The First-Time Business Buyer Program

A Cost-Neutral Program Proposal for City Councils, Mayors and Local Governments to Save Local Jobs During the Silver Tsunami

Executive Summary

Every city has small businesses that took decades to build. Barber shops. Auto repair garages. Restaurants. Cleaning companies. Manufacturing shops. Right now, the owners of many of these businesses are getting ready to retire. Most of them have no plan for what happens next.

This wave of retirements is called the Silver Tsunami. Millions of Baby Boomer business owners across the country are approaching retirement age, and most have not lined up a buyer. When a business closes because there is no buyer, the city loses jobs, tax revenue, and a piece of its economy that took years to build.

This paper asks city councils and mayors to create a **First-Time Business Buyer Program**. It works like a First-Time Homebuyer Program, but instead of helping someone buy a house, it helps someone buy an existing local business.

The most important part of this proposal is simple: it does not require new taxes. The city would reallocate 20 to 30 percent of the money it already spends helping people start brand-new businesses, and redirect that money to help people buy businesses that already exist. This money would fund down payment assistance and short-term tax breaks for new business buyers.

1. The Problem: The Silver Tsunami

About half of small business owners in the United States are 55 years old or older. Only about half of those owners have a plan for what happens to their business when they retire.

Research groups that study this problem, including Project Equity and the McKinsey Institute for Economic Mobility, estimate that millions of small businesses will change hands over the next ten years. McKinsey's February 2026 report on this issue found that in 2022, 92 percent of small business owners who exited their business simply closed it down, instead of selling it to a new owner.

When a business closes instead of selling, the city loses:

- Jobs. Employees lose their paychecks, sometimes with no notice.
- Tax revenue. Property tax, sales tax, and payroll tax all disappear.
- Community wealth. Long-standing businesses are often anchors in a neighborhood. When they close, the whole block feels it.

This risk is not evenly spread across the country. It hits mid-size cities and legacy business corridors the hardest, the same neighborhoods where Achievers Network works through the ETA Accelerator.

2. Why Buying a Business Is a Safer Bet Than Starting One

Entrepreneurship Through Acquisition, or ETA, means buying an existing business instead of starting a new one. This is the model Achievers Network teaches through the ETA Accelerator, and the data backs it up.

Acquired businesses survive longer

Federal data shows that about half of new businesses fail within five years. Businesses that are bought instead of started from scratch survive at a much higher rate, commonly estimated between 70 and 80 percent after five years. That is because an acquired business already has paying customers, trained employees, and a track record a bank can evaluate.

Lenders trust acquisitions

In 2025, loans backed by the U.S. Small Business Administration for business acquisitions had a default rate of under 2 percent. That is lower than the default rate for other types of SBA loans. Lenders are already voting with their money that acquisitions are a safer bet.

Ownership builds wealth

Families who own a business have a median net worth several times higher than families who do not. For entrepreneurs from underserved communities, buying an existing business is often a faster and more reliable path to building wealth than starting from zero. Closing the ownership gap for women and minority entrepreneurs could unlock trillions of dollars in new household wealth nationwide.

3. The Model: Borrow What Already Works for Homebuyers

Cities across the country already run First-Time Homebuyer Programs. These programs give a first-time buyer help with a down payment so they can qualify for a mortgage on a home. The First-Time Business Buyer Program would use the same basic structure, just applied to buying a business instead of a house.

Program Feature	First-Time Homebuyer Program	First-Time Business Buyer Program
Down payment help	Forgivable or deferred loan toward a home down payment	Forgivable or deferred loan toward a business acquisition down payment
Required training	HUD-approved homebuyer education class	ETA Accelerator buyer-readiness training
Eligibility	First-time buyer, income limits apply	First-time business buyer, income and readiness limits apply
Protecting the city's investment	Buyer must live in the home for a set number of years or repay the assistance	Buyer must keep the business open locally and retain jobs, or repay the assistance

4. How the Program Would Work

The proposed program has three parts. All three can be introduced together, or phased in over time.

1. Down payment assistance. The city offers a forgivable or deferred loan to help a first-time buyer cover their equity contribution on an SBA-backed acquisition loan. A typical SBA acquisition loan only requires 10 percent equity from the buyer, so a modest city grant of $25,000 to $150,000 can be enough to help someone acquire a business worth $500,000 to $2 million.

