Today’s SBA:
Smart, Bold, Accessible
Administrator’s Letter

Small businesses are the cornerstone of the American Dream. They give us the freedom to chart our own paths and live to our fullest potential. They are the engines of American job creation, create the majority of our new jobs, and are the wellspring of American innovation. Small business owners shape the character of America’s Main Streets and are the pillars of our communities.

When President Obama took office in 2009, America was facing the worst economic crisis since the Great Depression. Real estate values had plummeted, credit markets were frozen, and banks had stopped lending. Small businesses were hit especially hard, suffering more severe job losses than their large business counterparts.

Over the past eight years, the U.S. Small Business Administration has fought hard to bring back our nation’s small business economy. I am proud to have served alongside the team of remarkable people at the SBA who helped to get it there. Together with our valued resource partners, we have worked to provide support to America’s entrepreneurs through unprecedented access to capital, counseling and record-level federal contracting opportunities. We have been smart, bold and accessible: embracing smart systems and modern technology, promoting bold steps into new markets and ensuring entrepreneurship is accessible to Americans of all backgrounds.

As a result, our nation has experienced the longest recorded employment growth streak in history. U.S. businesses have added 15.8 million new jobs since 2010—more than 10 million of those jobs came from small businesses and startups.

This report outlines the incredible work we have done to make this happen. I hope our efforts will inspire others to find new, innovative ways to help America’s small businesses continue to be the greatest job-creating engine in our economy.

Sincerely,

Maria Contreras-Sweet
Lending

The SBA is the world’s largest business loan guarantor. Our flagship lending vehicles, the SBA Advantage Loan Program (or 7(a)) and the SBA Grow Loan Program (or 504), offer loan guarantees for small businesses that may not qualify for traditional bank loans. Coming out of the recession, our top priority has been to make SBA lending more accessible to small business owners and respond to the decrease in lending that occurred during the economic crisis. Today, our lending programs are performing at record levels.

- **Record levels of small business lending.** Since 2009, we have guaranteed more than $180 billion in small business loans, more than any other administration in history. Annual SBA lending in the Advantage program is up more than 160 percent since the depths of the recession. Last fiscal year alone, SBA guaranteed more than 70,000 loans, for a total of $28.9 billion, and supported more than 694,000 jobs across the country. This represents an all-time high in SBA lending, and remarkably, it happened without any subsidy from the American taxpayer.

- **SBA loans accessible to all communities.** In 2011, in order to reach entrepreneurs who lack access to traditional lenders, the SBA launched the Community Advantage Program to allow certain mission-based lenders, including non-federally regulated Community Development Financial Institutions, to join our Advantage loan program, as long as 60 percent of their loans are made in targeted underserved markets. With support from Congress, we have also nearly doubled the capital available through our microloan program, which provides loans up to $50,000, as well as technical assistance, through nonprofit lending intermediaries.

- **Better lending practices to reduce risk.** To ensure the taxpayers’ interests are protected, SBA developed and implemented a new comprehensive risk management framework for SBA’s Advantage (7(a)) and Grow (504) loan programs. SBA also created a new Mission Scorecard so that lenders can measure their work providing capital to underserved communities.

- **Streamlined policy to simplify lending.** Over the course of the Administration, SBA took several steps to simplify lending, including: streamlining the Grow (504) loan closing review process to eliminate more than half of the previously required documents, eliminating a personal resource test that limited who could access an SBA loan, revamping corporate governance standards required of certain lenders to match industry best practices, establishing a single collateral policy for SBA Advantage (7(a)) loans of $350,000 or less, and simplifying the agency’s affiliation rule and franchise lending policy.

- **Simplified credit scoring.** In July 2014, SBA shifted to using a FICO “liquid credit” score rather than requiring banks to calculate debt service and global cash flow ratios from tax and financial statements when evaluating a business’s financial viability for SBA Advantage loans of $350,000 or less (other than SBA Express or Export Express). Credit scoring has expedited processing times for borrowers seeking small dollar loans.

