

U.S. Small Business Administration



*Your Small Business Resource*

Michigan  
District  
Office

Annual Report

*fiscal 2009*

# SBA in the News

## Small-biz loan rescues collision shop and retains jobs



*SBA Offers New Online Resources for Small Businesses to Help with Economic Recovery*



**SBA Announces Support for Michigan Robotics Cluster**  
*"Michigan is ripe for building an economic cluster in robotics. This Administration is excited about the opportunity to support this cluster because of its high potential to transform Michigan's economy while creating 21st Century jobs."*  
 U.S. Small Business Administrator Karen Mills

With tax incentives and steps to encourage lending, the Recovery Act recognizes that small businesses are part of the solution to getting our economy moving again.

## West Michigan Small Business Tour This Fall

**Four-month growth in SBA-backed lending sparks optimism**

BY NANCY KAFFER  
 CRAIG'S DETROIT BUSINESS

Over the past few months, U.S. Small Business Administration District Director Richard Temkin has said he was "cautiously optimistic" about what seemed to be an uptick in SBA-backed lending. But with four months of growing loan numbers on the books, Temkin said last week that he expects the surge to continue. "In terms of our guaranteed loan activity, I think we're seeing a trend over the last four months," he said.

Temkin said the first month of the agency's fiscal year that saw a larger number of SBA-backed loans was July of 2008. Last month, 142 loans were made through the SBA's 7(a) program, compared with 135 in 2008. Loans made through the 504 program, which finances purchase of fixed assets, was flat — 19 loans made in July of both years. SBA-backed lending dropped 66 percent in the first six months of its fiscal year, which begins in October, but has been steadily surging since provisions of the American Recovery and Reinvestment Act, commonly called the stimulus package, came into play. "I think it's a continuation of the process," Temkin said. He still hears regularly from small-business owners who are struggling with access to credit. "It can depend on the lender that's involved, and different lenders are looking at applications in different ways," he said. "Some are more interested in lending at this point, or at least it appears that way."

And there are some signs that the secondary market is recovering, Temkin said. "After months of reduced activity and lower premiums, the SBA 7(a) secondary market is picking up, and premiums are starting to recover," he said. The average monthly volume settled from lenders to broker dealers is \$335 million. Temkin said. "The government created the Federal Term Asset-Backed Securities Loan Facility to unfreeze the secondary market."

By Nancy Kaffer, Reprinted from the *Craig's Detroit Business*

The Obama Administration has provided \$730 million through the stimulus plan to boost the Small Business Administration's loan program



**Avinash Rachmale to Receive National Honors in Nation's Capital**  
 --U.S. Small Business Administration Award  
 (Lakeshore Engineering Services)

## Small Business Owners are Benefiting from SBA's New Emerging 200 Initiative - Creating Jobs and Spurring Growth in Detroit's Inner City

SBA Grant Helps VetBizCentral to continue its work on providing help to our veteran entrepreneurs.

Grand Haven's Harbor Industries, Inc. is National Family-Owned Small Business of the Year!



From Automotive to Robotics, SBA to Support Michigan's Economic Transition

## A Letter from the Director



The theme for this year's annual report, The Road to Recovery, is indicative of one of the most challenging times in SBA's history. As we reflect on what has been accomplished during the past year, we must acknowledge the strength and courage of Michigan's small business owners as they struggle to survive in this economy.

On February 17, 2009, the American Recovery and Reinvestment Act was signed, providing SBA with several critical tools to help jump-start job creation and provide financial relief through small business loans. Key features of the Act eliminated the fees charged on the SBA loan guaranty program, saving small business owners much needed capital, and increased the SBA guaranty to 90%, offering lenders an additional incentive to reduce their risk. Together, these provisions had a significant impact as our guaranty loans increased by 93% after they went into effect. While this helped to alleviate the drastic decline in SBA loan activity in the first half of last year, more still needs to be done to increase the availability of credit for Michigan's small businesses. This office will continue to work with our lending partners to improve access to capital.

There were many highlights this year, including the 5th annual Michigan Celebrates Small Business event where 800 guests recognized the critical role played by small business owners and the individuals and organizations that support them. This year was especially successful as two Michigan small businesses were honored as SBA National Award winners and two more were SBA Midwest Regional award winners.

Other highlights included the successful launch of the Emerging 200 program, a national initiative to help inner city businesses rise to the next level of growth. We also showcased an SBA loan recipient at a press conference in Macomb County in

order to raise awareness of the SBA's role in the Recovery Plan. VetBizCentral received funding as an SBA Veterans Business Resource Center, becoming our newest resource partner. We participated at their grand opening ribbon-cutting ceremony in Flint.

Michigan District Office staff traveled the state to reach out to the courageous men and women who are running every imaginable type of business in communities as vast and diverse as the state itself. In this renewed era of entrepreneurship, the support provided to growing small businesses will be crucial in changing the course of our economy.

Reflecting on our accomplishments this past year, I must give credit to the resource partners who are at the core of SBA's delivery of services. The Michigan Small Business and Technology Development Center, SCORE, Women's Business Centers, and the Veteran's Business Resource Center are vital components in how we serve our constituents. I would like to thank each business consultant, trainer, loan officer, or mentor who helped save a job, provided relief to a troubled company, or guided a new business to success. There are hundreds of stories to tell about this past year. This report will highlight a few of the best.

A handwritten signature in black ink that reads "Richard Temkin". The signature is written in a cursive, flowing style.

Richard Temkin  
District Director

## Michigan Celebrates Small Business

In April, we celebrated the achievements and contributions of small business owners and their supporters at the Fifth Annual Michigan Celebrates Small Business awards dinner in Lansing with Governor Jennifer Granholm. This is the state's premier small business event; a collaboration of the SBA, the Michigan Economic Development Corporation, the Michigan Small Business & Technology Development Center, the Small Business Association of Michigan, and the Edward Lowe Foundation.

