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SBA Program Helps to Bridge the Small Business Gap

WASHINGTON – The U.S. Small Business Administration’s national network of Small Business Development Centers (SBDCs) plays an essential role in the economic development of their states and local communities through their direct, face-to-face counseling for small businesses, according to a report released today by the SBA. The report, produced by the National Small Business Development Center Advisory Board, focuses on SBDCs’ impact on small business access to SBA’s programs and services, including access to SBA capital, procurement, disaster and international trade programs.

“SBA’s Small Business Development Centers give new and growing small businesses the resources they need throughout the year to grow and create jobs,” said SBA Administrator Karen Mills. “The soundness of our economy depends on stable small businesses across the country and SBDCs are front and center helping entrepreneurs start, grow and expand their companies. These institutions reflect the diversity and individuality of their nearly 900 home towns and play an active and vital role in those.”

The report confirms that SBA’s SBDC program remains an essential part of the agency’s mission to help small businesses. The report, *The SBDC Program: An Indispensable Partner in America’s Economic Development*, demonstrates statistically the prolonged impact that SBA-funded SBDCs have on the formation and growth of small businesses. The report can be viewed online at <http://www.sba.gov/sites/default/files/White%20Paper%20-%20FINAL%20-%202007-15-2011.pdf>.

A key finding of the report is that SBDCs help local economies by improving the odds for startup small businesses. “SBDCs,” the report says, “are solely focused on creating and supporting small businesses which in turn pay taxes, provide employment and diversify the economic base for their states. . . The businesses that work with the SBDCs are the job creators and enterprises that have the potential for survival and growth.”

The report also highlights the effectiveness of SBDC counseling in improving the chances of small businesses that are seeking credit. “SBDCs have intimate knowledge of what lenders really want and need from borrowers to increase the likelihood of them being able to make a loan. The SBDC Business Advisors provide solid technical expertise to coach borrowers through the lending process.”

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SBA News 12-3, page 2...

The report found that the 900 SBDC service locations provide a necessary local footprint in the communities they serve, delivering unique offerings tailored to the needs of its small business community.

The report also found that the SBDC program, for which the federal government covers half the cost, remains one of the government's best investments because of its close associations with other SBA resource partners, federal, state and local government small business assistance programs and service providers; universities and community colleges; and private enterprise and local nonprofit economic development organizations.

The nine-member independent advisory board provides advice and counsel to the SBA Administrator and associate administrator for the Office of Small Business Development Centers on the SBDC program.

Last year, more than 557,000 entrepreneurs received business advice and technical assistance through the SBDC program. In its more than 30-year history, SBDCs have assisted millions of small business owners and entrepreneurs to successfully start and grow small firms by fostering entrepreneurship and growth through innovation and efficiency.

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