

THE SBA'S HISTORY

In the Small Business Act of July 30, 1953, Congress created the Small Business Administration, whose function was to "aid, counsel, assist and protect, insofar as is possible, the interests of small business concerns." The charter also stipulated that the SBA would ensure small businesses a "fair proportion" of government contracts and sales of surplus property.

By 1954, the SBA was already making direct business loans and guaranteeing bank loans to small businesses, as well as making loans to victims of natural disasters, working to get government procurement contracts for small businesses and helping business owners with management and technical assistance and business training.

The Investment Company Act of 1958 established the Small Business Investment Company (SBIC) Program, under which the SBA licensed, regulated and helped provide funds for privately owned and operated venture capital investment firms. The SBIC specialized in providing long-term debt and equity investments to high-risk small businesses.

In 1964, the SBA began to attack poverty through the Equal Opportunity Loan (EOL) Program. The EOL Program relaxed the credit and collateral requirements for applicants living below the poverty level in an effort to encourage new businesses that had been unable to attract financial backing, but were nevertheless sound commercial initiatives.

Over the past 52 years, the SBA has grown in terms of total assistance it has provided and its array of programs tailored to encourage small enterprises in all areas. The SBA's programs now include financial and Federal contract procurement assistance, management assistance, and specialized outreach to women, minorities and armed forces veterans. The SBA also provides loans to victims of natural disasters and specialized advice and assistance in international trade.

Since 1958, the SBA's venture capital program has put more than \$30 billion into the hands of small business owners to finance their growth. The SBA backs more than \$13 billion yearly in loans to small



SBDC TRAINING MAKES FOR SWEET DEAL

Evelyn West had been teaching elementary school when she decided to take over Myrtle's Sweet Shop, a wholesale candy distributor in Marshall, TX. She knew the business—her parents had owned it for years. She knew she had the advantage of positive name recognition. But her plan was to transform the business from a wholesale store to retail with a full-scale bakery and catering service.

Because her mother had attended business development courses offered by the Kilgore College SBDC, West knew where to get help with the transition. With SBDC training, she developed a business plan and financial projections. The SBDC offered guidance on the loan application process. West obtained a **SBA 7(a) loan** of over \$65,000 from Bancorp South in Marshall. This allowed her to fully launch Myrtle's Sweet Shop operations in East Texas, Louisiana and Arkansas and to employ four additional people.

businesses, and has made billions of dollars available to small businesses and homeowners affected by disasters. The chart below shows the SBA major disaster lending activity since 1989.

The SBA continues to branch out to increase business participation by women and minorities along new avenues, such as the minority small business program, microloans and the publication of Spanish-language informational materials.

However, the SBA is not only about numbers. During its 52 years, the SBA has stamped its mark on many small businesses that have grown to become household names. The best of the best are honored as inductees into the U.S. Small Business Administration Hall of Fame. The list of inductees is a "who's who" of some of the country's most successful companies, many of which have become international leaders in their field, including Intel, Hewlett Packard, Federal Express, Winnebago, Staples and a host of others.

"What most people don't know is that all of these big businesses started out small and received help from the SBA. Their success was the result of hard work and an unwavering commitment to excellence," said the SBA Administrator Hector V. Barreto, "and the SBA is proud to have played a small part in the pursuit of their dreams."

Following are the FY 2005 inductees into the SBA Hall of Fame:

Amgen, Inc. of Thousand Oaks, CA, is a leading human therapeutics company in the biotechnology industry. For 25 years, the company has tapped the power of scientific discovery and innovation to dramatically improve people's lives. Amgen received investment funding through the Small Business Investment Company program in 1983 and 1986, and employs more than 14,000 people. In 2004 it had revenues of \$10.6 billion.

Under Armour Performance Apparel, based in Baltimore, MD, is the originator of performance apparel, a line of moisture wicking microfiber clothing that pulls perspiration away from the skin to keep athletes cool, dry and light throughout the course of a game, practice or workout. Under Armour, which employs more than 450 people, received four U.S. Small Business Administration guaranteed loans from 1999 to 2001, all of which have been paid in full.

Wild Oats Markets, Inc., of Boulder, CO, started with the purchase of a single natural foods store. The concept grew store by store into the nation's second largest natural and organic foods supermarket chain, with a family of 110 stores in 24 states and British Columbia. Wild Oats received investment funding through the Small Business Investment Company program in 1994 and 1996.

Doley Securities, Inc., based in New Orleans, LA, is the oldest African American-owned investment-banking firm in the nation. The company specializes in providing investment products and service to institutional clients. It recently marked its 31st year as a member of the New York Stock Exchange. Doley Securities was launched by receiving investment funding through the SBA's former Minority Enterprise Small Business Investment Company program, and later received assistance through several SBA guaranteed loans.

SBA Major Disaster Lending Activity 1989 to Present

