

Made in America Manufacturing Finance Act of 2025 – Hearing Transcript – May 21, 2025

I call the committee on small business and entrepreneurship to order, and I will begin with my statement and will be joined by senator Markey shortly. We are here today to discuss how the Small Business Administration, the SBA, can expand and support investment in our nation's small manufacturers. Last week, the committee examined how the Small Business Investment Company program could help channel more private capital into American manufacturing. To better understand the urgency of this situation, we need to take a closer look at the numbers, and let me tell you folks, this is staggering. Over the past forty years, we did not simply lose manufacturing jobs.

We witnessed the steady erosion of our industrial sector to China's delight and advantage. Over the last twenty five years in Iowa alone, we have lost nearly one in six manufacturing jobs. American manufacturing employment has fared even worse over the last forty years, falling by 28% and reaching depths we haven't seen since 1946. Only 3.7% of Americans are employed in manufacturing today, half the share we had forty years ago, and barely a third of our peak in the late sixties. To put that in perspective, there are nearly twice as many people working in state and local governments than on the factory floor.

This is not simply an economic decline, it is a hollowing out. The steady loss of skills, infrastructure, and investment in manufacturing undermines our ability to innovate and scale new technologies, leaving our homeland weakened and vulnerable. The reason for this is not a mystery. Government policies that encouraged offshoring production without regard for the long term damage done to our domestic productive capacity. Today, the consequences are visible in every corner of America.

Shuttered plants, decaying factories, and empty parking lot stand as monuments to the multi generational disintegration of hard earned knowledge, talent, and tradition that once formed the bedrock of our nation. But here's the good news. We have a president and SBA administrator who understand what is at stake. They recognize the size and complexity of the work needed to revitalize American manufacturing and are committed to rebuilding our industrial strength from the ground up. As we discussed during last week's hearing, the SBIC program will continue to play its vital role in expanding our productive capacity by facilitating private investment and through federal partnerships like that between the SBA and the Department of Defense's newly established Office of Strategic Capital, something I championed in the annual defense bill.

But that is only the beginning. We must do more. Today, we welcome administrator Loeffler to discuss the SBA's Made in America Manufacturing Initiative and the efforts underway to support the small businesses that make up 98% of our nation's manufacturing base. Part of that effort involves the Made in America Manufacturing Finance Act, which I was proud to introduce last month alongside senator Coons. This bipartisan legislation would double the SBA backed loan limit from \$5,000,000 to \$10,000,000 for small manufacturers who need that capital to modernize, grow, and train the next generation of American workers.

That investment will have a meaningful impact across the entire supply chain. Because the smallest startups to the largest firms all rely on small manufacturers to get the job done. Revitalizing our industrial base and reclaiming our ability to make things in America starts with small businesses. We must ensure that cutting edge innovation and high speed, high quality production happens right here at home, not overseas. If we are serious about competing with and beating China, creating good paying jobs, and restoring economic resilience, we must empower our small manufacturers to lead the way.

This bipartisan legislation takes a bold step in that direction. I am grateful that we're joined today by administrator Loeffler, and I look forward to hearing from her how congress can better equip the SBA to invest in the industrial revitalization of America. And with that now, I recognize ranking member Markey for his opening statement. Thank you, madam chair. Administrator committee where you touted the soon to come golden golden age for small businesses.

We have seen an unprecedented assault by the Trump administration on Main Street. Here's how the golden age of Trump is going. The cost of manufacturing supplies has increased by 17 percentage points since president Trump's inauguration according to the Institute for Supply Management. The National Small Business Association's May economic report found that the number of small business owners confident in their business financial future fell to the lowest point in the survey's sixteen year history. The Wall Street Journal Small Business CEO Confidence Index, released April 25, reported that 57% of small businesses and their owners believe the economy has gotten worse, a staggering 43 points higher than January.

The University of Michigan's May survey of consumers, the benchmark study of consumer confidence, saw the second lowest level ever recorded. That's in May of this year. And Americans now believe prices will increase by 7.3% in the next year, the highest inflation expectation since 1981. For small business administrator, unfortunately, the golden age of the promised gains has turned into the dark age of certain pain that small businesses are now suffering. All of this is a direct result of president Trump's self inflicted economic disaster.

Trump's destructive, chaotic, and thoughtless tariff policies are turning Main Street into Payne Street. Last week, we heard from a 100%, we heard a 100% small business, US manufacturer located in Akron, Ohio testifying before the committee. She said, quote, without immediate relief from the tariffs and ensuing trade war, US manufacturing companies like mine will not survive the summer. Small businesses are being forced to shut their doors because of president Trump's destructive tariffs. Consumer confidence levels are taking an historic nose dive.

That is happening day after day, and costs are skyrocketing. Walmart just announced it was raising its prices over tariffs, so you can only imagine how the Trump tariffs are crushing mom and pop stores across the nation. Small business owners, pleas for help, are falling on deaf ears as the president tells them to prepare for short term pain. Well, many of these businesses aren't going to survive this so called short term pain. Even the National Chamber of Commerce agrees with me on this.

Last month, the National Chamber of Commerce followed my lead and called on the Trump administration to develop a tariff exclusion process to prevent, quote, irreparable harm to small businesses. Because these calls have gone unheeded by the administration, I introduced the Small Business Liberation Act two weeks ago, and I will be seeking unanimous consent today on the senate floor to provide necessary relief to small businesses across our country from this tariff regime. 97% of all businesses who engage in trade are make the motion today to to having the president has 100 and She served as the in Georgia and had an over three financial services and technology industries. I'm as a member of the team at she helped grow from us to a Fortune 500 company. Administrator Leffler earned her bachelor's degree State of Illinois College of MBA from DePaul University graduates.

I ask unanimous consent that administrator Leffler be included in the record Without objection and with that, administrator Leffler and welcome to the committee. You are recognized for five minutes for your testimony. Thank you, and good morning. Chair Ernst, ranking member Marquis, member historic action to rebuild American industry, bring back American jobs, and restore our economic independence. The made in America manufacturing finance act of 2025 will do exactly that.

By doubling our seven a and five zero four loan caps for small manufacturers representing the first SBA loan limit increase in more than a decade. This bill was supercharged the return of American manufacturing, empowering job creators with needed capital to onshore production and rebuild critical supply. And agriculture to electronics, transportation. Equip our military and sustain our industrial strength. Thanks to president Trump's fair trade, pro growth economic agenda, demand for American goods is rising and small manufacturers are stepping up to meet it.

In just the first hundred days, the SBA has seen manufacturing loan approvals increase by 74% in our seven a loan program compared to the start of president Biden's term. Our producers are hiring again, investing again, and growing again, but they are ready to do more. Over the last four months through the SBA's new made in America manufacturing initiative, our agency has met with more than 300 small manufacturers. Access to capital is one of the most consistent concerns I hear no matter what district, industry, or state I travel to. The Made in America Manufacturing Finance Act of 2025 is about ending our reliance on adversaries like China.

