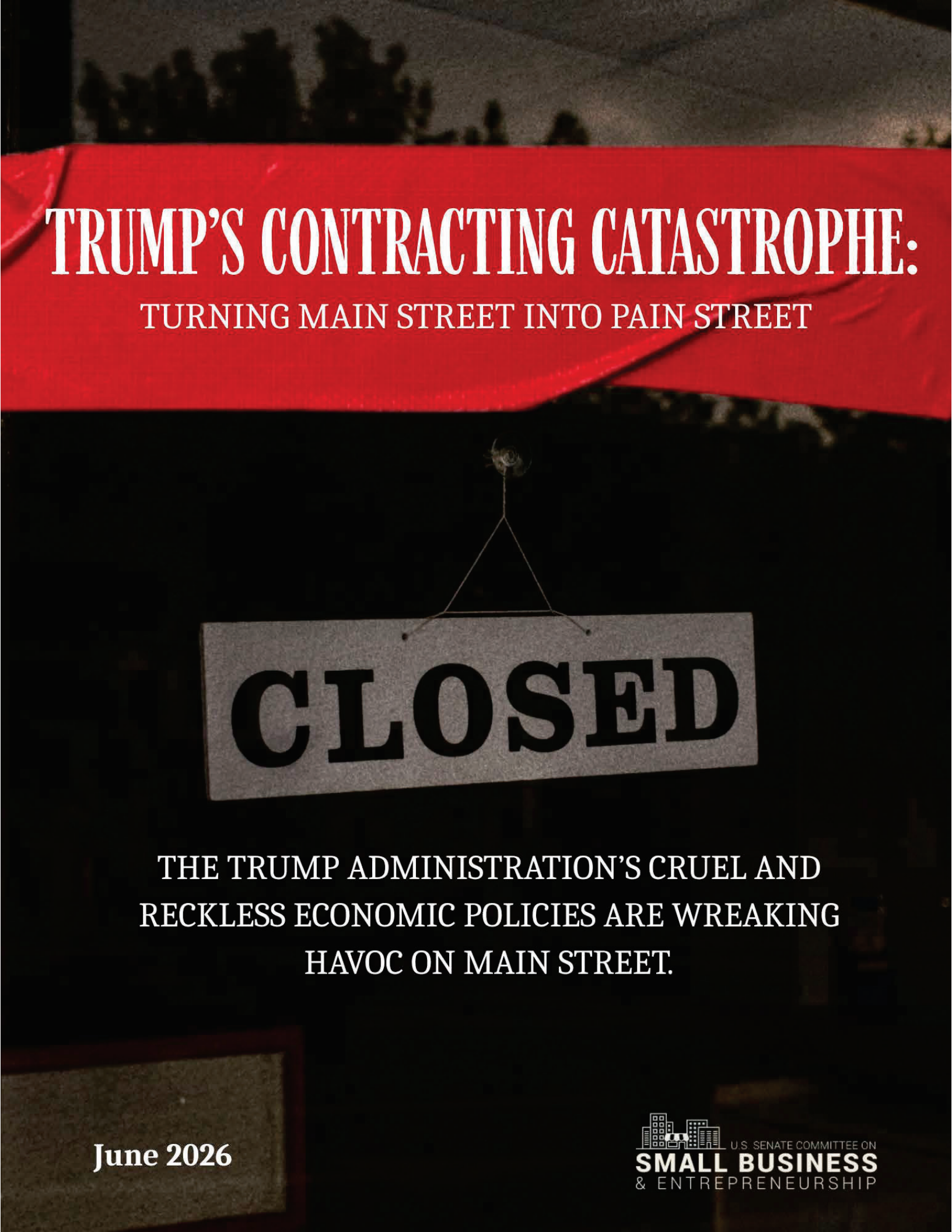



# TRUMP'S CONTRACTING CATASTROPHE:

## TURNING MAIN STREET INTO PAIN STREET

THE TRUMP ADMINISTRATION'S CRUEL AND RECKLESS ECONOMIC POLICIES ARE WREAKING HAVOC ON MAIN STREET.

