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SBIA Praises Senate Vote to Increase Small Business Investment Limits

WASHINGTON, D.C. (June 6, 2018) – The Small Business Investor Alliance (SBIA), the leading association of lower middle market private equity funds and investors, gained a victory for small businesses this week as the U.S. Senate passed the Small Business Investment Opportunity Act (H.R. 2333). The Senate bill was sponsored by Senators Ben Cardin (D-MD) and James Risch (R-ID) as a companion bill to the House version, introduced by Representatives Steve Knight (R-CA) and Judy Chu (D-CA). This bill raises the Small Business Investment Company (SBIC) individual fund limit from its current \$150 million level to \$175 million, increasing the amount of capital available for investment into domestic small businesses. This increase in small business investment does not raise government spending or costs to the taxpayer.

Small Business Investment Companies (SBICs) are highly regulated private equity funds that invest exclusively in domestic small businesses. Created in 1958, the small businesses backed by SBICs have created 3 million new jobs and supported an additional 6.5 million jobs, according to a recent [Library of Congress study](#). The individual fund limit was last raised in 2009 to \$150 million; the current push to \$175 million keeps pace with inflation and increases the amount of capital fund managers can deploy to small businesses nationwide.

“Access to capital is a key part of small business job creation and growth, and too often entrepreneurs struggle to obtain the capital that they need to grow and adapt. This bipartisan, commonsense legislation equips small business investors with greater resources to support domestic small businesses, allowing job creators to focus on growth and innovation,” said SBIA President Brett Palmer. “The SBIC program’s decades of operation at zero-subsidy have spurred economic growth while protecting taxpayers, and this success has garnered overwhelming bipartisan support for the program in Congress.”

The SBIA thanks the sponsors and cosponsors of this bipartisan bill: Senators Ben Cardin (D-MD), James Risch (R-ID), and John Kennedy (R-LA) and Representatives Steve Knight (R-CA), Judy Chu (D-CA), and Carlos Curbelo (R-TX). The bill cleared the House and Senate by unanimous votes.

About the Small Business Investor Alliance (SBIA)

The Small Business Investor Alliance (SBIA) is the premier organization of lower middle market private equity funds and investors. SBIA works on behalf of its members as a tireless advocate for policies that promote competitive markets and robust domestic investment for growing small businesses. SBIA has been playing a pivotal role in promoting the growth and vitality of the private equity industry for over 50 years. For more information, visit www.SBIA.org or call (202) 628-5055.