The evening featured the Michigan 50 Companies to Watch, a celebration of the success, innovation and energy of diverse second-stage companies, as well as the SBA Small Business Award winners for outstanding contributions to the Michigan economy. Here are some of the winners' comments:

"It's a great honor to be recognized because we've personally invested in our company. We are a unique company that prides itself on getting our employees involved." D. Bruce DeBoer, President/CEO; James S. Rabourn, CFO/VP; and Robert L. Emaus, Executive VP, – R.E.D. Stamp, Inc. – Michigan Small Business Persons of the Year

[R.E.D. Stamp Inc. is a supplier of cigarette tax stamping machines, equipment, and services and ships to 42 states. Since 2005, it has increased its staff by 800 percent, from 17 to 45 employees and increased its sales revenue from \\$2 million to \\$9.5 million. In 2008, Bryon Center-based R.E.D. Stamp was ranked 30th in Entrepreneur Magazine's Hot 500 Fastest Growing Businesses in America.](#)

"It is an incredible honor for our company to receive this award. We are committed to the highest standards in everything we do, and to be recognized on the national level is a thrill for us. Our family is fortunate to have such a fantastic group of people working with us." Timothy S. Parker, President, Harbor Industries, Inc. – **National**, Midwest Region and Michigan Jeffrey Butland Family-Owned Small Business of the Year

[Harbor Industries is a family-owned and operated business that designs, develops, and manufactures point-of-purchase displays and store fixtures for consumer goods companies and retailers across the country. Based in Grand Haven, it has been in business for over 60 years and was the first in the industry to design and develop interactive digital displays.](#)

"I am deeply honored and humbled to be selected as the recipient of the 2009 U.S. Small Business Administration's Champion Award for Entrepreneurial Success. The entire team of Lakeshore Engineering Services, Inc. considers this award to be a major recognition of our hard work and commitment to excellence. We truly acknowledge the significance of the SBA's support during our early years of building the company." Avinash Rachmale, P.E., President & CEO, Lakeshore Engineering Services, Inc. – **National**, Midwest Region & Michigan Entrepreneurial Success Award  
[Founded in 1994, Lakeshore Engineering provides complete general construction and environmental services throughout the United States and across the globe. Revenues have grown from \\$2 million to more than \\$100 million annually. The Detroit-based company is a minority-owned firm that employs more than 200 men and women of diverse ethnic and cultural backgrounds.](#)

"Thank you for the 2009 Exporter of the Year award. We are very proud of this achievement. This award has encouraged our company to focus on exports and world trade. This past year... we developed several new overseas markets and expect to be engaged in up to eight countries in 2010." George Boerigter, Chairman of the Board, SoundOff Signal – Midwest Region and Michigan Small Business Exporter of the Year  
[Hudsonville's SoundOff Signal designs, engineers, produces, and markets lighting products to the emergency vehicle, school bus, and commercial vehicle markets on a worldwide basis. In 2007, SoundOff received the West Michigan World Trader of the Year Award for its commitment to international trade.](#)

"I tell veterans just because someone is disabled doesn't mean you can't make it. If I can make it, so can my brothers. That is my mission in life – to help my brother and sister veterans." Frank Campanaro, President & CEO, Trillacorpe Construction – Midwest Region and Michigan Veteran Small Business Champion

[Trillacorpe Construction, located in Bingham Farms, provides full service design-build and construction services for military and government bases and facilities. It has been awarded nearly \\$50 million in government contracts and provides job opportunities to veterans across the country.](#)

"I was honored to be recognized... for doing something I am very passionate about, namely helping small businesses and telling the SBA success stories around Michigan... Partnering with the supportive SBA staff at the Michigan District Office has been a meaningful and productive relationship." Thomas Zernick, Head of SBA Lending, Citizens Bank – Michigan Financial Services Champion

Citizens Bank is a diversified financial services company providing a wide range of commercial, consumer, mortgage banking, trust and financial planning to a broad client base. In fiscal 2008, Citizens Bank was SBA's number one lender in total dollars loaned and had the second largest number of loans in the state to small businesses.

"I am honored to have been selected as the Michigan Women in Business Champion of the Year. This prestigious award further demonstrates the importance of supporting women in business. Business women help drive our economy, and it is essential that we provide the resources and education they need." Joan L. Purgiel, Vice President, National City Bank/PNC – Michigan Women in Business Champion

National City/PNC is a highly diversified and growing financial services organization spanning the retail, business and corporate markets. The bank is a preferred SBA Lender and participates in all 7(a) programs, including SBAExpress and Patriot Express loans.

"It is a great honor to be chosen as the Michigan Minority Small Business Champion. It is rewarding and humbling to be recognized for my commitment to promoting greater opportunities for the minority business community." James Ralph, Jr., President, James Ralph Agency, Inc. – Michigan Minority Small Business Champion of the Year

James Ralph Agency, Inc. is a full service insurance agency which was founded in 1983. The Southfield agency specializes in commercial insurance and employee benefits.

"Winning the Small Business Journalist of the Year award was one of the high points in a 30-year career. I am very grateful to be recognized by the people who really power America's economy. I'll continue to help them however I can in their efforts to build a more prosperous America." Matthew Roush, Editor, Great Lakes Information Technology Report – Michigan Small Business Journalist

Great Lakes IT Report is a daily e-mail newsletter that covers all things tech-related including advanced manufacturing, life sciences, tech education, automotive telematics, and most recently, renewable energy technologies. The Southfield publication focuses on the way small entrepreneurial companies are helping the Michigan economy.

"Even being nominated was a shock because I'm such a new company. Everything has fallen together and come really naturally. I feel really good because I know this is one more thing to give me credibility with customers." Carrin Weirach, Owner, Down To Earth Toys – Michigan Home-Based Business Champion

Down To Earth Toys is a two-year old, Ortonville home-based Internet business that specializes in wooden, natural, and educational toys that are sourced from U.S. and fair-trade companies.

"I am fortunate to participate on a team of talented consultants dedicated to the success of Michigan's technology companies. Our clients play a critical role in diversifying Michigan's economy. It is exciting to work with these innovative entrepreneurs, and an honor to receive this award." Philip Tepley, Technology Team Coordinator, Michigan Small Business & Technology Development Center – Michigan Small Business Counselor

The Michigan Small Business & Technology Development Center enhances Michigan's economic well-being by providing counseling, training, research, and advocacy for new ventures, existing small businesses and innovative technology companies.