**June 2026**

U.S. SENATE COMMITTEE ON
SMALL BUSINESS
& ENTREPRENEURSHIP

# Trump's Contracting Catastrophe is Turning Main Street into Pain Street

*Since Trump was sworn into office in 2025...*

- *Total contract dollars to American small businesses are **down 19%** from the previous 16 months, shortchanging small businesses by **more than $47 billion**.*
- *The federal government has **lost more than 6,500 small business partners—an 8% decrease** from the previous 16 months.*

## Introduction

At a time when American small businesses, workers, and families are grappling with rising electricity, health care, grocery, and gas costs, economic uncertainty, and increasing competition from giant corporations, the Trump administration's cruel and reckless economic policies are wreaking havoc on Main Street.

**The Trump administration is weakening small business contracting goals, delaying and withholding critical certifications, slashing opportunities for disadvantaged small businesses, and even canceling already-awarded contracts—all while President Trump's billionaire buddies cash in on sweetheart deals and lucrative no-bid federal contracts.**

The corruption is shameless. Shortly after the 2024 election, drone maker Unusual Machines added Donald Trump Jr. to its brand-new advisory board, and soon after, won an order with the U.S. Army for drone parts—the company's largest government order to date.[1] Recently, in May 2026, President Trump awarded a $13 million, no-bid contract with a whopping 20% profit margin to his friend's company to repaint the Lincoln Memorial Reflecting Pool in Washington, D.C. The reason? Trump says his friend is "unbelievable at doing swimming pools."[2] And most recently, Trump settled a lawsuit between him and his own administration, creating a $1.776 billion slush fund to directly funnel taxpayer money to his family and his loyalists, including January 6th insurrectionists and white supremacists.[3]

This is just a sampling of the corruption and chaos Trump has created—all to enrich his billionaire buddies at the expense of hardworking Americans and small businesses.

**Federal contracts are a lifeline for small businesses.** They allow entrepreneurs to hire workers, grow their businesses, and access consistent work. In fiscal year (FY) 2024, nearly 74,000 small

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[1] Alyssa Meiman, *Companies see boost from Trump admin after adding Don Jr. to their board,* CREW (Jan. 15, 2026), https://www.citizensforethics.org/reports-investigations/crew-reports/companies-see-boost-from-trump-admin-after-adding-don-jr-to-their-board/.

[2] David A. Fahrenthold & Luke Broadwater, *The No-Bid Contract That Is Turning Washington's Reflecting Pool Blue,* N.Y. Times (May 8, 2026), https://www.nytimes.com/2026/05/08/us/politics/reflecting-pool-trump-contract.html.

[3] Glenn Thrush et. al, *Justice Dept. Sets Up $1.8 Billion Fund That Could Funnel Money to Trump Allies,* N.Y. Times (May 18, 2026), https://www.nytimes.com/2026/05/18/us/politics/trump-irs-lawsuit.html.

businesses were awarded more than $176 billion in federal contract opportunities.[4] And in return, small businesses deliver for America, providing vital goods and services through federal contracts and creating jobs.

**But Trump's preference for trading favors rather than giving all Americans a fair shake is bringing business on Main Street to a screeching halt.** In Massachusetts, small businesses have lost 31% in contracting dollars since Trump took office in January 2025 (see appendix 1 for state-by-state data).[5] Even small businesses the Administration claims to support, such as **veteran-owned and service-disabled veteran-owned small businesses, have been shortchanged 11% in contracting dollars since Trump took office.**

Ranking Member Markey is releasing new data that shows the Trump administration has reduced opportunities for small businesses across the board, including veteran-owned, women-owned, and socially disadvantaged small businesses.

