the LGBT Q Chamber, the National Association of Small Business Association, a whole range of business groups that are working together to advance issues where we share, you know, sort of a common goal. So that's one piece, but then there's a whole range of other business groups, the very, the industry-specific business associations like the franchisers, the retailers, the restaurateurs, the builders and contractors. I mean, all of them we have a very special relationship with. We work in a coalition with these organizations. We have to in order to get things done. And, you know, sometimes they lead on issues. Sometimes SBE Council leads on issues. But the issues are so great, they're so numerous that there does have to be a lead. And I— and so we work very well with a whole range of business organizations, the U.S. Chamber, some of the larger business groups like the Business Roundtable, the, you know, and some of the bigger corporate, you know, type of entities that exist here as well who are— have advocacy and government affairs operations. So, you know, we're sort of known— that's our brand— for working with a whole range of different types of groups. We can work with anyone as long as You know, we share a common goal and we're, we really think that's important, you know, to, um, look, we, we say as long as a job gets done for small business, we don't care who gets the credit, you know?

J**Jason Duff** 09:11

And so, and that's probably at the national level, but we also see it at the state and local level is that, you know, a lot of the small businesses we connect with, they don't, they don't need the big trophy or the award or the, the news article. They just wanna see the policy work for them.

K**Karen Kerrigan** 09:28

That's right. That's right. And, you know, so we don't have that type of, you know, you don't get too parochial and stuff. There are some— this is Washington, D.C., after all. So there are big egos out there. Let's just, you know, just—

J**Jason Duff** 09:39

well, let them take the credit, right? Yeah.

K**Karen Kerrigan** 09:41

Yes, exactly. So that's fine. But like I said, from my perspective, there's just— there's so much to be done all the time, even in great economic times. Right. I mean, there's always— policies that need to be modernized. There's always something changing, you know, in the economy, in the market that needs to be addressed from a policy perspective. You know, let alone, you know, sort of the very challenging times that we're in now in terms of where the economy is going to go. Maybe we're gonna go into a recession. Obviously there's concerns about, you know, a credit crunch and access to capital. So global issues, economic issues, trade agreements, you know, So there's a whole range of things that really require, you know, that you work very closely with other business groups and other organizations because they have — some have more resources, some have more talents. You know, we tend to have our own little niche talents that people like and sort of what we do. So, you know, again, you're right, it is sort of a bigger, you know, it's sort of a— it's exactly what happens at the state or local level, but on a bigger playing field here in Washington, D.C.

J**Jason Duff** 10:55

Appreciate that. And I think the other thing that organizations like the Small Business and Entrepreneurship Center do really well is really connecting with your members and understanding what's happening on Main Street. The thing that I really appreciate is you reach out, whether it's by email or shooting a quick text to say, "Hey, I'm hearing this. Is this what you're seeing that's happening in your point of sale system or is happening in your banking relationship?" That being able to share that feedback and having a partner that can understand and take that and look at these larger policies and then get members in front of the legislators so they can actually hear the real stories, that's very meaningful work.

K**Karen Kerrigan** 11:39

Well, it is. And that's, that's what's most effective is, you know, actually, you know, sort of getting the voice of small business owners and entrepreneurs you know, getting them in front of Congress, in front of the regulatory agencies, at the White House to hear, you know, straight, you know, from them how they're impacted by policies and what they need. And you're right, it's very important that we reach out to business owners all the time. We want to validate, you know, sort of, you know, what we're hearing or what maybe a member of Congress is saying or what someone in the White House is saying. It's like, well, gee, is that really true? I haven't really heard that. You know, but let's reach out, you know, to our members and actually see if that's the case before we move down this policy path, right? Before we do something really great that might be disruptive or have unintended consequences, you know, for small businesses and the economy. So that's why it's important that, you know, we stay very much, you know, in close contact with members. And also, yes, sometimes, you know, at congressional hearings, members want me to testify. They want our chief economist to testify and our team, but we think it's really important, again, that they hear from small business owners who are facing challenges, seeing opportunities on the ground so that they could give, provide the real story so that, you know, policy actually reflects reality and it's the best path forward.