2. Short-term tax relief. New buyers get a temporary break on local payroll tax or business license fees, for example full relief in years one and two, phasing out by year five. This break is tied to the buyer keeping the business's existing jobs in the city.
3. Buyer-readiness training. Just like a homebuyer must complete an education class, a business buyer must complete training through the ETA Accelerator before receiving city assistance. This protects the buyer and the city's investment by making sure the new owner is prepared.

Protecting the public's money

Just like homebuyer programs require a buyer to stay in the home for a set number of years, this program would require the buyer to keep the business open locally and retain its jobs for a set period, such as five years. If the buyer sells early or moves the jobs out of the city, the assistance would need to be repaid.

5. Paying for It Without Raising Taxes

Cities already spend money every year to support entrepreneurship. This usually goes toward grants, loans, incubators, and pitch competitions for brand-new startups. Very little of it goes toward helping someone buy a business that already exists.

This proposal does not ask the city to raise a single new dollar in taxes. Instead, it asks the city to reallocate 20 to 30 percent of its existing entrepreneurship support budget away from new-business grants and loans, and toward this new down payment assistance and tax relief program.

This is a reasonable ask for two reasons. First, research on economic development spending shows that a large share of business subsidies nationwide go toward large companies relocating or expanding, not toward small, local businesses. Second, research also shows that a majority of businesses that receive attraction incentives would have made the same decision anyway, meaning that money often is not doing what it was intended to do. Redirecting a portion of the city's own entrepreneurship budget toward a safer, higher-success investment, buying an existing business rather than betting on a new one, is a better use of funds the city has already committed to spend.

6. Precedent: Other Cities Are Already Moving This Direction

No U.S. city yet runs an official First-Time Business Buyer Program by that name. That means a city that acts now can be a national leader. But related programs already show that pieces of this idea work in practice.

- Miami's Collective Real Estate Ownership program offered forgivable loans for down payments on shared commercial space, and program leaders publicly said they built it by copying the first-time homebuyer model.
- The National League of Cities partnered with several cities, including Atlanta and Durham, on programs that help businesses convert to employee ownership as a succession tool.
- Colorado runs a state tax credit that covers up to half the cost of converting a business to employee ownership, funded through the state budget.
- Texas and Indiana both allow local governments to grant payroll and property tax abatements specifically to retain existing businesses and their jobs, not just to attract new ones.

These examples show that every piece of this proposal, down payment assistance, tax abatement for retention, and buyer training, already has precedent somewhere in the country. This program simply combines them into one clear package built for business buyers.

7. Benefits to the City

- Jobs stay local. Retaining an existing business protects every job already on its payroll.
- Taxes are protected. A business that stays open keeps generating property tax, sales tax, & payroll tax.
- Locally owned businesses recirculate more money in the local economy than businesses owned from out of town. Studies on this local multiplier effect consistently find that independent, locally owned businesses return two to four times more money to the local economy than chains or absentee owners.
- The program builds wealth for underserved residents by giving them a lower-risk path into business ownership, which helps close the racial and gender wealth gap in the city.
- The program prevents displacement. Community-serving businesses stay rooted in their neighborhoods instead of being sold to buyers from outside the community.

8. Recommended Path Forward

Stage 1: Build the evidence base (0 to 6 months)

Use city business license data to count how many local businesses are owned by someone 55 or older, and how many jobs and how much tax revenue those businesses represent. Design the pilot program using the city's existing First-Time Homebuyer Program as the template.

Stage 2: Launch a pilot program (6 to 18 months)

Roll out down payment assistance, buyer-readiness training through the ETA Accelerator, and a phased-out payroll or license fee break, in one or two neighborhoods or business corridors first. Aim for 5 to 15 completed acquisitions in the pilot.

Stage 3: Measure results, then expand (18 to 36 months)

Track how many of the businesses are still open, how many jobs were kept, and how much tax revenue was protected. If the pilot performs well, expand it citywide and invite other cities and the state to follow.

9. A Note on the Numbers

Different research groups estimate the size of the Silver Tsunami differently, depending on how they define which businesses are at risk. This paper uses ranges rather than exact numbers for that reason. It is also worth noting that as of March 2026, SBA acquisition loans require the business to be 100 percent owned by U.S. citizens, which is a factor city leaders should plan around when designing eligibility rules for immigrant-owned businesses in their community.

10. Call to Action

Achievers Network is ready to partner with city leaders to design, launch, and staff a First-Time Business Buyer Program. Our ETA Accelerator already trains buyers to be ready for this kind of opportunity. We are asking city councils and mayors to commit to Stage 1 of this plan within the next budget cycle: count the businesses at risk, and reallocate 20 to 30 percent of existing entrepreneurship funding toward this program.