## Trump is Helping his Billionaire Buddies Profit While Small Businesses Pay the Price.

The Trump administration claims to support small businesses, but the numbers tell a different story. In 2023, Senate Republicans accused the Biden administration of failing to support small business contractors, citing a 4% drop in the number of small businesses who partnered with the federal government.[6] Since President Trump was sworn into office last year, the number of small businesses awarded federal contracts has dropped more than 8%. That means at least 6,500 fewer small businesses are partnering with the federal government.[7]

Under the Biden administration, the federal government increased its small, disadvantaged business contracting goal and worked to ensure that more small businesses had a fair shot in the federal marketplace. Under the Trump administration, those gains are being wiped out. Since Trump took office:

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[4] U.S. Gen. Servs. Admin., *SAM.gov Contract Data Rep. Builder*, queried for Oct. 1, 2023 – Sept. 30, 2024, https://sam.gov/reports/awards/standard (last accessed May 21, 2026).

[5] *Compare* U.S. Dep't of Treasury, Bureau of the Fiscal Serv., *USASpending.gov* (MA total small bus. cont. dollars from Sept. 1, 2023 – Dec. 31, 2024) *with* U.S. Dep't of Treasury, Bureau of the Fiscal Serv., *USASpending.gov* (MA total small bus. cont. dollars from Jan. 20, 2025 – May 20, 2026) https://www.usaspending.gov (last accessed May 21, 2026).

[6] Press Release, U.S. S. Comm. on Small Bus. & Entrepreneurship, Ernst Fights to Stop Easy A's at the SBA, Give More Small Businesses Access to Federal Contracts (Sept. 7, 2023), https://www.sbc.senate.gov/public/index.cfm/2023/9/ernst-fights-to-stop-easy-a-s-at-the-sba-give-more-small-businesses-access-to-federal-contracts.

[7] *Compare* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder*, (total no. of unique small bus. cont. from Jan. 20, 2025 – May 20, 2026) *with* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder* (total no. of unique small bus. cont. from Jan. 1, 2025 – July 20, 2026) https://sam.gov/reports/awards/standard (last accessed May 21, 2026).

- Total contract dollars to small businesses are **down 19%**, amounting to **a loss of more than $47 billion** of work for small businesses.[8]
- Contract set-aside dollars to small businesses in historically underutilized business zones—also known as HUBZones—are **down 31%**.[9]
- 8(a) set-aside contract dollars—contract dollars to small, socially and economically disadvantaged businesses—are **down 29%** .[10]
- Contract set-aside dollars to women-owned small businesses are **down 24%**.[11]

At the same time, the Trump administration is continuing its campaign of contempt against communities of color by shutting minority-owned small businesses out of contracting opportunities. Since Trump took office:

- Contract dollars to minority-owned small businesses are **down 22%**.[12]
- Contract dollars to Asian American-owned small businesses are **down 26%**.[13]
- Contract dollars to Black-owned small businesses are **down 25%**.[14]
- Contract dollars Native American, Alaskan Native, and Native Hawaiian-owned small businesses are down **19%**.[15]