J**Jason Duff** 13:07

And for our listeners, this is kind of where I see that, you know, Small Nation has entered, you know, in this working relationship with you guys is, Can you maybe explain through COVID and some of those previous, you know, interactions between the SBE Council and Small Nation? Well, one of the first interactions that Karen and I had was around taxes, and particularly the work that we do is we were renovating historic buildings, and there was a part of the tax code that was providing bonus depreciation and advanced depreciation benefits to a small business owner that takes capital and invest in equipment or leasehold improvement. So depreciation is one of those tools that you get the benefit of the write-off, and so it reduces your taxable liability. And those, those, those, those tools, or that part of the code, was, was being threatened to be removed altogether, which would have a major impact on our ability to invest in future projects. And so Karen wanted to understand more about that, and said, I really think you should provide testimony to, at the time, I would think it was the Small Business Committee of the House. And, you know, she, I had never testified. And in fact, when she first said that, it made me a little nervous. But I think, you know, by listening to someone that has done it a number of times, she was my coach. And she said, no, you have a powerful story, put it into words, let's review it. And I had a chance to go to Capitol Hill and be in front. And there were times, I mean, it's not as intense that you see a lot of times on TV, but the representatives asked questions. You can't handle the truth.

K**Karen Kerrigan** 14:47

That's right, right.

J**Jason Duff** 14:48

The representatives did ask questions. And so, you know, it was an opportunity for me to be forthright. And I believe, Karen, I mean, when the 2017 jobs Inflation Reduction Act was passed, I believe that your organization and some of that testimony and the body of evidence at that time, that got it over the finish line.

K**Karen Kerrigan** 15:11

Yeah. And, and actually, it was really nice because we did go to the White House for a celebration. Wow. And President Trump at that time, we were— SBE Council was one of 4 groups you know, that he recognized in a huge room of hundreds of other groups who I'm sure they were very unhappy that they were not recognized. But we did do a lot, I think, you know, to get our members in. We had, you know, busloads of people coming in, you know, to tell their story, to go to Capitol Hill, to talk to their members. And we were recognized for that. But I will say that that Section 179 expensing piece that you're talking about, Jason, if you recall, I also took you to the White House, if you remember, to the Obama White House. Yep. And you met with the White House business liaison, Diana Dukas, who I know to this day. And you made such an impact that that was one of the tax provisions that the Obama administration agreed to and the Treasury Department and said, okay, we're gonna, we're gonna agree and get, I think we, we got it extended and bumped or something like that. If I recall, you know, with all these tax measures, right, Jason? They tend to sort of be—

J**Jason Duff** 16:28

there's a lot of them.

K**Karen Kerrigan** 16:29

Yeah, I know, I know. It's just— but it was a very positive, um, it was a very positive measure that, um, it was like, wow. I mean, within a week, I, you know, I got a call and they said, yeah, the Obama administration, the president is going to support, um, this extension or this increase or whatever happened at that time, which was very, very important. So it just shows you the impact of one meeting with a key person within the White House. Yeah. Who has the ear of the Economic Council and has the ear of the president. And that made a big difference. And again, it, I think it's because of real entrepreneurs and business owners coming in and telling their story and, and sort of making that authentic pitch. Yeah. Um, in terms of what it will mean for their businesses and businesses everywhere, just like theirs.

J**Jason Duff** 17:16

One of our first podcasts was with Brittany Saxton, the owner of 600 Downtown Brick Oven Pizzeria, and I know you know Brittany well. She thinks so much of you, Karen, and it really was also the signing ceremony and the reception that we went to after the 2017 Jobs and Tax Cut Act was passed. Brittany actually got invited on stage with President Trump, and we did not know or anticipate that ahead of time. And she did such a great job representing small business owners. And President Trump kind of looked over and said, Brittany, where's the pizza? It was a very cute moment. But like for me, and I think that as you look at the work that you're doing, is that one of the things that fuels you when you see your members and folks on that international stage where they can shine and share their stories?

K**Karen Kerrigan** 18:09

Oh, absolutely. I mean, that's where, yeah, that's where I get most of my joy and where I think, you know, where I feel like, oh, this is great. I mean, I'm, I, you know, I was meant to do this. I was born to do this. When, you know, you see individuals, you know, really living their potential, not only as a business owner and being very successful as Brittany is, right?

J**Jason Duff** 18:29

I mean, winning all the, you know, the Global Pizza Prize, you know, 5-time World Pizza Champion.

K**Karen Kerrigan** 18:35

Yes. In Las Vegas. And she, I, I see she received that again. But also, you know, extending herself beyond that and really sort of, I mean, getting outside of her comfort zone, right? I mean, going to the White House and representing small businesses. I mean, that has a huge impact. And it just is so great when I tell people, yes, you can have an impact. You're an individual entrepreneur, small business owner that can make an impact. And they don't believe me. But then when I see when it actually happens and I've seen it again and again and again and again, yes. And that's where, again, I just get so much satisfaction out of doing, you know, what I do as an advocate for small business owners and as their friend as well.

