

THE SMALL BUSINESS COMMUNITY PARTNERS RELIEF ACT OF 2010

MS. LANDRIEU: Mr./Madame President, as Chair of the Committee on Small Business and Entrepreneurship, I am pleased to join the Committee's Ranking Member, Senator Olympia Snowe of Maine, and my distinguished colleague from Illinois, Senator Richard Durbin, in introducing the *Small Business Community Partners Relief Act of 2010*. This bi-partisan legislation will provide much-needed relief to Women's Business Centers (WBCs) and SBA Microloan intermediaries – two Small Business Administration (SBA) resource partners that provide critical assistance to our nation's 29 million small businesses.

For my colleagues who may not be familiar with these programs, let me first explain the vital role of WBCs and Microloan intermediaries and the importance of aiding the small businesses these centers target.

Women's Business Centers provide quality counseling and training services to all entrepreneurs, primarily women, and especially those who are socially and economically disadvantaged. More than 110 centers across the country help more than 150,000 clients annually on a vast array of topics – from how to write a business plan to where to get financing. Many WBCs provide multilingual services and a number offer daycare services, allowing mothers with children to attend training classes.

Microloan intermediaries provide small, short-term loans to start-ups or small growing firms that cannot access credit through traditional loan programs. Like WBCs, the 160 Microloan intermediaries throughout the nation also help entrepreneurs manage their start-up and expand while creating or saving thousands of jobs. Also like WBCs, the Microloan intermediaries tend to serve disadvantaged businesses in areas of the country that have been hit the hardest by the recession. About 48 percent of microloans go to small businesses owned by women, and about 53 percent to minority-owned small businesses.

Aiding women and minority small business owners is vital to the economic success of our nation because women-owned and minority-owned businesses are the fastest growing segments of the small business community – creating hundreds of thousands of jobs. Women-owned businesses contribute nearly \$3 trillion to our economy and create or save 23 million jobs each year, according to the Center for Women's Business Research. Minority-owned firms contribute nearly \$700 billion to the economy and create or save 4.7 million jobs, according to the Department of Commerce's Minority Business Development Agency.

While minority and women-owned firms do contribute greatly to the economy, they still need our help. Even though the number of minority-owned firms has grown by 35 percent, the average gross receipts for those firms dropped by 16 percent. Women-owned firms meanwhile have lower revenues and fewer employees than their male-owned counterparts – although 6 percent of men-owned businesses have revenues of \$1 million or more, only 3 percent of women-owned firms reach the \$1 million marker.

In this economic downturn, minority and women-owned businesses are struggling even more than usual. And when they go to their local WBC or Microloan intermediary they are finding

these centers of aid and counseling struggling as well. That's because, in order to receive federal money, the centers and intermediaries must also find matching local funds. This funding often comes from local governments, universities and private entities. But these partners have had to tighten their belts, cutting much of their funding to the WBCs and Microloan intermediaries.

Without matching funding from their local partners, some WBCs and Microloan intermediaries have had to reduce or refuse federal money. Nine WBCs have closed or requested reduced funding in the last year and many intermediaries are struggling to keep their doors open, even in the face of record demand for their services.

The *Small Business Community Partner Relief Act* would enable the SBA Administrator to temporarily waive the non-federal match funding requirement, allowing struggling WBCs and Microloan intermediaries to receive the full amount of federal support available. This change will make it possible for the centers and intermediaries to continue serving those small businesses that need help the most in these difficult times.

I look forward to working with Ranking Member Snowe, Senator Durbin and my colleagues in the Senate to make this necessary change a reality for the hundreds of centers and intermediaries throughout the country, and the millions of small businesses that rely on these programs to help them survive, grow and create jobs.

Thank you. I ask that my statement and a copy of the legislation appear in the Record.