



NEWS RELEASE

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SBA CHIEF ROLLS OUT INNER CITY ENTREPRENEURSHIP INITIATIVES

WASHINGTON – Today Steve Preston, head of the U.S. Small Business Administration (SBA), announced a new initiative to boost entrepreneurship in 10 American inner cities as the latest component of its strategy to advance entrepreneurship in underserved markets. The Agency will partner with the Initiative for a Competitive Inner City to develop a program to support the financial and developmental needs of emerging inner city companies. The design and city selection process will begin shortly, with implementation expected early next year.

“SBA is increasing outreach to areas historically challenged by high levels of unemployment and poverty,” said Preston. “We believe bolstering entrepreneurial success in these areas will generate new jobs, attract investment, and provide a more sustainable economic base in distressed areas.”

Preston also said SBA intends to modify its Community Express loan program so that it is simpler for lenders and borrowers to use and focused more on underserved markets. This program, which has the highest minority participation of any SBA lending product, involves a cooperative effort between SBA lenders and development resource partners to focus the agency’s financial and technical assistance on distressed communities.

According to SBA’s Office of Advocacy, small businesses are the greatest source of net new employment in inner cities and account for 80 percent of total employment. However, the job growth rate in inner cities lags behind the rest of metropolitan areas (*State of Inner City Economies: Small Businesses in the Inner City*, Oct. 2005).

As part of a broader initiative on underserved markets announced last month, the agency is working to accelerate entrepreneurship in inner cities and rural areas through new and improved SBA programs and activities that fall into four main tracks:

- Improving entrepreneurial literacy and technical assistance in inner city communities;
- Providing more advanced financial and developmental assistance to emerging growth companies in inner city communities;
- Enabling access to capital across underserved communities;
- Improving access to government contracting opportunities.

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In addition to today's announcements, Preston recently unveiled Rural Lender Advantage, a simpler loan approval process designed to spur economic growth in America's rural communities. Part of the agency's popular 7(a) loan program, Rural Lender Advantage encourages smaller, rural lenders to partner with SBA by requiring less paperwork, offering services online, and providing greater lender support. It will begin in six states, but the agency expects to expand it nationwide.

Earlier this month, the agency also announced a partnership with Operation HOPE, Inc. in New York City's Harlem neighborhood to provide training, counseling and business education to budding entrepreneurs. Counselors from SBA's established resource partners in New York will work at the center on a rotating basis.

The SBA has many resources to help entrepreneurs and small business owners in underserved markets, such as Small Business Training Network online, the HUBZone program, SBA's network of Small Business Development Centers, Womens' Business Centers and SCORE Chapters. Information on these programs can be found on SBA's website, www.sba.gov.

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