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Why Trump Tagged Linda McMahon to Lead Small Business Administration

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If there were any lingering doubts about the close relationship between the reality TV presidency of Donald Trump and the unreal world of pro wrestling, the appointment of former WWE CEO Linda McMahon to head the Small Business Administration ought to erase them.

Linda McMahon and her husband Vince have long supported Trump's activities, co-promoting events with him and donating millions to the Donald J. Trump foundation between 2004 and 2014. Trump, for his part, contributed to her two failed Connecticut senate campaigns and has even served as an in-ring adversary for Vince McMahon, shaving the musclebound billionaire's head at WrestleMania 23.

Given the WWE's sometimes questionable business practices and McMahon's own free-market and limited-government beliefs, her appointment to head a government agency with a \$700 million dollar budget will likely further upset those already critical of the lobbyists, political insiders, and far-right journalists who have joined Trump's administration. Aside from her two losing bids for the Senate, which she financed with \$50 million of her own money, McMahon's government experience consists of a year spent on the Connecticut Board of Education.

The SBA offers government-backed loans to individuals hoping to start small businesses, including tech start-ups through its Small Business Innovation Research and Small Business Technology Transfer initiatives. It also ensures that small businesses receive consideration for prime federal contracts, with a special emphasis placed on awarding contracts to women and service-disabled veterans. The libertarian-leaning Cato Institute has harshly criticized both programs, describing the loans awarded by the former as "corporate welfare for the banking industry" and the latter as benefitting "a relatively tiny number of small businesses at the expense of the vast majority."

Linda McMahon, who like her husband Vince grew up in eastern North Carolina, graduated from East Carolina University and then endured many lean years before the couple purchased the family wrestling business in 1982. In 2010, McMahon told *Business Insider* that her experiences during that period, which included a bankruptcy and a stint on food stamps, allowed her to empathize with the struggles of working-class individuals. "It's humiliating," she said of her time on government assistance.

As for the many health and safety complaints lodged by WWE wrestlers—independent contractors who pay for their own travel expenses and who are usually forced to go without insurance or purchase their own—McMahon has repeatedly said that the company addresses these problems internally, thereby making government regulation or oversight of the industry unnecessary. The various reforms undertaken by the WWE over the past decade include a ban on blading (intentionally bleeding during matches) and direct chair shots to the head, improved concussion protocols, and a much-improved drug testing program for full-time wrestlers. Last month, a Connecticut judge dismissed two wrongful death lawsuits brought against the WWE by attorney Konstantine Kyros on behalf of Nelson (King Mabel) Frazier and Matthew (Doink the Clown) Osborne, though other cases filed by Kyros are still pending.

The WWE, a publicly traded corporation of which the McMahons own a controlling 52% stake, has experienced significant fluctuations in its stock price since 2014, when it moved from a pay-per-view business model to one based on subscriptions to its streaming WWE Network service. However, the recent sale of the UFC for \$4 billion dollars suggests that the WWE, which also reports annual revenue in the \$600 million range, could be worth as much as \$3.5 billion. According to the *Stamford Advocate*, the WWE now employs 840 employees, not counting the 100 or so wrestlers on its roster (who are, like tech and writing freelancers, classified as independent contractors).

Long-time wrestling observers were unsurprised by this move, given the extent and duration of Trump's relationship with the McMahons. "This is yet another sign people should be looking to us for Trump analysis," wrestling blogger Jim Jividen told Motherboard. "If anyone out there understands the perils awaiting an organization run by a grandstanding millionaire who should be a billionaire, along with his doofus son-in-law, it's a wrestling fan."