

# U.S. SMALL BUSINESS ADMINISTRATION

## Summary of Performance & Financial Information



Fiscal Year  
**2016**

Who We Are

**Overview:** The U.S. Small Business Administration (SBA) is governed by its mission to support America’s 28 million small businesses, and its three strategic goals and twelve strategic objectives published in the *FY 2014-2018 Strategic Plan* that appear in the chart at the bottom of the page.

**History:** Through the Small Business Act of 1953, Congress created the SBA to aid, counsel, assist, and protect the interests of small business concerns. SBA’s headquarters is located in Washington, D.C., while its business products and services are delivered with the help of field personnel and a network of private sector and non-profit partners in each U.S. state and territory (see regional map on pages 4-5).

**Size and Scope:** In FY 2016, the SBA managed a budget of \$871 million, and employed 1,940 regular and 1,162 disaster assistance employees (Full-Time Equivalents/FTE). The SBA provides support to small businesses through capital, contracting, counseling, and disaster assistance programs.

**Management:** The Agency is led by an Administrator who is appointed by the President of the United States and confirmed by the United States Senate. Each program office is managed by either an Associate or Assistant Administrator. The regional offices (10 regions) are led by Regional Administrators and are comprised of district offices (68 districts) managed by District Directors.

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SBA’s Mission Statement

Maintain and strengthen the nation’s economy by enabling the establishment and vitality of small businesses and assist in the economic recovery of communities after disasters

Strategic Goal 1

Growing businesses and creating jobs

- 1.1 Expand access to capital
- 1.2 Ensure federal contracting goals are met or exceeded
- 1.3 Strengthen entrepreneurial ecosystems
- 1.4 Enhance exporting abilities to succeed in global markets
- 1.5 Fuel high-growth small businesses and start-ups to drive innovation
- 1.6 Ensure disaster assistance can be deployed quickly, effectively, and efficiently

Strategic Goal 2

Serving as the voice for small business

- 2.1 Ensure inclusive entrepreneurship
- 2.2 Provide useful information through digital and in-person outreach
- 2.3 Foster a small business-friendly environment by reducing unfair regulatory burdens

Strategic Goal 3

Building an SBA that meets the needs of today’s and tomorrow’s small businesses

- 3.1 Streamline, simplify, and strengthen program operations
- 3.2 Invest in SBA’s employees
- 3.3 Mitigate risk to taxpayers and improve oversight across programs

## What We Do

**Performance:** The Agency made significant progress this year by achieving 17 of its 20 performance and priority goals. In FY 2016 the SBA identified progress toward contracting and inclusive entrepreneurship as two areas of achievement in its strategic objective reviews, while it identified program operations (information technology) as an area for improvement. Progress results are summarized for FY 2016 in the table at the bottom of the page.

**Agency Priority Goals:** The SBA achieved two of its three FY 2016-2017 Agency Priority Goals. For 8(a) application processing, the program exceeded its target by simplifying its application review, which increased the number of certifications by 60 percent for a total of 911 certifications. For government contracting, the Federal government surpassed its goal of 23 percent of contracts to small businesses by reaching a record high of 25.75 percent in FY 2015\*; which translated to nearly \$91 billion dollars. While the Agency achieved 85 percent of its 7(a) active lender goal, the number and dollar of loans increased from FY 2015 by two percent.