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[8] *Compare* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder* (total small bus. cont. dollars from Sept. 1, 2023 – Dec. 31, 2024), *with* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder* (total small bus. contract. dollars from Jan. 20, 2025 – May 20, 2026) https://sam.gov/reports/awards/standard (last accessed May 21, 2026).
[9] *Compare* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder* (total HUBZone set-aside & sole source cont. dollars from Sept. 1, 2023 – Dec. 31, 2024), *with* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder* (total HUBZone set-aside & sole source cont. dollars from Jan. 20, 2025 – May 20, 2026). https://sam.gov/reports/awards/standard (last accessed May 21, 2026).
[10] *Compare* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder* (total 8(a) set-aside and sole source cont. dollars from Sept. 1, 2023 – Dec. 31, 2024), *with* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder* (total 8(a) set-aside & sole source cont. dollars from Jan. 20, 2025 – May 20, 2026). https://sam.gov/reports/awards/standard (last accessed May 21, 2026).
[11] *Compare* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder* (total women-owned small bus. set-aside & sole source cont. dollars from Sept. 1, 2023 – Dec. 31, 2024), *with* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder* (total women-owned small bus. set-aside & sole source cont. dollars from Jan. 20, 2025 – May 20, 2026) https://sam.gov/reports/awards/standard (last accessed May 21, 2026).
[12] *Compare* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder* (total minority-owned small bus. cont. dollars from Sept. 1, 2023 – Dec. 31, 2024), *with* U.S. Gen. Servs. Admin., *SAM.gov Contract Data Rep. Builder* (total minority-owned small bus. cont. dollars from Jan. 20, 2025 – May 20, 2026) https://sam.gov/reports/awards/standard (last accessed May 21, 2026).
[13] *Compare* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder* (total Asian American-owned small bus. cont. dollars from Sept. 1, 2023 – Dec. 31, 2024), *with* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder* (total Asian American-owned small bus. cont. dollars from Jan. 20, 2025 – May 20, 2026) https://sam.gov/reports/awards/standard (last accessed May 21, 2026).
[14] *Compare* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder* (total Black-owned small bus. cont. dollars from Sept. 1, 2023 – Dec. 31, 2024), *with* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder* (total Black-owned small bus. cont. dollars from Jan. 20, 2025 – May 20, 2026) https://sam.gov/reports/awards/standard (last accessed May 21, 2026).
[15] *Compare* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder* (total Native American, Alaskan Native, & Native-Hawaiian-owned small bus. cont. dollars from Sept. 1, 2023 – Dec. 31, 2024), *with* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder* (Native American, Alaskan Native, & Native-Hawaiian-owned small bus. cont. dollars from Jan. 20, 2025 – May 20, 2026) https://sam.gov/reports/awards/standard (last accessed May 21, 2026).

- Contract dollars to Hispanic-owned small businesses are down **17%**.[16]

The U.S. government is the largest buyer of goods and services in the world, making federal contracting a critical source of economic opportunity for small businesses across the country.[17] But instead of investing in the American Dream, the Trump administration is blocking small businesses, especially women-owned, veteran-owned, and minority-owned, from accessing federal contracting dollars.

The Trump administration is doubling down on its war on small businesses by not only reducing contracting opportunities, but also by canceling existing, already-awarded work—creating even more instability and chaos for Main Street. Unlike billion-dollar corporations, small businesses operate on razor-thin margins and do not have the financial cushion to suddenly lose a federal contract.

Since Trump took office, **more than 65,000 contracts have been terminated** for convenience, meaning no justification was required. **More than 60% of those terminated contracts were held by small businesses**, creating a disproportionate strain on the backbone of our economy. Since Trump took office:

- **5,083 contracts to Native-owned small businesses** were canceled for convenience—**430% more** than were canceled under the Biden administration.
- **2,874 contracts to 8(a) small businesses** were canceled for convenience—**111% more** than were canceled under the Biden administration.
- **3,208 contracts to Black-owned small businesses** were canceled for convenience—**107% more** than were canceled under the Biden administration.
- **10,974 contracts to small, disadvantaged businesses** were canceled for convenience—**61% more** than were canceled under the Biden administration.
- **6,435 contracts to veteran and service-disabled veteran-owned small businesses** were canceled for convenience—**41% more** than were canceled under the Biden administration.

The result is clear: the Trump administration is creating a contracting catastrophe for small businesses.

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[16] *Compare* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder* (total Hispanic-owned small bus. cont. dollars from Sept. 1, 2023 – Dec. 31, 2024), *with* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder* (total Hispanic-owned small bus. cont. dollars from Jan. 20, 2025 – May 20, 2026) https://sam.gov/reports/awards/standard (last accessed May 21, 2026).

[17] U.S. Gen. Servs. Admin., Off. of Evaluation Sci., Increasing applications for contracting assistance among underserved small businesses through proactive outreach (2024), https://oes.gsa.gov/projects/2403-increasing-applications-for-contracting-assistance/.