- **Worked with Congress to boost the economy.** After lending came to a halt as a result of the Great Recession, President Obama signed two pieces of legislation to stimulate small business lending. The American Recovery and Reinvestment Act of 2009 temporarily boosted the guarantee level of private sector loans guaranteed by the SBA. The Small Business Jobs Act of 2010 increased the maximum size of an SBA Advantage (7(a)) loan to $5 million, and expanded the ability of small businesses to use SBA’s Grow (or 504) loan program to refinance real estate debt. After a successful pilot, SBA worked with Congress to make this program permanent in 2016.
Modernizing the SBA through Technology

The needs of small businesses and entrepreneurs change quickly, and the SBA must be able to keep up. To do that, SBA must be a modern organization deploying new technologies with the efficiency and impact of the private sector. The use of modern tools increases our ability to help the underserved, allowing us to make services and information available to anyone, anywhere, regardless of their social, educational or financial position. Under President Obama, we have invested deeply in new systems and new technology for our personnel, and a more modern, automated approach to delivering our services.

- **Modernized the agency and improved data security.** To make SBA’s team more efficient, we supplied our team members with laptop computers, installed wireless internet throughout our headquarters, moved SBA lending systems off an old mainframe computing system and migrated SBA’s email system to the cloud. We also required all SBA employees to use the secure government ID technology known as PIV, enabling individuals to work remotely while ensuring government data remains secure.

- **Moved business lending online.** We’ve taken our SBA Advantage (7(a)) lending online with SBA One, a new online portal that allows us to provide forms, services and data management to lenders. We also created Lender Match (formerly LINC), a tool that matches lenders with potential borrowers. Lender Match has connected 2015.
• **Moved disaster lending online.** SBA went from 30 percent of disaster loans submitted online in 2009 to 90 percent submitted online today. The use of innovative new technologies continues to speed our response.

• **Moved contracting certifications online.** Working with the U.S. Digital Service, SBA created a new contracting portal at certify.sba.gov to provide small firms with a single online system to apply for contracting certifications, making SBA’s programs more accessible for small businesses and more manageable for the agency.

### Contracting

The federal government is the largest buyer of goods and services in the world, and the SBA works to ensure that this buying power benefits small businesses. During President Obama’s first seven years in office, the federal government awarded a record-setting $640 billion in federal contracting dollars to small firms, an increase of more than $125 billion compared to the preceding seven-year period, accounting for nearly 4 million jobs created or sustained. This included an unprecedented three consecutive years of exceeding the federal government’s goal of sending 23 percent of contract dollars to small businesses.

• **Federal contracts awarded to unprecedented numbers of women, veterans and disadvantaged business owners.** In 2015, for the first time in history, the federal government met its goal of awarding 5 percent of federal contracts to women-owned firms. The government also achieved an unprecedented four consecutive years exceeding the 3 percent goal for firms owned by service-disabled veterans, and hit a record 10.06 percent in federal contracts awarded to small businesses owned by disadvantage individuals.

• **Improved federal agency accountability for small business.** SBA implemented a new national “scorecard” on federal agency small business performance. The scorecard provided greater clarity and strengthened accountability for meeting the statutory small business prime contracting goals.

• **Strengthened government-wide support for small business contracting.** President Obama created an Interagency Task Force on Federal Contracting Opportunities for Small Businesses to change the way the federal government supports small business contracting. These changes included: requiring Office of Small Disadvantaged Business Utilization directors to report to the head or deputy head of their agencies, evaluating Senior Executive Service members on their ability to hit small business contracting goals, and issuing new rules to codify how to implement small business set-asides.

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**SBA Success Story**

Eli Valenzuela, Chairman and CEO  
Sher Valenzuela, Vice President  
First State Manufacturing  
Milford, DE

Eli and Sher Valenzuela founded First State Manufacturing (FSM) in their garage in 1997. Established with assistance from SBA’s 8(a) Business Development Program, the firm provides industrial seating and upholstery supplies to commercial, government and military customers.

Eli is a veteran of the U.S. Army. While in the Civil Service at Dover Air Force Base, he was trained to upholster the C-5 Galaxy, one of the largest aircraft in the world. Eventually, Eli came to realize he could do the job better and more efficiently. So he approached an SBA district office about applying his military skill set to his dream of opening his own business.