J**Jason Duff** 19:25

Yeah, I think it's cool and it's good to know, as you know, small business owners that like somebody is out there looking out for your best interests and they're trying to actually pull in, you know, the real stuff, you know, like what are you seeing on Main Street? And then, you know, I think for, for my generation, there's a lot of, a lot of young people are like, you know, frustrated with, you know, rules and regulations of, you know, that are happening in D.C. And so a lot of times it's easier to just stay out of it and not get involved. And I feel like this is really good for anyone to hear that, you know, you testifying can really make a big difference and go a long way at a national level. So yeah, I think getting to know your leaders too. And Karen, I, I know this is not your style, but can you share, like, you have personal connections with, with world leaders, and, and can you also share that they are real people too? And any examples or stories, like, I, you know, really, they want to connect with their constituents.

K**Karen Kerrigan** 20:25

Well, they do. And I think, um, you know, it's been great over the years to meet with, you know, you know, all many of our Well, almost all of our presidents that when since SBE Council has been in existence and, you know, it's just, it's really neat, you know, to have those, those personal moments with them when you're in a room and they're going around shaking hands with a very small group, say perhaps, you know, either within the Obama, President Obama or President Bush, just thanking you for your work and just seeing the type of real authentic people that they are. And so I think that's been— so yeah, that's— and so when I meet with a senator or a world leader and you have that immediate connection and you're just like, oh, they're a real person, you could tell. There's others where you're like, mm, you know what I mean? They're sort of looking beyond me. But there's so many, you're right, that really look you right in the eye. You know, they make that connection. You know, they ask you, you know, things about your personal life, about your family, you know, about, you know, your members, about small business. Do you like our country? Do you like our— you know, it's really been— it's really been— it is quite remarkable. And I would say probably, you know, the most memorable meeting I had was, and I had the opportunity to meet Lady Thatcher, Margaret Thatcher. Wow. You know, after she, you know, obviously after she left her post as Prime Minister at an event where she was speaking. And it was a very private event. And I went up to her and started, and she just kept talking to me, you know, for 10 or 15 minutes. And I have this great picture of us like, You know, nose to nose, you know what I mean? And, um, where she was just very engaging and just, you know, really cared about entrepreneurs and small business and, you know, how big she was in promoting markets and free markets and, you know, what an ally she was of President Reagan. So she really spent a lot of time with me to sort of get a sense of the policy environment, the economic environment, what I did. So that was very, very, very special, you know, a special moment. There's one example, but there's others, you know, traveling through the Mideast and North Africa, European countries, and certainly at home here in the US with many senators and members of Congress and, you know, former speakers like Newt Gingrich, you know, who became a very good friend and who we got to know when he was minority leader and And then in '94, you know, as, you know, the first Republican speaker in 40 years, you know, having that relationship. So, yes. So, I mean, these are real people and they have a lot of pressures. And, and I just wish there was more times that you could spend, you know, you know, having personal conversations as opposed to business all the time. But that's the way it is. Things move in Washington, D.C. It's a very interesting place, you know, so it's very chaotic. And, uh, and well, you know, you've been here a lot, Jason, so you know what it's like, right? And, uh, sort of what we have to deal with.

J**Jason Duff** 23:52

I'm learning more every day from you, Karen.

K**Karen Kerrigan** 23:53

So thank you.

J**Jason Duff** 23:54

I always appreciate you sharing. Well, and about that, a lot of times this is not about politics, and I think you've demonstrated too that we, you know, small business owners need Democrats and we need Republicans and we need people that are just leaders in general. Can you explain, like, as you work with different administrations, you know, the different agencies like the SBA and others that maybe listeners wouldn't be aware of that they should be aware of and just how we work with both parties.

K**Karen Kerrigan** 24:25

Well, yeah, it is very important, you know, to try to get bipartisan buy-in and support, you know, for legislation, particularly in this environment where it is, it's been very partisan for quite a long time. And, but I think the partisan stuff is overblown sometimes because we're able to get consensus behind issues and keep moving stuff, right? Jason, you've seen that, you know, over the years, whether it was, you know, getting equity and debt-based crowdfunding, right? Right. Through with almost unanimous support in the House. And we had to make some changes in the Senate and President Obama led on that for us, right? Or, you know, a current issue, a big concern is the R&D tax credit and the expiration of that. And it was a surprise, you know, to many business owners who use the R&D tax credit. Now their lawyers and accountants are telling them, you know, oh my, look at these big bills you're facing. It was a shock, I think. So that's another issue where we have to build bipartisan support for a fix for that. And we're working very, very hard both in the House and the Senate. And luckily there is bipartisan support for a fix or an extension or doing hopefully something permanent. The bill to make that permanent does have bipartisan support. Up in the— so we try, right? I mean, we really do try. I mean, sometimes I would say the current White House currently, you know, the You know, the labor unions have their ear, right?