**For Small Businesses, Trump's Policies are Death by a Million Cuts**

The Trump administration's attack on small business contracting is intentional—the result of deliberate policy choices designed to benefit Trump's billionaire buddies at the expense of hardworking small businesses and their communities.

***Reduced Federal Contracting Goals and Skewed Scorecards***

**President Trump is taking a sledgehammer to job opportunities for our most underserved small businesses**. Instead of supporting small business contractors, the Trump administration lowered the Biden administration's federal contracting goal of awarding 15% of all contracts to small businesses owned by socially and economically disadvantaged individuals, to 5%.[18] By reducing contracting goals, the Administration is sending contracting officers a message: those small businesses are not a priority—look elsewhere to fulfill the government's needs.

On top of this, the Trump administration is also changing the grading rubric for agencies on how successfully they award contracts to small businesses.[19] At a time when the Trump administration is already slashing contracting opportunities for small businesses, these scorecard changes will give agencies "easy A's" by:

- Giving participation points just for doing outreach to small businesses, regardless of whether agencies offer real contracting opportunities or not.
- Changing the standard from "socially and economically disadvantaged" to solely "economically disadvantaged," which would reduce the incentive for the federal government to partner with small businesses that have been historically discriminated against based on their ethnicity.
- Including veteran-owned small businesses in multiple categories, which would double-count certain instances of small business partnership and dilute the previous agency standard.
- Reducing the weight associated with an agency increasing the number of small business partners, which allows agencies to scrape by even if they provided opportunities to fewer small business contractors than the previous fiscal year.[20]

This new proposed scorecard will let agencies get their "easy A's" without doing the real work of providing opportunities to small businesses. For many small businesses, changing the small business contracting scorecard and reducing the contracting goals effectively slams the door in their faces.

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[18] Jason Miller, *SBA resets some small business goals for 2025,* Fed. News Network (Jan. 30, 2025), https://federalnewsnetwork.com/acquisition-policy/2025/01/sba-resets-some-small-business-goals-for-2025/.
[19] Jason Miller, *Is SBA moving the small business contracting goal posts?,* Fed. News Network (Apr. 22, 2026), https://federalnewsnetwork.com/acquisition-policy/2026/04/is-sba-moving-the-small-business-contracting-goal-posts/ [hereinafter FNN 4.22.26].
[20] *See* FNN 4.22.26, *supra* n. 19.

### *Fewer Approvals for Certifications*

Small businesses are able to access certain federal contracts by qualifying for specific certifications, such as being service-disabled veteran-owned. These certifications are essential, especially for disadvantaged small businesses, because they face a much higher barrier to entry when partnering with the federal government. Under the Trump administration, approvals for these key certifications—businesses owned by socially and economically disadvantaged individuals, women, veterans, service-disabled veterans, or businesses located in a HUBZone—are **down 14%** in total.[21] Some small business certification categories are particularly glaring. 8(a) certification approvals for small businesses owned by socially and economically disadvantaged individuals are **down 92%** with no approvals since August 2025.[22] And, veteran and service-disabled veteran certification approvals are **down 20%**.[23]

Without these certifications, eligible small businesses are locked out of specific job opportunities that the federal government is supposed to set aside for them.

## Trump's Contracting Catastrophe is Turning Main Street into Pain Street

**The numbers tell a clear story: Trump's contracting catastrophe is turning Main Street into Pain Street**. The Administration's cruel and callous policies have led to fewer contracts for small businesses, fewer opportunities for veteran, women, and minority-owned firms, and more instability caused by canceled contracts, weakened contracting goals, new scorecard changes, and delayed certifications. None of these outcomes are a coincidence. Rather, they are the result of deliberate policy choices that prioritize large corporations and President Trump's billionaire buddies over hardworking entrepreneurs.

