



NEWS RELEASE

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SBA Announces Record Year for Small Business Contracts *More Than 25% of All Federal Contracts Went to Small Businesses in 2003*

WASHINGTON – Hector V. Barreto, Administrator of the U.S. Small Business Administration, announced today that the federal government, for the first time ever, awarded more than a quarter of its prime contracting dollars to small businesses in fiscal year 2003. The FY 2003 data indicate that small businesses did \$62.7 billion of business with the federal government as prime contractors, representing 25.37 percent of all government prime contracting dollars. That is an increase of \$9.7 billion over FY 2002.

“This is a tremendous victory for America’s small business owners and for our economy,” Barreto said. “These record-breaking numbers did not happen by accident. President Bush and the SBA have worked hard to help small entrepreneurs do business with the federal government. The President is working to create an environment in which small businesses can succeed, and these tremendous results show that his policies are working. The statutory goal for small business contracting is 23 percent. We not only exceeded those standards, but we set an all-time record, awarding a higher percentage of federal contracting dollars to America’s small businesses than ever before.”

“Business Matchmaking, the 8(a) Business Development program, and the HUBZone program are making a difference for small businesses,” Barreto added. “I believe that our continued commitment to those programs combined with our strong efforts in other areas – such as contract unbundling – will make 2004 another banner year.”

The \$62.7 billion in prime contracts awarded to small businesses in 2003 will create or retain approximately 469,632 jobs.

“Today’s report from the Federal Procurement Data Center confirms that we are making progress on a number of important fronts given the importance of federal contract opportunities to jobs and growth for small business. However, obstacles still remain to hinder small firms from realizing greater business opportunities in both prime contracting and subcontracting areas,” said Olympia Snowe, Chair of the Senate Committee on Small Business and Entrepreneurship. “The SBA’s efforts to enhance small business participation in federal contracting appear to be opening doors for small contractors, and I want to help the agency build on this progress.”

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House Small Business Committee Chairman Don Manzullo said, "Nearly two years ago, President Bush set several policies in motion to increase federal contracting opportunities for small businesses. The results have been tremendous. The federal government, which purchased a record \$62.7 billion in products from small businesses last year, is not only meeting but exceeding its overall small business contracting goal. That's great news for taxpayers since small businesses can often provide goods and services more quickly and less expensively than their larger competitors. And it's great news for our economy, since more business for small businesses means more jobs for Americans."

Every category of small business tracked by SBA showed impressive gains in federal contracts in FY 2003. Small disadvantaged businesses were awarded \$2.3 billion more in federal contracts in FY 2003, receiving \$18.2 billion in contracts. Likewise, participants in the 8(a) Business Development program received \$3.97 billion more than in FY 2002, for a total of \$9.6 billion in FY 2003.

The dollars to women-owned small businesses increased by \$1.1 billion, from \$6.8 billion to \$7.9 billion in FY 2003. The HUBZone program, which just celebrated its fifth anniversary, was awarded \$2.447 billion in contracts. Service-disabled veterans also saw an impressive jump in the value of contracts awarded, receiving \$510 million in FY 2003 as opposed to \$298 million in FY 2002.

Two agencies in particular showed strong results from their efforts to reach out to small businesses in 2003. The Department of Defense awarded 24.8 percent of its prime contracts to small businesses, and the Department of Homeland Security awarded an impressive 40.68 percent of its prime contracts to small businesses in its first year.

In addition to outreach through traditional contracting methods, last year the SBA employed a new initiative called Business Matchmaking. Business Matchmaking is a series of events being held across the country in which small business owners can schedule one-on-one meetings with buyers from federal, state and local governments as well as larger corporations, cutting through the red tape that is too frequently part of the federal contracting process. So far more than 4,000 small businesses have participated in more than 14,500 one-on-one meetings with buyers at Matchmaking events across the country.

For more information about all of the SBA's programs for small businesses, visit the SBA's extensive Web site at www.sba.gov.

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