

SBA News and Views is a monthly publication of the SBA Wisconsin District Office. Its purpose is to provide Wisconsin lenders and small business leaders with up-to-date information on SBA programs and small business issues. It is distributed at no cost, and the reprinting of articles is encouraged

Serving America's Small Businesses

U.S. Small Business Administration Wisconsin District Office

Eric Ness, District Director
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SBA Home Page

<http://www.sba.gov>

Wisconsin SBA Home Page

<http://www.sba.gov/wi>

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Fifty Years of Assistance: SBA by the Numbers

Millions of times, in millions of ways, and with billions of dollars in financial assistance, the U.S. Small Business Administration has helped America's entrepreneurs start and grow small businesses. The agency has provided assistance to small business entrepreneurs more than 20.35 million times since it was founded 50 years ago, including loans, surety bond guarantees, counseling sessions, venture capital, disaster loans, contracts and other forms of assistance. All told, the financial assistance has amounted to \$232.9 billion dollars in loans and venture capital financing to small businesses, many which have grown to become some of the largest enterprises in the world. This assistance has created more than six million jobs.* Also, the SBA has coordinated or provided \$130.45 billion in contracting, R&D, and disaster recovery assistance while counseling and training more than 15 million people in business development.

From August 1, 1953 through July 31, 2003, the SBA has provided the following:

*1,182,707 direct and guaranteed 7(a), 504 loans and Microloans, totaling \$193.11 billion 136,001 financings of venture capital for \$39.8 billion to approximately 96,050 small businesses since the beginning of the Small Business Investment Company program in 1958.

*5 million counseling sessions and individuals trained by the Service Corps of Retired Executives since October 1964, when the SBA created a central organization from about 50 informal business mentoring groups scattered around the country. Today there are 389 SCORE chapters with more than 10,500 members.

*10,091,246 Small Business Development Center clients counseled and trained since the program started from a pilot at eight universities in 1977. Today there are more than 1,100 SBDCs throughout the country with locations in foreign countries, too.

*320,077 clients counseled or trained by Women's Business Centers since 1995, when the program, established in 1988, started keeping track of clients served.

*322,582 bid bonds guaranteed under the Surety Bond Program, allowing small businesses to bid on \$63.93 Billion worth of contracts. The program also backed guarantees on \$245,848 final bonds on contracts worth \$27.22 billion, resulting in the creation of 234,655 jobs.

*1.57 million disaster loans for more than \$30.9 billion

*more than 64,000 Small Business Innovation Research awards, worth more than \$11 billion to small businesses, granted by federal agencies from 1982—2001.

*more than 2,900 Small Business Technology Transfer awards, worth more than \$549 million to small businesses, awarded by federal agencies from 1994-2002.

*more than 542,000 contracting actions worth about \$88 billion to small businesses since the inception of the 8(a) program in 1968.

Based upon calculations that every \$35,000 of SBA loan or venture capital financing creates one job.

Loan Reporting & Accounting Tips

When completing the SBA monthly report on your lending institution's SBA portfolio of guaranteed loans (SBA Form 1502 through Colson Services), please remember to use the proper status code to report loans that are not in regular service status. These codes for the fourth column, on SBA Form 1502, are:

- 4 Deferred
- 5 In Liquidation
- 6 Paid in Full (not to be confused with paid due to bank buying loan from old bank)
- 7 Transferred (to new bank)
- 8 Purchased by SBA
- 9 Fully Undisbursed.

Bank transcripts for a guaranty purchase can be based either upon a 360 day year or on a 365 day year. A 365/360 day basis will prevent SBA from honoring your request to purchase the guarantee until the transcript is correct.

Open Disaster Declarations as of 8/4/03

Severe Drought That Occurred from June 1, 2002 and Continued

Small businesses located in the Counties of Kenosha, Racine, Rock and Walworth and contiguous counties of Dane, Green, Jefferson, Milwaukee

and Waukesha may apply for economic injury disaster loan assistance through the SBA. These are working capital loans to help the business continue to meet its obligations until the business returns to normal conditions. Physical damages cannot be covered by these loans. The economic injury disaster loan application deadline is February 3, 2004.

Exceptionally Cold Wet Conditions in the Spring and Warmer & Drier Conditions Throughout the Growing Season that Occurred from April 1, 2002 and Continuing

Small businesses located in the Counties of Door and Kewaunee and contiguous counties of Brown and Manitowoc may apply for economic injury disaster loan assistance through the SBA. These counties are eligible because they are contiguous to one or more primary counties in the State of Wisconsin. The economic injury disaster loan application deadline is January 22, 2004.

