

May 4, 2009

The Honorable Richard J. Durbin, Chairman
The Honorable Sam Brownback, Ranking Member
Subcommittee on Financial Services General Government Committee
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Chairman Durbin and Ranking Member Brownback:

We are contacting you to express our strong support for an appropriation of at least \$15 million for the Small Business Administration (SBA) Program for Investment in MicroEntrepreneurs (PRIME) which is the only federal microenterprise program that provides for intensive training and technical assistance to low-income and very low-income entrepreneurs.

We are joining the national Association for Enterprise Opportunity (AEO) in its request of \$15 million for PRIME in FY 2010. The previous Administration continually proposed that PRIME be eliminated. In FY 2001, PRIME received \$15 million for its first year. From FY 2002 to FY 2005, Congress appropriated \$5 million; in FY 2006 and FY 2007, \$2 million was appropriated. In FY 2008, an increase to \$3 million was appropriated and an additional increase occurred in FY 2009 to \$5 million. And while the current administration has taken a great step forward by including a \$3.1 million request in the current level, restoring the PRIME program to its authorized level would allow the program to become a true component of our national recovery efforts and end its current limitations to states with the highest level of poverty.

Last year the SBA awarded PRIME grants to only 14 states and the District of Columbia, despite receiving increased funding for the program from Congress. Now, instead of 66 PRIME recipients nationwide, there are only 30. With the poverty rate continuing to increase and unemployment on the rise, the need for PRIME assistance now is greater than ever. While access to credit is vital to microentrepreneurs, for low-income individuals there is often a severe and growing gap between their current experience and being credit-worthy. Receiving technical assistance through PRIME can fill that gap and help them become successful in business.

Unlike any other SBA program, PRIME provides in-depth and intensive, one-on-one business counseling and training. Whereas the Small Business Development Center program defines a "client" as someone who has received two hours of training, under the PRIME program a client is defined as receiving 10 hours of service. PRIME is targeted to help very low-income families, defined as those at or below 150 percent of the poverty line.

The International Labor Organization estimates that the return on investment in microenterprise development (through programs such as PRIME and the Women's Business Centers) ranges from \$2.06 to \$2.72 for every dollar invested. Microenterprise contributes to our national economy through tax revenues, increased individual and family income, and reduced dependence on public assistance.

An appropriation of at least \$15 million for PRIME in Fiscal Year 2010 will enhance the opportunity for low-income families to create hope in their community by starting a business and hiring a neighbor. It is an investment in the American Dream on Main Street and every street.

We urge your support and thank you for your consideration.

Sincerely,