It's about forging a stronger, more resilient economy powered by American workers, and it's about unleashing the full power of the private sector to rebuild American industry from the ground up in every state across our nation. I'm so grateful to our house and senate leaders for introducing this critical and timely bipartisan, legislation because delivering opportunity to American workers and industry is a very unifying objective. With our nation poised for even greater prosperity and opportunity in the months to come, now is the time to meet the moment. Since January, president Trump has cut core inflation to its lowest level since 2021. He secured over \$10,000,000,000,000 in private sector investment.

He's delivered more than a half million new jobs while deregulating after the last four years of massive bureaucratic expansion, and he's brought dozens of countries including China back to the negotiating table for fair trade deals. Our economy is spring loaded for growth, especially on Main Street, and I'm pleased to report that the SBA has never been more prepared to help small businesses lead the America first economic comeback. When we arrived, the SBA was bloated and dysfunctional, weighed down by a work from home bureaucracy that promote promoted a partisan political agenda. The Biden administration presided under over unprecedented levels of fraud and four straight years of failed audits. Our flagship seven a loan program was mismanaged to the tune of \$400,000,000 in negative cash flow in just one year.

Oversight and accountability had broken down along with any sense of fiscal responsibility to taxpayers. Common sense had left the building along with our workforce. That era is over, and it is a new day at the SBA. I come to this role with three decades of private sector experience building small businesses and helping them grow. I quickly set out about streamlining operations, enhancing accountability, and ensuring that small businesses had the resources they need to thrive.

After reviewing the agency's financials and operating metrics, we launched a full scale reorganization to right size the SBA back to pre pandemic staffing levels. We've shifted resources that had been consolidated in Washington back out into the field among our 68 district offices and local communities. We canceled wasteful contracts for total savings of more than 3,000,000,000 I'm proud that we're working alongside the Doge team who are not partisans, but patriots and business leaders who care about the future of this great nation. We also took urgent action to restore the financial integrity of our core loan programs by reinstating lender fees and restoring underwriting standards, eliminating the do what you do criteria that had put taxpayers on the hook for billions of dollars. And we implemented new identity and citizenship verification protocols to ensure that loans only go to eligible businesses, not illegal aliens or fraudsters.

We made it a top priority to depoliticize this agency and end the era of picking winners and losers based on race or ideological beliefs, replacing our nation's strong, tradition, a free enterprise instead. We eliminated DEI mandates, terminated the green lender initiative, and withdrew SBA from voter registration schemes, and we began relocating SBA offices out of sanctuary cities that refused to enforce federal immigration law. At the same time, we're helping rebuild American industry through the SBA's made in America manufacturing initiative. We're backing the legislation to give small manufacturers additional capital And just yesterday, we introduced a first of its kind onshoring portal to help small businesses find American made supply chains and partners. The results are immediate and measurable.

In our first hundred days, SBA loan approvals have skyrocketed by 80% compared to the same time under the last administration. Loans to the smallest businesses, meaning those with five or fewer employees, nearly doubled. And the share of federal contracts going to small businesses is up to 23% from just 18% when we came into office. With new opportunity and strong

economic agenda at hand, demand for capital is up. Businesses are growing and confidence is rising across the country.

I'm proud to say that this is not the SBA of the past. It is a stronger, leaner engine for free enterprise, and it's one that supports American industry, respect for taxpayer dollars, and one that delivers results. We're no longer supporting the globalists, bureaucrats, and partisan political interests, but the small defense manufacturers, the local construction companies, and the tech company founders who along with all the others are putting everything on the line to live the American dream. Alongside president Trump, we're empowering small businesses to lead America's industrial comeback. Now congress has an opportunity to supercharge that comeback with new capital that will help make us stronger, more independent, and more resilient than ever before.

The made in America manufacturing finance act of 2025 builds on what we've accomplished to date and sends a clear signal that this country is serious about rebuilding its manufacturing base, jobs, and supply chains. It's simple, it's responsive, and it delivers exactly what job creators and our lenders have been asking for. Thank you again, Chair Ernst and Chairman Williams in the house in the, for your leadership and I ask all of you for your favorable consideration. And I look forward to working with you as we get this bill passed. Thank you so much and I look forward to your questions.

Thank you very much, administrator Loeffler. Now we will move into our rounds of questions, and I now recognize myself for five minutes of questions. So administrator Leffler, people will be coming and and going as we have different committees meeting, so thank you for your patience. Shoring up domestic production of critical goods is vital to America's economic and national security. I've been pleased to work with you and president Trump on SBA's made in America manufacturing initiative.

As I described in my opening statement, I introduced the made in America manufacturing finance act along with senator Chris Coons and house small business committee chairman Roger Williams to increase the SBA backed loan limit from five to ten million dollars for small manufacturers in the seven a and five zero four loan programs. Why are higher loan limits necessary to grow our manufacturing capacity here in America? Chair Ernst, thank you for your question. I'm grateful for your leadership on a bipartisan bill and, hope that we can earn the support of the the entire committee given the importance. What we've seen as as I've traveled the country meeting with hundreds of small manufacturers, which, by the way, manufacturers under 500 employees represent about half of our productive capacity in America, is what I'm hearing is access to capital is critical.

And particularly as we open export markets, those longer lead cycles, are gonna require more capital. But the facts are we haven't raised loan limits for about fifteen years. And so what we've seen is the ability for small businesses to access capital is great through our seven a and five zero four loan programs, but it's limited by that \$5,000,000 cap. And it factories wanna invest more in capital equipment. They wanna hire.

They wanna bring on more manufacturing staff, a skilled workforce, which is critical to them. They're certainly focused on investing America in America and grateful to president Trump for his leadership in restoring fair trade so that they can produce more. But access to capital is the number one concern we hear, not just as we talk to lenders who have, seen the constraints firsthand with their manufacturing base, which is growing in America, but we've heard it firsthand. And I've I've heard manufacturers say that they already have the machines planned that they will, purchase when they can get that access to capital and hopefully when this tax bill, passes as well. So I look forward to working with this committee to ensure that these, loan limits are expanded.

Oh, thank you. And I do hear that as I'm traveling across Iowa as well and and during my time here on the committee, that access to capital is one of the most significant impacts on those small businesses. So, in my letter to president Trump on January twenty first of this year, I wrote about the challenges facing the SBA, and I noted that the seven a loan program was severely mismanaged by the previous administration, resulting in rising defaults that threaten the future of the program. And I know that you inherited a mess over at SBA, and I appreciate how hard you have been working to right the ship. Can you tell us what reforms you have made at the agency to assure us that these new larger manufacturing loans won't result in losses that must be covered by American taxpayers?

Thank you for the question, chair Ernst. I come out of three decades of private sector experience, much of it in financial services and risk management. So that was one of the first questions I asked when I came into the agency. What is the status of risk management in this agency? I was frankly alarmed to see what had been done to the seven a program under the, do what you do standard operating procedure.

