



Highlights of [GAO-07-714](#), a report to congressional requesters

Why GAO Did This Study

Small businesses engaged in manufacturing, typically those with 500 or fewer employees, comprise about 90 percent of all U.S. manufacturers and employ 6 million workers. Recent studies have shown that small manufacturing businesses face a number of challenges in their efforts to remain competitive, including the inability to obtain operating and investment capital, a lack of familiarity with new business practices, and difficulty in finding independent advice and skilled employees. To help these businesses overcome such challenges, many federal agencies provide financial and nonfinancial technical services through targeted or general programs or create interagency work groups to better coordinate their efforts and more effectively support these businesses.

In this context, GAO identified (1) federal programs that provide services to support small businesses engaged in manufacturing and (2) federal interagency efforts that focus on issues of concern to small manufacturing businesses. To identify these programs and efforts, GAO obtained documentation from 19 federal agencies.

In commenting on a draft of this report, 18 of the 19 agencies made technical comments that we have incorporated as appropriate.

GAO is not making recommendations in this report.

www.gao.gov/cgi-bin/getrpt?GAO-07-714.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Anu K. Mittal at (202) 512-3841 or mittala@gao.gov.

SCIENCE AND TECHNOLOGY

Information on Federal Programs and Interagency Efforts That Support Small Businesses Engaged in Manufacturing

What GAO Found

GAO identified 254 federal programs that provide services to support the business sector, of which 5 provide services specifically to small businesses engaged in manufacturing and an additional 15 target manufacturers, regardless of their size. Seven of the 20 programs had data on the level of services provided to small manufacturing businesses, and between fiscal years 2004 through 2006 these programs provided over \$35 million and served from about 8,000 small manufacturing businesses in 2004 to over 9,000 in 2006. The 5 programs that target small businesses engaged in manufacturing provide primarily nonfinancial technical assistance to help firms improve the efficiency of their manufacturing operations and their quality control processes as well as to solve specific manufacturing problems. These 5 programs also offer small manufacturing businesses general assistance with their strategic and business planning, accounting and financing, and sales and marketing. In addition, 1 of the 5 programs offers financial assistance. Of the 15 programs that provide services to manufacturers, regardless of their size, 9 offer only nonfinancial services similar to the 5 that target small manufacturing firms, and 6 also provide financial services. Small businesses engaged in manufacturing also can obtain services from 127 other federal programs that are available to all small businesses, regardless of their business type. Many of these programs provide general business and management services, and about 35 percent also offer financial services, such as loans or grants. Finally, small manufacturing businesses can obtain general business, export, and financial services from an additional 107 federal programs designed to help the business sector in general, regardless of the size or type of the business involved. Because not all of these programs gather data on the size of the businesses they serve, it is unclear how many small manufacturing firms received services from these general programs.

GAO identified 20 federal interagency efforts that focus on supporting the business sector. Of these 20 efforts, 4 were created specifically to focus on the challenges that small businesses engaged in manufacturing face, and 2 were created to focus on issues relevant to manufacturers in general, regardless of their size. The agencies involved in 3 of the 4 interagency efforts that focus on the concerns of small manufacturing businesses collaborate to expand and coordinate their services through national networks of technical assistance centers. The 4th effort involves efforts to help small manufacturing businesses improve the efficiency of their operations. The 2 interagency efforts that focus on issues relevant to manufacturers in general focus on developing strategies to improve the competitiveness of manufacturers and resolving issues associated with manufacturing-related research and development policies, programs, and budgets. The remaining 14 interagency efforts that GAO identified focus on the concerns of small businesses or of all businesses in general, which may include some issues that also are of concern to small manufacturing businesses.