



February 5, 2025

The Honorable Roger Williams  
Chair  
Committee on Small Business  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Nydia Velázquez  
Ranking Member  
Committee on Small Business  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Williams and Ranking Member Velázquez:

Since 1958, the Small Business Investor Alliance (SBIA) has been the voice of America's small business investors. We thank the Committee for holding today's hearing entitled "Hope on the Horizon: Prioritizing Small Business Growth in the 119th Congress" and write to express strong support for this committee's commitment to supporting pro-small business policies.

On February 4<sup>th</sup>, Elon Musk with the Department of Government Efficiency (DOGE) called SBA the "Shady Business Administration" where "only 8% of loans get paid back!"<sup>1</sup> We do not know what part of SBA he is talking about, but it is not the Small Business Investment Companies (SBICs). SBICs are an American success story and example of a successful federal public policy that aligns the power of private markets with the public interest of job creation and economic growth. SBICs are private investment funds licensed and regulated by the SBA that invest exclusively in U.S. small businesses. SBICs have consistently paid SBA back in full and have actually overpaid fees to the SBA by well over a billion dollars over the past 20+ years.<sup>2</sup>

Small businesses need their government to prioritize them with the same focus and intensity that hostile foreign governments have shown in displacing the United States as the world's economic engine. Companies that in their early stages received SBIC investments and have subsequently grown into icons of American industry include Federal Express, Apple, Intel, and Callaway Golf. These companies not only grew but also transformed industries and continue to drive innovation that shapes the global economy. While these companies are recognized globally, many more small businesses backed by SBICs have grown from smaller businesses into robust, sustainable mid-sized businesses. We don't know who the next great American companies will be, but there is a good chance they will have been backed by an SBIC when they were a small business.

SBICs are vital in channeling much-needed investment to all of America, especially the rural and underserved areas outside of major private equity and venture capital hubs. They also invest in industries that are critical to American workers and the nation's prosperity, like manufacturing. In fact, small businesses regularly add more than 100 new, permanent employees after SBIC capital infusions.

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<sup>1</sup> Elon Musk tweet at <https://x.com/elonmusk/status/1886697613644218435>

<sup>2</sup> SBIC Program Portfolio Investment Report as of June 30, 2024, available at [SBIC Portfolio June 30 2024 Investment Performance Report Final Jan 16 2025.pdf | Powered by Box](#)

Since SBIC investments cannot be used to offshore operations or contribute to unemployment, these jobs are right here in America. SBICs are financing the American renaissance with reshoring and reinvestment.

There is a lot of partisan disagreement in Washington, but not about the need to support more small business investment. Last year the House unanimously passed the Investing in All of America Act to modernize the SBIC program and increase investments in rural, low-income, and national security investments. The House also unanimously passed the Investing in Main Street Act to fix an accidental restriction on the amount of small business investing due to a conflict in banking and SBA law. The overwhelming bipartisan support for the legislation sets a marker as the new Congress and administration look for ways to modernize government, advance private sector led solutions to economic challenges, and serve taxpayers effectively.

With continued bipartisan support from Congress and the Trump administration, SBICs can further fuel the economy and create jobs nationwide. Currently, SBICs represent over \$48 billion in American small business investments, with the potential to increase that amount by an additional \$30 billion in the next 12-18 months.

While SBA's outdated technology should be updated, DOGE should look at the SBICs as the model of effective government in service to all of America. SBIA looks forward to working with Members of the Committee to support bipartisan legislation that will increase investment in America's small businesses.

Sincerely,



Brett Palmer  
President  
Small Business Investor Alliance