Since graduating from SBA’s 8(a) program, FSM has secured more than $10 million in contracts to customers such as: Dover Downs, Chili’s, Uno’s, Amtrak, Lockheed Martin, the Department of Defense and Amazon. The company has 80 employees and its sales have continued to rise since working with SBA.
• **Historic gains for women-owned small businesses.** SBA implemented a new law that allows agencies to directly award contracts to women-owned firms and removed dollar limits on the size of those contracts. Additionally, SBA commissioned a study to analyze industries where women-owned small businesses are underrepresented. Based on the findings, SBA was able to increase the number of industries where women-owned firms could compete for direct awards, allowing them access to an additional $39.9 billion in eligible federal contracts.

• **Created more opportunities for women entrepreneurs.** In 2013, SBA launched ChallengeHER. This multi-year series of educational and networking events across the country has delivered free workshops, mentoring and direct access to government buyers to more than 7,000 women-owned firms looking to do business with the federal government.

• **Brought mentorship to all small businesses that want it.** In line with the Small Business Jobs Act of 2010 and the National Defense Authorization Act of 2013, SBA established the All-Small Mentor Protégé program to offer mentorship opportunities for small businesses looking to grow in the federal marketplace.

• **Accelerated contract payments to small businesses.** The QuickPay Initiative, launched in 2011, requires that federal agencies expedite payments to small businesses within 15 days, resulting in more than $1 billion in access to capital for small businesses over the past five years. The program expanded to private sector contracting with the launch of SupplierPay at a White House event in 2014.

• **Cut processing time to help small businesses access federal help.** SBA cut in half the number of documents required for application to the 8(a) Business Development Program. Together with improved customer service, this change has led approval rates for 8(a) applications to rise from 47 percent to 76 percent.

**Counseling & Training**

SBA offers a variety of training opportunities for entrepreneurs to start and grow their businesses. Administered through targeted programming and collaborations with other organizations, the SBA seeks to continually innovate to meet the changing needs of America’s entrepreneurial landscape. Our efforts have been aided immeasurably by the great work of our resource partners, including Small Business Development Centers, SCORE chapters, Women’s Business Centers and Veterans Business Outreach Centers. Together, our resource partners support more than 1 million entrepreneurs across the country.

• **Fostered business expansion in regional industries for growth.** SBA created the Regional Innovation Clusters program, which accelerates small business growth and job creation through clusters that leverage a region’s economic, business and workforce assets.

• **Increased outreach to underserved communities.** In 2015, SBA partnered with the National Association of Government Guaranteed Lenders to develop the Business Smart Toolkit, a business education series that provides guidance on starting a business and on financial literacy.

• **Strengthened the capacity of resource partners.** In 2014, SBA created the Partner Training Portal, an online source of up-to-date content and training on SBA’s core products and services for our resource partners.
• **Expanded training for veterans.** SBA grew its network of Veterans Business Outreach Centers, expanding from six regional centers to 20 centers across the U.S. In 2013, SBA launched the Boots to Business program, which has since trained 50,000 active duty service members and spouses worldwide. The “Boots to Business: Reboot” program expanded to meet the needs of veterans who have already transitioned out of the military, as well as members of the National Guard and Reserve.

• **Expanded the Emerging Leaders Program.** SBA grew the Emerging Leaders Initiative, an intensive training program for business owners looking to expand their businesses. SBA has expanded this initiative from 15 locations in 2009 to more than 50 in 2016. More than 4,000 business owners have benefited from the training, nearly 70 percent have achieved revenue growth. They have secured federal, state, local and tribal contract awards totaling more than $700 million.

• **Launched ScaleUp America Initiative.** Recognizing that three out of four new jobs in America are created by businesses scaling up rather than starting up, SBA launched the ScaleUp America initiative to provide resources for growth-oriented businesses with revenues between $150,000 and $500,000. Available resources include free management assistance, intensive entrepreneurship education, access to growth capital and access to networking opportunities.

• **Partnered with AARP to empower “Encore Entrepreneurs.”** In 2012, SBA and AARP partnered to expand awareness and services to the Baby Boomer generation under an umbrella program called “Encore Entrepreneurship.” The partnership has served more than 475,000 existing and promising entrepreneurs over the age of 50 during the past four years through webinars, online courses and more than 475 in-person events during a co-branded “Summer of Encore Entrepreneurship Mentoring.”

• **Introduced Entrepreneurial Education to Job Corps.** In 2011, SBA partnered with the U.S. Department of Labor’s Employment and Training Administration to introduce entrepreneurship education in six pilot Job Corps sites in conjunction with SBA resource partners including SCORE, Small Business Development Centers and Women’s Business Centers.

