



May 8, 2018

Rep. Cathy McMorris Rodgers
1314 Longworth House Office Building
Washington, D.C. 20515

Rep. Stephanie Murphy
1237 Longworth House Office Building
Washington, DC 20515

Dear Representatives McMorris Rodgers and Murphy:

For 60 years, the Small Business Investor Alliance has championed policies that enhance domestic investment in growing small businesses. We are pleased to support H.R. 4111, the Spurring Business in Communities Act of 2017, which is being considered today by the House of Representatives. With more small business investment, we can expand economic opportunity to more communities across the country.

The Small Business Investment Company (SBIC) program is a successful market-driven public-private partnership that invests over \$5 billion dollars a year in domestic small businesses. H.R. 4111 is designed to increase access to SBIC capital for growing small businesses in states with too few SBICs. This is a noble goal because SBIC investments have empowered hundreds of thousands of small businesses to grow and create jobs that are the economic lifeblood of communities. A 2017 Library of Congress study found that SBIC-backed small businesses created 3 million new jobs and supported an additional 6.5 million jobs—all of which were located in the United States. The study also found that on “average administrative cost was approximately US \$35 per job created”, and this did not factor in the increased taxes paid by these growing companies and their additional employees. We know of no other government program that so effectively enhances private sector job creation at such a low a cost to the taxpayer. The SBIC program is a proven success, but there are too few SBICs and many states do not have any SBICs headquartered in their state. This legislation will encourage the SBA to correct this SBIC licensing shortage and thereby increase the capital access options for small businesses, particularly in places where there are too few or no SBICs domiciled in a state.

With more SBIC funds in more states and communities, small business growth and community prosperity can be fostered in areas of the country far away from the world’s financial hubs. This legislation makes clear that small businesses located in all states and communities deserve more opportunities to access growth capital.

The SBIA thanks you for your commitment to expanding economic opportunity by supporting of the Small Business Investment Company program. SBIA encourages swift passage of H.R. 4111.

Sincerely,

A handwritten signature in blue ink that reads "Brett Palmer". The signature is fluid and cursive, with the first name "Brett" and last name "Palmer" clearly distinguishable.

Brett Palmer
President
Small Business Investor Alliance