For more information about the SBA's Investment Division, SBIC program, Impact Investment Initiative and Early Stage Innovation Fund, go to www.sba.gov/INV.

$2.95 Billion in Financing for Small Businesses in FY12

WASHINGTON – The U.S. Small Business Administration's Small Business Investment Company (SBIC) debenture program provided a record $2.95 billion to small businesses in fiscal year 2012, a 14 percent increase over last year's $2.59 billion and an 85 percent increase over 2010, also a record year.

"Over the past three years, SBA has transformed the SBIC program to ensure small businesses have greater access to SBIC funds," said SBA Administrator Karen Mills. "These record-setting numbers are proof that our efforts to streamline and simplify the process have made it possible to get capital into the hands of small businesses more quickly. When an SBIC invests in a small business, it can scale up and create jobs."

High-growth small businesses continue to face difficulties in accessing patient, long-term capital to grow and create jobs. Since 1958, the SBIC program has helped fill these gaps and has invested approximately $63 billion in more than 110,000 small businesses in theUnited States.

The FY 2012 volume is the highest single-year volume in the 54-year history of SBA's SBIC debenture program. Increased volume in the program is due in part to a number of improvements that contributed to an increased number of new SBIC licenses and reduced license processing times.

The SBIC program was created in 1958 to stimulate the growth of America's small businesses by supplementing the long-term debt and private-equity capital available to them. SBA's SBIC FY 2012 results included the following:

- **Record High Financing to Small Businesses:** Total financings to small businesses by SBA's SBIC debenture program grew to a 54-year record high of $2.95 billion in FY 2012 – 14 percent more than in FY 2011.
- **Record High SBA Capital Commitment to SBIC Funds:** SBA capital commitments to debenture funds broke another record, increasing to $1.92 billion in FY 2012, up from $1.82 billion in FY 2011.
- **Record High Private Capital Attracted to SBIC Program:** The SBIC debenture program has attracted more initial private sector capital in FY 2012 than in any year in the history of the program – approximately $1 billion compared to $840 million in FY 2011, the previous high. The average debenture SBIC has raised more than twice the private capital than the average debenture fund of a decade ago.

- **More Licensed Debenture SBICs and Faster Processing Times:** Thirty new debenture and unleveraged SBIC licenses were issued in FY 2012, exceeding last year's total of 22 by 36 percent. Additionally, SBIC license processing time improved to just 5.4 months in FY 2012, down from 14.6 months in 2009.

SBICs are privately-owned and managed investment firms that are licensed and regulated by SBA. SBICs use a combination of funds raised from private sources and money raised through the use of SBA guarantees to make equity and mezzanine capital investments in small businesses. There are 301 SBICs with more than $18 billion in capital under management.

As part of the president's Startup America initiative, the SBA leveraged the SBIC program to

launch two initiatives with up to $1 billion in leveraged commitments each for impact investments and early stage investments. These commitments are available to SBICs targeting early-stage firms or businesses located in targeted economic areas or industries. To date, SBA has licensed two impact SBIC funds under its Impact Initiative, while another five have an impact focus in their investment strategies. SBA also has issued a call for Early Stage SBICs under the Early Stage SBIC Initiative and has issued "green light" letters to six potential applicants.

For more information about the SBA's Investment Division, SBIC program, Impact Investment Initiative and Early Stage Innovation Fund, go to www.sba.gov/INV. The web site offers much useful information including segments for: SBIC Applicants, SBIC Licensees, Private Partners & LPs, and Entrepreneurs & Small Business Owners. The site also includes useful SBIC forms, up-to-date news and reports.