



# ***NEWS RELEASE***

## **PRESS OFFICE**

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### ***SBA LENDING TO AFRICAN AMERICAN-OWNED SMALL BUSINESSES TRIPLES SINCE FY 1992***

**WASHINGTON** – The number of loans approved by the U.S. Small Business Administration (SBA) for small businesses owned by African Americans has nearly tripled since FY 1992, from 741 loans worth \$132 million to 2,176 loans worth \$383 million last year, SBA Administrator Aida Alvarez announced today.

The increase pushed the total volume of loans made to support African American-owned small businesses over the seven-year period (FY93 to FY99) to 13,470 loans worth more than \$1.9 billion.

“At a time when the American economy is producing greater and greater prosperity across the country, these loans represent our determination to make sure that the doors of opportunity are opened wide to everyone with the creativity and determination to step through them,” Administrator Alvarez said. “Now, during Black History month, we must redouble our efforts to make sure that access to capital is part of the solution, not part of the problem.

“Since President Clinton took office, SBA has made more than \$14 billion in loans to 63,000 minority-owned businesses – more than in the entire 40-year history of the agency before 1993,” she said. “Last year alone, 28 percent of the more than \$12 billion in SBA loan dollars went to minority borrowers, a record. That’s \$3.4 billion in loans to over 12,000 minority-owned businesses.

“But we still have a long way to go. Despite their higher growth rates, minorities still remain under-represented in the ranks of business owners. African Americans make up 12.5 percent of our population, but they own just 3.6 percent of all businesses.

“We can do better, and we have to do better. Because if we can’t commit ourselves to opening the doors of opportunity for everyone during this time of great prosperity, then we won’t ever do it,” Administrator Alvarez said.

Over the past 30 months, the SBA has launched a wide-ranging outreach initiative designed to sharply increase the amount of financing, technical assistance and government contracting opportunities available to America’s New Markets – particularly minority and women entrepreneurs.

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According to SBA's Office of Advocacy, the number of businesses owned by African Americans grew by 108 percent between 1987 and 1997, to a total of 880,000 businesses. Revenues grew at a similar pace, to about \$59 billion.

With its wide variety of flexible and responsible economic development tools, SBA is suitably positioned to promote business creation and expansion in this market. By helping one business at a time, SBA's programs have a profound and empowering effect on local economies and the lives of individual citizens.

Administrator Alvarez has set aggressive new three-year lending and outreach goals for financing business formation and job creation in the African American business sector, and has committed the agency to an ambitious and creative program to provide access to the capital tools necessary to finance success.

Under Administrator Alvarez, SBA is working to achieve its loan goals by working in partnership with a variety of major business and civic associations and local community groups. These partnerships are based on formal agreements that will help SBA more effectively reach business owners in minority communities with information about SBA programs.

Administrator Alvarez has signed partnership agreements with groups representing more than a million African American-owned small businesses, including:

- The National Black Chamber of Commerce,
- The National Association for the Advancement of Colored People (NAACP),
- The National Urban League,
- The Minority Business Enterprise Legal Defense and Education Fund, and
- National Council for Negro Women

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*For more information on all of SBA's programs for small businesses, call the SBA Answer Desk at 1-800-U-ASK-SBA, or visit the SBA's extensive website at [www.sba.gov](http://www.sba.gov).*

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