• **Fostered Native American Entrepreneurial Development and Empowerment Workshops.** Over a six-year period (FY2011–FY2016), SBA delivered technical assistance and funded a project to conduct 70 entrepreneurial training workshops designed specifically for Indian Country. The goal of this project was to build entrepreneurial capacity, foster small business growth, ensure sustainability and stimulate economic development in underserved Native American communities. More than 1,107 participants received small business development training at those events. In addition, 813 post-training technical assistance sessions were delivered to Native American communities and small business owners.

**Disaster Assistance**

In addition to the longer-term help offered to small businesses, the SBA is also a crucial part of federal government assistance in the wake of disasters. Under President Obama, the SBA has approved more than $8.6 billion in lending to disaster survivors. SBA loans are available to homeowners, renters, businesses and nonprofits. Over the course of this Administration, we have prioritized getting assistance to those who need help as fast as possible. That required adapting more modern technology, finding new ways to simplify our processes and making disaster lending easier to access for those in need.
• **Expanded access to unsecured loans.** SBA increased the unsecured loan limit on our different types of disaster loans, allowing us to expedite delivery of disaster assistance funds to survivors. For instance, the unsecured limit for physical disaster loans was raised from $14,000 to $25,000.

• **Adapted modern technology.** SBA improved communication and customer service for disaster survivors by launching a new online portal that provides application status updates and email push notifications. When Louisiana experienced historic flooding in August 2016, our loan processing teams used the latest technology to make ‘desktop’ assessments of damaged properties by downloading the footprints of affected homes and businesses.

• **Responded to Superstorm Sandy.** Surpassed only by the 1994 Northridge Earthquake and Hurricane Katrina, Sandy represented the third largest disaster event in SBA history. SBA deployed 695 SBA disaster assistance workers and field inspectors throughout the East Coast, responded to more than 212,000 calls and approved more than 36,900 loans for a total of nearly $2.5 billion.

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**International Trade & Engagement**

Ninety-five percent of the world’s consumers live outside the US, yet only 1 percent of America’s small businesses export. The SBA is working to change that. We’ve made great progress in expanding access to export financing and counseling, and we’ve worked to improve ties between the small business sectors across borders. SBA has also represented small businesses in international trade negotiations and as a member of the President’s Export Council, working to expand entrepreneurs’ access to foreign markets.

• **The State Trade Expansion Program (STEP).** In 2011, SBA established the STEP program, a federal-state partnership to award grants to states that support small business exporters. In the first three years of the program, small businesses participated in over 34,000 export activities supported by STEP funds, with STEP recipients reporting export sales of over $1.4 billion. In 2015, Congress made the program a permanent part of SBA’s services to small businesses.

• **Training opportunities.** To help small businesses navigate the complex road to international trade, SBA trained an average of 8,400 small businesses and 4,200 lending officers each year, while our SBDC partners raised their number of certified export counseling staff from fewer than 100 in 2010 to more than 650 today.

• **Made more loans to small business exporters.** From FY 2009 to FY 2016, SBA guaranteed over $8.6 billion in small business export loans total, and more than doubled the annual amount of lending to small businesses for export purposes.

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**SBA Success Story**

Alan Doan, President
Sarah (Doan) Galbraith, Board Director
Missouri Star Quilt Company
Hamilton, MO

Siblings Alan Doan and Sarah (Doan) Galbraith, won SBA’s 2015 National Small Business Persons of the Year and were recognized by the Obama Administration at a White House ceremony. Their business, Missouri Star Quilt Co., Inc., is located in the small north eastern Missouri town of Hamilton.

In 2013, the owners received an SBA Grow (504) loan to construct a 45,000 square-foot facility to be used for warehousing and shipping, as well as customer service, sales and a photo/catalog studio. Quilting tutorials posted on YouTube and hosted by Alan and Sarah’s mother Jennie became an online viral sensation. This unique business is a combination of e-commerce and a bustling brick and mortar operation.