J**Jason Duff** 26:06

So, which makes it harder for, for you, right? And small business owners.

K**Karen Kerrigan** 26:11

It is a lot harder, um, with the current administration than it was, um, the Democrat administration, this one, when the Obama administration, because we, there was a lot more in commonality on trade issues and tax issues and access to capital issues during the financial crisis. I think out of crisis, bipartisanship is born, right? We need a solution. So that happens. So it is important, you know, that we try to do that. Sometimes you just can't, you know what I mean? Where when the other party sort of, you know, doubles down and says, no, we're not going to support this tax package. Yeah, right. You know, and that's unfortunate, but it does happen in the regulatory agencies. It's just you know, it's a grind, you know, of a new regulation gets proposed, we have to comment on it. We bring in small business stakeholders. There's a lot being proposed at the Department of Labor right now, at the U.S. International Trade Commission, at the Department of Energy, at the Securities and Exchange Commission. The list goes on and on and on of just rules that we feel are not in the interest of small business owners and entrepreneurs. So we're weighing in heavily You know, if you go to SBECouncil.org and if you go to our comments section, you'll see it sort of lights up because we've never filed so many comments, you know, within a short period of time in the life of SBE Council.

J**Jason Duff** 27:34

So just a quick plug on that, on the website, we're going to put this in the show notes, but I thoroughly enjoy getting your email blasts because they're very concise but very direct in terms of the information that I need to know as a small business owner and ways that I can plug in and stay active. So I just want to give you a shout out for your email blast. I especially really like those.

K**Karen Kerrigan** 27:56

Well, anyone can visit SBE Council and sign up for our Small Business Insider e-news for free. Wow. So please feel free to do that. You know, we love getting information out to small business owners and entrepreneurs or people that support small business or invest in them. So, That is so we— so please, you know, please join us and sign up for that. But, you know, so in the regulatory agencies, that's the unglamorous stuff. Yeah. Jason, that's where it's like, you know, the grind and they're not listening to us. We got to keep pushing. We got to file more comments. We, you know, are— it's just that is the grind. That's the stuff that, you know, where you're just wondering, does anyone really care? You know, within these agencies, are they listening to us? But that's the real important stuff at this time because the regulatory burden can be crushing for small businesses, particularly if some of the things that were done positively in the Trump administration, if those are sort of pulled back and reined in and changed, particularly on some labor issues. So, yes, so across agencies, we work very, very diligently on proposed rules and regulations and try to have an impact for small business.

J**Jason Duff** 29:18

Well, I imagine with your job, things— you, you have well laid out plans of, of strategic things you want to work on, but then the, the messiness of the world and the economy is changing every day. And, you know, a few weeks ago in the banking industry, Silicon Valley Bank collapsed. And the fallout from that has impacted the credit markets. Of course, we have nearly now, I think, with the Fed raising the rates last week, the highest interest rates we've had in a very long time, if not, I think, 15, 20 years. And so where, where media makes sense and how, how do you kind of deal and digest things on a day-to-day basis to then help your members know how to respond to those crises, those changes?

K**Karen Kerrigan** 30:05

Well, we do try to— we really do try to track, you know, these emerging issues. I mean, before the financial crisis, we were telling members of Congress and the administration that we're hearing this from small businesses. There is a serious credit— I mean, so we knew it before they knew it and before the markets knew it. You know, they're like, Karen, there's something going on out here. You know what I mean? And that's what We're telling them now about, well, I think today's a different day than maybe a week or two ago if you look at sort of what's happening in the market, the regional banks. But we're saying, you know, this is going to be, the SVB and the First Republic stuff is going to be disruptive, you know, for small businesses. Trust us on this one, particularly given the backdrop, you know, of higher interest rates, the current economic environment. The uncertainties that, you know, lie ahead. And indeed, I mean, we released a new survey today where 54% of small business owners said it was much more difficult for them to access capital than just 6 months ago.

J**Jason Duff** 31:06

In the definition of capital can mean a lot of things. It can mean getting a traditional loan related to real estate, but there's also short-term capital like revolving lines of credit. And I will tell you on a firsthand experience about 6 weeks ago, I got a call from, from Kate Rogers, who I know is a mutual friend, reporter from CNBC. And Kate was asking the question, are you seeing any issues in your local community banks after the SVB fallout? And I had a, I had a personal situation where a loan that we had been, you know, working through with a local community bank, all kind of signs that green lights are ahead. Called and said, we cannot move forward with you. And that's the first time I've been turned down for a loan. And so it was kind of rattling. They were not very descriptive about why we were, you know, not being approved. But luckily, a second community bank stepped up and said, we do want to work with you. So I shared— I shared that personal story with Kate that I still believe community banks are one of the most important things. Here on Main Street and to our small business community. But with this uncertainty, we need to deepen the well and look at all of our options.

