

**U.S. Hispanic Chamber of Commerce**  
**“Latina Leaders” Luncheon**  
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Denver, Colorado

Remarks as Prepared for:  
Karen Mills, SBA Administrator



Thank you. It's great to be here. I want to recognize a strong voice for small businesses, green jobs, the Latino community, and everyone here in Colorado. Thank you, Gov. Ritter. I want to thank: the Women's Business Enterprise National Council, the Co-Chairs of the Latina Summit, and the – of course – the Hispanic Chamber. It's an honor to be with all of you.

Let me begin with a story. Back in 1985, a young Latina woman moved from Mexico City to Houston. She had a son and she wanted to send him to a good school, but she needed a little extra money. So, she did what millions of Americans have done throughout history: She started her own business.

Specifically, she began translating documents from English to Spanish. She worked hard and paid off the school bill... and a funny thing happened: the business kept growing. In fact, she soon had 75 people translating in 25 different languages.

But then, she started using her personal credit cards to finance some of her contracts. She knew that it probably wasn't the best way to manage her capital – but she simply didn't know where to go for advice. Quick show of hands: How many of you have heard of a small business owner who could've used a little more help at a juncture like this? Perhaps you yourself have been in that position.

I'll come back to this story later, but the good news is that we have a strong SBA... and we have a President who "gets it" when it comes to small business. The President talks about small businesses that are born in "family meetings around kitchen tables." He calls them the "heart of our economy."

We know that small businesses create most private sector jobs each year... 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.

And this much is absolutely clear. Hispanic-owned small businesses are playing a crucial role in leading us out of recession and into recovery.

Today, the SBA has 3 priorities to help Hispanic-owned businesses not only survive – but grow – even in difficult times:

1. implement the Recovery Act
2. reinvigorate the SBA team and our partnerships
3. serve as the strongest possible voice for America's small businesses.

First – the Recovery Act – which was signed into law here in Denver. In October, credit lines froze. Small businesses were struggling to find capital.

Congress and the new Administration understood that small businesses needed a little extra help. So, they included over \$700 million for the SBA in the stimulus.

It's been 6 months. This has been a smart investment. We've been able to get the money out there into the hands of small business owners.

First, we made two important changes to our top two loan programs in March. We reduced or eliminated many of the fees. We wanted you to keep more of your own money – and reinvest that money in your business. We also increased the federal backing to 90% on many of our loans... so more lenders would offer them.

We got the formula right. As a result of those temporary changes, capital is starting to flow again. Our loan volume is up more than 60% compared to the 2 months before the stimulus passed. Loan volume for August 2009 surpassed August 2008 – the first time that has happened this year. And we just hit a major milestone this past week – I'm pleased to announce that the SBA has now supported more than \$10 billion in lending since the stimulus passed.

Just as importantly, more than 1,000 lenders have come back to SBA loans who had not participated since October. More than half of those hadn't participated since 2007. This creates a bigger network – more points of access to capital.

More specifically, the stimulus has provided nearly 6,000 loans to help minority-owned small businesses. That's \$2.4 billion, with more than a half-billion going to Hispanic-owned small businesses. I'm also pleased to say that women-owned small businesses have also received nearly 6,000 loans totaling \$1.5 billion.

This is who we are and what we do at the SBA. 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 bank.

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.

We're not stopping there. With the stimulus, we're renewing the SBA's commitment in federal contracting. We're working across the Administration to ensure small businesses can deliver at least 23% of federal contracts.

This is a win-win. Small 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, we're hitting many of our targets.

First, we're right around the 23% goal for stimulus contracts. Second, more than 10% of these contracts are going to small disadvantaged businesses. That's double our goal. And third, we know that more than 4% of these contracts – about \$450 million – are going to women-owned firms. And we are working hard to reach the 5% goal for women-owned small businesses in contracting.

