

**Remarks to the American Legion
8/26/09 – Louisville, Kentucky
As Prepared for Karen Mills, SBA Administrator**

**The American Legion 91st Annual Convention
Louisville, Kentucky
August 26, 2009**

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Thank you, National Commander Rehbein for that introduction and for your service. Good morning everyone! It's an honor to be with all of you.

As the commander mentioned, I am from the great state of Maine – or should I say “the great *Department*” of Maine. We are proud to have about 175 posts and 25,000 Legionnaires under Commander Andy Olson. Some are here today.

As you may know, Maine stretches further east than any state. We have an airport that is a key departure and arrival point for troops serving abroad – Bangor International. With all the troops coming and going from across the country, the American Legion organized the Maine Troop Greeters. Sen. Olympia Snowe calls them the “very best of Maine” and I couldn't agree more. Since 2003, they've been at the airport to greet about 4,000 flights and 800,000 troops.

I will come back to the Troop Greeters later, but I want to start by simply saying “thank you” to the American Legion for the many ways you provide support to our troops and their families.

The Legion knows that our veterans deserve the best our country has to offer. Our President and the U.S. Small Business Administration share that vision... and we believe it includes the opportunity for veterans who have *fought* for the American Dream... to *live* the American Dream.

Already, more than 3 million small businesses are owned by veterans. As President Obama has said, these businesses are born in “family meetings around kitchen tables”... They're the “heart of our economy.”

In fact, we know that: small businesses create the majority of private sector jobs every year in the U.S. More than half of working Americans own or work for a small business. And, throughout history, small businesses have helped lead our nation out of recession and into recovery.

Today, they are gearing up to do it again, and veteran-owned small businesses are playing a crucial role.

As we move forward together, at the SBA, we have three priorities: implementing the Recovery Act, reinvigorating the SBA team and its partners, and serving as the strongest possible voice for America's small business community.

First – the Recovery Act – the economic stimulus.

In October, credit lines were cut. Many businesses found themselves struggling to find the money to survive. I'm sure that many of the veterans here have either owned or worked for a small business. It's hard work. Sometimes you need a local bank or credit union to get started... to help you grow... or to help get through tough times.

That's where the SBA comes in. We have thousands of lending partners who offer SBA loans backed by the federal government.

It's a strong partnership. In fact, the banks use SBA loans guarantees to lend about a billion dollars every year to veteran-owned businesses.

This year, we knew the small business community needed a little extra help. That's part of the reason why Congress and the Administration made the Recovery Act happen.

It allowed the SBA to make two important changes to our top loan programs. First, we reduced or eliminated some of the loan fees so that small businesses could keep more of their own money. Second, we increased the federal backing on these loans up to 90% so that more lenders would offer SBA loans. As a result of those two temporary changes, money has started to flow again.

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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.

I'm very proud to say that in the first 6 months of the stimulus, more than 2,500 of these SBA loans have gone to America's veterans. Do you know how much that is? It's \$588 million – well over half a billion dollars – in lending support to veteran entrepreneurs and small business owners.

We're particularly proud of the SBA's Patriot Express Loan pilot initiative. It is only for the military community – and it has our lowest interest rates. Under the stimulus, we've issued more than 1,200 Patriot Express loans totaling \$90 million. And it's called "Express" for a good reason. After a bank approves a loan, the SBA can often approve the application within 24 hours. This gets you the capital you need... *when* you need it.

And the best part about all of the SBA lending programs is this: Borrowers are reporting that these loans are saving and creating tens of thousands of jobs around the country.

But we're not stopping there.

The stimulus also provides an opportunity to renew our commitment to federal contracting. We're making sure small businesses have the opportunities to deliver at least 23% of federal contracts.

And, we know that veteran-owned businesses play a critical role in meeting our nation's needs with the Department of Defense, the Veteran's Administration and others.

That's why, last week, the Administration announced that Commerce Secretary Locke and I would lead a government-wide outreach effort. The President himself said that providing these opportunities is "essential."

Over the next 90 days, our procurement partners will be part of outreach events around the country. They'll be matchmaking, helping to put contracts in the hands of small businesses and those owned by veterans, women, and minorities.

We will encourage veteran-owned businesses to actively market their products and services to those agencies. In fact, we're part of the small business workshop and matchmaking session that is happening right here at this conference!

Already, billions of stimulus contracting dollars are flowing and small businesses have over 20%. And, I'm very pleased to say that Recovery Act contracts are currently hitting our goals for veteran owned businesses... with half of those contracts to service-disabled vet-owned businesses.

In my opinion, it's *obvious* that contracting with veteran-owned small businesses is a win-win. Veteran-owned businesses benefit with increased volume, sales, and hires – including hiring other veterans. Federal agencies benefit from working with innovative, nimble, and responsive companies – often with a direct line to the CEO.

And when that CEO is a member of the Legion, it's particularly valuable. Agencies know they are working with someone who understands that a federal contract is an opportunity to live the American Legion motto: "still serving America."