With the help of SBA’s loan guarantee, Missouri Star Quilt Company today owns 15 buildings, encompassing 116,365 square feet. They are the largest employer in Caldwell County, Missouri, and ship packages every day to customers all over the globe.
• **Advanced small business interests in negotiations and engagements around the world.** The SBA has consistently represented U.S. small business interests in trade negotiations while collaborating with other U.S. trade agencies to help resolve unfair trade practices and barriers for small businesses.

• **Connected U.S. small businesses to new partners in Latin America.** SBA has worked with countries around the world to successfully perpetuate the SBA model. This includes 20 countries in the Americas that are part of the Small Business Network of the Americas (SBNA) announced by President Obama in 2012. There are now close to 120 SBDCs operating within the SBNA region, serving approximately 30,000 clients annually. Additionally, Administrator Contreras-Sweet regularly engaged with her counterparts in Latin American governments, including traveling to Havana to review brand-new market opportunities in Cuba.

• **Expanded access to new markets through diplomacy.** Administrator Contreras-Sweet visited 14 countries and met with counterparts from more than 40 nations to help American entrepreneurs access international markets. These efforts included: meeting with senior Cuban officials to share American practices in support of small businesses; leading the U.S. delegation to the inauguration of El Salvador President Salvador Sanchez Ceren in 2014; participating in the 2015 Summit of the Americas in Panama; hosting two Global SME Ministerial meetings at the Global Entrepreneurship Congresses in Italy and Colombia; delivering the closing address at the Global Entrepreneurship Summit in Morocco in 2014 and in Kenya in 2015; meeting with President Enrique Peña Nieto of Mexico; meeting with King Felipe VI and other Spanish government officials in Madrid; convening the seventh annual EU-US SME Best Practices Workshop in Tallinn, Estonia; meeting with former Israeli President Shimon Peres in Israel; and traveling to Ireland to take part in the 2016 Startup Nations Summit.

• **Designed a foreign trade barrier hotline for small businesses.** In Spring 2016, SBA launched a Global Market Access webpage with a dedicated toll-free telephone line and email hotline for small businesses to report potential trade barrier concerns they face in overseas markets. Knowledge gained through this work will inform improvements in U.S. trade agreement negotiation strategies and future efforts to make small business exporting simpler.

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**Seeding Innovation & Growth**

The SBA is diligent in seeding innovation, with programs focused on companies with the potential to create game-changing economic breakthroughs. We have worked hard to grow our programs designed to help high-growth small businesses with investment, innovation and commercialization of government research and development.

• **Strengthened investment fund program for small businesses.** SBA operates the world’s largest middle market “fund of funds” through the SBIC program, a public-private partnership that helps qualified fund managers invest in small businesses and operates at zero subsidy. Working with Congress, we raised the cap on the value of SBICs managed under common control, and raised the amount of financing available to SBICs each year. We have licensed roughly 200 new SBICs since President Obama took office, and as a group, our SBICs have invested more than $31 billion in small firms during the Obama Administration.
SBIR is the world’s largest source of non-dilutive angel capital for small businesses. America’s seed fund has invested $40 billion in entrepreneurs with big ideas. In fact, the market cap of just two SBIR success stories, Qualcomm and Biogen, triples the total government investment in the program since it began in 1982.

- **Helped to drive new types of investment.** To expand the reach of our SBIC program and help drive capital to sectors that often face particular challenges accessing financing, we created Impact and Early Stage SBICs. These funds help put much-needed capital into small businesses in low-income areas, socially impactful companies and early stage startups.

- **Strengthened federal R&D funding for startups and small businesses.** In 2011, President Obama signed a long-term authorization of the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. Since 2009, these programs have provided more than $14.7 billion to nearly 19,000 innovative small businesses. According to a recent study, every $1 million in funding through SBIR helped create more than 40 jobs. SBA and 11 participating federal agencies have expanded access to SBIR/STTR opportunities with a new SBIR.gov platform and a road tour that engaged smaller communities across the country.
• Established largest network of small business accelerators. The SBA’s Growth Accelerator Fund Competition serves entrepreneurs in a broad set of industries and sectors – from manufacturing and tech start-ups, to farming and biotech. Since 2014, SBA has funded more than 200 startup accelerator programs in every corner of the country, serving well over 5,000 startups that have collectively employed over 20,000 people and raised more than $1.5 billion in capital.

