

U.S. DEPARTMENT OF THE TREASURY

Press Center



REPORT: Nearly 100,000 Jobs Supported by U.S. Treasury's State Small Business Credit Initiative

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Funds Support Small Businesses Nationwide and Create Jobs

WASHINGTON - The U.S. Treasury Department's State Small Business Credit Initiative (SSBCI) today released new data detailing how the program continues to help small businesses grow and create jobs. Since the beginning of the program, the Treasury Department has provided more than \$1 billion in SSBCI funds to participating states. Of that amount, states have expended \$590 million, which leveraged more than \$4 billion in new loans and investments to approximately 8,500 businesses through 2013. Business owners have reported that more than 95,000 jobs will be created or saved as a direct result of SSBCI support. Additionally, 80 percent of SSBCI supported loans or investments went to businesses with ten employees or less.

"Small businesses and entrepreneurs need capital to build and grow their businesses," said Deputy Treasury Secretary Sarah Bloom Raskin. "Through the State Small Business Credit Initiative, the U.S. Treasury Department and private sector lenders and investors are driving economic growth in America's small businesses. The data released today show that this program continues to provide small business owners with access to the resources they need to create jobs."

Through SSBCI, the U.S. Treasury Department will award up to \$1.5 billion to fund state programs across the country that support small businesses including small manufacturers. SSBCI funding is not repaid by participating states to the federal government. Instead, to help even more small businesses, repaid loans and investments remain with participating states to be redeployed locally. To date, participating states have reported recycling more than \$32.1 million. The program is designed to help spur new private sector lending or investment in small companies by leveraging private capital along with the federal support offered by the program.

Each state designs its own small business programs, and SSBCI has funded five types of state programs to support small business loans and investments.

- **Loan Participation Programs** support small business lending by providing a portion of the capital for a financial institution's small business loan.
- **Venture Capital Programs** support small business investing by injecting equity in start-ups and other emerging businesses that might not otherwise obtain financing. Most Venture Capital Programs describe their programs as early-stage financing for businesses that are not yet established enough for traditional investors.
- **Loan Guarantee Programs** support small business lending by sharing the lender's risk. The guarantees provide credit to businesses that do not fit traditional lending criteria.
- **Collateral Support Programs** support small business lending by using SSBCI funds to fill a collateral gap for otherwise strong businesses. Using these funds, a state makes a cash deposit at the financial institution lender to cover the collateral gap for the loan.
- **Capital Access Programs** help support small business lending by creating a funded reserve account to cover some of the losses on a portfolio of new small business loans.

SSBCI was created when President Obama signed into law the Small Business Jobs Act of 2010 on September 27, 2010. To build on the momentum of the program's success and capitalize on new working relationships among states and small business lenders and investors, President Obama proposed an extension of SSBCI in his 2015 Budget with an additional \$1.5 billion in funding.

To view the SSBCI 2013 Annual Report and the SSBCI Quarterly Report, [please click here](#).

For more information on SSBCI and Treasury's other small business programs, please visit www.treasury.gov/smallbusiness.

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