



NEWS

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SBA-BACKED FINANCING TO SMALL BUSINESSES HIT A RECORD \$18 BILLION IN FY 2000

WASHINGTON – American small businesses received a record of \$17.96 billion in financing backed by the U.S. Small Business Administration (SBA) during the recently completed fiscal year, SBA Administrator Aida Alvarez announced today.

Administrator Alvarez also announced that records were set in venture capital financing, total loan dollars, and dollars in loans to both minorities and to women. In addition, the agency's technical assistance programs reached a combined 1.23 million entrepreneurs. The total for loans and venture capital financing of \$17.96 billion exceeded last year's total by more than \$1.5 billion.

"The SBA's accomplishments last year, and over the past eight years, have been a significant factor in the creation of nearly 6 million new businesses and more than 22 million jobs since 1993," Administrator Alvarez said. "Seventeen million of those new jobs were created by small businesses.

"The record amount of capital provided through the SBA's programs reflects the shared commitment of this Congress, this Administration, and our many private and public sector partners to a growing and vibrant small business sector, and to opening the doors of economic opportunity for all Americans," Administrator Alvarez said.

"Since the end of fiscal year 1992, the SBA has backed more than \$83 billion in loans to small businesses, more than in the agency's entire 40-year history before that time," Administrator Alvarez said.

In FY 2000, which ended Sept. 30, 2000, the SBA approved a combined total of 50,420 loans amounting to almost \$12.37 billion, including:

- 43,748 loan guaranties amounting to \$10.52 billion in the 7(a) General Business Loan Guaranty program, a 4 percent increase in loan dollars from the previous record set in FY 1999;
- 4,565 loans worth more than \$1.8 billion under the Certified Development Company (CDC) loan program, and

- 2,107 loans worth \$22.8 million under the Microloan program. Since 1992, this program has provided more than \$116 million to micro-businesses in loans averaging about \$10,500.

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Administrator Alvarez also noted that a record 30 percent of all SBA loan dollars in FY 2000 went to minority borrowers – more than \$3.7 billion to 13,184 minority-owned businesses. SBA also made almost \$2 billion in loans to small businesses owned by women, also a record.

Administrator Alvarez said the agency will continue to make strong efforts to boost loans to women and minorities over the coming year. “We must recognize that the best way to promote economic empowerment in communities that have been left behind in this great economy is to support the development of small businesses in those communities,” she said.

SBA’s Disaster Assistance loan program made 28,218 disaster recovery loans amounting to approximately \$1 billion during FY 2000, with most of them going to victims of Hurricane Floyd, which raked 10 states from Florida to Connecticut at the start of the fiscal year.

SBA’s Small Business Investment Company (SBIC) program, the agency’s premier vehicle for providing venture capital to small, growing companies, also set records in FY 2000. The program’s licensed SBICs provided \$5.6 billion in 4,645 debt and equity investments in small businesses during the year. That is 33 percent greater than the previous record of \$4.22 billion set in FY 1999, and more than double the average for the previous five years.

“The fact that the total dollar investment by this program in small businesses is 10 times greater than it was in 1992 is remarkable,” said Administrator Alvarez. “It’s also significant that more than a third of American businesses that got institutional venture capital got it through this SBA program.”

During the year, SBA licensed 60 new SBICs with \$1.2 billion in combined private capital – a record. At the end of the year, the program had 395 licensees with total committed capital resources amounting to more than \$15 billion.

In other SBA program areas, an estimated 1.23 million entrepreneurs received business counseling and technical assistance through one or more of the agency’s advisory programs:

- 607,216 people received technical assistance through the Small Business Development Center program;
- 375,000 people received assistance from the volunteers of the Service Corps of Retired Executives (SCORE);

- 129,020 people got help at an SBA Business Information Center or Tribal Business Information Center;
- 79,000 people got help at an SBA One Stop Capital Shop, and
- 40,000 people got help from an SBA Women's Business Center.

SBA's Internet, e-mail and toll-free telephone service also reached hundreds of millions of customers during the year. The Web site recorded almost 374 million hits, and reached a level of 10.5 million hits a week by the end of September. The SBA Answer Desk received 220,690 calls and 12,532 e-mail inquiries, and sent out 31,523 small business start-up kits.

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For more information on all of SBA's programs for small businesses, call the SBA Answer Desk at 1-800-U-ASK-SBA, or visit the SBA's extensive website at www.sba.gov.

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