**Internal improvements to how SBA does business**

To ensure maximum benefit to the small business it serves, the SBA is committed to continually enhancing its internal operations to encourage efficiency and strengthen performance. Under President Obama the agency has worked to help our workforce perform better and to adopt modern practices, from technology to benefits to office space.

• **Kept pace with private industry in workspace.** To create a federal workplace that looks and works more like the best of the private sector, SBA tested a new workplace design with the Modern Office Initiative. SBA modernized portions of our headquarters as well as its Wyoming district office, fostering a more collaborative open plan work environment and resulting in a more efficient use of space and taxpayer resources.

• **Launched SBA’s Workplace Conflict Resolution Center.** In March 2015, SBA launched the Workplace Conflict Resolution Center to help SBA’s team members address conflict at the earliest stage possible, helping to reduce time and money spent on formal complaints and fostering collaborative problem-solving and innovation.

• **Took new steps to make SBA more family-friendly.** Making SBA an attractive workplace for families helps to ensure the strongest possible workforce. We created a dedicated space in our headquarters for nursing mothers and decided to participate in the Federal Childcare Subsidy Program to help offset the cost of childcare for team members with a total family income below $75,000.

• **Established the SBA Digital Service Team and IdeaLab.** The SBA created its own Digital Service team, modeled on the U.S. Digital Service. We formed an Office of Digital Service and created a new Chief Digital Officer role to help drive new technologies. The team, drawn mainly from private sector tech companies, is housed in an IdeaLab at agency headquarters, a shared workspace modeled on startup environments to facilitate close collaboration and fast-paced work.

• **Protected against waste, fraud and abuse.** Under President Obama, SBA and DOJ have used litigation, regulatory enforcement and the prosecution of fraud cases to recover more than $3.2 billion. SBA also created a suspension and debarment task force to investigate and prosecute fraudulent conduct in SBA programs. Since the creation of this task force in 2009, SBA obtained 144 procurement and non-procurement debarments of companies and individuals that committed fraud in SBA programs, up from just four in the prior eight years.
Being a Voice & Champion for Small Business

In his first term, President Obama elevated the SBA to be part of his Cabinet, demonstrating the Administration’s commitment to small businesses. From the NASDAQ floor to America’s Main Streets, SBA has worked hard to champion small firms, as the voice of entrepreneurs in the President’s Cabinet.

- **Established the Startup in a Day Initiative.** Since 2015, we’ve enlisted more than 100 cities and Native American communities to take a pledge to streamline their business startup process, allowing entrepreneurs to navigate requirements in as little as 24 hours. We also funded two competitions to support the development of online tools that support this goal. The city of Los Angeles won a large monetary prize to develop an open-source version of their approach, now available at http://business.lacity.org/.

- **Launched the Inaugural Main Street Road Tour.** The SBA’s inaugural Main Street Road Tour spanned 11 cities across five states in the Delta Region, elevating the discussion on the impact of Main Street small businesses across the nation.

- **Celebrated National Small Business Week.** SBA’s Office of Communications and Public Liaison manages the observance of National Small Business Week (NSBW). Just last year, NSBW 2016 saw record in-person attendance and online reach, with more than 12,000 online seminar registrants and 70.9 million in Twitter viral reach.

- **State of Small Business Report at NASDAQ.** In February 2016, SBA Administrator Maria Contreras-Sweet delivered a data-driven State of Small Business Report at the NASDAQ stock exchange. The address highlighted ways in which the SBA is working to address issues of expanding entrepreneurship, addressing income inequality, and propelling American economic growth.

- **Created an Intergovernmental Affairs Office.** In June 2015, SBA’s Office of Intergovernmental Affairs (IGA) was established to serve as a liaison to elected and appointed officials of state, county and local governments. The office works in concert with SBA’s district offices and resource partners to build partnerships to facilitate opportunities for American small businesses.

- **Established National Veterans Small Business Week (NVSBW).** Since 2014, the first week of each November is dedicated to celebrating America’s veteran-owned small businesses. This November, more than 5,000 veterans received in-person training during NVSBW and another 22,800 participated in Facebook Live training events focused on entrepreneurship, access to capital and small business development for women veterans.