### FY 2016-2017 Agency Priority Goals

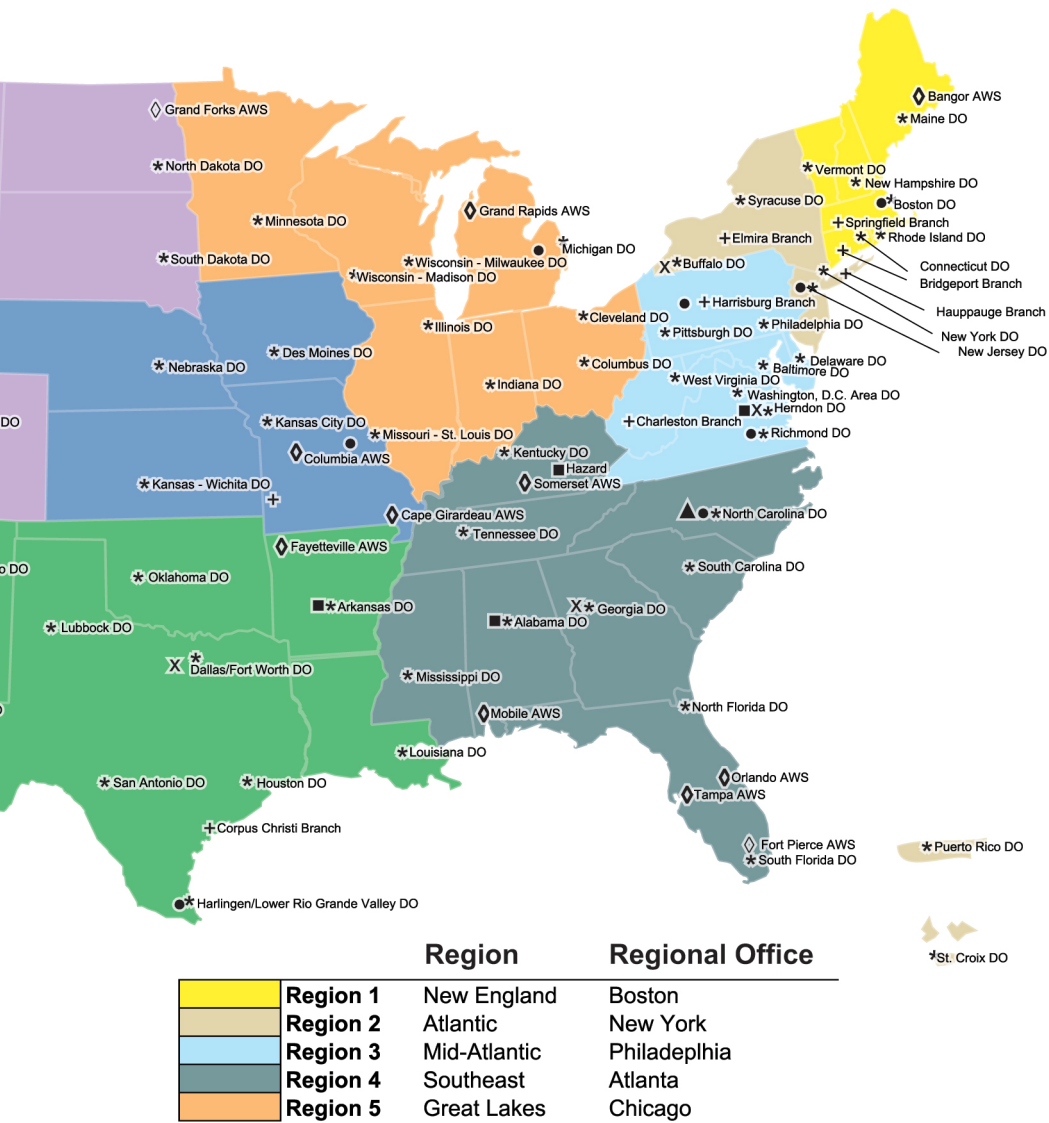
- Expand access to capital by increasing the number of 7(a) active lenders to 2,500
- Maximize small business participation in federal government contracting to meet the statutory goal of 23 percent
- Support more disadvantaged small businesses by increasing the number of 8(a) certifications by 5 percent each fiscal year

ANNUAL PERFORMANCE METRIC		2009	7-YEAR PERFORMANCE TREND	2016
Capital	Jobs supported through SBA capital programs (Millions)	0.51		0.69
	Dollar of debentures leverage committed to SBICs (Billions)	0.79		2.55
	Dollar of small business loans approved (Billions)	13.4		28.9
	Dollars of export loans approved (Billions)	0.63		1.54
Contracting	Federal contract dollars awarded to small businesses (Percent)	21.9		25.8*
	Federal contract dollars awarded to small businesses (Billions)	96.8		90.7*
Counseling	Small businesses and entrepreneurs assisted through training and counseling (Millions)	1.42		1.36
Disaster Assistance	Disaster Assistance customer satisfaction rate for disaster loan approvals (Percent)	72.0		83.0
	Dollars of disaster loans to small businesses, homeowners, and renters (Billions)	1.1		1.4

\* FY 2016 contracting data is not available until fall 2017; therefore, FY 2015 data is reported.



# Summary of Performance and Financial Information





### Where Are We Going

**Opportunities:** Small businesses and entrepreneurs drive American competitiveness and help grow the economy. The SBA and its resource partners have the tools and experience to help, and will focus on the following priorities in FY 2017:

- Modernize lending platforms to get start-up, growth, and investment capital into the hands of more small business owners to start new enterprises
- Increase microloans and small-dollar lending to creditworthy borrowers
- Promote inclusive entrepreneurship through targeted initiatives to ensure equal access to SBA services for entrepreneurs of every race, gender, ethnicity, and zip code
- Offer unique training opportunities for transitioning service members and current veterans
- Increase global competitiveness through consulting and matching small businesses with capital opportunities
- Provide investment capital and low-cost leverage to create jobs by supporting expansion of high growth small businesses

**Challenges:** The SBA faces challenges that can pose potential risks and may require additional oversight. These challenges have been identified by SBA's Inspector General for FY 2017 and will require Agency attention.