**But we cannot agonize. We must organize and fight back against the Trump administration's contracting catastrophe to give America's small businesses a fair shot at working with the federal government**. The largest buyer of goods and services in the world cannot be a piggy bank for Trump's MAGA loyalists. We cannot allow this administration to continue to shut out small businesses and make the pain on Main Street permanent.

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[21] *Compare* U.S. Small Bus. Admin., *Small Bus. Search* (total 8(a), WOSB, VOSB and SDVOSB, and HUBZone certifications from Sept. 1, 2023 – Dec. 31, 2024), *with* U.S. Small Bus. Admin., *Small Bus. Search* (total 8(a), WOSB, VOSB and SDVOSB, and HUBZone certifications from Jan. 20, 2025 – May 20, 2026) https://search.certifications.sba.gov/ (last accessed May 21, 2026).

[22] *Compare* U.S. Small Bus. Admin., *Small Bus. Search* (total 8(a) certifications for soc. and econ. disadvantaged small bus. owners from Sept. 1, 2023 – Dec. 31, 2024), *with* U.S. Small Bus. Admin., *Small Bus. Search* (total 8(a) certifications for soc. and econ. disadvantaged small bus. owners from Jan. 20, 2025 – May 20, 2026) https://search.certifications.sba.gov/ (last accessed May 21, 2026).

[23] *Compare* U.S. Small Bus. Admin., *Small Bus. Search* (total VOSB & SDVOSB certifications from Sept. 1, 2023 – Dec. 31, 2024), *with* U.S. Small Bus. Admin., *Small Bus. Search* (total VOSB & SDVOSB certifications from Jan. 20, 2025 – May 20, 2026) https://search.certifications.sba.gov/ (last accessed May 21, 2026).

## Appendix 1
## State-by-State Contracting Dollars [24]

| State | Biden Dollars | Trump Dollars | $ Difference | % Difference |
|---|---|---|---|---|
| American Samoa | $2,964,955 | $280,223 | -$2,684,732 | -91% |
| Delaware | $403,702,089 | $230,634,115 | -$173,067,973 | -43% |
| Maine | $367,093,135 | $212,212,324 | -$154,880,811 | -42% |
| Indiana | $1,673,033,575 | $1,020,035,574 | -$652,998,001 | -39% |
| Hawaii | $2,355,905,630 | $1,505,182,892 | -$850,722,738 | -36% |
| District of Columbia | $3,831,181,760 | $2,514,124,005 | -$1,317,057,755 | -34% |
| Vermont | $263,668,081 | $179,199,018 | -$84,469,063 | -32% |
| North Dakota | $468,430,410 | $324,595,938 | -$143,834,472 | -31% |
| Minnesota | $1,233,797,350 | $856,056,826 | -$377,740,524 | -31% |
| Oregon | $2,481,267,829 | $1,738,458,485 | -$742,809,344 | -30% |
| Mississippi | $938,233,829 | $658,082,650 | -$280,151,178 | -30% |
| Arkansas | $437,726,751 | $314,683,198 | -$123,043,554 | -28% |
| Massachusetts | $6,134,526,739 | $4,425,165,098 | -$1,709,361,641 | -28% |
| Wisconsin | $2,253,837,371 | $1,628,172,853 | -$625,664,518 | -28% |
| New York | $5,560,293,943 | $4,031,715,603 | -$1,528,578,340 | -27% |
| Tennessee | $2,347,551,439 | $1,708,238,199 | -$639,313,240 | -27% |
| Georgia | $4,626,151,942 | $3,384,392,778 | -$1,241,759,164 | -27% |
| South Carolina | $2,402,218,262 | $1,786,882,880 | -$615,335,382 | -26% |
| Louisiana | $2,695,319,665 | $2,040,467,034 | -$654,852,631 | -24% |
| Kentucky | $1,748,266,940 | $1,349,605,411 | -$398,661,528 | -23% |
| Pennsylvania | $3,802,813,398 | $2,947,309,675 | -$855,503,722 | -22% |
| Michigan | $2,845,708,971 | $2,212,743,384 | -$632,965,587 | -22% |
| Maryland | $21,789,506,884 | $17,018,502,078 | -$4,771,004,806 | -22% |
| Ohio | $5,614,646,754 | $4,420,997,768 | -$1,193,648,986 | -21% |
| Utah | $1,767,536,063 | $1,410,523,797 | -$357,012,266 | -20% |
| Florida | $12,114,658,683 | $9,782,282,608 | -$2,332,376,074 | -19% |
| Arizona | $2,590,995,790 | $2,109,207,670 | -$481,788,119 | -19% |
| Idaho | $1,192,885,467 | $978,981,731 | -$213,903,736 | -18% |
| Oklahoma | $4,301,535,261 | $3,555,621,650 | -$745,913,611 | -17% |
| Colorado | $6,252,758,035 | $5,170,192,515 | -$1,082,565,520 | -17% |
| New Mexico | $1,716,614,414 | $1,438,001,515 | -$278,612,899 | -16% |