*Recognizing those who make a difference*

## Making a Difference with Our Resource Partners

### SBA Michigan District Office

[www.sba.gov/mi](http://www.sba.gov/mi)

Phone

Fax (313) 226-4769

Email

(313) 226-6075  
michigan@sba.gov

### Biz Resource Centers

Locations

### Michigan Small Business and Technology Development Centers

[www.gvsu.edu/misbtcd/](http://www.gvsu.edu/misbtcd/)

Alpena	(989) 358-7375
Detroit	(313) 967-9295
Escanaba	(906) 789-0558
Flint	(810) 762-9660
Grand Rapids	(616) 331-7370
Harrison	(989) 386-6630
Kalamazoo	(269) 387-6004
Lansing	(517) 483-1921
Mt. Clemens	(586) 469-5118
University Center	(989) 686-9597
Traverse City	(231) 922-3780
Ypsilanti	(734) 487-0355

### Microlenders

Ann Arbor	(734) 677-1400
Benton Harbor	(269) 925-6100
Detroit	(313) 255-1020
Detroit	(313) 263-4032
Marquette	(906) 228-5571
Traverse City	(231) 421-5212

### Procurement Technical Assistance Centers

[www.michigantac.org](http://www.michigantac.org)

Big Rapids	(231) 796-4484
Detroit	(313) 577-2241
Escanaba	(906) 789-0558
Flint	(810) 600-1432
Grand Rapids	(616) 301-8210
Jackson	(517) 788-4680
Kalamazoo	(269) 381-2977
Lansing	(517) 241-2471
Livonia	(734) 462-4438
Marlette	(989) 635-0063
Muskegon	(231) 722-7700
Onaway	(989) 733-8540
Saginaw	(989) 754-8222
Southgate	(734) 362-3477
Traverse City	(231) 929-5036
Warren	(586) 498-4122

### SCORE "Counselors to America's Small Business"

[www.scoremichigan.com](http://www.scoremichigan.com)

Ann Arbor	(734) 665-4433
Detroit	(313) 226-7947
Grand Rapids	(616) 771-0305
Holland	(616) 392-2389
Kalamazoo	(269) 381-5382
Ludington	(231) 845-3241
Muskegon	(231) 722-3751
Petoskey	(231) 347-4150
Traverse City	(231) 947-5075

### U.S. Export Assistance Centers

[www.buyusa.gov/greatlakes/](http://www.buyusa.gov/greatlakes/)

Detroit	(313) 226-3650
Grand Rapids	(616) 458-3564
Pontiac	(248) 975-9600

### Veterans Business Resource Center

[www.vetbizcentral.com](http://www.vetbizcentral.com)

Flint	(810) 767-8387
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### Women's Business Centers

Ann Arbor	(734) 677-1400
Benton Harbor	(269) 925-6100
Grand Rapids	(616) 458-3404



## SCORE Counselors to America's Small Business

In Michigan, SCORE offers its business experience to help pave the way to recovery by providing business assistance across the state with nine chapters and over 40 additional counseling locations. In fiscal 2009, SCORE served 4,025 clients in face-to-face counseling sessions and 1,710 clients in on-site workshops. Online, SCORE counseled 2,515 clients and held 1,240 workshops. These statistics reflect a 29% increase in total service goals from fiscal 2008. Here are some SCORE highlights.

The Ann Arbor chapter has expanded its membership from 20 to over 37 counselors in the past two years and recently moved its headquarters to the Cleary University Washtenaw Campus in Ann Arbor. The chapter is planning new counseling locations in Canton, Dundee and Fenton.

The Detroit chapter has been focusing on marketing SCORE services to clients and referral sources. SCORE counselor Bob Smith writes a Small Talk Blog for Crain's Detroit Business. The chapter is collaborating with Michigan Works! to post the chapter's workshop schedule on its Web site and provide brochures at its nine offices. Also, counselors are reviewing business plans prepared by students of the University of Michigan's Business School as part of their coursework.

Traverse City chapter recently established a drop-in counseling service for clients. The chapter also established a new Web site at [www.upnorthscore.com](http://www.upnorthscore.com) that has the ability to register clients online for seminars and to schedule an appointment with a counselor.

Grand Rapids chapter was selected as the SCORE Michigan District Chapter of the Year for the second year in a row. The chapter worked with many companies during the past year, including counseling a client's daughter who had to help run the business. They assisted her with a business plan and operational issues, along with other items.

Kalamazoo chapter has opened new counseling locations at the South Haven Chamber of Commerce, Three Rivers Chamber of Commerce, and Battle Creek Center for Entrepreneurship. The new locations helped to produce a 168% increase in counseling sessions and a 314% increase in

workshop attendance! The chapter also participated in U.S. Rep. Mark Schauer's small business event in Calhoun County that covered aspects of the Recovery Act.



The Critter Barn



The Critter Barn, an educational farm located in Zeeland, is a place where school children and other groups go to learn about agriculture, farm animals, recycling, sustainability, and much more. It all began when Mary Rottschafer and her husband bought a small farm in 1984 and were given some farm animals as gifts. Since Mary is an educator, she was asked to host school groups for visits to the farm and the business started.

Five years ago, Mary turned to the Holland SCORE chapter for support and assistance in organizing and computerizing financial data. "When we first went to SCORE it was quite a revelation. We found out we had a lot of work to do," said Rottschafer. The barn has the support of farm bureaus, and local farmers donate and loan animals for instructional purposes. SCORE also helped guide the owners toward the more appropriate 501 (c) (3) business organization.

Since its beginnings, The Critter Barn has grown to offer a wide-range of programs, including school group field trips, on-site school visits, summer camps and classes. It offers opportunities for volunteers to work at the farm and they currently have 140 volunteers on the roster. Over the last year, children have volunteered for over 6,000 hours at the farm.

SCORE is currently working with the Rottschafer's as they make plans to expand to a larger facility. "The future is an exciting dream at this point," said Mary.

## Michigan Small Business & Technology Development Center

This past year was an incredible one for the Michigan Small Business and Technology Development Center. The SBTDC provided extensive consulting to 6,087 clients, and conducted 651 workshops for 9,518 individuals. This work resulted in the creation of 438 new businesses, the retention of 3,124 jobs, and \$233,046,213 in capital investment! An impressive 87 SBTDC clients received SBA loan guarantees. The Michigan SBTDC is changing the state's economy one small business at a time.

The SBTDC Network, in collaboration with the Kauffman Foundation, launched the first ever FastTrac® program for displaced workers. Forty sessions were conducted throughout the state and over 1,000 participants gained the skills needed to create, manage and grow a successful business during a challenging economy.

Two new consulting services, the Growth Group and the Manufacturing Assistance Team, were designed to help businesses with revenues over \$1 million prepare for the next stage of growth. G2 and MAT teams provided consulting on such issues as diversification and financing, and helped companies access funding from the Michigan Economic Development Corporation and the SBA.

The Network unveiled a statewide training program in January called the SBTDC Entrepreneurial Series. These courses help participants evaluate their business ideas and develop an implementation plan to successfully grow their companies.

The SBTDC remains one of the SBA's most valuable partners in delivering high quality, relevant services to Michigan's small business owners. Here is one example of the SBTDC in action.