K**Karen Kerrigan** 32:24

Well, absolutely. And that's where, you know, over the years, luckily, we've seen the growth of equity and debt-based crowdfunding. You know, it's sort of really gone mainstream, off the charts. And there's— yes, you're right. There's got to be a wide variety of choices available for small businesses. And now what we're trying to do is say, okay, people in government, whether you're up on the Hill or in the Biden administration, please don't make matters worse, okay? Because the first reaction is, well, SVB and First Republic, maybe we need to look at those Dodd-Frank rules where we provided relief to regional banks and small banks and reimpose, you know, the capital requirements and all those other rules and regulations. And we're like, no, no, no, no, no. That would've done nothing. That wouldn't have even done anything to stop what happened at SVB.

J**Jason Duff** 33:16

The hysteria, yeah.

K**Karen Kerrigan** 33:17

Or yes, or First Republic, number one. And number two, the regulators, they already have the tools at their, they had the tools at their disposal on SVB and First Republic, but they just sort of, they gave it a pass. They said, no, we don't really, you know, they, so, so I guess, you know, in an— the answer to your question is, you just, you know, you hear something, you see something, it doesn't smell right. We're like, okay, I remember the financial crisis. I remember, you know, history sort of repeats itself, right, Jason? So we're like, okay, now we gotta start talking to our members, seeing what's going on out there, and plead with the government not to do anything that can make matters worse, okay? And that's what we're doing right now. So your priorities do change. I mean, it's like, well, we had this great agenda at the beginning of the year, But now, you know, it could change immediately. Look what happened during COVID right? In 2020, who knew that SBE Council and I would be, you know, on the front lines of the PPP EIDL, you know, sort of advocacy line.

J**Jason Duff** 34:19

And you were. I, I just want to share, that's another point. I know a lot of the listeners and previous guests that we had in the podcast, and truthfully, Karen, there's probably 20 of our 40 or so episodes that we've done so far, our members, that you would jump on a Zoom with us to say, here's what is saying. So we would watch the news. And we'd hear, you know, the Secretary, you know, share that this money is going to show up in your account in 5 days. Day 10 went by, we still didn't see the money. But she was sharing, hey, this is what you can expect. This is what I'm hearing. And it helped so many people because we shared that on YouTube, we got that content out. And that just again shows the importance of your integration to the groups that really care about your industry or about your association or your trade.

K**Karen Kerrigan** 35:10

Remember our COVID-19, like, support center, right? We immediately posted up on our website. Remember all of those guidelines kept changing by the day? Daily. Do you remember?

J**Jason Duff** 35:22

Yeah. I do. I have nightmares about it.

K**Karen Kerrigan** 35:23

And every time they came out, we're like, like we looked at them, we posted them, we go, okay, now here are the changes. We redlined them so that you didn't have to, you know, go through the mess. But it was just that, but also advocating, saying, look, you put a June 30, 2020 deadline date on this program. You know, the governments are not going to open up the economy, local governments. This is going to be a long-term problem. We need to extend stuff. We need to make these loans more flexible. We need to make sure that more of a percentage is actually forgivable. So all the things that we advocated for, most of them, you know, we were able to see positive movement on that. But again, that was just— that was something that happened overnight, right, Jason? And you just never know, as you know, in our space, you know, how things would change, just like a business owner, how things would change very quickly and what you're going to be working on the next day. And we were prepared for that in this current environment. We know that anything could shift overnight.

J**Jason Duff** 36:25

That is a great segue, because one thing that I know you're very passionate about, and I'm learning more about and hearing about on a daily basis, is this term called the metaverse. What is the metaverse?

K**Karen Kerrigan** 36:38

Well, it's the next iteration of the internet, right? And I, you see a lot of definitions about what the metaverse is. And I mean, really, it is— I guess a layman's description would be it's an online space with an immersive environment that creates the illusionary experience that the user feels a part of that environment, right? So it's taking everything you have on the internet and just sort of being in that environment, right? You might be on the internet and you may be looking at really great videos of traveling to Nepal, right? Yes. But if you're in the metaverse, you're actually walking the streets and you're actually in that environment and you're actually you know, doing all those, you know, just doing all those wonderful things in person that you would, you know, that you would do if you were, if you were there. I mean, someone going to a sporting event or shopping. Yeah. Yeah.

