

hear all the time that working capital for growth is as hard to get as any other kind of capital. And we're doing a very good job right now on real estate lending and on equipment capital, and we're working hard on working capital as well.

One of the things, though—I want to underline what the President said about what he said to everyone in the Cabinet about small-business contracting. He has told all of us around the table that the small-business contracting programs are a real big priority and that we know that gives oxygen into your revenue lines. And we also know that it's good for the agencies because they get the most innovative entrepreneurs working for them. And usually, the CEO is right there at the table helping them out.

So this is something that everybody across the administration under the President's leadership is pushing forward on, and I hope that lots of you work with us at the SBA to get qualified to bid on these contracts, because I—there's going to be a really good positive momentum in Government contracting for small business going forward. And they're going to pay on time.

The President. Anybody else? Jeff?

Jeffrey Wadsworth. I come from a slightly different background, and I have a big organization, but we spin out small companies. We have our own venture fund because we're fortunate enough to have a major invention that

created money, and we created a venture fund. We have adults running it because it's hard to run your own fund.

One of the big assets in this country in the investment the Government makes in its national laboratories. Now, I just wanted to let you know, we're working closely with Secretary Chu to try and remove those barriers. This 90-day thing comes up there. We believe the contractors for those laboratories could take that risk and—because we need and we hear constantly from industry that we have to move at the speed of business. And there's a massive investment there that is untapped, in my mind, and that we need to make it easier for businesses to work.

The President. Okay. And Steve Chu is already talking to you about it.

NOTE: The President spoke at 11:58 a.m. at Cleveland State University. Participating in the discussion were J. Albert “Bubba” Baker, co-founder and co-owner, Bubba's Q Bar-B-Q and Catering; Philip B. Davis, chief executive officer and founder, iCubed International, LLC; Ariane B. Kirkpatrick, owner, AKA Construction Management Team, Inc.; Joseph Lopez, chief executive officer and president, Aster Elements, Inc., and president, New Era Builders, Inc.; and Jeffrey Wadsworth, chief executive officer and president, Battelle Memorial Institute. Audio was not available for verification of the content of these remarks.

Remarks at the Access to Capital and Tax Breaks Session of the Winning the Future Forum on Small Business in Cleveland

February 22, 2011

Well, I'm not going to make any long remarks in the opening, just to say that since Tim and I moved to Washington, I think our biggest priorities have always been to make sure that we stabilized the capital markets and made sure that they're working for businesses large and small.

I think Tim did extraordinary work in our first 2 years to make sure that the capital markets sort of regained some sense of normalcy.

But what we're well aware of is that if you're a big company, it's very easy to borrow right now and you can borrow very cheaply. If you're a medium-sized company, you may be doing okay. If you're a small business, capital is still tough, partly, as I understand it, because one of the key ways that small businesses were able to get loans was because it had some sort of assets that they could offer up as collateral. And if those asset values have declined, that makes

it that much more difficult. And small community banks that were the source of a lot of lending for small businesses are still working their way through some problems. Many of them were involved in the real estate market one way or another, and that creates difficulties as well.

So we know we still have some challenges. I assume that Tim has already described to you what we're doing both on the SBA side and at Treasury to try to loosen up capital for entre-

preneurs and businesspeople like yourselves. But with that, we're interested in finding out in more detail where you think we can be most helpful.

With that, Tim?

NOTE: The President spoke at 12:36 p.m. at Cleveland State University. In his remarks, he referred to Secretary of the Treasury Timothy F. Geithner. Audio was not available for verification of the content of these remarks.

Remarks in a Discussion at the New Media Session of the Winning the Future Forum on Small Business in Cleveland February 22, 2011

The President. Hi, guys.

White House Director of Online Engagement Sarah Bernard. Hello!

The President. I thought I'd join you here.

Council of Economic Advisers Chairman Austan D. Goolsbee. The President.

The President. I'm sorry, did I interrupt an answer?

Director Bernard. Nope. [Laughter] Thanks for joining.

The President. You bet.

Chairman Goolsbee. Okay.

The President. All right.

Chairman Goolsbee. The President of the United States is here. Why don't you tell us why you're here.

The President. Well, Cleveland, I think, is a great example of cities all across the country, but especially in the Midwest, who are starting to reinvent themselves. These are typically manufacturing cities. They were built on the auto industry, on heavy manufacturing, steel. And as manufacturing has become much more productive, fewer workers are in manufacturing—even though manufacturing continues to contribute a lot to the economy—and so these regions are having to think, what's going to be the businesses of the future that end up employing more people and providing more opportunity? And small businesses are going to be the ones that I think are going to be making

the biggest impact on regions like this one—a lot of risk takers, a lot of entrepreneurs here.

And what we wanted to do is make sure that we listen to small businesses, hear from them, find out what kinds of barriers they're meeting, whether it's capital or finding the right workforce or how do they partner with larger companies. And so far we've already gotten some terrific ideas.

Chairman Goolsbee. He's better at this than we are. [Laughter]

The President. No.

Chairman Goolsbee. We got some questions for you from whitehouse.gov—

The President. All right.

Chairman Goolsbee. —that we were going to shoot to you. James Pepitone in Addison, Texas: "With the virtual death of local banking, it's next to impossible today to get bank loans for anything other than fixed assets. For working capital, speculative funding, for others, entrepreneurs must look to saved capital, family, friends, or even a first customer. Traditional financing sources only help the more traditional forms of business. Innovators must look elsewhere." There were a lot in this spirit, and we were wondering what your view is.

The President. Well, one of the things we hear most frequently from small businesses is the problem of startup capital. Obviously, a lot of small businesses do get started with the entrepreneur's savings, family loans, credit cards.