We looked at the rising delinquencies and, defaults that were happening in that program that had, ramped up, our delinquency rates. And we quickly got to work working with the industry and small businesses to rein in that that SOP and have established the SOP back to what it was prior to the do what you do standard. We've heard tremendous feedback from lenders and borrowers alike because they now have guardrails and we are reining in that reckless lending program that happened under the Biden administration. So my focus is gonna be continuing to evaluate the loan programs to ensure that they're, sound, that they continue to operate at zero subsidy, meaning no cost to our taxpayers. Unfortunately, the four year cohort under the Biden administration looks like it will have loan losses of \$2,200,000,000 putting taxpayers on the hook for sloppy underwriting and it's unacceptable.

To ensure that we don't go back to that, we made we evaluated the, manufacturing loans, which the Biden administration, you know, we've doubled what the Biden administration has done almost in terms of manufacturing loans. We've looked at the performance at the highest ends in terms of the, outstanding loan size. Those are some of the best performing loans because those, lenders and borrowers have skin in the game. And those tend to go to plant expansions. And so, we've done some back testing on this.

We've tested also the fee levels to ensure that, the fee levels are sufficient and that the loan programs don't go, against the zero subsidy mandate that we have from congress. So I feel very good about the program and look forward to, demonstrating that performance. Thank you. And I love that you said no more sloppy underwriting, and I truly appreciate it. Thank you, administrator.

Next, we will move to ranking member Markey for his questions. Okay. Thank you, madam chair. Ambassador Loeffler, you called Trump's tariffs the single greatest salvation for small businesses and said that small businesses are grateful for tariffs. So do you acknowledge that Trump's tariffs raise cost for small businesses that are jeopardizing, their livelihoods and their employees?

That's what I'm hearing. Ranking member Markey, thank you for your question. This president is fighting for the American worker and American industry. And what we're seeing is that president Trump's entire economic agenda is counter inflationary, and tariffs have been imposed against our small business unfairly. Tariff and non tariff trade barriers, disadvantaging not only our small businesses So in the short term in the short term, have the tariffs, increased costs for small businesses in The United States?

No ranking member market. They have not. No. Core inflation for two months in a row have fallen to four year lows and under I'm talking about for small I'm talking about for small I'm talking about for small a record of small business. Inflation.

Have they increased it for small businesses? No. That's not what we're seeing at all in the field. In fact, what we're seeing is that small businesses are investing as evidenced by the 80% increase in loan volume compared to the prior administration. So we see small businesses in the There's not an 80% there's not been an 80% increase from January 20 to today in investment.

That is absolutely inaccurate. Just saying that. Absolutely. That is absolutely not accurate. So I just wanna tell you, here's what I've heard from here's what I've heard from small businesses in Massachusetts lending.

It is absolutely not true. Here's what I've heard from small businesses in Massachusetts. A small coffee shop in Chatham is worried rising costs will drive customers to bigger businesses. A toy designer in North Andover furloughed staff and is hesitant to place new orders, not knowing what tariff policy will be in a few weeks. A 100% US electric bike manufacturer in Boston is considering entirely shuttering their doors because of the increased supply cost.

And these are not just anecdotes. A recent survey conducted by CNBC showed that 70% of small business owners expect a recession, and only and almost 60% are concerned about tariffs harming their businesses. So, again, administrator Leffler, what do you say to worried businesses like these? How is SBA helping these small businesses getting crushed by the

Trump tariffs? This president is making sure that small businesses are never again put in the position of relying on the Chinese Communist Party to manufacture their goods and services.

We saw during 2020, during COVID, the excessive reliance we have on the Chinese Communist Party. I suspect, manufacturers at home are delighted to hear that this president is fighting for them. I've certainly heard that with the hundreds of manufacturers I've walked on the floors with since I've been in this job. They are they are thrilled this president is fighting for them. And I've heard personally that another I will give I will give you another example.

When, witnessed last week, sitting right where you are, Julie Robinson, who is an owner of EarthQuaker Devices, a 100% USA based manufacturer, told us that when she asked SBA for help with alternative domestic suppliers, SBA offered her a product that cost 17 times more than her current supplier. She cannot take on more debt. She doesn't want more debt. Small businesses don't want more debt, and the sustained losses would likely prevent her from getting an additional loan even with a perfect credit score. And Julie is now considering offshoring manufacturing.

So SBA should be supporting our small businesses, making sure they can continue to manufacture in The US, not encouraging offshore manufacturing. Senator, I'm just gonna ask one quick question. Add that we yesterday announced the, make offshoring great again portal that connects small businesses to 1,000,000 onshore production facilities, and this is the first time trying The the example we had last week was a 17 times higher cost. Small businesses now to explore. For the first time ever, using tools available to the private sector that we've made free of cost to the small businesses.

Let me ask one final question. Has Doge has Doge had access to personal or sensitive s b small business information or SBA? Senator, I've been very pleased to work with Doge. They are complying with all laws they are. Have they had access have they had access to No.

They personal, unsensitive, small business information? No, senator. They have not had access? No. Okay.

Thank you. Thank you, madam chair. Okay. And just for clarification, administrator Loeffler, I believe you said that that 80% increase was in SBA lending to small businesses, right, through the seven a loan program. So could you restate that again so that we hear you clearly?

Yep. The increase in small business lending through the, SBA's seven a loan program compares the first hundred days of president Trump's administration to the first hundred days of Biden, the Biden administration. That's what I I thought you said. So Are you compare are you comparing that to the final three months of the Biden administration? It she just she just clarified.

No. She did not. She just did while you were visiting. Would you please restate? Yeah.

The loan data for the SBA seven a loan program relates to an 80% increase in loan volume for president Trump's first hundred days compared to president Biden's first hundred days. Right. But that is unfair because he was in the middle of the of the of the recession that Chris inherited. Senator, we all use loan volumes up. The only fair comparison is to the last ninety days of Biden and the first ninety days of Trump.

Okay? So that number 80% is completely irrelevant. Your loan volume is up too. So she was giving statistics, and I I appreciate those statistics. So next, we will move to, senator Hickenlooper for five minutes of questions.

You are recognized. Thank you, madam chair. As someone who I was a small business person, I had a, an SBA loan. What is the average length of process for a loan? So when I did it, it was it took about a year, eleven and a half months.

My understanding is it takes about eight to twelve months now. Senator, first of all, thank you for your leadership in small businesses. I commend all of our small business, leaders for what they do for Main Streets. I will say that the loan process has improved, because we've restrengthened the SOP back to what it was, making it more predictable for our lenders. No.

I get that. And I and I I admire that and I admit that, but you're giving us statistics of the first hundred days and saying you've given all the all these loans got completed. Those loans were all started under Biden. And when low if you look at Biden's first hundred days, those loans were all started by president Trump in his previous administration. So to say that they're up 80% is flipped.

In other words, what those loans take at least six months to to close. So you're closing loans that were started by Biden, and and he was trying to close loans to the a lower number that were started under Trump. But these are these are actually based on closings. No small business would close on a loan that they didn't believe that could invest and grow in their business. So the the the closing rate during, the term is incredibly important.