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**SBA Success Story**
Helen M. Russell, Co-Founder, & CEO
Brooke J. McDonnell, Co-Founder, & President
Equator Coffees and Teas, Inc.
San Rafael, CA

Helen and Brooke founded Equator Coffees & Teas 20 years ago, just as the specialty coffee industry began heating up. With support from the SBA’s loan guarantee programs, they’ve grown their business to more than 90 employees, 350 wholesale customers and five retail stores. In 2016, Equator Coffees & Teas was named SBA’s National Small Business Week winner—the first LGBT business to receive this honor. 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 origin of the coffee, the duo bought an Italian roaster using funds from the sale of Brooke’s mother’s wedding ring. They roasted coffee in their garage and Equator Coffees & Teas was born in 1995. An SBA Grow (504) loan made it possible for Helen and Brooke to purchase their own roasting plant and expand their business into the enterprise it is today.
• **Expanded Small Business Saturday.** Small Business Saturday is an American shopping event held on the Saturday after Thanksgiving. Created in 2010 by American Express, this event is conducted in partnership with SBA to promote small businesses. In 2014, Administrator Contreras-Sweet expanded the scope of the day by collaborating with the National Restaurant Association to promote “Dine Small” alongside “Shop Small.” In 2015, more than 95 million consumers shopped at small businesses and spent $16.2 billion—a 14 percent increase from 2014.

• **Supported small business through global engagement.** In 2016, SBA signed a Strategic Alliance Memorandum with the Global Entrepreneurship Network to institutionalize the Global SME Ministerial as part of the Global Entrepreneurship Congress. Also in 2016, the Global Entrepreneurship Congress created the Maria Contreras-Sweet Award for Global Impact, which recognizes a government official or policy expert who has helped create a strong ecosystem to support diverse entrepreneurs.

• **Created the American Supplier Initiative.** In 2012, SBA launched the American Supplier Initiative to help bridge the gap between small, nimble businesses looking for new opportunities and large corporations looking for innovative new ideas and diversity in their supply chains. The American Supplier Initiative is a call to action for the private sector to invest in their supply chains through small businesses. It aims to address four key areas: access to mentorship and counseling services, increased market and revenue opportunities, ready sources of capital to fund their growth, and a highly skilled workforce.

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**Diversity & Inclusion**

A key part of the SBA’s mission is to ensure that entrepreneurship is a path available to all Americans. The face of entrepreneurship is evolving, with women, African-American and Hispanic-American entrepreneurs representing a larger share of small businesses than ever. By one estimate, women entrepreneurs are adding more than 1,000 new businesses in this country every day, and women of color account for roughly 80 percent of those businesses.

The SBA has focused on outreach and serving entrepreneurs from all occupations, especially women, those in rural areas and struggling communities, veterans, and others who historically have had less access to capital.

• **Produced results for communities overlooked by traditional lenders.** With support from Congress, the SBA has nearly doubled the size of its microloan program, which provides loans up to $50,000, as well as technical assistance, through nonprofit lending intermediaries.

• **Launched the Partnership for Lending in Underserved Markets (PLUM).** In 2016, SBA announced the PLUM Initiative, a two-year pilot initiative designed to ensure that small businesses in underserved communities are able to access financing, training and technical assistance. The pilot was spearheaded in partnership with the Milken Institute and focuses initially on minority-owned businesses in Baltimore and Los Angeles.

• **Worked to close the gender gap by supporting Women’s Business Centers.** Women make up half the population and 40 percent of new entrepreneurs each year, yet they still face too many barriers to economic equality. That’s why SBA has worked hard to grow its Women’s Business Center (WBC) network, increasing funding to WBCs by an additional $4.2 million in the last three years and enabling the WBC network to serve more than 140,000 clients last year.
• **Launched InnovateHer.** According to one study, only 15 percent of venture funding goes to women. SBA launched the InnovateHer competition to help change that. This nationwide competition highlights women entrepreneurs who have been critical to growing businesses and creating jobs, whether in cutting-edge fields like precision medicine or cybersecurity or through advances in agriculture or manufacturing. InnovateHer drew more than 2,000 participants in contests across the country this year.

• **Led the United States of Women Empowering Entrepreneurs Summit.** In June 2016, the SBA, in cooperation with the White House Council on Women and Girls, convened more than 300 key stakeholders to engage in a substantive dialogue between the federal government, private sector, and community leaders regarding women’s entrepreneurship. The United States of Women Summit: Empowering Women Entrepreneurs track celebrated the achievements of women entrepreneurs and addressed the challenges they face.

