

Remarks as prepared

**MEDWeek Administrator's Luncheon & Awards  
Washington, DC  
August 28, 2009**

**Remarks as Prepared for  
Karen G. Mills, SBA Administrator**



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Thank you for that introduction. What a great week it has been. The theme of this week has been “energizing the American economy.”

We heard from the Vice President... We heard from Magic Johnson... And we heard from many of the leaders in our nation’s capital.

And today, we have a President who really “gets it” when it comes to small business. He talks about how small businesses are born in “family meetings around kitchen tables.” They’re the “heart of our economy.”

Overall, this Administration is sending a clear message: minority-owned small businesses are playing a crucial role in getting us out of recession and into recovery.

At the SBA, we believe in the power and the potential of minority-owned small businesses.

We know that small businesses create the majority of private sector jobs each year in the U.S. More than half of working Americans own or work for a small business. And small businesses drive competitiveness, innovation, and 21<sup>st</sup> century jobs.

Today, the SBA is working to make sure minority-owned businesses can not only survive – *but grow* – in these difficult times.

We have three priorities to help us do just that.

1. implementing the Recovery Act,
2. reinvigorating the SBA team and its partners, and
3. serving as the strongest possible voice for America’s small business community.

*First – the Recovery Act – the economic stimulus.*

In October, credit lines froze. Small businesses were struggling to find capital.

Congress and Administration understood that the small business community needed a little extra help. They included over \$700 million for the SBA in the Recovery Act.

It’s been 6 months. This has been a smart investment. And we’ve been able to get the money out there into the hands of small businesses – and it’s working.

In March we made two important changes to top two loan programs.

1. We reduced or eliminated many of the fees in our 7(a) and 504 loan programs. We wanted you to keep more of your own money – and reinvest that money in your business.

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2. We increased the federal backing on our 7(a) loans up to 90% so more lenders would offer SBA loans.

As a result of those two temporary changes, capital has started to flow again. The results are clear: nearly 1,000 lenders have come back to SBA lending who had not participated since October. More than half of those hadn't made SBA loans since 2007. This has created a bigger network – more points of access for customers.

Our loan volume is up more than 50% compared to the two months before the stimulus passed. That means we have supported over \$9 billion in lending so far, with July being the highest in nearly a year.

I'm very proud to say that in the first 6 months of the stimulus, nearly 5,500 of these SBA loans have gone to minority-owned small businesses. Do you know how much that is? It's \$2.2 billion.

This is part of who we are and what we do. In fact, the Urban Institute said that the SBA is 3 to 5 times more likely to make a loan to minority or women-owned small business than a conventional banker.

And the best part about our progress so far is this: Borrowers are reporting that these loans are saving and creating tens of thousands of jobs around the country.

And as you've heard this week – *we're not stopping there*

With the stimulus, we're renewing our commitment to federal contracting with small business.

We're working across federal government to ensure small businesses can deliver at least 23% of federal contracts – with goals for businesses owned by minorities, women, and veterans.

This is a win-win. Minority-owned businesses get increased volume, sales, and hires. They get a “lift” to be competitive in the global marketplace... And federal agencies get to work with innovative, nimble, and responsive companies – often with a direct line to the CEO.

So far, more than 20% of stimulus contracts have gone to small businesses – and we're hitting many of our targets. In fact, nearly half of these (over 9%) are going to minority-owned small businesses – nearly \$1 billion. (When you add minority-owned firms of all sizes, it comes to more than 13% or \$1.3 billion)

Last week, we announced a government wide outreach effort to build on this success over the next 90 days. We're going to work with our procurement partners throughout the government and the country.

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We'll be training small business owners and matchmaking at over 200 events... helping put contracts in the hands of people like you.

In the announcement for this push, the President himself said that providing the maximum practicable opportunity for small business contracting is "essential." And the Vice President said that the Administration is "committed to ensuring that small and minority-owned businesses are part of our economic recovery every step of the way."

Billions more in contracts are coming down the pipe, so this push couldn't come at a better time.

Today, I want to encourage *you* to actively market your products and services to those agencies. And I am pleased to hear that many of you have been doing just that while here in DC.

With both lending and contracting in the Recovery Act: We're giving taxpayers a big bang for the buck... We're putting the brakes on this recession...and we're doing it side-by-side with minority-owned small businesses.

*We are also reinvigorating our agency and investing in our strong network of partners to better serve minority-owned small businesses.*

The SBA has a great "bone structure."

It starts with more than 2,000 employees at 68 district offices around the country. We add to that more than 1,200 on-call employees who help when disaster strikes.

In addition, we have our resource partners: about 900 small business development centers, 100 women's business centers, and 350 chapters of our mentoring program, SCORE.

These people are working harder than ever to help businesses survive and grow. In fact, our Entrepreneurial Development services are up about 4 percent over last fiscal year.

And within this vast bone structure, we have some very important people...

In contracting, for example, we have dozens of Procurement Center Representatives stationed at federal facilities around the country. I encourage you to reach out and connect with them.

Truly, we are pushing to ensure that *all* of our people and all of our federal partners are ready to meet the needs of minority-owned small businesses.

To recap: We are driving the Recovery... We are reinvigorating the SBA bone structure...

*Finally, the SBA must serve as the strongest voice for small business.*

America's small businesses have a seat at the table in this Administration... and we are taking action to show the important value of small businesses.

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We're working with hard-hit industries like automotive suppliers in Michigan – and we're helping them shift to meet the need for robotics technology in the Department of Defense.

We're working with the Department of Energy to build on the groundswell of startup firms that are creating green jobs in renewable energy.

And, of course, we're supporting efforts by our partners at the Department of Commerce at events like this.

We need to build on this... by creating an environment where all kinds of small businesses can flourish – from Main Street to high-growth businesses.

And that means we need to tackle tough issues... For example, the #1 concern of small business owners is access to affordable health care for their employees...

13 million of the uninsured come from small businesses with less than 100 workers. You pay up to 18% more per employee than large firms.

We know that small businesses are like families. You want to provide coverage, but it's a huge burden – especially in this economy.

The current situation is untenable. There are options on the table and they're working their way through Congress.

And we know this: We must have reform that provides access to affordable healthcare for small business owners and their employees.

On this issue and others, the SBA's voice in Washington is strong. And it will become stronger every day because of small business leaders like you.

And my commitment to you is that we will accomplish our priorities working side-by-side with America's 4 million minority-owned small businesses.

[PRESENT AWARDS & CLOSE]