

Remarks at RES 2010 Native American Conference
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As Prepared for:
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Thank you, Margo. Good morning everyone. It's great to be here with all of you.

I want to thank the event organizers here at RES 2010. I hope you've all been to the SBA table to meet our Director of Native American Affairs, Clara Pratte, a member of the Navajo Nation. She has traveled around the country leading SBA's listening sessions in developing our Tribal Consultation Plan, part of a government-wide effort the President announced in November. Here at RES, she organized sessions on 8(a) contracting, lending, veterans' issues, and she's working on tech transfer for tribal colleges. We're lucky to have her at SBA.

As Margo said, I'm from Maine. There are 5 federally-recognized tribes there. And I brought something with me from the Passamaquoddy... This basket sits on a shelf in my office. It was made by Molly Neptune Parker, who gave it to me for good luck and to remind me of Indian Country. She bought her house and paid for her grandson to go to Dartmouth by making baskets like this. When I look up at this from my desk, it reminds me that America's entrepreneurial spirit is strong and enduring and that it stretches to every corner of our country.

We all know the facts. More than half of working Americans either own or work for a small business. They created about 65% of net new jobs each year for the past 15 years. And, as the drivers of innovation and competitiveness, they're the key to the growth of our economy.

In America today, there are two kinds of small businesses. First, there are the traditional Main Street businesses – the drycleaners, the auto repair shops, the diners. They're the fabric of our daily lives. The SBA has served them well since we were created in 1953, and we will continue to do so. Second, there are the businesses that are high-growth and high-impact – sometimes called gazelles. One study shows that there are about 375,000 of these firms. Some are new. Some are old but reinventing themselves. And they're in every industry in every county in America.

At the SBA, we help both of these kinds of small businesses, because we know just how diverse they are. And an important part of that diversity is the Native-owned small businesses that stretch from the everglades of Florida... to the fishing villages of Alaska... to America's biggest industrial cities.

Our commitment at SBA is to be there for you and to work arm-in-arm with you to grow and create jobs. To accomplish that, the SBA focuses on three areas – the “three Cs” of capital, contracts, and counseling.

First, capital. It's been a tough year for small business. A year ago, we were in dire straits. The economy was down, banks had stopped lending, and we were worried about a possible Depression.

Then, the President signed the Recovery Act – which just passed its 1st anniversary. The SBA sprung into action. How many of you have heard of SBA loans – 7(a) and 504?

Through the Recovery Act, we raised the government guaranty on 7(a) to 90%. At the same time, we reduced or eliminated fees in both programs. With the increased guaranty, we said to our banks and credit unions, “We're willing to help you take a little more risk to get capital in the hands of good, viable small businesses.” With the waived fees, we said, “We want those dollars to stay in your local community and get reinvested in small business.”

This two-part formula worked. More than 1,000 banks came back that hadn't given SBA loans since 2007... With their help, we've been able to take about 500 million taxpayer dollars and turn it into nearly \$20 billion in credit into the hands of entrepreneurs and small business owners.

That's a good return on investment.

And today, I'm glad to report that over 350 of these loans have gone to American Indians or Alaska Native-owned businesses.

A quick example: Who is here from New Mexico? Sacred Power in Albuquerque recently got a 7(a) loan. They bring wind and solar energy to the Navajo Reservation and others throughout the country. The loan helped them purchase a 47,000-square-foot manufacturing building, and they saved \$50,000 because of the Recovery Act. They have 40 employees and they're predicting \$8 million in sales this year.

The SBA wants more stories like that. And we'll continue to work with partners like the Department of the Interior to make them happen even more. After all, their Bureau of Indian Affairs is already using \$500 million Recovery Act dollars for workforce training, energy-efficient homes and schools, and to support business loans that will create jobs specifically on reservations.

And today, the President's Small Business Jobs Plan – now before Congress – calls for us to reach out even more. This Plan actually has 3 key benefits for small business: It helps them find access to capital by extending the raised guaranty and reduced fees – and by making other SBA program changes. It provides tax relief. And it helps support innovation and high-growth small businesses.

We at the SBA look forward to helping implement this plan – and, in many cases, we'll do it with little cost to taxpayers by building on what already works.