Drought That Occurred June 1, 2002 and Continuing

Small business located in the contiguous Counties of Green, Lafayette, and Rock may apply for economic injury disaster loan assistance through the SBA. These counties are eligible because they are contiguous to one or more primary counties in the State of Illinois. The economic injury disaster loan application deadline is December 9, 2003. For all declara-

tions, only small, non-farm agriculture dependent businesses and small agricultural cooperatives are eligible to apply for assistance. Nurseries are also eligible for economic injury caused by drought conditions. For further information, please call 1-800-359-2227.

Support Volunteerism and USA Freedom Corps

Business owners this summer can help young people develop new skills, give their employees opportunities to contribute to the quality of life in their communities, and renew civic pride among their customers by supporting USA Freedom Corps, said Hector V. Barreto, Administrator of the U.S. Small Business Administration.

Barreto said business owners can add the USA Freedom Corps link to their company's website. The link, www.usafreedomcorps.gov provides an online resource for customers, employees and students about volunteer opportunities. The organization also has a public service announcement titled "Everyone Can Do Something," available for distribution via print, television, radio and the Internet. Owners of retail businesses are encouraged to print the PSA and place it in a prominent spot. To order the PSA, call Hartford Direct at 1-800-933-7727 and ask for USA Freedom Corps kits, or

visit website @ http://adcouncil.org/campaigns/usa_freedom_corps/.

The USA Freedom Corps volunteer network provides information on more than 60,000 organizations nationwide and around the world in need of people to teach children to read, help communities prepare for disasters, or support local health screenings and blood drives.

Founded by President Bush in January 2002, the USA Freedom Corps' mission is to foster a culture of service, citizenship and responsibility. Under the USA Freedom Corps umbrella are the Peace Corps, AmeriCorps, Senior Corps, Learn, Serve America, and Citizen Corps.

To date, more than 235 business organizations that employ more than two million workers have joined Business Strengthening America, an initiative aimed at engaging employees and customers in volunteer service.

Included in the USA Freedom Corps website are tips on how to foster community and employee involvement in volunteerism, as well as links to groups working to further the corporate sector's interest in community service. For more information visit www.usafreedomcorps.gov, or call 1-877-872-2677.

Regulatory Agencies Earn Improving Grades from SBA

Federal regulatory agencies are doing better at creating and maintaining a small-business friendly attitude toward the nation's small businesses, according to the fiscal 2002 annual report to Congress from the U.S. Small Business Administration's National Ombudsman.

More than 30 agencies and their divisions received ratings from National Ombudsman Michael Barrera on their resolution of complaints about excessive enforcement. The report, released today, is available online at www.sba.gov/ombudsman/dsp/reports.html.

"The ratings and the report are indicators of the government's relationship with the small business community," said SBA Administrator Hector V. Barreto. "Some regulations are necessary, but when enforcement is excessive or unfair, time and money is diverted from employee training, customer service, facility improvements, or healthcare benefits. As a result of the Congressional authority granted the ombudsman's office and the direction provided by President Bush's agenda for small business, the creative energy of the nation's entrepreneurs is where it

belongs—helping the economy expand and grow by putting more Americans to work. .”

As required by the 1996 Small Business Regulatory Enforcement Fairness Act, Barrera’s office reports annually to Congress on federal regulatory enforcement activities. Agencies are evaluated on how quickly they respond and resolve concerns from small businesses and the quality of those responses; representation by the agencies at regulatory fairness hearings held around the country; regulatory compliance assistance provided by agencies; and adoption and enforcement of non-retaliation policies by the agencies.

Barrera said the report provides valuable feedback to federal agencies on the federal regulatory enforcement environment for small business. “It is our hope that federal agencies will use the report as a tool to improve compliance assistance and move further from a ‘gotcha’ to a ‘help you’ attitude. This report also provides some of the best practices by federal agencies in their efforts to improve the overall enforcement environment,” he said.

SBA, Ford, Minority Auto Dealers Sign Agreement

Administrator Hector V. Barreto of the United States Small Business Administration announced the signing of a co-sponsorship agreement with the National Association of Minority Automobile Dealers (NAMAD) and Ford Motor Company as participants in the SBA’s Emerging Market Automotive Program.

The program is designed to locate automobile dealership franchise opportunities for emerging market entrepreneurs and assist in the financing of these dealerships.

Under the agreement, Ford will use the resources of its Minority Dealer Development Program and NAMAD will use its resources to locate small automobile dealer candidates who are in need of government financial assistance. The SBA will review the financing needs of the business and provide guidance on how to maximize the benefits of the SBA financial assistance programs.

The SBA is exploring several Memorandums of Understanding with NAMAD and other automobile manufacturers.

Small Business Needs Stability in the Tax Code

Testifying before the Committee on Small Business of the U.S. House of Representatives, Thomas M. Sullivan, Chief Counsel for Advocacy urged policy makers to simplify taxes for small businesses, limit the rollercoaster ride of tax code changes, and make permanent key small business benefits.