J**Jason Duff** 37:54

And for folks that are hearing this, basically putting on a device and there's companies like Oculus and Facebook and Meta. I mean, the list is growing. HTC, like they're making equipment that you wear that allows you to experience that virtual world in a real way. And for anyone that hasn't done it yet, there you go. That's great. That one right there. Well, and, and can I tell you, I encourage you if you've not done it, and I think that that was my experience, I did it to actually play a game. That was my first kind of introduction to understanding it. And, um, I had fun. Like, I'm a, I'm a Star Wars buff. Yeah. So like, I actually had my own lightsaber. Yeah. And like, you could do so much, like whether it's battling someone or playing Beat Saber. Yeah. And then I started like something clicked. I'm like, I think there are ways from a business application. And in this, I also had to jump on Google Earth. And just like Karen described, I actually walked the streets of Bellefontaine. And I was thinking from a business application, if I want to visit another small town to tour the building stock or to see what it is, but I want to save on the cost of, you know, it's expensive to travel. To other places around, around the world. So, uh, I, I could start to see the early phases as how this commercially could be viable. Is that— you formed a coalition and can you tell us about that? And what are other kind of commercial applications that you are seeing that small businesses should keep on their radar?

K**Karen Kerrigan** 39:20

They're endless. It's limitless really. And it, it keeps changing every day. Um, yes, the Metaverse Business Alliance. You know, as you know, Jason, we've always tried to stay ahead, uh, of issues, right? Uh, emerging issues and And I, if you look at, you follow the money, and there is billions and billions of dollars going, of investment going into the metaverse, going into tech, all the immersive technologies, which are being used today. So we're sort of in the metaverse, if you will, without goggles, but with, you know, and with goggles, but with AR and VR and 3D, you know, 3D sort of modeling of products and services. I mean, Google is doing this now. You're going to, you know, before where they said, oh, if you add a picture to a Facebook post, you'll get more engagement, right? I mean, remember all this? It's like, so that was, that's where we are now, or video. But now the big thing will be 3D, you know, sort of a 3D version of your product or service or whatever. The engagement goes off the chart as well as the purchase, you know, of, of, of more people will put it in their cart and actually buy it because of their experience and being able to understand it more. Okay, I'm getting, I'm getting farther down the road on this than I want to, but the Metaverse Business Alliance, you know, is a coalition of like-minded organizations, the franchisers who are doing a lot in the metaverse. You see franchisers buying real estate in the metaverse and also franchisers training their employees with head goggles on being on the line, how to do things. It's brilliant and it works. It's highly effective. The Associated Builders and Contractors, a whole small nation, a, you know, there's about 10 of us who are members of the Metaverse Business Alliance who are working to educate policy officials and ourselves, you know, by bringing in, you know, different investors, larger companies on the power and the promise of the metaverse and just to stay on top of it. So we're making sure that small businesses are not left behind and not caught off guard because as I said, there's a lot going on in this space right now. And there could be a black swan event that happens overnight and we're all thrown into the— I mean, this is how it works, right? We saw that with— with COVID Zoom, the technology, right?

J**Jason Duff** 41:54

I mean, the percentage that— and the innovation that's come out of that. That's that one small example, but you're exactly right. Like, even in many of our towns and communities, we have virtual golf is a huge economic driver that fills storefronts on Main Street. Um, and then the gamification of everything. We go to a university campus and a collegiate sport is now VR. Yep. You know, and, and so, and e-gaming and e-gaming. And I'd also say for the younger generation, finding ways that we can connect, that, that is a community in itself. And, uh, I'm excited about this potential. And I think for small business owners listening, if you're new to the metaverse, this is really a chance to put this on your radar. Go find a place where you can put on a VR headset and just like What I did, play some games. Your brain starts to tick and you start putting together like, this has huge commercial applications.

