



# News Release

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## **SBA Emerging 200 Frequently Asked Questions**

### **What is the SBA Emerging 200?**

The goal of the SBA Emerging 200 initiative is to identify 200 inner-city businesses across the country that show a high potential for growth—and to provide them the network, resources and motivation required to build a sustainable business of size and scale within a designated inner-city geographic location.

### **Why is SBA launching this initiative?**

SBA is increasing outreach to areas historically challenged by high levels of unemployment and poverty. Bolstering entrepreneurial success in these areas will generate new jobs, attract investment, and provide a more sustainable economic base in distressed areas. Current efforts also include a program to improve access to credit to small businesses located in rural areas.

According to SBA's Office of Advocacy, small businesses are the greatest source of net new employment in inner cities and account for 80 percent of total employment. However, the job growth rate in inner cities still lags behind the rest of metropolitan areas (*"State of Inner City Economies: Small Businesses in the Inner City," Oct. 2005*). SBA hopes to accelerate inner city small business growth in inner cities through the Emerging 200.

### **Which cities have been selected to participate?**

Boston, MA; Baltimore, MD; Philadelphia, PA; Atlanta, GA; New Orleans, LA; Memphis, TN; Chicago, IL; Des Moines, IA; Milwaukee, WI; Albuquerque, NM; Oakland, CA.

### **How were the cities selected?**

SBA commissioned research by the Initiative for a Competitive Inner-City (ICIC) in October 2007 to identify the largest inner cities (40,000+ inner city jobs) with low or negative compound annual job growth rates (below 1%) from 1998-2005. Fifty-five eligible cities were identified, at which time SBA sent a broad invitation to the inner city economic development community in these cities to participate in this pilot year of the program. This announcement was also made through public speeches by agency officials, conference calls with the Inner City Economic Forum membership and local SBA District offices who notified their local governments.

SBA District Offices and SBA Regional Administrators with eligible cities within their jurisdiction were

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provided information on the program design and intent, to determine the interest, commitment and capacity for participation in their communities.

A seven-member panel from SBA extensively reviewed each proposal to ensure that they met or exceeded the criteria established in the proposal process. Each panel member scored every proposal. The scores were then tallied and grouped by score category. Their recommendations were provided to SBA's Administrator for his approval.

### **How many proposals were received?**

In total, 23 proposals (out of the 55 cities eligible) were received and evaluated on the basis of local community support, vision for program development and ability to support with staff and in-kind contributions. The proposal essentially outlined the city's interest, community support and capacity.

### **What will be the responsibilities of the selected cities?**

The SBA district offices, along with its city-based collaborators, will provide in-kind training facilities, engage community outreach to identify and market the training to potential participants, handle registration, onsite logistics, and developing an ongoing relationship with the chosen Emerging 200 businesses. The SBA will provide a uniform, national training curriculum that will form the baseline for the initiative.

### **What are the criteria for business participant's eligibility?**

Businesses must be located in one of the chosen inner cities. Companies that will most benefit from the program will be headquartered in the inner-city, have achieved \$400,000 in revenue, and are at least three years old. The SBA district director and partners have the option of narrowing the geographic scope to certain quadrants within the targeted geographic area.

### **What are the benefits to eligible participating small businesses?**

The SBA Emerging 200 initiative will enable the participating small businesses to engage in an intensive curriculum focused on developing a winning, expansion strategy for their business, including options for capital access and contracting. Participants also will have the opportunity to work with experienced mentors, attend workshops and develop connections with their peers, city leaders, and financial community.

### **How can interested business participants register?**

All details on where and how to register will be distributed to the public in host cities. Registration will be through the local SBA district office.

### **What is the long-term plan for this initiative?**

SBA is committed to serving and supporting inner-city companies. There is an identified need and, based on the response to the call for proposals, a demonstrated interest in this type of targeted development effort. This year will serve as a pilot year, and the hope is to expand to a broader set of inner cities in 2009. The agency has requested funding in FY09 for this initiative.

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**What is the current initiative timeline?**

- March – Announcement of Host Cities
- March-April - Recruitment of business participants; local partnerships and support identified
- March/April/May – Business participants registered
- June – November – Emerging 200 commences and runs in each host city; concurrently, SBA will convene a community development roundtable in each host city
- August – Begin planning for potential expansion of program in 2009
- December –E200 inaugural class completes program

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