

NATIONAL SMALL
BUSINESS WEEK
MAY 1-7, 2016



National Small Business Week

Small Businesses and Entrepreneurs Drive Global Innovation

The **U.S. Small Business Administration (SBA)** is a driving force for American innovation and a key player supporting America's leading role in global entrepreneurship.

The SBA Office of Investment & Innovation (OII) helped create **StartUp America**, an initiative that helps inspire and promote the impact startups and small business companies can have on the American economy.

The **Small Business Investment Company (SBIC)** program aka **America's Growth Fund**: Working with private sector partners, SBA licenses SBICs and provides \$2 in government guaranteed debt for every \$1 in private investment up to a maximum of \$150m per fund and \$350m for a family of funds.

- Since it was created in 1958, more than \$80 billion has been invested **helping finance 170,000 American small businesses** including many that have gone on to huge success including COSTCO, Amgen, Apple, Fedex, Staples, Intel, and more.
- At the end of FY 2015, 303 operating SBICs managed more than \$25 billion in private capital and SBA guaranteed leverage and commitments to 1,210 small businesses.
- Last year alone SBIC enabled the **creation and sustainment of approximately 130k jobs**.

The **Early Stage Investment Initiative** (via SBIC program), launched in 2011 as part of President Obama's Startup America Initiative, has committed as much as \$200 million annually to venture capital firms investing in high growth US small businesses.

- Early stage funds must invest at least 50% of investable capital in Early Stage companies, defined as companies that have never had positive cash flow from operations as of the date of investment. The remaining 50% must be invested in US small businesses.

Every year since 1963, the President of the United States has issued a proclamation announcing National Small Business Week which recognizes the critical contributions of America's entrepreneurs and small business owners. As part of National Small Business Week, the SBA takes the opportunity to highlight the impact of outstanding entrepreneurs, small business owners, and others from all 50 states and U.S. territories. All SBA programs and services are extended to the public on a nondiscriminatory basis.

- Upon obtaining a Green Light approval, Funds must raise a minimum of \$20 million of Private Capital; the SBA's commitment is up to a one-to-one match, capped at \$50 million.

The SBIC Program allocates roughly **\$200 million in annual SBA-guaranteed leverage** commitments to the Impact Investment Fund available to funds licensed as Impact SBICs.

- The Impact Investment Fund was created to support small business investment to maximize financial return and generate enhanced social, environmental and economic impact.
- With each new Impact SBIC licensed, SBA hopes to contribute to the impact industry's growth, demonstrating that investors can use their capital to affect positive change in their communities while also earning strong financial returns.

In 2015 SBA-OII launched the **Small Business Innovation Research (SBIR)** Road Tour, a national outreach effort to convey the non-dilutive technology funding opportunity provided through the SBIR and Small Business Technology Transfer (STTR) programs (aka **America's Seed Fund**).

- Federal and State Program Managers representing the \$2.5 billion in early stage funding have been invited to attend a series of events across the United States alongside technology entrepreneurs, intellectual property law experts, and innovation supporters from across the United States.

SBA-OII also revamped and modernized **SBIR.gov**, helping innovators and entrepreneurs locate viable funding opportunities and resources across the U.S. government and beyond to help scale up their high-tech driven ideas into viable startups and small business companies.

In 2014, the U.S. Small Business Administration launched the first ever **Growth Accelerator Fund Competition**.

- More than 800 entities applied for \$2.5 million in cash prizes. Accelerators and other entrepreneurial ecosystem models competed for awards of \$50,000 each (50 winners selected). That ecosystem is made up of about 1500 geographically dispersed startups across a broad array of industries that employ approximately 5,000 people and have collectively raised more than \$600,000,000.

Based on that success, SBA ran a second competition in 2015 with \$4 million in Congress appropriated funds awarding another 80 prizes. SBA's Office of Native American Affairs (ONAA) also used this competition framework to award an additional \$400,000 to ecosystems primarily dedicated to Native American entrepreneurs and small businesses.