Achatz Pie Company

Dave and Wendy Achatz's secret to the great tasting pies that their company produces is the use of locally grown, high quality Michigan ingredients. Their pies have been featured on the Food Network, the Rachael Ray Show and Good Morning America. The Chesterfield-based company sells its products to Nino Salvaggio, Kroger, and Whole Foods stores in Illinois, Michigan, and Ohio, in addition to 75 other grocery stores and restaurants.

The owners contacted the SBTDC regional office in Macomb County for help in marketing, developing a business plan, and purchasing a larger production facility. The SBTDC team worked with Dave and Wendy to prepare financial projections, research costs, reduce expenses, and establish profit benchmarks. With the help of the SBTDC, they recently purchased a \$1 million, 20,000-square-foot facility which will enable them to produce up to 25,000 pies a day during the holiday season.

The Achatzs are on track to significantly grow their company by opening new stores, penetrating the Whole Foods chain, and producing a private label line of products. Achatz Pie Company was named one of the Michigan 50 Companies to Watch in 2009 at the Michigan Celebrates Small Business event, and was awarded Best Small Business in 2008 by the SBTDC.

*Inspiring entrepreneurs... creating economic opportunity... supporting entrepreneurial dreams...*

## Michigan Small Business & Technology Development Center Technology Team

The Michigan SBTDC Technology Team provided consulting services to a variety of early stage technology-based companies that are focused on alternative energy, life sciences, homeland security, and advanced manufacturing. Highly regarded throughout the state, the network's technology consultants provide specialized services to companies that will help to diversify Michigan's economy.

In 2009, the SBTDC network provided 6,576 hours of technology commercialization assistance to 403 innovation-based clients, 26 clients participated in a Technology Roadmapping process used by consultants to evaluate a company's technology concept and strategic direction, and 19 clients had total capital formation of \$6,854,231.

The SBTDC manages the Michigan Emerging Technologies Fund which provides commercialization funding to companies that receive SBIR/STTR awards. In 2009, an additional \$1.4 million was allocated to the SBTDC for this fund by the state through the Michigan Economic Development Corporation.

The Technology Team also entered into a contractual partnership with Biotechnology Business Consultants to provide training and outreach across the state to companies who are seeking Small Business Innovation Research grants. This relationship has increased the capacity of the SBTDC network to provide comprehensive research and development assistance to Michigan's high technology companies. Funding for the contract came from the Michigan Economic Development Corporation.

Here is one example of the SBTDC Technology Team in action.



TransPharm Preclinical Solutions – Growing a Company in the Life Sciences Corridor

When Pfizer Corporation closed its Michigan operations, former employees Dan Ross and Michael Dority decided to stay in Michigan and launch TransPharm Preclinical Solutions. The Jackson-based company provides a complete array of studies in infectious disease animal models for the antibiotic discovery industry.

Ross leveraged his connections with Pfizer by obtaining more than \$500,000 in donations of equipment and lab materials. He credits the Michigan Small Business and Technology Development Center for the guidance it provided in helping shape his business. "The SBTDC staff was there for us from the very early stages and helped us build our business plan, create our very specific value proposition, and connect us to resources we would not otherwise have been aware of," said Ross.

John Balbach, SBTDC technology counselor, helped TransPharm identify a strong market niche that will allow the company to grow as the economy recovers and more drug studies take place. "TransPharm is an important project that will help diversify the region and has great potential to attract similar business and skilled workers to the area," said Balbach.

*Making a difference... driving innovation... advancing technology businesses*

## Making a Difference in the Success of Entrepreneurial Women

SBA's Women's Business Centers are advancing the growth and success of women in business, from micro-businesses just starting out to mature companies that are seeking corporate contracts.

The Women's Business Center at Cornerstone Alliance celebrated five years of serving women business owners in Southwest Michigan as an SBA Women's Business Center last spring. Over 100 stakeholders, community and business leaders attended the event. In fiscal 2009, the center helped create 22 new jobs and 11 new businesses. It also helped to organize a trade fair at the Four Winds Casino for the members of the Pokagon Tribe of Potawatomie Indians, where they presented information on entrepreneurial services in order to stimulate new business development among Native Americans.

Grand Rapids Opportunities for Women experienced a significant increase in the number of women it served in 2009. GROW helped to create 21 new businesses and exceeded its performance goals for counseling and training. Most significantly, GROW formed a partnership with the Alliance of Women Entrepreneurs to better serve women business owners in West Michigan. This effort allowed GROW to diversify its educational offerings and provided AWE members with much needed resources.

The Center for Empowerment & Economic Development focused its efforts on helping women business owners survive the difficult economy of Southeast Michigan. CEED began offering monthly webinars with speakers such as Dr. Steven Hughes, Executive Director of the Davenport University's Entrepreneurial MBA program. It initiated a very successful Leadership Institute for Women, an all-day training sponsored by Davenport University and Comerica Bank, where college professors and successful women in business shared strategies for success. CEED continued to certify Women Business Enterprises through its Women's Business Council Great Lakes certification program.

Here is an example of a micro-business that is well on its way to success as a result of the work GROW does.



Rising to the Challenge – Midge's Muffins

After years of baking milk and egg-free muffins for family and friends, Robin 'Midge' Green started Midge's Muffins when some of those same friends were diagnosed with Celiac disease.

Green enrolled in GROW's Minding Your Own Business class and credits the program for "giving me the tools to start my business and grow." A single mother of two, Green works full time in health care while running the business after work. Funding most of her business with personal savings, she also received financial support by participating in GROW's Individual Development Account program. The IDA program matched Green's savings, which she used to purchase kitchen equipment, upgrade packaging and labeling, and pay for nutritional values to be calculated for all six flavors of Midge's Muffins.

Today, Green prepares and bakes her 100% gluten-free, milk- and egg-free muffins in a dedicated gluten-free facility in Three Rivers. She relies on her only employee, her mother, to help bake the 200 dozen muffins that are shipped each week to more than a dozen grocery and health food stores in Michigan, including Whole Foods Market, Forest Hill Foods, and Harvest Health. "I would like to thank GROW for giving me the tools to start my business and grow," said Green.

## Creating Economic Opportunities... The Changing Faces of Small Business Owners

International Trade Specialists at Michigan's three U.S. Export Assistance Centers trained and counseled over 600 small businesses and 450 lenders in fiscal 2009. In addition, loans totaling \$32 million were made to Michigan-based exporters, supporting \$74 million in export sales. Here is an example of how one Michigan company expanded its global market through SBA's Export Working Capital Program.

