



News Release

PRESS OFFICE

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SBA Improves HUBZone Program To Help Small Businesses Create More Jobs

WASHINGTON – The U.S. Small Business Administration is changing its Historically Underutilized Business (HUBZone) program to help small businesses create more jobs in economically distressed communities.

“These pivotal changes to the HUBZone program expand its reach dramatically and will create more jobs and economic growth in economically depressed areas for small businesses, and stimulate growth in the nation’s economy,” said Administrator Hector V. Barreto.

Under recent legislation, a small business applying for HUBZone certification no longer needs to be owned and controlled exclusively by U.S. citizens. Now, the level of required ownership by U.S. citizens is 51 percent. Also, agricultural cooperatives have joined community development corporations and Indian tribes as entities that can participate in the HUBZone Program.

Tribally-owned small businesses also have new options regarding the HUBZone employment requirement, one of four basic eligibility criteria. A tribal business can choose to meet the 35 percent residency at the time of application or wait until the firm actually receives a HUBZone contract. If this latter option is chosen, the business will be required to ensure that 35 percent of those working on the contract reside in a reservation area controlled by the tribe, or an adjoining HUBZone.

Another change permits a rural county to qualify for HUBZone status if its local unemployment rate is high relative to either the state’s annualized unemployment rate or the national unemployment rate. Previously, the only comparison was permitted against the state level.

Finally, small businesses that either were terminated or are facing imminent termination from the HUBZone Program because the areas where the firms are located are no longer considered to be economically distressed will retain the ability to participate in the HUBZone Program until the results of the next census data collection, scheduled for 2010, is analyzed and released to the public.

The HUBZone program was created in 1997 as a result of legislation sponsored by Sen. Christopher Bond (R-MO) and has more than 11,000 participants. The program provides certified firms an opportunity to compete for federal contracts and provides local employment in distressed communities. The program boasts an online application that allows small businesses to determine whether they are located in a HUBZone, apply for HUBZone certification and check on the status of an application at any time during the review process.

For additional information on the changes to the HUBZone program, visit the Web site at www.sba.gov/hubzone.

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