[24] *Compare* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder* (total small bus. cont. dollars by state from Sept. 1, 2023 – Dec. 31, 2024), *with* U.S. Gen. Servs. Admin., *SAM.gov Cont. Data Rep. Builder* (total small bus. cont. dollars by state from Jan. 20, 2025 – May 20, 2026) https://sam.gov/reports/awards/standard (last accessed May 26, 2026).

| | | | | |
|---|---|---|---|---|
| Nebraska | $1,116,247,903 | $943,565,492 | -$172,682,411 | -15% |
| New Jersey | $4,529,529,760 | $3,861,956,874 | -$667,572,886 | -15% |
| Alaska | $9,803,002,418 | $8,384,463,923 | -$1,418,538,495 | -14% |
| California | $19,025,462,257 | $16,447,231,847 | -$2,578,230,409 | -14% |
| Washington | $3,147,345,346 | $2,732,149,105 | -$415,196,241 | -13% |
| Illinois | $5,861,649,083 | $5,116,726,372 | -$744,922,711 | -13% |
| West Virginia | $810,727,569 | $708,103,180 | -$102,624,389 | -13% |
| Virginia | $57,889,712,252 | $50,717,528,768 | -$7,172,183,485 | -12% |
| Rhode Island | $378,054,383 | $333,977,716 | -$44,076,667 | -12% |
| Guam | $926,843,525 | $820,531,185 | -$106,312,340 | -11% |
| Missouri | $2,054,216,667 | $1,821,973,610 | -$232,243,057 | -11% |
| Wyoming | $265,190,338 | $237,519,434 | -$27,670,904 | -10% |
| Texas | $12,187,989,143 | $10,978,316,845 | -$1,209,672,298 | -10% |
| Alabama | $8,362,218,454 | $7,561,377,612 | -$800,840,842 | -10% |
| Connecticut | $1,014,665,470 | $920,112,448 | -$94,553,022 | -9% |
| Montana | $1,087,561,696 | $993,654,958 | -$93,906,738 | -9% |
| North Carolina | $2,964,632,574 | $2,758,515,954 | -$206,116,620 | -7% |
| South Dakota | $752,856,109 | $716,166,355 | -$36,689,754 | -5% |
| Kansas | $892,010,346 | $982,889,438 | $90,879,092 | 10% |
| New Hampshire | $781,411,944 | $900,454,728 | $119,042,784 | 15% |
| Northern Mariana Islands | $28,034,475 | $32,812,482 | $4,778,007 | 17% |
| Iowa | $433,817,038 | $525,377,980 | $91,560,942 | 21% |
| Nevada | $1,342,344,730 | $1,673,247,435 | $330,902,704 | 25% |
| Puerto Rico | $550,185,643 | $686,132,860 | $135,947,218 | 25% |
| Virgin Islands of The U.S. | $12,409,686 | $32,788,428 | $20,378,742 | 164% |