K**Karen Kerrigan** 42:52

Yeah, I would say just, you know, do a lot of the research. The Metaverse Business Alliance, we have an education center, we have a news and commentary section. Yesterday, you know, we did a Metaverse 101 webinar, which was highly attended. And, you know, where we're just sort of, providing like practical how-to, you know, type of information. And we had a great guy who runs a marketing agency, a small business, and he won like a big national award for all of his work. And he works with big clients like Nike and Chanel and those who are really in this right now. I mean, they're putting a lot of money into the metaverse, which is good for small business, you know, I think, because it creates mass adoption and you need that type of mass adoption, right? And that type of testing and what works and what doesn't before, you know, small businesses get into this. But if I was a business owner, yeah, follow us, the Metaverse Business Alliance, number one. But number two, do some research, you know, understand what the platforms are all about. There is so much information out there now in terms of the use cases, in terms of the possibilities and the potential. And when you think about rural America in small towns adjacent, you know, the education piece I think is huge in terms of the educational application, but also healthcare. You know, when I talk to so many of our members live in rural America and hospitals are closing, you know, they need access, you know, to good quality care. And the metaverse and immersive technologies are a big solution to that. And it's sort of good that COVID came around and the explosion of telehealth, 'cause now everyone's used to this, right? I mean, it went from— It's normalized. It normalized. You're right. I mean, it just, you know, the data is off the charts in terms of that. But so I think there is so many opportunities and possibilities. And I think, thanks, you know, Small Nation for staying involved and hopefully being a channel and a platform for us to get more information out, you know, to your members and your constituents as well, because this is important. And Like I said, there could be something that happens in the economy or black swan event overnight where we're gonna be forced, you know, into doing this next. You know, what's gonna happen is the acceleration will be quicker than we think. But I do have to say the acceleration to the metaverse is happening much more quickly than the internet. Wow. Okay. Right? Because remember when we were all saying, I will never buy anything online. Yeah. What are you talking about? I'm never gonna get my credit card out to anybody. I kept hearing this. You know?

J**Jason Duff** 45:24

Well, that's all changed. We're all linked up and connected. So before we jump in and kind of wrap up this episode, I'm going to put you on the spot to do some rapid fire. Are you okay with that?

K**Karen Kerrigan** 45:36

I hope so.

J**Jason Duff** 45:37

Yes.

K**Karen Kerrigan** 45:38

Let's go.

J**Jason Duff** 45:39

So just things that are trending that I know are amongst the minds of small business owners right now, raising the debt limit. Can you kind of share what are you seeing in this landscape? Right now? Do you think we're going to get a deal done or we still got some pretty big hurdles to overcome?

K**Karen Kerrigan** 45:56

I think we're going to get a deal done. And I'm even more sure of that today, given sort of what's happening in the financial sector and with some of these other banks and the potential contagion, right? So I don't think that any— I think it's in the interest of politicians on both sides of the aisle to— they don't want to be hurt on this issue going into the elections, number one. And number two, I mean, the stakes are really high right now, I think, given the instability in the economy. So I think there will be something done sooner rather than later.

J**Jason Duff** 46:34

Thank you. And then related to energy, a lot of conversations around combustible engines, moving to EVs. What are you seeing in that landscape? Are EVs here to stay?

K**Karen Kerrigan** 46:49

Well, I think they are. There's no doubt about that. I think they're here to stay. I don't think that the combustible engine and cars, you know, that get powered with, you know, traditional fuel and gas— It's not gonna go away. —will be edged out anytime soon. It's just not gonna happen. So I think, you know, we always come back to the reality of the situation. And I still think there's a big space, you know, to grow in the EV space. But, you know, just things have to happen in that market in order to make this more practical for everyone to get an EV, you know, outside of the costs. Right. And so, but there's a lot of money, government money going into green energy stuff. And, you know, we hope that money makes its way into the hands of really solid entrepreneurs and innovators who can solve some other solutions. I mean, if there's money, you know, yeah, we want to see some solutions happening. But I do hope it does go to entrepreneurs and small business owners as opposed to just some of the, you know, the bigger players, you know, doing stuff. So.

J**Jason Duff** 47:59

And one last one. Right now, probably in a lot of our communities, one of the biggest things I'm hearing is lack of housing. In lack of, um, housing at different economic types. And we've shared on the podcast that we're working to build and renovate more upper floor loft apartments in historic buildings in small towns, and not just the luxury ones but also affordable housing. And I use the analogy that if our restaurants don't have a place that dishwashers can live, we don't have dishwashers, and then we don't have restaurants. Any advice or work? What are we gonna do to solve this housing crisis?

K**Karen Kerrigan** 48:37

Oh, I know it. Yeah. It, it's very sad when you hear, you know, of young people and, you know, in the millennial generation who can't afford, um, you know, who can't afford housing. You know, again, I think entrepreneurs are providing the solution. I do, you know, I, I, I, because I help pass the, you know, the law that make equity and debt-based crowdfunding legal. I do a lot of investing myself. And so I do, I'm on the platforms and I'm looking at all the cool entrepreneurs are doing things from, you know, from drones that are taxis for people that you could just, you know what I mean? To housing. And there's some really cool things out there in terms of companies that are like Boxabl, you know, a company that, can build a quality house very quickly, very affordably. And, and it's, it's just really a cool company. I'm like, well, this is a, this is sort of a solution to, to the housing, you know, you know, to the housing problem and crisis in this country. So I do think, again, that entrepreneurs are the ones who are, who are solving this and coming up with some really cool ideas. To build affordable housing, um, you know, in a way that, um, in a very modern way too, for efficient house, you know, efficient, energy efficient, you know, and all those other important things, um, broadband ready, you know, all those other things that are, are critical, you know, in the modern economy. Yeah, that's great.

