

## Altmire Introduces Bill to Improve Small Business Access to Investment Capital

(Washington, DC) - U.S. Representative Jason Altmire (PA-4), Chairman of the House Small Business Subcommittee on Investigations and Oversight, today introduced the Small Business Investment Expansion Act of 2007 to assist small business owners, including veterans and women, with obtaining the investment capital necessary to start or grow their operations. In order to expand, small businesses must purchase additional capital assets, which often include equipment, machinery, real estate, or human resources. Given the high cost of these assets, however, small businesses are generally dependent upon financing, which typically comes in the form of venture capital and angel investments. Unfortunately, the Small Business Administration's investment programs are ineffective, resulting in more than \$60 billion in unmet capital needs for small businesses each year.

"Thousands of small businesses are started each year based on an innovative idea or product. But in order to take that next step, entrepreneurs often require an infusion of private investment. Unfortunately, this assistance can be difficult for small business owners to come by," said Chairman Altmire. "My bill provides assistance to these early-stage companies by making the SBA an efficient partner in their business development by improving access to venture capital and angel investments."

The Small Business Investment Expansion Act addresses the current shortfall in capital investment by revamping the SBA's Small Business Investment Company (SBIC) and the New Markets Venture Capital (NMVC) programs. Both are public-private partnerships designed to aid small firms - in particular those owned by veterans and women - in acquiring venture capital. The bill also creates a new Office of Angel Investment to build the first-ever nationwide network of angel groups and enhance awareness about available investment opportunities. Angel investors are high net worth individuals who invest in and support start-up companies. It is estimated that angel investors account for more than 51,000 entrepreneurial ventures a year and are rapidly becoming a common way for startups to obtain capital. Additionally, the Act would ensure firms that receive venture capital are able to maintain their small business classification, removing current disincentives to seeking this kind of financing.

"Small businesses are the backbone of our economy and the federal government must do more to connect them with the capital investment required for them to succeed," said Chairman Altmire. "My bill is necessary to improve SBA's current investment programs, facilitate links to angel networks, and create an environment in which small businesses go from start-up to Fortune 500."

House Small Business Committee Chairwoman Nydia Velazquez (D-NY) and Congressman Sam Graves (R-MO) are original co-sponsors of the Small Business Investment Expansion Act. The Small Business Committee is scheduled to mark-up the bill on Thursday, September 20.