• **Reduced barriers for formerly incarcerated entrepreneurs.** In 2016, SBA partnered with the Kellogg Foundation to launch the ASPIRE Initiative to provide entrepreneurship education and access to revolving microloans to individuals who have been formerly incarcerated. This public-private partnership is part of a larger effort to reduce barriers to employment among the formerly incarcerated and builds on a new rule SBA issued last year that makes individuals currently on probation or parole eligible for an SBA microloan.

• **Increasing boardroom diversity.** In 2015, SBA commissioned a study with the Library of Congress research division that found SBIC funds are more likely to have women in leadership positions compared to other private sector companies and that diverse investor groups are more likely to invest in companies with diverse representation. SBA has also teamed with LinkedIn and a broad range of professional organizations to launch the OnBOARD Initiative, which is designed to present companies with a steady supply of diverse talent that is ready to assume board leadership positions in corporate America.

• **Expanded economic opportunities and advancements for LGBT entrepreneurs.** The SBA partnered with the National Gay and Lesbian Chamber of Commerce (NGLCC) through the Business Builder initiative to raise awareness of SBA programs and services.

• **Improved access to federal contracts for tribal entrepreneurs.** In 2009, SBA’s Office of Native American Affairs developed the agency’s first American Indian and Alaska Native Policy and Tribal Consultation Plan. Since that time, SBA has conducted several tribal consultations on proposed changes to 8(a) Business Development Program and 8(a) Mentor Protégé programs.
• **Connected lenders with Native American-owned firms.** When the SBA’s new lending matchmaking service (Lender Match) was created, the first firms brought in for usability testing were Native American-owned firms. Lender Match (formerly LINC) is especially important for Native American small business owners, who often have to travel long distances between Native communities and financial institutions.

• **Used technology to assist tribal communities.** Since 2012, SBA’s ONAA has offered online training courses providing entrepreneurial education for the Alaska Native Corporations, Native Hawaiian and tribal small businesses. Additionally, as part of the Administration’s “Generation Indigenous” Initiative (designed to improve the lives of Native youth), SBA partnered with the American Indian Chamber of Commerce to sponsor a “hack tank” last summer.

• **Re-launched the Council on Underserved Communities.** In 2016, Administrator Contreras-Sweet once again launched the Council on Underserved Communities (CUC), a committee reporting directly to the Administrator. The Council consists of 11 business leaders representing underserved African-American, Hispanic, Native American, Asian-American, women-owned, vets-owned, rural, disabled, LGBT and senior business owners. The Council advises the Administrator on obstacles facing small businesses in underserved communities.

• **Hosted the 2016 Hispanic Entrepreneurship Summit.** Last June, SBA, in cooperation with the White House, hosted the 2016 Hispanic-American Entrepreneurship Summit to highlight the contributions of Hispanic entrepreneurs and engage in substantive dialogue to identify strategies to support this growing population.

• **Reduced fees for veterans.** In FY2015, SBA established Veterans Advantage loans, which cut in half the borrower guarantee fees on SBA Advantage (7(a)) loans for FY15-FY16 on loans up to $5 million, and for loans up to $500K in FY17. The Veterans Entrepreneurship Act of 2015 also reduced this fee to zero on SBA Express loans up to $350,000.

• **Created the Hearing-Impaired Initiative for deaf and hard of hearing customers.** In June 2015, SBA, in partnership with the Federal Communications Commission (FCC), launched its American Sign Language (ASL) Video Service to allow deaf and hard of hearing customers to communicate directly with the SBA over videophone. At the time of the rollout, SBA was only the second federal agency to provide this direct service to the deaf and hard of hearing community.
Conclusion

The SBA is committed to making a difference for millions of entrepreneurs in every corner of America. Small businesses are the prime drivers of American job creation, and small business owners form the backbone of our nation’s communities. We must continue to ensure that SBA’s services remain accessible to all. Our tradition of entrepreneurship has historically brought innovators and risk takers to our shores. To maintain the vitality of our small business ecosystem, the SBA must be as nimble and innovative as the entrepreneurs it serves. By supporting them, we ensure the American Dream remains alive for future generations.
All the SBA programs and services are extended to the public on a nondiscriminatory basis.