It's a vote of confidence. No small business is gonna take out a loan if they don't believe the conditions would support its improvement. The number of closings and I appreciate that. But the number of closings is based on how much work has gotten, how many you've got in the pipeline, and that all happened in the previous administration. I worry also, like senator Markey in terms of the the the cost of tariffs to small business.

Alls I hear about when I'm in Colorado is that they can't find it's not just the the components of what they're they're putting together. Their entire supply chain, is is at risk. And again, raising the caps on the seven day, I think that's a great thing, but that mostly helps larger small businesses. The little guys are struggling. It took me four years before I could was able to qualify for, an SBA loan.

We've got a lot of, outdoor recreation industry in Colorado. It's really all across the country now. It's a \$1,200,000,000,000 industry, and and they're kind of freaking out. If you look at the running, hiking, hunting, fishing, boating, kayaking, you know, so much of that industry, and it's a very broad industry, but a lot of it is apparel and footwear. And when you talk to almost every one of them, they are largely manufactured in Asia, not so much in China anymore.

They're manufactured in Vietnam and Cambodia and Bangladesh. I mean, people are moving away from China like crazy over the last, number of years, last six or eight years. The margins are too thin to really genuinely imagine we're gonna bring back that that the the both the supply chain and the actual manufacturing in The United States. The the margins are paper thin. And it seems like a more useful thing to do would be to work with The Caribbean, you know, the, what they call CAFTA, but it's the the trade association with, with, in The Caribbean, or with either Mexico or or or Canada, more likely Mexico for some of this, you know, footwear and apparel.

Is that something you see in the in the future? Senator, what I see in the future is advocating for American jobs and American industry, which is exactly what president Trump is doing. This is why small towns like I'm from, a town of 600, have been hollowed out because of the loss of manufacturing. You may not think a job making socks is a good job. I just met a a manufacturer last night at a small business round table.

They love their job. They love their factory. It's a small factory. They do great things. It's textiles made in America.

We have microchips being made in America now. We can make things in America, and this narrative that we can't make things here affordably is absolutely demonstrably false, and it's not about big big manufacturers. I've been to great manufacturers with less than 50 employees who will benefit from this upsized loan. No. No.

I get it. I'm I am a small business person. I am born of that of that ilk, and I am part of that ilk. But everyone I talk to is in a in a in a state of terror that they feel they will not be able to get through this this, whatever is, eighteen months, it could be two years, it could be four years. When you're looking at even if we go to a 10% tariff, for truly small businesses, that is an unsupportable burden.

It put it puts their entire business at risk. It's something they've, in many cases, have worked their whole lives to get the opportunity to start and to create, and now suddenly they're gonna get the the rug pulled out from under them for something they have no control over. And I'm not sure I see the benefit of that that 10% tariff, which essentially it's gotta be paid in in raising prices or or or lowering your sales. You're not just you you're just gonna have to raise enough prices and accept the fact you're gonna have those lower sales. In either in either case, the public's gonna pay for one way or another, either have less things to buy or a higher cost.

And to what purpose? Right? To to to do a big tax cut? I'm not sure. I don't see the benefit.

Senator Thank you. If you'd like to respond, administrator. Our our small businesses have been the victims of unfair trade policy for decades. They have had to compete against unfair non tariff and tariff trade barriers. We have to level the playing field.

It's absolutely fair to them. But the number one thing I hear right now is small businesses need congress to pass this tax reform, this tax cut bill. And that is the number one thing, small businesses. That would be an immediate tax increase that would raise taxes on small businesses higher than what small businesses in China pay the Chinese communist party. So that is the number one thing I hear.

I understand there are short term impacts during this critical period of negotiation with 75 countries that is gonna make trading fair for all, and these small manufacturers are delighted that they're finally gonna be able to compete on a level playing field. K. Thank you, senator Hickenlooper. And thank you for mentioning socks. We do make socks in one of my very small rural Iowa towns in Oregon.

We have a sock manufacturer. You have a sock manufacturer. Smart wool. Love it. Smart wool.

Smart wool. Smart wool. Smart wool. And I will now recognize senator Hirono for five minutes. Thank you, madam chair.

The SBA is one of the smallest administrative agencies. Isn't that the case? Yes. That's true. Senator.

So, since this administration took office in January, how many people have either been fired or left SBA? Senator, I'm very pleased to say that we are streamlining and unifying this agency back to the people have left or resigned? We're taking it back to the size that it was during the first Trump administration. The agency had doubled in size and head count during COVID, and yet 90% of the staff was working from home. And so what we found Can you give me some numbers, madam.

Yes, senator. So currently, we're looking at approximately 43% staff reduction, which brings us back to the size that the agency was, during the first Trump administration. I'm just getting percentages. I really like to know the numbers that you're talking about. So, right now we're looking at roughly 2,700 staff reductions.

2,700. So it is really a very small agency, and you're about to, embark on the small manufacturer's, effort, and that's gonna take staffing. And in fact, isn't it the plan to further reduce your employee base to you're cutting another 43% from the SBA personnel? Well, senator, I've been in the job about three months. We'll continue to evaluate the agency, but the the beauty of this agency is it is, public private partnership with our, lenders, over a thousand lenders across the country that deliver our loans.

So it's a very scalable agency and it had doubled during COVID. We no longer are running, COVID origination loan programs, so the staffing we had customer service, representatives that were costing us roughly 50,000,000 a year. Madam, I may have had two hours of work today. The point I am making is that if any of the announcing will take personnel, and at the same time as you're pursuing these initiatives and and, looking at your seven a loan program and you have, a president who wants to shove the student loan program, which is over a trillion dollars in student loans, 43,000,000 people who borrowers into your small shop. It's kind of mind boggling to think that that you're gonna be able to do all this.

Another question. Is it your testimony that the confusion surrounding president Trump's on again, off again tariff decisions is going to help small businesses. Is that your testimony? Yes, senators. President Trump is the first president of the fight.

That's all I need to know. Businesses for mainstream So when I hear from small businesses in my community that it is because of the tariffs that there's so much uncertainty in their businesses that they believe that they're actually gonna get hurt. You have Walmart saying that they're gonna need to charge higher prices because of the negative impact of these tariffs. They're diluting themselves that actually the, president Trump's on again, off again tariff decisions are actually gonna help them. So all these small businesses contacting us to say that they're actually being heard.

They're deluding themselves. Is that Senator Your view? It it's not to overlook. There there could be short term impacts. The biggest, change with tariffs is we're gonna be able to compete on a level playing field based on the 400 pages made by The US trade rep.

Sadly. Excuse me. President Trump can say all he wants is a short term impacts, but, that is not the view held by, most economists and other people who are really really in charge across our country. Thank you madam chair. Following out of our manufacturing.

Thank you. Now I recognize senator Hawley for five minutes of questions. It's great to see you again, administrator. Would would you like to get a word in there? I'm happy to allow you to actually finish the sentence.