Walgren Company, based in Grand Rapids, is a recognized leader in the manufacture of anodizing and plating lines and advanced waste treatment facilities. It provides turnkey systems, including electroplating and powder plating systems machinery to customers all over the world. When the management team at Walgren needed assistance with a potential export sale to Egypt, they began working with the U.S. and Foreign Commercial Services which referred them to SBA's U.S. Export Assistance Center who helped to structure a much needed working capital loan for the company. Walgren successfully bid on two contracts to sell a plating equipment system to Maasara Company, a contractor for the Ministry of Defense in Egypt. Ultimately, the SBA approved a 90% guaranty of a \$1 million line of credit to cover performance bonds with the Egyptian buyer. The total order was invoiced at \$3 million. Thanks to the help of SBA, Walgren Company was able to complete the sale and anticipates additional orders in the future.

In the face of economic challenges and low growth rates in many of America's inner cities, the SBA introduced the Emerging 200, an initiative to help revitalize and transform America's inner-city business communities. The goal of e200 is to identify inner-city businesses that show a high potential for growth and provide them with the network, resources and motivation required to build a sustainable business of size and scale. The cornerstone of e200 is an in-depth educational program of approximately 100 hours that covers such topics as finance, market development, strategic planning, organization, management and growth strategies. This training is provided by the SBA at no cost to the businesses.

In fiscal 2009, the Michigan District Office identified and supported 16 C-level executives of small businesses in Detroit to help them achieve their full potential through participation in the e200 program. Mark S. Lee of The Lee Group, LLC facilitated the training and our office provided management and oversight. The program was supported with in-kind contributions from the Detroit Economic Growth Corporation, Detroit Regional Chamber, Mayor's Office of Targeted Business Development, Michigan Economic Development Corporation, Michigan Minority Business Development Council, Michigan Small Business & Technology Development Center and TechTown.



Sparkle Janitorial Service, a professional cleaning service specializing in commercial, industrial, governmental and medical establishments, was one of 16 companies selected to participate in this pilot program. Established in 1989, the company has grown from \$150,000 to well over \$1 million in annual sales, and has 41 employees and subcontractors.

Owner Margaret "Loretta" Watson gained valuable insight on growing her business into a national company, while diversifying her services. "The SBA's e200 program enabled me to network with other CEOs in the city of Detroit and become more focused in achieving our goals," said Watson. "We developed our strategic growth plan for the next three years and learned how to manage our business from a financial standpoint."

*Inspiring entrepreneurs... creating economic opportunity... supporting entrepreneurial dreams...*

## Making a Difference through Government Contracting

In fiscal 2009, the Michigan District Office worked with 103 companies certified as small disadvantaged businesses under the SBA 8(a) program, assisting them in targeting government contracting opportunities to expand and strengthen their organizations. These businesses are comprised of a very diversified group of owners and types of industries.

### Ownership

Black American		Hispanic American	12
Subcontinent Asian American	11	Pacific Asian American	8
Native American	11	Alaskan Native Corp.	2
Other	7		

### Type of Industry

Construction		Manufacturing	
Service		Engineering	7
Wholesale	4		10

In fiscal 2009, these businesses had \$352,725,132 in sales, of which \$53,106,520 were government contracts awarded through the 8(a) program. SBA staff participated in many conferences and workshops to promote government contracting, from staffing a booth at a business matchmaking event sponsored by the Chrysler Corporation, to translating SBA programs into Spanish at the Hispanic Business Conference sponsored by the Michigan Hispanic Chamber of Commerce. Minority Enterprise Development staff also exhibited at the Michigan Department of Transportation's 29th Annual DBE Small Business Conference in Pontiac.

In March, our staff presented MED programs at the West Michigan Regional Workshop at Grand Valley State University as part of the University of Michigan EDA Community Economic Adjustment Program. We also participated in a Homeland Security/National Defense Small Business Workshop sponsored by Congresswoman Candice S. Miller. And we represented SBA at the Tank Automotive and Armaments Small Business Fair 2009 at Macomb Community College.



Michelle D'Souza

The year ended with the selection of Michelle D'Souza, President and CEO of Unified Business Technologies, as the Michigan District Office's Minority Small Business Person of the Year. UBT is a leading provider of high quality human resources, services and solutions.

"Michelle D'Souza is a consummate professional and a role model for other minority contractors," said Richard Temkin, SBA District Director. "She is always willing to share her strategies for success with others because she truly wants all small businesses to succeed."

Growing up in India, D'Souza had to overcome the cultural obstacles of being a woman entrepreneur. In 1993, Michelle and her husband moved to the United States where she worked as a stockbroker. The couple started UBT in 1997, specializing in IT staffing. She now operates the company without the help of her husband who pursued other career options. Today, UBT has offices in Alabama, Arizona, Ohio and Michigan.

In 2004, UBT was accepted into the SBA's 8(a) Business Development program, which helps small disadvantaged businesses gain access to federal and private procurement markets. "The Michigan District Office is the best SBA office in the country and has exceeded our expectations," D'Souza said.

## Financial Assistance

In fiscal 2009, SBA guaranteed 1,081 loans to Michigan small businesses through the 7(a) loan guaranty program for a total of \$235.4 million. The average 7(a) loan increased to \$217,761 from \$160,454 the previous year. Under our 504 program, we approved 152 loans for \$75.3 million in fiscal 2009.

The implementation of the American Recovery and Reinvestment Act in March 2009 greatly boosted the number of SBA loans in Michigan. Under the Recovery Act provisions, the guaranty percentage on non-express 7(a) loans was raised to 90% (from the previous 75% to 85%) and the guaranty fees of 2% to 3.5% were waived. As a result, from March through September 2009, weekly 7(a) loan volume increased by 84%, while the dollar amount increased by 100%. During this same time period, weekly 504 loan volume increased by 98%, while the dollar amount increased by 102%. For more data on our lending activity, please refer to the charts on pages 14-17.

The Recovery Act also created a new loan program called the America's Recovery Capital Loan Program which provides up to \$35,000 in short-term relief for viable small businesses facing immediate financial hardship. In fiscal 2009, we made 52 ARC loans for over \$1.7 million.

From large projects to micro businesses, SBA's loan programs fit virtually every need. For example, the SBA Microloan program provides alternative financing to borrowers who cannot access conventional or SBA guaranteed loans. In fiscal 2009, our five microloan intermediaries made 37 loans worth \$641,000, helping the smallest of businesses grow.

