



Remarks Prepared For Delivery

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Thank you, Omar, for that kind introduction.

Before I start, I would like to recognize our outstanding district director in Illinois, a real leader in the community, Judith Roussel.

I'm delighted to be here this morning to launch the premier Hispanic business event in American's heartland, here in the great city of Chicago.

Chicago is not just a business center, it is an entrepreneurial center. Throughout its history, Chicago has also been a magnet of immigration, and so today it is becoming a center for Hispanic Americans and Hispanic American businesses.

This event demonstrates both the promise and the strength of the Hispanic business community.

As a Latina, a businessperson, and an appointee of President Bush, I understand well the many contributions Hispanics are making to our workforce, our economy, and government. And I've seen first-hand the contributions of Hispanic business to this great country that offers opportunities for all.

"We have to realize," President Ronald Reagan rightly said, "that this country's private sector has been fighting the most successful war on poverty the world has seen." From as far

back as I can remember, I was determined to join the private sector and enlist in its “war.”

When I had the opportunity in 2006 to join the Bush Administration, I was excited at the prospect of public service. I was eager to give something back.

SBA

And I was particularly excited about working at the SBA – an agency with the noble mission of empowering America’s entrepreneurs.

Small businesses drive America’s economy. They:

- Employ half of the private sector work force.
- Create between 60 and 80 percent of new jobs every year.
- Account for half of non-farm GDP.
- And they are major incubators of technological innovation and change.

Just as it is vital to promote diversity at large companies, it is also essential to enable minority entrepreneurs, including

Hispanics, across the country. And this is something SBA is working hard to do.

State of Minority Small Business

In the early 1980's, minorities owned about 7 percent of all U.S. business enterprises. Today, minorities own more than 18 percent.

Behind these numbers, the lives of millions of minority entrepreneurs have been dramatically improved through owning a small business. Their families now lead better lives; indeed, whole communities have been transformed because of all the economic activity, risk-taking, sweat, and courage that stand behind that simple statistic.

As Hispanic entrepreneurs, and very successful small business owners, you have surmounted these obstacles. You have started businesses in communities that have not fully shared America's promise. By creating those businesses, you have brought jobs, services, investment, and opportunity to places where they have often been in short supply. I believe small businesses is the engine to drive transformation in our communities.

How SBA Helps Hispanics

The SBA can and should help empower these agents of transformation in our minority communities. We're focused intently on maximizing our impact there.

First, we've been listening hard to minority and underserved communities. My Chief of Staff, Molly Wilkinson, myself, and other senior leaders have all met with numerous minority groups, including the National Minority Supplier Development Council, the US Hispanic Chamber of Commerce, and the Minority Business Roundtable. We very much want to hear what you have to say – how we can help you, what we're doing well, and what we can do better.

Second, we've tasked SBA's Office of Entrepreneurial Development with improving our outreach to minority and underserved markets. The OED is working very hard with our resource partners to improve financial and entrepreneurial literacy in minority communities.

To do that, we've leveraged our technical assistance partners – such as SCORE, the Women's Business Centers and the Small Business Development Centers – to utilize on-site, one-on-one coaching and targeted training on topics on financial matters. In 2007, these SBA partners counseled over 37,000 Hispanic entrepreneurs.

We're also looking to expand our public-private partnerships in pursuit of these goals. For example, we've worked with a faith-based organization, Operation HOPE, to develop an entrepreneurial literacy in Harlem.

Third, we are reaching out to minority and underserved communities through our loan programs.

We have revamped our Community Express loan, which will help minorities in designated underserved areas, and aids those entrepreneurs with technical assistance.

For our rural populations, we've recently piloted Small/Rural Lender Advantage, which will reach the largest minority populations. We think we can get more out of these loan initiatives, and are continuing to explore the best ways to maximize their impact.

Through our loan programs, we fill a crucial role that's not filled elsewhere. We're able to get capital into the hands of people who otherwise wouldn't be able to get it. These especially include disadvantaged, underserved and minority markets.

Our programs allow banks to extend money to people who don't have sufficient collateral to get the loans themselves, who also often have lower credit scores or mixed credit

histories. But just as often, they have great business ideas, and this capital allows them to pursue their dreams.

Fourth, because we're a field organization with over 100 offices nationwide, we can reach different geographies – especially inner cities, which often don't receive adequate private sector focus. And it's these areas that can benefit the most from capital. Without SBA's programs, far less capital would reach them.

We've seen some nice results in getting capital into the hands of Hispanic borrowers. In 2007, more than 11,500 SBA loans totaling \$1.5 billion went to the Hispanic small business community. These totals account for 10% of the overall number of loans and 7% of the total dollars SBA approved in 2007.

In addition to helping banks extend much-needed capital to minority borrowers, one of the main ways SBA supports minority businesses is through the 8(a) Business Development Program. This 9-year program for economically and socially disadvantaged business owners is intended to foster the firm's growth in a variety of ways: through technical and management experience, with support in the federal procurement process, and with financial assistance.

In 2007, Hispanics 8(a) firms received close to \$8 billion in federal contracts. Approximately \$2 billion were received as result of 8(a) set-aside.

SBA has made concrete improvements to the 8(a) program. We have reduced the turn around time for applications in half, from 146 days to 73 days. And our Business Development Management Integrated System (BDMIS) is up and showing good results. This key innovation will dramatically improve how we and 8(a) firms manage the certification process.

Small Business Policy

Better programs, however, are no substitute for sound, well-shaped economic policies that unleash the power of entrepreneurial capitalism.

Small businesses need a reduced tax burden, increased access to foreign markets, and policies that make health care more affordable.

The tax burden small businesses face needs to be permanently reduced. Lower taxes mean more dollars available for investment, for sales expansion, and for employee benefits.

It's also important that small businesses are able to expand into new markets. The number of U.S. small businesses that

export is increasing, as is the value of their exports. Congress needs to level the playing field for U.S. exporters, especially small businesses, by passing free trade agreements.

To make health care more affordable, available, and flexible we need to stay on track toward a solution that allows small companies the same tax advantages that large businesses enjoy.

Conclusion

The steps we've taken reflect the commitment SBA has made to Hispanic small businesses. This is a noble undertaking – assisting America's small businesses, and most especially helping minority entrepreneurs.

I hope you keep in mind all that the SBA and our resource partners can do to help you – and to help your business grow and succeed.

And as you head towards the exhibits and workshops, I urge you take full advantage of the great opportunities you have today.

Thank you again for the opportunity to speak here today.