And I should mention one more thing. You may have heard about a couple of decisions recently that would have given preference to one contracting program over our service-disabled veterans. The SBA said that isn't right. I'm very pleased to announce that just last Friday, the Department of Justice upheld the SBA's position in saying that SBA contracting programs must have a level playing field for service-disabled veteran-owned businesses.

With both lending and contracting in the Recovery Act...we will get there... we will put the brakes on this recession...and we will do it arm-in-arm with veteran-owned small businesses.

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We also need to reinvigorate our agency and create a stronger SBA team.

Our men and women of the armed forces know what teamwork is all about. Having a good team is critical to the success of their mission.

Similarly, the SBA is focused on becoming a stronger team in order to serve our veterans the best we can.

It starts with more than 2,000 employees at 68 SBA district offices around the country. Each office has a designated staff member for veteran's business development.

We add to that our partners: about 900 small business development centers, 100 women's business centers, and 350 chapters of our mentoring program, SCORE. So far this fiscal year, these three programs have already helped train and counsel more than 50,000 veterans, including many of our nation's 2 million women veterans.

And we also look to the experts at our veteran's business outreach centers. They help with business plans, feasibility studies, mentoring and more – especially for veterans. Last year, we had 5 of those centers. Now we have 8 in key regions throughout the U.S.

If you add it all up, each year the SBA assists more than 200,000 veterans, service-disabled veterans and reservists. And I want to thank our Associate Administrator for Veterans Business Development Bill Elmore for leading that charge.

Overall demand for these services is up about 4 percent compared to last year.

That's why we are making investments in two areas: technology and people...

With technology, we already know that veterans are heavy users of online tools such as our Small Business Training Network. In fact, 65,000 vets have used it this already this year. We will continue to strengthen our IT tools that veterans use and value.

And our people – the SBA's diverse workforce – remain our strongest asset. We are very proud to have about 350 veterans working at the SBA. In addition, 367 veterans are on-call as part of our disaster assistance team – ready to help communities recover from disaster.

We are training these employees to develop new skills and leadership roles... And we are pushing to ensure that *all* of our employees and our partners are ready to serve returning troops.

For example, we know that thousands of troops have been returning from Iraq. We also know that 18% of veterans are still unemployed one to three years after they return. The good news is that veterans have a higher-than-average rate of self-employment. They have the leadership, the know-how, and the drive to succeed as entrepreneurs.

Today, my commitment to you is this. When they come home, the SBA team will be ready to serve them as they have served us.

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

Under the Obama Administration, America's small businesses have a seat at the table... We are speaking out about the high value that veteran-owned small businesses provide. We know that you understand the importance of U.S. competitiveness... and we know that you are helping move America forward with our national priorities.

The track record of veterans in small business is no accident. The Legion has built this track record over time. The Legion's role with the G.I. Bill of 1944 is a great example... In fact, we saw this spirit renewed just a few weeks ago when the 21st century G.I. Bill went into effect. In my opinion, sending our veterans, reservists, and guard members to college is one of the smartest investments we can make in the American Dream. When we equip veterans with the education, the experience, and the SBA tools to succeed, we see powerful stories emerge.

For example: Andy Harold in Jacksonville, Florida. After serving 10 years as a Navy helicopter pilot, Andy went to work for a company that did helicopter training for the

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Department of Defense. Then, he started his own firm... and he entered our 8(a) program which helps economically and socially disadvantaged individuals prepare for contracting. Then, with the help of SBA loans, he landed contracts with the Marine Corps and the Army.

His company grew from just himself in 2003... to 39 employees today... all the while helping meet our national defense goals. I should mention that we just heard this week that Andy is getting called back to active duty in Norfolk. So, he's looking into a unique SBA loan program for reservists who need to suddenly leave their business to serve their country.

So, is Andy "still serving America"? He sure is... in more ways than one.

And, I know that later today you will be honoring a number of small and large business owners for their leadership. I congratulate all of the winners.

At the SBA, we know that America can and *should* look to veterans for big ideas that result in 21st century jobs. We want to hear your ideas... we want to be part of your success story... and we want to serve as a strong voice for you in Washington.

After all, we know that veteran-owned small businesses not only help rebuild our economy... but also make America a stronger, more resourceful and more influential nation.

Truly, the SBA is aiming to serve veterans better in all that we do: with Recovery Act loans and contracts...by reinvigorating our SBA team... and by serving as the strongest possible voice for small business

Like you, we are inspired every day by our troops.

Back to the Troop Greeters. The Department of Maine recently printed this letter in its newsletter. The writer says, "I can't tell you how much it meant to me to be greeted by the many veterans and volunteers at the Bangor International Airport on my way home from the desert. I just [heard] that you are still there – day and night – to greet our troops. [...] I had to write to say thank you. [I am] so grateful for your sense of American spirit and dedication. [Signed] a very grateful member of the United States Air Force."

Whether our troops are *headed out* or *coming home*... it is great to know that the 4 million members of the American Legion family are still serving them... and still serving America.

Today, the SBA stands beside you – ready to shake hands with a veteran – ready to help them pursue and achieve the American Dream. Thank you to the veterans here today who are helping strengthen America's small business community. And thank you all for your service to our country – especially the service-disabled veterans who are with us today.

It has truly been an honor.

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