J**Jason Duff** 50:14

And an opportunity, right, for entrepreneurs to, to step up and, and solve these problems that could be, you know, profitable for sure, you know, with this crisis that's going on.

K**Karen Kerrigan** 50:23

But it, it, if you spend anyone, if you've spent any amount of time on, you know, any of the, the crowdfunding platforms, you, you'll just see some amazing things that entrepreneurs are doing. Yeah. Right. And you know, who are looking for money.

J**Jason Duff** 50:35

It's a great place for ideas. It really is a great place for ideas.

K**Karen Kerrigan** 50:38

Yeah. Yes. And, and you do see the traction in some of these companies, um, in terms of money and in terms of orders like the Boxable, you know, \$188,000, Home orders already. Home orders. Okay. So, you know, you see the traction, you're like, oh, this is exciting. So that's why I love what I do too, because entrepreneurs always have the solution to every problem. Yeah. You know, facing our country, if not the world. Yeah. If not the world.

J**Jason Duff** 51:03

One problem at a time, right? Love that. Awesome. So just a couple of, you know, questions to wrap up the episode here is, do you have a professional development resource that was kind of impactful for you along your journey?

K**Karen Kerrigan** 51:15

Oh, lots of mentors, lots and lots of mentors from, uh, Marilyn Carlson Nelson. Um, you know, the Carlson Company, you know, they, they own quite a bit of, uh, uh, things like TGI Fridays and hotels and cruise lines and stuff like that. Um, when I was appointed to the National Women's Business Council, she was the chairperson of that council. And oh boy, I'm like, I, we, I struck gold by having her as chair, you know, and she really taught me a lot. She was a great mentor. I've had amazing mentors up on the Hill, association leaders, you know, grassroots leaders. Grover Norquist at Americans for Tax Reform is a great friend of mine, and he really knows how to get things done in Washington. And every time someone counts him out, you know, Grover comes back and he wins, you know. So he's, he's been a great mentor over the years. There's been, I've had, that's Kellyanne Conway, who I've known, you know, she and I and Grover, we shared, we did WeWork before WeWork was cool. We all shared office space, you know, 30 years ago. And, you know, she's been a great mentor and friend. So former members of Congress who've become presidents and vice presidents of companies. So Yes, luckily, and I would encourage people to always don't be afraid to ask people for help or to be a mentor or say, hey, can we get together, you know, once a month? And it is amazing how many people say yes and they want to give back and they want to help.

J**Jason Duff** 52:56

Yeah, that's a great tip. And then the last thing is, where can people follow the SBE Council or keep up with what's happening at the national level? SBECouncil.org.

K**Karen Kerrigan** 53:06

Follow us on Twitter @speCouncil, you know, SPE Council on Facebook and LinkedIn, the Metaverse Business Alliance as well, [metaversebusinessalliance.com](https://www.metaversebusinessalliance.com). We're getting our social media handles up and going. And again, sign up for our Small Business Insider e-news. Highly recommended. Yeah. Great news. @speCouncil.org. And that's how you could stay up to date and engaged with our work. Great. Thank you so much.

J**Jason Duff** 53:37

Karen, we appreciate you being on the show today. And I think what I take away is there are significant problems, um, you know, nationally, internationally, but the entrepreneurs that are listening, you have such power in what you do. And I have seen that you have opened up doors. I want to help others. Open up those doors to, to make a significant, meaningful impact in your local community, in your state, and nationally and around the world. And thank you for the work that you do and all the advice that you shared today.

K**Karen Kerrigan** 54:13

Well, we're only as powerful, as influential as our members, and you've been a long-term one, Jason. So thank you so much for all you've done to support us and to be a voice. You've made an amazing difference. And again, happy Small Business Week.

J

Jason Duff 54:26

Happy Small Business Week. Thank you. My question to you is, when is, uh, Bellefontaine getting a VR gameplay place? So I will put a little plug in for Putt and Play on West Columbus Avenue. They have Oculus and HTC Vibe. All right. And maybe after this show we're gonna go. Yeah, sounds good. Sorry, Karen, we gotta go. We gotta get some games to play here. All right, well,

E

Ethan DeLeon 54:50

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