Go ahead. I'll rest my case. Thank you. Probably wise. Let me let me ask you about something that's happening in in Missouri that's very important to us.

As you probably are aware, we've had very significant tornado damage across the state, including in Saint Louis. I was just on the ground there for most of the day on Monday walking the streets, talking to folks in neighborhoods. The damage is very, very extensive. We're going to need help across the board, and I'm asking you because one of the most important services, I think, that SBA provides is disaster relief, often in the form of loans to businesses that have been affected by natural disasters. Can you just talk to us a little bit about the nature of those loans of that program and what, for instance, my constituents might might be able to get help with?

Absolutely. Thank you, senator. And, your constituents in in Missouri and and frankly, the entire region that was impacted are in my prayers. And, our team is already on the ground in that region to ensure that we are part of, while we're not a response agency, we're a recovery and resilience agency, and we are gonna be there for your constituents. First of all, in fiscal twenty twenty five, the as you know, the disaster relief funds ran out.

And it was a great surprise to congress that this agency did not alert this committee or others they were running out of disaster relief funds. Under my watch, that will never happen again. And right now, we are making sure of that by ensuring that we do fraud checks. We've already caught about \$75,000,000 in attempted fraud that should have gone to survivors disasters. We're streamlining our programs to ensure that the regional offices work with our disaster, relief folks, which had never been done before.

The the agency had broke them, broken the regional and disaster response efforts apart. We're also looking at the first hundred days of president Trump's loan volume to see to ensure that that's being delivered quickly. For example, California, we delivered \$2,000,000,000 in relief within the first hundred days already surpassing what was delivered in all of, Biden's last year. So we are on top of it. We have 400, disaster assistance specialists in the field right now servicing, dozens of disasters across the country, and we will be, right there alongside of you to ensure that your constituents, are served.

That's terrific to to hear. I know that homeowners who are located in the declared disaster area are eligible to apply in many cases for SBA personal property loans, which I think go up to \$40,000 and SBA real property loans, which can go up to \$200,000. I can just tell you that that that's gonna be very, very important relief for my constituents. We're we're really suffering in Missouri, all over the state, to be frank with you. But, most recently, particularly in the Saint Louis and and Southeast Missouri areas.

So I'm I'm glad to hear that you're making this a priority. Thank you for the reforms that you have enacted to make sure that there is funding available, that you get those, teams that specialize in this on the ground. I know we'll want to see them in Missouri. I realize that a lot of this depends on a major disaster declaration. That's what opens up a lot of this, relief and, on the SBA side and makes it available.

So we certainly hope FEMA will act on that very, very quickly. But, thank you again, and, I look forward to working with you to bring relief, to the people of Missouri. We're in a lot of need right now. Thank you, senator. We'll we'll be there.

Thank you. It's great to see you again. You're doing a great job. Thank you very much. Thank you, madam chair.

How you do, sir? Okay. Thank you. I now recognize senator Rosen, and we'll go from there. Thank you, mister chair.

And I wanna thank you, to administrator Loeffler for joining us here today. I just wanna make a short comment on, what senators Hickenlooper and Hirono have said because we know that we wanna bring back US manufacturing so that we can compete. But when is the real question. How long does this take to happen, and how many businesses will suffer or disappear in the meantime? And that's what we're really talking about with this uncertainty, because this puts people's dreams and their life work at risk or on the chopping block.

So I think when we talk about it, this is that bridge where people's dreams will be dissolved. So but I'm gonna move on because we've had so many, good conversations, and I wanna talk about the importance of SBA as a resource partner, because SBA's impressive networks of veterans business outreach centers, small business development centers, and women's business centers, we know that they provide critical support to small businesses across the country, having counseled more than 744,000 small businesses and supported over 1,000,000 jobs in 2024 alone. The tailored support provided by veterans business outreach centers, I'm just gonna call them Feedbox, a lot easier, it's important for my state of Nevada, which is home to more than 200,000 veterans and over 23,000 veteran small businesses. We only have 3,000,000 people in Nevada, so it's a good number. I was proud to help secure Nevada's first dedicated in state VBOC to ensure our veterans and transitioning service members get the support they needed, to start a business.

And so, administrator, when we spoke ahead of your conversation, we really seemed that we connected and shared this priority to really support our veteran entrepreneurs. This is your story, bring the value of our community, and so I was really disappointed to see this drastic, 167,000,000 that was cut from the SBA's entrepreneurial development program in the president's budget. And, this is gonna result, sadly, in the closure of hundreds of business resource centers, including 31 v box. Small businesses are being hit hard, like I said, by the Trump tariffs. It's just the uncertainty.

People aren't sure how to plan. We're not trying to attack anyone. We wanna bring things back, but people just don't know how to what to do, and they need access to SBA, to the resource partners they've had, to the confidence, that they have in their communities and those connections now more than ever. And so my understanding that your plan to address this need is for the SBDCs to provide the same services previously offered by eliminated programs like VBox, and I so appreciate this. But the SBA requested only 10,000,000 in additional funding for SBDCs to serve veteran owned businesses.

It's still 46% less in existing funding for the veteran services. It's a step forward, but, in the meantime, again, where are folks gonna go, and how is this expertise? You're losing staff. These centers in my small state, really help. So does ex SBA acknowledge that organizing all counseling services under SBDCs will make it harder for our veterans to access resources and and place even more pressure on our SBDCs.

They are really already, strained. Senator, thank you for the question. And, there is no bigger champion of our veterans than president Trump, which is why I think we've all seen him upsize the, veterans administration budget by \$5,000,000,000. And I'm pleased to say, particularly as the daughter and granddaughter of veterans, my father started a small business as a result of what he learned in the military, that I am so proud to champion veterans and deliver even more unified, strengthened resources. We've just announced today, an mou with the, with secretary collins at the veterans, administration to share more resources between the small business efforts of the union.

It's important that veterans often serve veterans and that's what our v box give us. They hire veterans to serve the veterans who understand the process. So by eliminating them, you've eliminated, this kind of unique understanding from veteran to veteran. I wanna correct the assumption that we're eliminating V Bucks. That's absolutely not the case.

In fact, the floor of 10,000,000 is a floor, not a ceiling, from the SBDCs. But let's be clear, there are a thousand SBDCs across the country. We have 68 regional offices with veteran specialists in those offices. We have PCRs on military till last year for me to get the v box in Nevada. So I just have one one more quick question.

The SBDCs do provide general counseling and business training. And so under your plan, how will SBA ensure that the SBDCs, again, to the same point, have the advisers that are specifically trained to provide counseling on those unique needs, and how long is it gonna, how long will veteran businesses have to wait for this transition to be complete? Because, again, it's the uncertainty. They don't have to wait at all, senator, which is great. I because I totally agree with you.