In March, we presented awards to SBA lenders at the 11th annual Michigan SBA Lenders' Conference. Citizens Bank was named both the "Lender of the Year" for the best overall performance and "Preferred Lender of the Year" for the most loans made under the full delegation of authority. Chase was named the "SBA Express Lender" while Bank of America was the "504 Lender" for the best overall performance in support of 504 lending. United Structured Finance Company received the "Community Lender"

award for the best overall performance among Michigan-based, non-PLP lenders. mBank was named the "Business Development Lender" for its 45% increase in SBA lending. Chase was also recognized as the "New Markets Lender" for its lending to minorities, women, and veterans.

SBA's business loan portfolio in Michigan consists of 11,553 loans for a total dollar value of more than \$1.9 billion.

Here's an example of our loan programs at work:

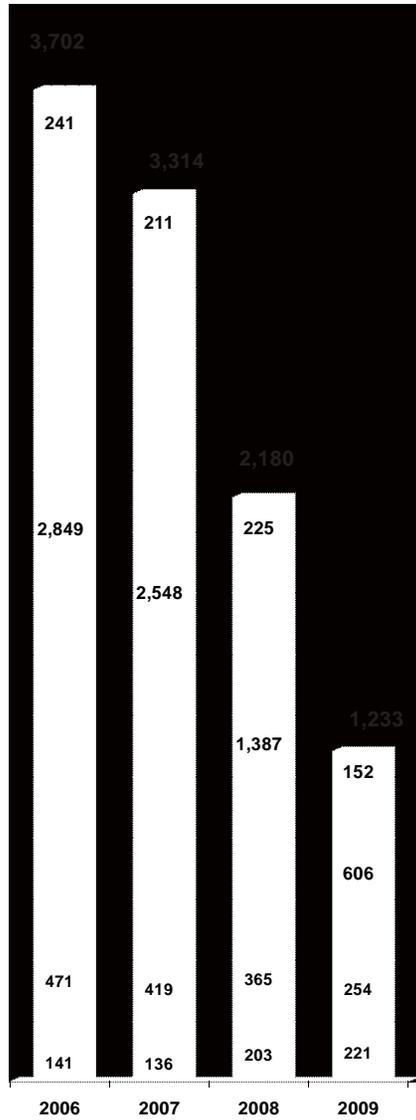


With the help of the SBA and the Michigan Small Business and Technology Development Center in the Upper Peninsula, Big Powderhorn Mountain Resort in Bessemer is under new ownership. The acquisition of the facility was not an easy process, so managing partner Bruce Noren turned to Joel Schultz, SBTDC Regional Director, and Donna Scorse, Gogebic County Economic Development Corporation Director, for help. Schultz worked with Noren and his management team and developed cash flow projections, made connections with bankers, and guided him through the financing process.

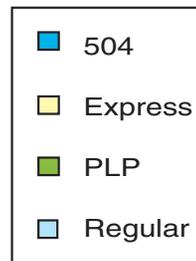
The partners were successful in receiving a \$1.76 million loan from mBank, guaranteed at 85% by the SBA. "This project will bring over \$2 million in capital investment to Gogebic County," said Noren. "We could not have done this without the assistance provided to us by Donna and Joel and the SBA loan guaranty."

The company will retain 10 year-round jobs and employ 200 seasonal workers, will add summer and fall events, and eventually will provide catering services as well.

## SBA Loan Activity Michigan District Office



Total Number of Loans  
Fiscal 2006 - 2009



Total Dollar Value of Loans  
Fiscal 2006 - 2009 (in millions)

## 7(a) and ARC Loan Activity By Lender

LENDER	LOANS	AMOUNT	LENDER	LOANS	AMOUNT	LENDER	LOANS	AMOUNT
1. Huntington National Bank	184	\$24,264,200	51. Eastern Michigan Bank	3	\$318,000	101. Stephenson National Bank & Trust	1	\$135,000
2. Citizens Bank	136	\$30,096,800	52. Community Shores Bank	3	\$195,000	102. Alden State Bank	1	\$130,000
3. Fifth Third Bank	95	\$13,132,400	53. Innovative Bank	3	\$65,000	103. PSB Holdings, Inc.	1	\$125,000
4. Chase	50	\$5,041,700	54. FCB Financial Corp.	2	\$3,477,000	104. Chelsea State Bank	1	\$120,000
5. Charter One	49	\$3,322,500	55. First Nat'l Bank & Trust of Iron Mtn.	2	\$2,195,000	105. Community Central Bank	1	\$95,000
6. Mercantile Bank of Michigan	44	\$9,596,300	56. Isabella Bank	2	\$2,156,000	106. Farmers & Merchants Bank & Trust	1	\$80,000
7. mBank	36	\$13,214,300	57. The Peninsula Bank	2	\$1,568,100	107. Michigan Schools & Government CU	1	\$50,000
8. Superior Financial Group	35	\$332,500	58. Level One Bank	2	\$1,396,200	108. Central State Bank	1	\$35,000
9. CF Bancorp	33	\$8,394,700	59. Toronto-Dominion Bank	2	\$1,200,000	109. Dearborn Bank	1	\$35,000
10. National City	26	\$4,789,500	60. Banco Bilbao Vizcaya Argentaria	2	\$1,112,500	110. The First National Bank of St. Ignace	1	\$35,000
11. Capitol Bancorp	24	\$7,625,600	61. Independent Bank	2	\$810,000	111. Associated Bank	1	\$20,000
12. Chemical Bank	24	\$2,077,300	62. Tennessee Central Bank	2	\$795,400			
13. Wells Fargo Bank	21	\$9,117,200	63. Huron Valley State Bank	2	\$653,600	<b>TOTALS</b>	<b>1,133</b>	<b>\$237,004,671</b>
14. Honor Bank	19	\$1,985,500	64. Community State Bank	2	\$445,000			
15. Hillsdale County National Bank	16	\$2,184,700	65. Sturgis Bank & Trust	2	\$345,000			
16. United Bank & Trust	14	\$6,084,650	66. ELGA CU	2	\$335,000			
17. Commercial Bank	14	\$665,000	67. Monroe Bank & Trust	2	\$330,000			
18. Northwestern Bank	13	\$3,453,800	68. Monarch Community Bank	2	\$290,000			
19. Comerica Bank	12	\$6,175,300	69. Summit Community Bank	2	\$270,000			
20. Keybank	12	\$2,070,200	70. Baybank	2	\$210,000			
21. Old Mission Bank	12	\$1,303,500	71. Christian Financial Credit Union	2	\$200,000			
22. First National Bank of Michigan	11	\$2,278,000	72. NuUnion Credit Union	2	\$187,000			
23. Horizon Bank	11	\$2,135,221	73. ChoiceOne Bank	2	\$110,000			
24. Founders Bank & Trust	11	\$1,861,600	74. Thumb National Bank & Trust	2	\$25,000			
25. Century Bank & Trust	11	\$1,651,300	75. Branch Banking & Trust Co.	1	\$2,000,000			
26. U.S. Bank	9	\$2,204,800	76. PMC Commercial Trust	1	\$1,561,000			
27. Banco Popular	8	\$2,269,700	77. United Central Bank	1	\$1,430,000			
28. Fentura Financial	8	\$625,100	78. Range Bank	1	\$917,000			
29. New Liberty Bank	8	\$585,000	79. Business Lenders	1	\$906,000			
30. United Bank of Michigan	7	\$3,991,500	80. Live Oak Banking Company	1	\$744,000			
31. 1st Source Bank	7	\$954,100	81. Heartland Financial	1	\$688,800			
32. Bryon Bank	6	\$4,640,000	82. First Federal Bank of the Midwest	1	\$665,000			
33. CIT Small Business Lending	6	\$3,378,000	83. Waterford Bank	1	\$655,000			
34. River Valley Bank	6	\$1,835,000	84. Northstar Financial Group, Inc.	1	\$650,000			
35. Macatawa Bank	6	\$1,485,000	85. Celtic Bank	1	\$500,000			
36. Bank of America	6	\$190,000	86. First Banks, Inc.	1	\$492,000			
37. Excel National Bank	5	\$4,622,500	87. United Midwest Savings Bank	1	\$450,000			
38. Main Street Bank	5	\$3,347,000	88. United FCU	1	\$441,000			
39. Mason State Bank	5	\$1,210,000	89. Dart Bank	1	\$350,000			
40. 1st State Bank	5	\$816,200	90. Gogebic Range Bank	1	\$350,000			
41. The West Michigan Savings Bank	5	\$560,000	91. State Bank of Florence	1	\$340,000			
42. First Place Bank	4	\$1,294,000	92. Upper Peninsula State Bank	1	\$338,000			
43. Firstbank	4	\$759,000	93. Tri-County Bank	1	\$300,000			
44. Huron Community Bank	4	\$300,000	94. FirstMerit Bank	1	\$185,000			
45. Borrego Springs Bank	3	\$1,243,000	95. ShoreBank	1	\$170,000			
46. Home Loan Investment Bank	3	\$907,500	96. Newtek Small Business Finance	1	\$167,000			
47. University Bank	3	\$760,000	97. Issaquah Community Bank	1	\$155,000			
48. Irwin Union Bank	3	\$584,900	98. Harbor Springs Financial Corp.	1	\$150,000			
49. West Shore Bank	3	\$583,000	99. Lotus Bank	1	\$150,000			
50. Hastings City Bank	3	\$560,000	100. Community West Bank	1	\$142,000			