*More information on opportunities, challenges, finance, and performance can be found in SBA's FY 2016 Agency Financial Report (published November 15, 2016) or the FY 2018 Annual Performance Plan and Report to be published in spring 2018 at [www.sba.gov/performance](http://www.sba.gov/performance).*



*The SBA won its 10th Association of Government Accountant's CEAR award for excellence in accountability reporting and received first place for its forward looking analysis in FY 2015.*



- Ensure that only eligible small businesses obtain designated Federal contracts
- Maintain effective and consistent leadership over the Agency's information technology investments and security
- Guarantee a well-trained workforce that has the skills needed to ensure a high-performing organization
- Mitigate risks from delegated lending to more than 2,400 active lenders and Certified Development Companies
- Prepare economically disadvantaged 8(a) firms for a competitive market
- Reduce the improper payments for 7(a) and disaster assistance loans
- Acquire SBA goods and services at a fair price and in an effective and efficient manner

## What We Spend

**Finance:** The SBA is the taxpayers' custodian of a small business loan guaranties and direct loans portfolio of \$124 billion. During FY 2016, the total outstanding loan portfolio (unpaid principal balance) grew by 4.5 percent. The Agency's 7(a) loans expanded by \$5.8 billion, which constitutes 63 percent of the portfolio (see Figure 1). The Federal Credit Reform Act of 1990 governs SBA's accounting for direct loans and loan guaranties made in 1992 and thereafter. The SBA had total assets of \$12.7 billion at the end of FY 2016, up 5.3 percent from FY 2015. The additional borrowing for disaster assistance loans led to the increase in total assets. The SBA had total liabilities of \$11.9 billion at the end of FY 2016, up 11.2 percent from FY 2015 (see Figure 2).

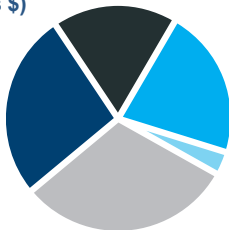
**Budget:** The SBA received an annual appropriation of \$871 million in FY 2016, which represents a decrease of \$16.6 million from FY 2015 (see Figure 3). Borrowing authority increased \$1 billion in FY 2016. Salaries and expenses account for \$268 million, or 31 percent of the FY 2016 budget (see Figure 4). However, the number of regular staffing (Full-Time Equivalents/FTE) is 1,940 in FY 2016, a decrease of nearly 10 percent since FY 2011. Disaster assistance FTE spiked in FY 2013 as the SBA provided relief to survivors of Hurricane Sandy (see Figure 5).

**Figure 2: Finance Data (Millions \$)  
for Fiscal Year Ending Sept 30**

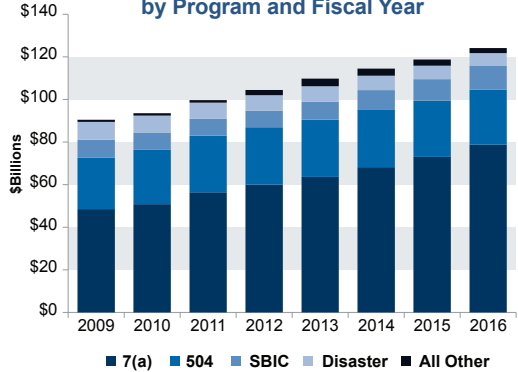
Total Finances	FY 2015	FY 2016	% Change
Assets	12.021	12.657	5%
Liabilities	10.683	11.883	11%
Net Position	1.338	0.774	-42%
Net Cost of Operations	(0.644)	0.339	153%
Budgetary Resources	10.297	10.878	6%

**Figure 4: FY 2016 Budget  
by Account (Millions \$)**

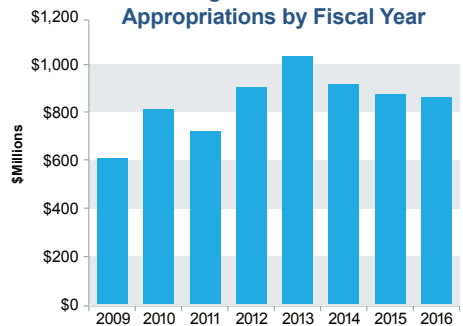
Business Loans .....	\$156
Disaster Loans .....	\$187
IG and Advocacy .....	\$29
Salaries and Expenses ..	\$268
Entrepreneurial Development .....	\$231