We need to serve our veterans better. And in fact, this week alone, we're hosting 15 seminars for our veterans in boots to business and reboot across the country and we're only gonna build on that. In fact, through our partnership with the VA, through our work with SBDCs, through our veterans, outreach programs in the region, we're consolidating and unifying our services so that veterans have access to the full suite of SBA. And I'm very proud proud to say SBA lending to veterans in this calendar year is up 26%. Will you come meet with folks in my office to, give us the list of everything that you're doing so that we can communicate this, out in Nevada and be sure, that we continue to serve our veteran businesses.

I'd love to meet you and visit with your state as well. Thank you. Thank you, senator. Thank you, mister chair. Well, everybody I guess, right as soon as I became the chair, everybody left.

So so, I mean, maybe maybe they know a whole lot more than I know. But, you know, Kelly, thanks. Yeah. I'm gonna say it. Well, I will.

Thank you all for staying. I mean, thank you so much and everything. But, I guess I've gotta recognize myself now for a few minutes. And, and so, you know and and if if, Kelly, if you'll allow me again to call you Kelly. Please, senator.

Yes. Absolutely adore the job you're doing. You're doing fantastic work, and, God knows this country needs manufacturing to come back to The United States. I mean, when it really boils right down to it, my little state of West Virginia is all about small business and all about opportunities and especially about manufacturing. And so so it is so, so, so important.

But but I've got to tell you this story real quick. Think of forestry just for a minute. Think of our trees and what they give to all of us. In West Virginia, our hardwoods in only West Virginia clean up an equivalency of 21 coal fired power plants a year. If I could be a little bit corny, I would say we need to go give our trees a pat on the bark because they do so much for us, it is unbelievable.

But now all of our industry just went away. All of our for the most part, all of the cabinetry or the flooring or the furniture is gone. And just think what we do. Now let let me just be as quick as I can be. But think what we do.

We cut a tree in West Virginia. We cut a third of our growth in West Virginia. The trees are growing three times faster than we're cutting them. And then what happens is they fall on the ground. And then a small grade fire goes through our forest and all of this carbon is frozen in this right here right now.

It's frozen in this. All of it goes right into the atmosphere. What do we do? We cut a tree, we dry kill it, we put it on a truck, emissions go, we haul it to the port, we put it on a boat, emissions go, we take it to Vietnam, we make something out of it, back on a truck, back on a boat, back on another truck, and it ends up in Macy's. The whole time, we're losing our jobs or we've lost our jobs.

We're creating more and more and more of a problem because when we make it, this stays right here. It is amazing. And with that, Kelly, I would say just to you, this is almost a repeat of over and over and over what's happened to America. We've spun around 14 times and all of our jobs are gone, all of our manufacturing is gone. We can't make anything now and we're really upside down.

Give me your thoughts. Senator, thank you for your advocacy of made in America. I I frankly was somewhat surprised to hear your colleagues advocate for why why should we make things in America? Why can't we make them offshore? I think you explained elegantly that, we have the natural resources, we have the productive capability.

We can do this again here and that's what the made in America manufacturing finances act is about. It's about growing our capabilities in America. I mean, we've seen articles where we no longer make fasteners in this country, nuts and bolts and screws. Those are the things that built America. We have to get back to that.

I'm so grateful that president Trump believes in American industry and the American worker because we can do that. I've walked hundreds of factory floors. I have seen what's going on and these incredibly skilled workers are grateful that this president believes in them and American industry. So I just thank you for fighting for that. And at the SBA, not only are we working on expanding the loan size, but we're also connecting manufacturers to local small businesses so that small businesses know there are 1,000,000 suppliers in this country through our make onshoring great again portal that they can access to ensure that they are never again dependent on the Chinese Communist Party for their manufacturing needs.

Well, I would just end by saying to all of you that are here, Kelly didn't need to do this for us. Our president really didn't need to do this for us. There's been so many folks and I'm sure there's senators here the same. There's so many folks that have stepped up but we've got to absolutely follow through now because we're in a mess. We've lost a lot, a lot of opportunity.

And with all that being said, now is the time. Now is our time. Our time to bring stuff back to the greatest absolute workforce and manufacturing folks on the planet. And so I thank you. Thank you, senator.

Wonderful lady, you know, Senator Shaheen in, in for five minutes. Thank you, mister chairman. It's Shaheen. You're making me Irish there really quick. But, administrator Loeffler, I appreciate your being here, and I think we all support bringing manufacturing back to The United States.

Actually, the manufacturing sector in New Hampshire is the biggest sector of our economy. And one of the reasons I'm such a big supporter of the SBA is because the programs that the SBA operates help us build our manufacturing sector. That's the whole point. And that's why I was concerned when I saw the the budget requests a 30% cut to staffing of district offices. Administrator Leffler, in your confirmation hearing, I asked you about ensuring that the district offices have the support and the staff they need.

And at that time, you said you have my commitment. I'm quoting you now. And you also said I can assure you we will put an emphasis on the field. But I can tell you that New Hampshire's district office started with seven staff this year, now they're down to only three. I was at the SBA award ceremony in New Hampshire two weeks ago, and virtually every small business that got an award talked about the help they received from the SBA or the resource partners.

The veteran business centers, the women business centers, the SCORE, partnership, and I heard a great deal of concern about the capacity of the SBDCs to pick up that whole load right now because they don't have the staffing and they don't have the budget to do that. And so can you tell me if the New Hampshire and other district offices will be exempt from the hiring freeze so they can get back to the staff that they need to support local small businesses, and will be the they'd be able to get the resources they need, with this level of funding? Senator, thank you for your question, and I continue to reinforce our commitment to the field. In fact, not only since joining the SBA when only 10% of the, agency was in office, 90% was working from home for

four years. We brought everyone back to the office and I committed to having 30% of our staff in the field.

We've already done that. Our small businesses that I travel across the country say that they've already seen a difference in the small businesses, SBA's activity in the field. And that's because not only are we back at work, but we have a new mission refocusing on serving small businesses and not serving bureaucrats. Administrator, I appreciate that. As I said, that's why I support the SBA, and I've been a big fan of the SBA since I got involved in public service because I understand how important they are.

That's why I'm so concerned that our SBA office in New Hampshire only has three of the seven staff that they had at the start of the year, and they're worried about whether they can pay their bills and whether they can hire more people. So my question for you is, are they gonna be able to be exempt from that hiring freeze? Are they gonna be able to hire those staff back? And are they gonna have the resources to operate that office? Yes.

We are working on restaffing the offices following some of the early voluntary retirements and, making sure that we focus in on the field again, which again is a critical part of our, service and technical support delivery along with our resource partners. And so, what we're doing is focusing on the field and staffing those offices, and I think we're already seeing the impacts because of the increased loan volume. I'm I'm sorry to interrupt again, but so can you give me some timetable for when they might be able to expect to be able to do the hiring again to start that process? Senator, I don't have an exact timetable, but I will work with you and your office to ensure that we do that and ensure that, and we're in constant dialogue. Unlike the prior administration, which had essentially abandoned the field, we are in constant dialogue with our regional and district offices to ensure that we're in And and I appreciate that, and and I'm not interested in comparing the last administration to this administration.