To help us reach all of our goals, Commerce Secretary Locke and I are spearheading a government-wide outreach effort – supported at the highest level of the Administration. President Obama said that providing the maximum practicable opportunity for small business contracting is "essential." And Vice President Biden said we are "committed to ensuring that small and minority-owned businesses are part of our economic recovery every step of the way."

Through this effort: we're asking our procurement partners to step up their efforts in matchmaking... we're participating in 200 outreach events around the country... and we're providing a new online course called "How to Win Federal Contracts" – which already has more than 4,000 registrations in just 2 weeks.

And today, I'm asking you to join in this effort because billions more dollars are in the pipeline. Please continue to actively market your firms to federal agencies. Reach out to the SBA and our partners. We're here to help.

And I know you will be hearing more about the Recovery tomorrow. So let me simply say this: If we keep working together, we will ensure that taxpayers get a big bang for their buck... and we will do it side-by-side with the Hispanic-owned small businesses.

We are also reinvigorating our agency and our partnerships to better serve Hispanic-owned and women-owned small businesses. The SBA has a great "bone structure." It starts with more than 2,000 employees at 68 district offices. We add to that a number of resource partners: We have about 12,000 retired executives in SCORE, our mentoring program... We have about 900 Small Business Development Centers... We also have more than 100 Women's Business Centers. These partners are working harder than ever. In fact, their services are up about 4 percent over last fiscal year.

And, as you know, they are serving an increasingly diverse U.S. small business community. In 1970, women owned fewer than 5% of the nations' businesses. Now, they own 28% with more than 7 million firms. Today, 2 million of those are minority-owned, of which about one-third are owned by Latinas.

And perhaps most notably: the number of minority-women-owned firms is growing dramatically – by 32% in just the past 6 years according to the Center for Women's Business Research. The SBA and our partners see this growth – and we're working harder than ever to find ways to maximize that potential... and build on it.

I hope that we can work with the Chamber and with many of you to help us do just that. And my commitment to you today is this: with your help, we will continue to provide a path to success for Latino and Latina-owned small businesses throughout the country.

Finally, the SBA must serve as the strongest voice for small business. In this Administration, small businesses have a seat at the table when it comes to the most pressing issues facing our nation.

That includes the #1 concern of small business owners – access to affordable health care. The facts are clear: 13 million of the uninsured come from small businesses with less than 100 workers. They pay up to 18% more per employee than large firms.

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

President Obama spoke about health care here in Colorado last month. And he spoke about it again last week to Congress. His message for small business was clear: We need to make sure that if an entrepreneur strikes out on their own to start a small business, they will be able to find affordable coverage. We need an exchange so that small business owners and employees can shop for affordable options – with tax credits based on need. And we need the appropriate exemptions for many small businesses based on their size and narrow profit margin.

Overall, this much is clear: small businesses need health insurance reform – and they need it now. We will continue to serve as the voice for small business on healthcare and other pressing issues. And our voice will become stronger every day if we stand together with businesses like yours.

Let me close by circling back to our story. Ana Harvey – who many of you know – figured out that personal credit cards weren't the best source of working capital for her translation business. She made the changes necessary... she built a successful business... and she got more and more involved in the Hispanic small business community. In fact, in 2007, she was tapped to serve as CEO of the Washington DC Hispanic Chamber of Commerce.

At the SBA, we thought she had a great mix of expertise and first-hand experience... so we appointed her to lead our Office of Women's Business Development. She tells me that if more women and Latinos knew about the SBA resources in their own neighborhood, they could avoid mistakes... and get on the fast track to success.

Today, we can do it. We can fulfill that vision. If we implement the Recovery Act, reinvigorate the SBA, and serve as the strongest voice for America's small business... we will create even more success stories of Latino and Latina owned businesses that are turning this economy around. Thank you for being our partner in this exciting journey... and thank you for helping us provide a path to the American Dream for women, Latinos, and everyone in our diverse small business community. ###