“We’re pleased with the focus on small business in the President’s Jobs and Growth package,” said Sullivan. “Many of the provisions in the law received widespread support from small business and will have a significant positive impact on them,” he said.

Sullivan identified increased direct expensing, bonus depreciation, acceleration of individual income tax rate cuts, capital gains reductions, and dividend tax rate reductions as the most important items for small business.

He testified that there is still more to be done to level the playing field for small business. “Tax compliance is a serious and costly problem for small businesses,” he said. He noted that the federal regulatory burden in 2001 “showed that tax compliance costs for firms with fewer than 20 employees were twice as much, per



employee, as large firms with more than 500 employees.” He continued, “Advocacy research shows that stable and predictable tax policies promote economic growth.”

Sullivan offered specific recommendation to increase stability and confidence, including:

- Making the increased direct expensing provisions in the President’s Jobs and Growth Act permanent, and
- Completely eliminating the death tax.

The Office of Advocacy examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats and it funds research into small business issues.

For more information and a complete copy of the testimony, visit the Office of Advocacy website at www.sba.gov/advo.

New Study Shows Business Cycle Affects Small Firms Differently Than Large Firms

A new study shows that small businesses are really different from their larger counterparts and they react differently to

economic conditions. *Small Business during the Business Cycle* investigates how small businesses have fared during the ups and downs of the business cycle over the past five decades.

The study, written by Joel Popkin and Company, with funding from the Office of Advocacy, shows that size does matter in relation to economic conditions, particularly in manufacturing industries. For instance, large manufacturing businesses grow faster during expansions and may dip lower during contractions. On the other hand, small construction firms are both more negatively affected by downturns and more positively affected by expansions than large construction firms.

The study also looked at using quarterly survey data from the National Federation of Independent Business (NFIB) as an indicator of small business success. The study found that the NFIB Index of Small Business Optimism can be an indicator of expansion in small business GDP.

Women’s Equality Day

At the behest of Rep. Bella Abzug (D-NY), in 1971, the U.S. Congress designated August 26 as “Women’s Equality Day.”

The date was selected to commemorate the 1920 passage of the 19th Amendment to the Constitution, granting women the

right to vote. This was the culmination of a massive, peaceful civil rights movement by women that had its formal beginnings in 1848 at the world’s first women’s rights convention, in Seneca Falls, New York.

The observance of Women’s Equality Day not only commemorates the passage of the 19th Amendment, but also calls attention to women’s continuing efforts toward full equality. Workplaces, libraries, organizations, and public facilities now participate with Women’s Equality Day programs, displays; video showings, or other activities.

National Entrepreneurial Conference & Expo (NECE)

Join us for the U.S. Small Business Administration’s National Entrepreneurial Conference & Expo (NECE) in Washington, D.C. Learn about cutting-edge business practices, connect with government and corporate buyers, and celebrate the tremendous contributions made by small business over the past fifty years.

Already confirmed speakers from AOL, Bank of America, Bank One, Black Enterprise Magazine, The Hartford, HP, IBM, Microsoft, Staples, USPACC, WBENC, WIPP, Yahoo and many others...

August 2003

SBA will inaugurate the SBA's Hall of Fame, honoring those who are living the American Dream, by featuring some of the greatest achievements in our country's small business history.

Highlights:

Procurement Matchmaking
Business Sessions

Town Hall

Expo

Many Special Events and
Awards Ceremonies

For more information visit
www.sba.gov/50/nece.html

SBA Lenders for July 2003

Acuity Bank

Sparta – 1 Loan for \$35,000

Associated Bank NA

Green Bay
17 Loans for \$2,948,000

Bank Mutual

Milwaukee – 1 Loan for \$50,000

Bank of Mauston

Mauston – 1 Loan for \$1,335,000

Bank One NA

Chicago, IL – 1 Loan for \$1,752,000

Baylake Bank

Sturgeon Bay
1 Loan for \$32,000

Capital One Federal Savings Bank

Falls Church, VA
4 Loans for \$145,000

Citizens Bank of Mukwonago

Mukwonago – 1 Loan for \$56,000

Citizens State Bank

Cadott – 1 Loan for \$250,000

Community Bank & Trust

Sheboygan – 6 Loans for \$836,100

Community First Bank

Stevens Point – 1 Loan for \$24,000

F&M Bank-Wisconsin

Kaukauna-1 Loan for \$301,700

First Banking Center

Burlington – 1 Loan for \$30,000

First Citizens State Bank of Whitewater

Whitewater – 4 Loans for \$826,000

First National Bank of Stoughton

Stoughton – 1 Loan for \$85,000

Hometown Bank

Saint Cloud – 3 Loans for \$385,000

Imperial Bank

Inglewood, CA – 1 Loan for \$283,000

Ixonia State Bank

Ixonia – 1 Loan for \$50,000

Johnson Bank

Janesville – 1 Loan for \$600,044

KimCentral CU

Neenah – 1 Loan for \$40,000

Legacy Bank

Milwaukee – 3 Loans for \$540,640

Livingston State Bank

Livingston – 1 Loan for \$366,750

M&I Marshall & Ilsley Bank

Milwaukee – 21 Loans for \$2,625,000

Oostburg State Bank

Oostburg – 1 Loan for \$99,000

Park Bank

La Crosse – 1 Loan for \$50,000

News and Views

Peoples State Bank

Marathon – 1 Loan for \$110,000

Wausau – 1 Loan for \$707,500

Total: 2 Loans for \$817,500

River Valley State Bank

Tomahawk – 1 Loan for \$85,000

S & C Bank

Amery – 1 Loan for \$133,600

St. Francis Capital Corp.

Brookfield – 2 Loans for \$463,801

State Financial Bank

Elkhorn – 1 Loan for \$70,000

Stearns Bank NA

St. Cloud, MN

2 Loans for \$1,439,600

Union Bank & Trust Co.

Evansville – 1 Loan for \$246,000

Union State Bank

Green Bay – 1 Loan for \$125,000

US Bank NA

Cincinnati, OH

7 Loans for \$1,500,000

San Diego, CA

1 Loan for \$472,500

Total: 8 Loans for \$1,972,500

Wells Fargo Bank Wisconsin NA

Milwaukee – 1 Loan for \$50,000

Wells Fargo Bank NA

San Jose, CA

1 Loan for \$10,000

West Bend Savings Bank

West Bend – 1 Loan for \$50,000

Wisconsin Business Development Finance Corp.

Monona – 3 Loans for \$942,000

Wisconsin SBA Calendar of Events

2004 SBA SMALL BUSINESS AWARD NOMINATION

Help us recognize outstanding leaders in the small business community

AWARD CATEGORIES

Please check one or more potential categories:

- Small Business Person of the Year:** For developing an outstanding, growing business; innovative product(s), increasing jobs, increasing sales, overcoming adversity, and community contributions.
- Small Business Exporter of the Year:** Significantly increased export sales and profits, encouraging other firms to export, increased jobs through exports, and innovative methods of creating markets.
- SBA Young Entrepreneur of the Year:** Owner will not reach 30th birthday by June 1, 2002, three-year evidence of success in sales and profits, increased jobs, innovative products, demonstrated potential.
- Entrepreneurial Success Award:** Must own and operate a business that was launched “small” by SBA size standards, received SBA assistance and has since grown into a large business.
- Minority Small Business Person of the Year;** For developing an outstanding, growing business, innovative products, overcoming adversity and community contributions.
- Emerging Small Business Person** (Wisconsin Award only) For developing an outstanding business with under 25 employees, under \$2.5 million in sales and less than 10 years in business

Small Business Advocates of the Year: Those who promote small business, including volunteering time and services to small business interests and groups, advocating the cause of small business in the legislative process. Advocates may or may not be small business owners.

- | | |
|---|--|
| <input type="checkbox"/> Minority Small Business Advocate of the Year | <input type="checkbox"/> Women in Business Advocate of the Year |
| <input type="checkbox"/> Veteran Small Business Advocate of the Year | <input type="checkbox"/> Small Business Journalist of the Year |
| <input type="checkbox"/> Small Business Legal Assistance | <input type="checkbox"/> Small Business Research Advocate |
| <input type="checkbox"/> Financial Services Advocate (Accountant advocate merged with this category) | |
| <input type="checkbox"/> Home Based Business Advocate of the Year – Those who have sought to improve the climate for home based businesses | |

NOMINEE INFORMATION

I nominate _____ Title _____
 Company/Organization _____ Address _____
 City _____ Zip _____ Phone _____ Fax _____

Nominee’s Qualifications for this Award—give short description (please attach brief statement on why this business/advocate should be considered):

When nominating a business owner please complete the following: Is the company operating profitably _____
 # of years in business _____ # of employees _____ annual sales \$ _____ SIC/NAICS code _____

NOMINATOR’S INFORMATION:

Nominator Name _____ Title _____
 Organization _____
 Address _____
 City _____ Zip _____ Phone _____ Fax _____

Reply by **OCTOBER 3, 2003** mail (or fax 414-297-1377) this form to:
 Small Business Awards Committee, U.S. Small Business Administration
 310 West Wisconsin Avenue, Suite 400
 Milwaukee, WI 53203

For more information, please contact: (414) 297-1093 Self-nominations accepted. This form may be duplicated. For further consideration, a nomination binder with detailed materials will be requested. SBA will contact the nominator with details. Thanks for your support!