I'm interested in seeing what we need to do to ensure that our small businesses in New Hampshire get the help that they need. And that means staffing the small business district office. It means ensuring that those resource agencies that are so critical have the help they need, and it means making sure that the programs that work for business are operated. One of those programs is the STEP program, the state trade expansion program, which I, introduced back in 2010 as part of the Small Business Jobs Act, and chair Ernst and I have, worked on making some changes to make it work better. I think it's really important because 95% of markets are outside of The United States, and only about 5% of our small and medium sized businesses do business outside of The United States, as you know.

This is a program that, again, has really made a difference for small businesses in New Hampshire where we do a lot of exporting and we're trying to do much better. So that again is why I was surprised to see that that program got zeroed out in the budget request. Can you tell me what's gonna replace it to help, our manufacturers and small businesses get into international markets? Senator, the the number one program we can have to get into

international markets for all small businesses is fair trade. That's what president Trump is fighting for.

When we have fair trade, we do not have to pick winners and losers through grant programs to determine who gets to export and fight the massive tariff and non tariff trade barriers that all of our small businesses are faced with today. So my focus is in ensuring that everyone has access to export markets and ensuring that through our international loan and trade, export, loan programs that they can have a sustainable loan program and not hopefully compete for limited resources with a state based grant that has a lot of bureaucratic costs, delays, and complexity compared to just competing on a level playing field with fair trade. Well, administrator, I'll tell you what that fair trade is doing in New Hampshire because I visited a bakery in Derry, New Hampshire that, was started over twenty five years ago. It was started to address, sugar free baked goods. They do 85% of their business with Canada.

They used to have 25 employees, now they have two, because the president's tariffs have put them out of business. And I visited multiple businesses in New Hampshire who are being put out of business by these tariffs. So while I appreciate that that's the president's idea for how to help small businesses, we have a lot of small businesses in New Hampshire who are not being helped by those tariffs. And so what I wanna know is what SBA can do to help those small businesses to compensate for the impact that those tariffs are having on them. And that's my question.

Thank you, mister here. Respectfully, we're a little bit over. Does the senator yield? I'm finished. Okay.

The senator's finished. I yield five minutes to myself. Administrator, great to have you here. If you'll remember, I I like to brag about having been a small business owner. My father was a small business owner.

My grandfather was a small business owner. Several of my children are small business owners. It's clear the economy of Utah is deeply resting on the shoulders of small businesses. So, we value what you do and the importance of what you do. There's been a lot of discussion recently and today about president Trump's liberation day tariffs.

I've had a chance to travel my state, and I think it's fair to say that the tariffs do have a disproportionate impact on small business. They don't have the same resources that larger businesses do to sustain those. They don't have as many different options with supply chains as as they do. And I I never tried to guess the president and his negotiating style, but, also the uncertainty, of their on, their off is also very difficult on our small businesses. And, I'd just love to have you maybe comment on what we can be doing for our small businesses in in this environment and what your advice is to small businesses and and kinda what they can expect.

Thank you, senator. And I was pleased to have the chance to visit your state and travel, around small business. And we'll get you back when I'm when I'm there. But thank you for going. Yeah.

That would be great. There's so many great small businesses and, work for workforce development programs taking place. So I commend your state, and the business friendly environment. The SBA is squarely focused on serving small businesses through all the challenges that they face and the opportunities they face and fair trade is certainly one of those opportunities. And what we, just discussed was the availability of now potentially looking at export markets where small businesses have been shut out of too many markets globally.

But one of the biggest thing we can do is strengthen our supply chain, by making more of our components and parts and materials in America. That's why we're having this hearing is to support the made in America manufacturing finance act. And it's a bipartisan effort to ensure that, after more than a decade of not raising loan limits that, small businesses which comprise most manufacturers in America can have access to investing in that incremental c and c machine, hiring those workers, expanding the the plant where they've heard, foreign countries come in and say they wanna manufacture in America thanks to president Trump's fair trade policies. We've also announced a make onshoring great again portal which provides access to small businesses. It's a resource of about 1,000,000 production and manufacturing facilities in America that is searchable by small businesses to see if they can support, source more of their supply chain in America.

And so it's through innovative efforts like this, expanding access to capital, understanding that there are more resources onshore than we might recognize, and then ensuring that they have access to our technical resources and loan programs, to fulfill the potential that, this administration is bringing with \$10,000,000,000,000 in investment. And frankly, the the biggest thing I hear too is that is the, upcoming tax cut bill. That's small businesses biggest concern right now is that they not be subject to a massive tax increase. So, you know, we're we would love to, work with your office to hear any other ideas. But right now, I think small businesses, appreciate that president Trump is fighting for them to level the playing field and so that we can make sure we can have made in America and ensure that small businesses are no longer dependent on the Chinese Communist Party for their production.

I I think, it's hard to find a business small business in Utah that doesn't want president Trump to be not just successful, but wildly successful. I think there is a lot of patience among our small businesses. At the same time, anything the administration or you can do to to signal that you get it, right, that this is very painful, particularly disproportionately painful on our small businesses, I think is very, very important, to do and to to help them realize that that they are being seen and heard. And a lot of it for me is when I talk to them. If I'm simply able to say, I will deliver your story to Washington.

That's really what they want. They just wanna make sure that they're they're heard. Absolutely, senator. And and we are the voice for small business and we know that the president is there's no greater fan of small business than president Trump. He's fighting for them.

That's what fair trade's about. Yeah. And I, in reference to the size of your offices, one of the things I learned as a small business owner is we sometimes make the mistake that that we solve problems by hiring more people. And I'm very well aware it's not necessarily more people. And I also think we have to point out that every person on that payroll is a dollar.

Every dollar we pay them is a dollar not going into small business programs. So I know that that that balance is difficult for you, but I just want you to know this senator appreciates, that it's not all about the numbers of people. It's more about the quality of the services. And, with that, I yield my time, and I now recognize senator Young. Thank you.

Administrator Loeffler, it's it's really great to see you. It was good to see you in Indianapolis. Thanks so much for the visit recently. And I think it's appropriate since we visited a manufacturing facility that we're here to, discuss, the importance of our manufacturing leadership in this country. So, thank you for your support relatedly, for advancing the goals of my Small Business Technological Advancement Act.

That will be important to many Hoosier businesses and and manufacturing enterprises. I'm especially grateful that its intent has been incorporated into your updated standard operating procedures. Effective June first of this year, seven loan recipients will now be able to use their proceeds for critical modernization efforts, digital tools, software, payroll, etcetera. This is a significant step forward for small businesses who are seeking to stay competitive in this rapidly evolving technological landscape. It touches directly on manufacturing, which is what we're here to discuss today.

Let me pivot a bit, if I can to SBIR Mills. It's something you're familiar with. I am sure you are aware SBIR Mills are companies that systematically secure numerous SBIR or Small Business Innovation Research awards, often focusing more on obtaining grants than on commercializing the resulting technologies. SBIR program is designed to support small businesses in developing innovative technologies, technologies that can make them more productive and allow them to pay their workers more so that we can continue to have an ecosystem of good jobs in this country, which I know is President Trump's and his broader administration's objective. What impact do SBIR mills have on legitimate small businesses trying to, enter the program?

