arises as to what is a small business. What is the definition of small business. Of course this committee has previously explored this problem at hearings SBA has held hearings trying to arrive at definitions. The size standard depends upon the industry. But generally your definition is as you have stated it here, that the total assets of the company do not exceed $5 million, that the net worth of the company does not exceed $2.5 million, and the net profit does not exceed $250,000 per year for a period of 2 years.

Mr. HENDRICKS. Averaged over the 2-year period; yes, sir.

The CHAIRMAN. This is a definition that is arrived at through SBIC's, through SBA and is the general broad definition.

Mr. HENDRICKS. Yes, sir.

The CHAIRMAN. Very good. Proceed.

Mr. HENDRICKS. From a modest beginning in 1959, when only 14 loans were made for $1,671,000, the program has financed through December 31, 1967, a total of 1,556 loans for projects costing $305 million. Of this amount the local development companies raised $69 million and private lending agency participation totaled $17 million, thus leaving the SBA share at $219 million.

The small businesses financed under this program have provided about 65,000 employment opportunities which means that for every $3,400 in SBA seed money, a job opportunity was created or sustained. This is a most remarkable record. Furthermore, if we assume the average wage to be $4,000 annually, these payrolls would run to over $250 million a year, thus generating local economic growth and added tax revenues.

The majority of these development company loans are made in small communities. To illustrate this, I would like to cite a few statistics on our fiscal year 1967 activity:

Community population	Loan projects		Job opportunities	
	Number	Percent	Number	Percent
Under 2,500	146	43.1	6,199	53.0
2,501 to 5,000	48	14.1	1,566	13.4
5,001 to 10,000	44	13.0	1,211	10.4
10,000 to 25,000	28	8.2	930	7.9
Over 25,000	72	21.6	1,778	15.3
Total	338	100.0	11,684	100.0

The CHAIRMAN. I think it is well to allude to this table. Communities with a population under 2,500 have received 43.1 percent of the loans.

Mr. HENDRICKS. Yes, sir.

The CHAIRMAN. This is really helping the smaller communities.

Mr. BROYHILL. And 53 percent of the job opportunities, Mr. Chairman.

The CHAIRMAN. And 53 percent of the job opportunities, as my colleague has indicated. And your earlier figure pointed out that local funds raised were $69 million. This is by the company. And you say that private lenders have loaned to these companies an additional $17 million, and the total of these two, if my figures are correct, is $86 million raised locally.

Mr. HENDRICKS. Yes, sir.

The CHAIRMAN. The amount of local funds that have been raised for these local development companies, $86 million locally, added to SBA funds amounts to a total of $305 million.