

SMALL BUSINESS ADMINISTRATION CONFERENCE

Chicago, Illinois  
March 23, 1999



- I. **Welcome... to New Markets for the New Millennium... the first in a series of workshops meant to promote the work of Small Business Investment Companies nationwide.**
  - A. And to those of you from out of town, welcome also to Chicago, the birth place of the Community Reinvestment Act and as such the fitting choice for the launch of the New Markets for the Millennium workshop series.
  - B. Your presence here today demonstrates your commitment to promoting the kind of networking and partnership opportunities that bring real investment to the communities that you serve and to neglected regions and markets of our nation.
  - C. This is the worthy goal of the Community Reinvestment Act, and the goal of the Federal Reserve in co-sponsoring today's event along with the Small Business Administration, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the Federal Deposit Insurance Corporation.
  
- II. **I'm delighted that we have with us today Aida (I-EE-DA) Alvarez, administrator of the U.S. Small Business Administration.**
  - Ms. Alvarez's presence here reflects the commitment of the SBA at all levels to increasing the capital available for business development in urban and rural communities.

III. We're also greatly honored to have the Reverend Jesse Jackson as our keynote speaker today.

- For more than thirty years, Reverend Jackson has been a leading voice for civil rights — both here in Chicago and nationally.

IV. We're also delighted Congressman Danny Davis is here.

- A. As you know, Congressman Davis is serving his second term in the U.S. House, representing the 7th District of Illinois.
- B. What you may not know is that the Federal Reserve Bank of Chicago is in Congressman Davis' district.
- C. I personally know of his keen interest in issues surrounding small business and SBICs.

V. Finally I'd like to welcome our other panelists from the SBA and fellow regulators, who, as I mentioned, are co-sponsoring this event.

VI. This event takes place at a time when Wall Street records have become an almost routine part of our daily lives. And yet, despite all of the great news regarding the economy, many areas of the country are not sharing as directly in the financial good times.

- A. The SBA calls these markets 'financial frontiers': areas under-served and unexplored by lenders and venture capitalists, yet rich in resources and talent.
- B. Financial frontiers are mainly the many urban communities and specific population groups within the Midwest's largest cities' which have languished behind the rest of the nation.
- C. But there are also isolated pockets of rural poverty throughout our District, as our examinations of banks in rural communities have revealed.
- D. Geographic isolation should not necessarily lead to isolation from economic opportunity.

VII. The Small Business Investment Company programs work by bringing together public funds and private investment to help fledgling small businesses succeed. By bringing these frontiers to the attention of investors — investors always looking for new opportunities for growth — I believe these areas can, and will, flourish.

- VIII. By choosing to partner with the SBA, banks may enhance their performance in meeting the requirements of the Community Reinvestment Act.
- A. Support of Small Business Investment Companies is specifically mentioned in the regulation as a possible qualified investment.
  - B. Furthermore, as these financial frontiers prosper, banks will have even more opportunities for increased and profitable small business lending, banking services, and investments.
- IX. As I mentioned, today's workshop is meant to serve as a model for the planning of similar work shops to be held across the country over the coming months.
- I'm confident that today's gathering will also serve as a model of success within our district, as all of you utilize this opportunity to see that Small Business Investment Companies are established as needed throughout our region.