So, capital is our first "C"... Our second "C" is counseling.

Our data shows that small business owners who have a long-term counselor are more likely to have more hires, bigger revenues, and stronger growth. The SBA has a great bone structure throughout the country. Not only do we have a network of about 5,000 lenders who help deliver the SBA loans I just talked about...

We have 68 SBA field offices. We support about 900 Small Business Development Centers, 100 Women's Business Centers and 350 chapters of a mentoring program called SCORE. In total, it's about 14,000 SBA-affiliated counselors that serve more than 1 million clients a year. And the best part is, they're nearly all free.

I want to point out one of the most exciting entrepreneurial education programs that these folks coordinate. It's called the Emerging 200 – e200. This is an intensive year-long training program for small businesses that have proven potential and are poised for expansion.

The first graduates have already shown great results – with more than half reporting bigger revenues and more hires as a result.

That's why I'm pleased to announce that this year – we're focusing this year's program on targeting Native American small business owners. We will reach into the heart of Indian Country – Gallup, Tucson, Phoenix, Tulsa, Oklahoma City, Seattle, Santa Ana – and more.

Our goal is to help tomorrow's small business leaders in this community springboard their business and create jobs. So, if you or someone you know might be interested in applying for this year's class, go to sba.gov/e200 – or just ask Clara!

And, of course, we're also moving forward with the third "C" – contracting.

At SBA, we work across federal agencies to ensure that 23% of federal contracts go to small business. We want to make sure that Native American and Alaska Native owned small businesses can get some of these contracts. We know that contracts are the oxygen you need to create jobs and increase your top line.

I'm pleased to say that with Recovery Act contracts, we're above our goal with more than 29 percent – \$6 billion – going to small business.

A quick example: Who is from Oklahoma? T. McDonald Construction is a Native American-owned business with about 25 employees. They're in Oklahoma and they participate in our HUBZone and 8(a) programs. They've won Recovery Act contracts totaling about \$1 million. They're going to do some levee work for the Army and some construction work for the Fish and Wildlife Service. We want to hear more stories like that.

And I'm sure that many of you are familiar with 8(a). How many here have participated in 8(a)? 8(a) is a long-term development and training program that helps disadvantaged small firms "break into" contracting. There are hundreds of 8(a) firms from Native communities. The goal is to help them grow and diversify over several years in order to compete on their own as independent companies.

Altogether, 8(a) businesses have received nearly \$2 billion in Recovery Act contracts.

Last year, we reviewed 8(a) and proposed new rules to strengthen it. I want to thank all of you who gave input during the comments period – which was extended until last month to make sure everyone was heard. We're now reviewing that input to help refine 8(a) and to make sure that it's doing what it is supposed to do – with benefits flowing only to eligible small businesses. If you want to learn more about 8(a) and SBA's contracting efforts, go to sba.gov.

And don't forget that at our site, you can also check out our online training modules that show how to break into contracting. Thousands have already used them.

You know, it's been a tough year... but we know that companies like yours will help create jobs and lead us to recovery, as you've done throughout America's history.

The SBA will stand beside you every step of the way. We'll work with you to get a Jobs Bill that benefits small businesses... We'll help you find the 3 Cs of capital, contracts, and counseling... and perhaps we'll even work with you to break into an area like exporting, to fill that first big order from abroad.

I grew up in New England, and I learned a lot about America's history and the contributions of Native peoples. My personal respect – *and the entire Administration's respect* – for the nation-to-nation relationship is deep and meaningful.

My husband is the President at Bowdoin College in Maine. Last year, at the school's graduation, I'll never forget the eagle feather he received from the Penobscot tribe Chief who delivered the invocation. And, of course, I'll never forget how Molly Neptune Parker reached out and gave me this Passamaquoddy basket – telling me to remember Indian Country when I went to Washington.

I have that basket on the shelf to remind me – and to remind everyone who comes through my office – that we are here to help businesses like yours lead us to a brighter tomorrow.

Thank you for working with us to reinvigorate America's economy. I know that our future is indeed bright because of the continued contributions of Native American-owned small businesses.

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