Administrator. Senator, thank you for the question. And also thank you for your leadership on the technology enhancements that you, made helped us make available in the seven a loan program because I think we know that small business benefits when they can have workflow automation and efficiencies and so I appreciate your leadership, on that. Specifically with regard to small business innovation research, Mills, more broadly just thinking in the context of a year where we will be reauthorizing the SBIR program hopefully. And this is an important program that provides, the development of critical technologies, particularly, in the areas of defense and healthcare and other areas.

But what we want to make sure is that the program designs as intended and operates for the benefit of American taxpayers and the small business innovation that is occurring that is

absolutely mission critical in in many respects to our national security, our war fighters, health care and other areas. So when, SBI, our programs are abused to access grants and funding without delivering the results, that's something that we have to look into. Our team's already evaluating the program effectiveness and the ability to, for us to audit and monitor the, participants in the program and the results. Admittedly, that program seems to have been adrift in the last four years. And I think we need to put, guardrails back on that in terms of being able to access information.

And we will continue to share information with your office as we learn more about the program to protect it for, the intended recipients and results. Well, I I do hope that you stay in touch with our office in particular, but more broadly the committee. I know there's a lot of support on this committee. The chair is certainly very supportive of of making sure that our legitimate small businesses, those that create things of value for people, aren't just in operation to extract money from the taxpayer, to ensure that they can be as innovative as possible. And and so, I I intend to offer some concrete solutions, and and if they're informed by your excellent team's work, that would be, fantastic.

Will you work with me on that? Senator, I look forward to working with you and this entire committee, and appreciate the committee's leadership in thinking through, that process. Thank you. I guess the last thing, I would ask as my time runs down here administrator, just pivoting to cybersecurity, something very important to me, as a member now of the intelligence committee. How does the SBA assess and prioritize cybersecurity risks?

Well, as as someone that came out of small, business, senator, I know that, for small businesses, it can be, disproportionate cost for them to address that. And through our, work with across the country in our small business development centers, we hope to bring expertise to bear to make it accessible for small businesses, for them to share that information with their employees so that they're not inadvertently putting their small businesses at risk and to understand the emerging threats that can be happening because, that threat environment is always changing. And so we'll continue to work with small businesses on the, innovation front, whether it's cyber security, artificial intelligence and other innovations to keep them at the forefront because they're really, having to do a lot more with less and we we are there to support them. Thank you. Chairman.

Thank you. The chair now recognizes Senator Houston for five minutes. Thank you, mister chairman. I would like to thank you, administrator Loeffler, for being here today. Thank you very much.

I know that, you have been traveling the country on the, America manufacturing initiative and made in America. I always say as a representative of Ohio that you can't do made in America without made in Ohio, although my friends from Indiana would feel the same way. Right? We're since we're so such a big part of the supply chain for our economic and national security because you have to make it here. You have to be able to make it here in times of crisis if we're going to secure our our national security and provide for our economic security.

And I will also mention that as I've been talking to Ohio manufacturers, particularly small businesses, they raise this in the context of China and tariffs that they have no recourse if their items are if their patents are violated, if their products are stolen, and that's something that I know that you and led by president Trump care a lot about. And so I would encourage you to continue to be a strong, voice for that. But I will wanna touch on the seven a loan program. As I have learned as I look at manufacturing, I've learned that, a lot of small manufacturers over the course of the Biden administration saw that fewer loans were being made in that sector. There were were saw a drop of, of of nearly 2% in the number of loans that were given to manufacturers.

Manufacturing manufacturers, in my experience, need the loans almost as much as anybody because of the capital cost involved in manufacturing, particularly with the new technologies and the additive manufacturing space. Super important for them to have to be able to finance the the, the new technologies that we'll add to manufacturing. Just your thoughts on on, that program, and then anything that you might wanna share that you've learned from your tour in the space that I've talked about as you've been traveling the country. Absolutely. Thank you, senator.

And I look forward to visiting manufacturers in Ohio. We want you to come see us. Great. Of course. Well, first of all, the data that we have on our manufacturing loans, both for '7 and for 05/2004 demonstrate that there is great demand and growth in manufacturing loans.

And we've seen a 74% increase in the 05/2004 I'm sorry, the seven a loan program relative to president Biden's first hundred days. We've seen a 38% increase overall in the five zero four and seven a loans combined. And where we've had conversations with both lenders and our manufacturers is that the loan limits make the loans, less attractive. Like, the limit of \$5,000,000 has represented a somewhat artificially low cap now about fifteen years after the last increase was made. So providing the \$10,000,000 loan cap will help us attract more manufacturing loans to provide more capital.

I've talked to manufacturers that have already identified the equipment and the workforce that they're gonna hire once they can expand the access to capital and as well have the access, have the certainty of the, tax bill that's in congress right now. So we feel that manufacturing is spring loaded in America. We see manufacturers extremely bullish on the opportunities. They've heard from, as I've gone around this country, they've heard from domestic, contacts and international contacts that more people want made in America. And so we see tremendous need for workforce as well.

And that's been an effort that, following the conversations we've had with manufacturers is that we've ramped up our focus on a skilled workforce. I've visited several, technical schools, career academies, and seen the great work going on there, the type of training, whether it's CNC machines or welding or HVAC, and the like. The, tremendous, skilled workforce that we have coming in the pipeline is exciting. It's not just a focus on stem, but it's on building things. It's

making manufacturing a hot industry, as my friend Anne calls it, a new collar boom, which means we're integrating technology with manufacturing. And we see tremendous demand for those jobs and it's a great path and really addresses the challenge we've had in the last thirty, forty years where our working communities have been just hollowed out and decimated due to the loss of those jobs.

We're gonna rebuild those in this country, and I think the SBA is gonna be a part of that. Yeah. I would just, in closing, share with you on the workforce side of things that we are seeing a resurgence in this country of more high school students graduating career ready through the tech schools, through tech, career tech education in their classrooms, and through apprenticeships, a growing desire for more students to see that as a more cost effective pathway into the workforce. But I also caution that in a lot of states, we have a demographic problem, that we literally have more people between the ages of 55 and 64 than we do between 15 and 24, which means that we're gonna have to be great at this if we're gonna supply that high-tech workforce for and, you know, manufacturing workforce for the future. Absolutely.

And we'll be focused on training and retraining as well because we know that there are, there's a great skilled workforce out there that is ready to get back to work. So we'll be, focused on that. Thank you, senator. Thank you for being here today. Thank you.

Thank you. I want to thank, our administrator, Loeffler for being here with us today. I ask unanimous consent that the record of today's hearing remain open for two weeks for members to submit questions, revise and extend their remarks, and submit additional information into the record. And without objection, so ordered. With that, the committee on small business and entrepreneurship stands adjourned.

Thank you so much.