### 504 Loan Activity by CDC

CDC	LOANS	AMOUNT
1. Michigan Certified Dev. Corp.	80	\$40,781,000
2. SEM REsource Capital, Inc.	30	\$20,474,000
3. Economic Dev. Foundation-Certified	18	\$7,478,000
4. Oakland County Bus. Finance Corp.	15	\$5,106,000
5. Lakeshore 504	7	\$1,265,000
6. Business Development Corp.	2	\$224,000
<b>TOTAL</b>	<b>152</b>	<b>\$75,328,000</b>

## Loan Activity By City

The Michigan District Office guaranteed 7(a), ARC and 504 loans to businesses in 320 Michigan cities. Cities with four or more loans are listed here.

CITY	AMOUNT	CITY	AMOUNT	CITY	AMOUNT
1. Grand Rapids	80 \$24,310,300	41. Coldwater	7 \$938,200	81. Wixom	4 \$1,310,000
2. Detroit	37 \$6,827,000	42. Milford	7 \$813,600	82. Dowagiac	4 \$1,237,500
3. Traverse City	36 \$12,574,400	43. Spring Lake	7 \$740,900	83. Saugatuck	4 \$1,074,400
4. Ann Arbor	30 \$11,324,800	44. Roseville	6 \$3,047,300	84. Auburn Hills	4 \$1,037,000
5. Marquette	27 \$7,132,300	45. Madison Heights	6 \$2,791,000	85. Birmingham	4 \$920,000
6. Kalamazoo	25 \$8,277,000	46. Jenison	6 \$2,355,000	86. Dearborn	4 \$803,000
7. Troy	25 \$5,450,100	47. Northville	6 \$1,821,000	87. Sturgis	4 \$485,000
8. Livonia	21 \$4,991,200	48. Romulus	6 \$1,657,400	88. Mount Clemens	4 \$478,000
9. Clinton Township	19 \$9,355,600	49. Commerce Twp.	6 \$1,638,000	89. Pinckney	4 \$353,900
10. Lansing	19 \$5,775,000	50. Hastings	6 \$1,273,000	90. Standish	4 \$339,000
11. Sterling Heights	17 \$4,152,200	51. Howell	6 \$1,071,000	91. Ithaca	4 \$335,000
12. Macomb	17 \$1,058,500	52. Grayling	6 \$1,037,300	92. Interlochen	4 \$299,000
13. Warren	15 \$1,101,000	53. Manistee	6 \$706,500	93. Utica	4 \$288,000
14. Holland	14 \$3,083,000	54. Saint Joseph	6 \$319,000	94. Niles	4 \$217,000
15. Flint	14 \$2,056,500	55. Grand Blanc	5 \$2,512,000	95. Dewitt	4 \$213,600
16. Muskegon	14 \$1,711,000	56. Benton Harbor	5 \$1,408,000	96. Saint Louis	4 \$140,000
17. Rochester	13 \$1,699,000	57. Clarkston	5 \$1,339,500	97. New Baltimore	4 \$100,000
18. Port Huron	12 \$3,283,000	58. Rochester Hills	5 \$1,314,000	98. Charlevoix	4 \$88,800
19. Plymouth	12 \$1,836,000	59. Zeeland	5 \$1,287,500	99. Fowlerville	4 \$87,900
20. Saginaw	11 \$7,063,300	60. Walker	5 \$1,115,000		
21. Royal Oak	11 \$5,095,000	61. Ypsilanti	5 \$1,073,000	<b>TOTAL</b>	<b>1,285 \$312,361,971</b>
22. Southfield	11 \$2,209,500	62. Dearborn Heights	5 \$1,066,200		
23. Farmington	11 \$2,177,300	63. Burton	5 \$1,028,000		
24. Grand Haven	10 \$1,126,600	64. Monroe	5 \$1,010,000		
25. Hudsonville	10 \$1,059,800	65. Saint Clair Shores	5 \$993,000		
26. Canton	9 \$4,719,300	66. Okemos	5 \$921,500		
27. Kentwood	9 \$1,957,000	67. White Lake	5 \$910,000		
28. Jackson	9 \$1,521,000	68. Gaylord	5 \$908,300		
29. Chesterfield Twp.	9 \$1,496,800	69. Bloomfield Hills	5 \$847,500		
30. West Bloomfield	9 \$1,287,000	70. Midland	5 \$787,600		
31. Wyoming	9 \$1,076,000	71. Lowell	5 \$666,000		
32. Greenville	9 \$378,000	72. Sault Ste. Marie	5 \$640,500		
33. Grandville	8 \$3,569,500	73. Kalkaska	5 \$185,000		
34. Escanaba	8 \$1,125,800	74. Fremont	5 \$169,500		
35. Brighton	7 \$3,845,850	75. Iron Mountain	4 \$2,638,800		
36. Portage	7 \$1,849,100	76. Trenton	4 \$2,018,100		
37. Novi	7 \$1,698,300	77. Farmington Hills	4 \$1,799,000		
38. Rockford	7 \$1,368,300	78. Saint Clair	4 \$1,676,800		
39. Taylor	7 \$1,328,600	79. Saline	4 \$1,484,000		
40. Shelby Township	7 \$1,308,700	80. Dorr	4 \$1,460,000		