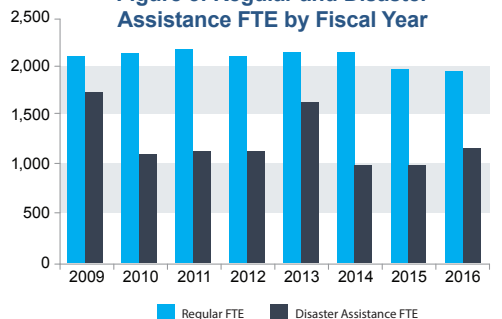
**Figure 1: Outstanding Loan Portfolio  
by Program and Fiscal Year**



**Figure 3: Annual  
Appropriations by Fiscal Year**



**Figure 5: Regular and Disaster  
Assistance FTE by Fiscal Year**



## Who To Contact

Information on SBA programs may be accessed at [www.sba.gov](http://www.sba.gov).

### SBA and BUSINESS INFORMATION

About SBA	<a href="http://www.sba.gov/about-sba">www.sba.gov/about-sba</a>
SBA Performance, Budget & Planning	<a href="http://www.sba.gov/performance">www.sba.gov/performance</a>
Business USA	<a href="http://business.usa.gov/">http://business.usa.gov/</a>
Local Assistance	<a href="http://www.sba.gov/local-assistance">www.sba.gov/local-assistance</a>
What is a Small Business?	<a href="http://www.sba.gov/content/am-i-small-business-concern">www.sba.gov/content/am-i-small-business-concern</a>
Thinking about starting a business?	<a href="http://www.sba.gov/thinking-about-starting">www.sba.gov/thinking-about-starting</a>

### CAPITAL

Small Business Loans	<a href="http://www.sba.gov/financialassistance">www.sba.gov/financialassistance</a>
Lender Resources	<a href="http://www.sba.gov/lender_resources">www.sba.gov/lender_resources</a>
Surety Bonds	<a href="http://www.sba.gov/content/surety-bonds-explained">www.sba.gov/content/surety-bonds-explained</a>
Explore Exporting	<a href="http://www.sba.gov/exporting">www.sba.gov/exporting</a>
Venture Capital	<a href="http://www.sba.gov/content/venture-capital#">www.sba.gov/content/venture-capital#</a>

### CONTRACTING

Government Contracting	<a href="http://www.sba.gov/contracting">www.sba.gov/contracting</a>
Register as a Contractor	<a href="http://www.sam.gov">www.sam.gov</a>
Size Standards	<a href="http://www.sba.gov/size">www.sba.gov/size</a>
Contracting Certifications	<a href="https://certify.sba.gov/">https://certify.sba.gov/</a>

### COUNSELING

SBA Learning Center	<a href="http://www.sba.gov/training">www.sba.gov/training</a>
Small Business Development Centers	<a href="http://www.sba.gov/sbdc">www.sba.gov/sbdc</a>
Women's Business Centers	<a href="http://www.sba.gov/content/womens-business-centers">www.sba.gov/content/womens-business-centers</a>
SCORE	<a href="http://www.sba.gov/score">www.sba.gov/score</a>
Veteran's Business Outreach Centers	<a href="http://www.sba.gov/content/veterans-business-outreach-centers">www.sba.gov/content/veterans-business-outreach-centers</a>

### DISASTER ASSISTANCE

Disaster Assistance	<a href="http://www.sba.gov/disaster">www.sba.gov/disaster</a>
Disaster Area Office Locations	<a href="http://www.sba.gov/about-offices-list/4">www.sba.gov/about-offices-list/4</a>

SBA National Answer Desk (Toll Free) (800) 827-5722

Disaster Customer Service Center (Toll Free) (800) 659-2955

## SBA Small Business Person of the Year

Helen Russell and Brooke McDonnell founded Equator Coffees & Teas Inc. more than 20 years ago just as the specialty coffee industry began heating up. They initially launched two coffee bars named Europa in San Francisco, but after Brooke became frustrated with the lack of information regarding farms, farmers, climate, and the coffee's origin, the duo bought an Italian roaster using funds from the sale of Brooke's mother's wedding ring. They roasted coffee in her garage, and Equator Coffees & Teas was born in 1995.

As their needs changed and their business grew, Helen and Brooke purchased their own roasting plant using an SBA 504 loan. Equator now has 90 employees and 350 wholesale customers including the renowned French Laundry restaurant in California, cafes at LinkedIn, micro-kitchens at Google, and three retail stores in Northern California with two more on the way.