## Loan Activity By County

The Michigan District Office guaranteed 7(a), ARC and 504 loans to businesses in 76 of Michigan's 83 counties as listed below.

COUNTY	LOANS	DOLLARS	COUNTY	LOANS	DOLLARS
1. OAKLAND	169	\$42,303,700	41. IOSCO	5	\$136,200
2. KENT	137	\$36,435,500	42. LAPEER	5	\$2,435,000
3. WAYNE	132	\$32,466,200	43. MENOMINEE	5	\$1,009,000
4. MACOMB	129	\$28,102,500	44. MIDLAND	5	\$787,600
5. OTTAWA	57	\$10,457,800	45. NEWAYGO	5	\$169,500
6. WASHTENAW	47	\$16,620,300	46. CRAWFORD	4	\$984,300
7. GRAND TRAVERSE	45	\$14,127,500	47. DICKINSON	4	\$2,638,800
8. KALAMAZOO	40	\$12,162,100	48. GOGEBIC	4	\$3,584,000
9. GENESEE	37	\$8,028,300	49. ISABELLA	4	\$3,524,000
10. MARQUETTE	33	\$10,119,400	50. MECOSTA	4	\$1,744,900
11. INGHAM	32	\$9,064,500	51. BENZIE	3	\$352,400
12. BERRIEN	29	\$5,518,321	52. CLARE	3	\$344,000
13. LIVINGSTON	27	\$8,264,150	53. EATON	3	\$51,000
14. SAINT CLAIR	26	\$6,705,800	54. LAKE	3	\$416,300
15. ALLEGAN	22	\$5,795,000	55. OGEMAW	3	\$505,000
16. MUSKEGON	21	\$2,701,200	56. OSCEOLA	3	\$680,000
17. JACKSON	16	\$2,213,100	57. SHIAWASSEE	3	\$565,000
18. SAGINAW	14	\$8,923,100	58. CHEBOYGAN	2	\$2,008,100
19. VAN BUREN	14	\$3,284,400	59. EMMET	2	\$1,625,500
20. CHIPPEWA	14	\$2,050,500	60. IONIA	2	\$260,000
21. MONTCALM	13	\$454,000	61. MACKINAC	2	\$185,000
22. BRANCH	10	\$1,742,200	62. OCEANA	2	\$283,000
23. GRATIOT	10	\$545,000	63. ROSCOMMON	2	\$350,000
24. DELTA	9	\$1,160,800	64. SANILAC	2	\$295,000
25. MONROE	9	\$1,679,000	65. WEXFORD	2	\$251,000
26. BAY	8	\$1,006,700	66. ALCONA	1	\$35,000
27. CALHOUN	8	\$2,248,800	67. ALGER	1	\$360,000
28. HILLSDALE	8	\$1,248,400	68. ALPENA	1	\$15,000
29. KALKASKA	8	\$368,000	69. GLADWIN	1	\$15,000
30. BARRY	7	\$1,768,000	70. HOUGHTON	1	\$30,000
31. CLINTON	7	\$408,600	71. HURON	1	\$1,250,000
32. MANISTEE	7	\$926,500	72. LUCE	1	\$25,000
33. OTSEGO	7	\$1,118,300	73. MASON	1	\$19,000
34. CASS	6	\$1,311,500	74. MISSAUKEE	1	\$15,000
35. CHARLEVOIX	6	\$118,800	75. SCHOOLCRAFT	1	\$454,500
36. LEELANAU	6	\$834,500	76. TUSCOLA	1	\$196,200
37. LENAWEЕ	6	\$311,800			
38. SAINT JOSEPH	6	\$697,600			
39. ANTRIM	5	\$951,800			
40. ARENAC	5	\$519,000			
			<b>TOTAL</b>	<b>1,285</b>	<b>\$312,361,971</b>

## Michigan District Office Staff

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## Small Businesses - Creating Michigan Jobs

When it comes to job creation, small business continues to make a real contribution to the Michigan economy. Small businesses with less than five employees had a net *increase* of 22,194 in their employment figures from 2005 to 2006, according to the latest figures published by the SBA's Office of Advocacy. In contrast, businesses with 20 or more employees in the same time period had an increase of only 11,736 jobs. This means that from 2005 to 2006, two-thirds of Michigan's net new jobs came from firms that had less than 20 employees in 2005.

Consider this: **from 1991 to 2006, businesses with less than five employees have been the only segment to add new jobs in Michigan each year.** Job creation and growing economies – these are the reasons SBA strives to support Michigan's entrepreneurs and why small business makes a real difference in our economy.

Job Creation By Firm Size	
2005-2006	Jobs these Firms Created by 2006
Number of Employees in 2005	22,051 (277)
-----	-----
5-9 employees	22,051
10-19 employees	194
1-4 employees	<b>22,194</b>
Less than 20 employees	8,047
-----	-----
20-99 employees	7,810
100-499 employees	11,736
500+ employees	<del>7,810</del>
More than 19 employees	11,736
<b>Total net jobs gain</b>	<b>33,930</b>

*Source: SBA Office of Advocacy*

**U.S. Small Business Administration**



***Your Small Business Resource***

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