

Federal Innovation Finance Programs

Innovation finance is one of the fastest growing areas of economic development finance nationwide. Cities, counties, and states throughout the country are implementing successful innovation finance strategies every day. Innovation finance, which encompasses angel, seed, and venture capital, is a critical component of the development finance toolbox, providing capital access for entrepreneurs, new technologies, emerging businesses, and more.

The federal government offers a number of programs supporting innovation finance. Four programs are highlighted below. To find out more about the dozens of other federal financing programs supporting innovation, or any of the over 170 development finance programs offered by the federal government, visit www.cdfa.net and access the CDFAs Federal Financing Clearinghouse.

State Small Business Credit Initiative (SSBCI)

U.S. Department of the Treasury

Under the U.S. Treasury's State Small Business Credit Initiative (SSBCI), participating states will use \$1.5 billion in federal funds for programs that leverage private lending to help finance creditworthy small businesses and manufacturers that are not getting the loans they need to expand and create jobs. The SSBCI will allow states to build on successful models for state small business programs, including collateral support programs, Capital Access Programs (CAPs), and loan guarantee programs. Existing and new state programs are eligible for support under the Initiative.

Eligible Users:

Funding has been allocated, but qualifying small businesses may use approved programs. Contact your state's development agency for more information.

Financing Type:

Access to Capital | Innovation Finance

Small Business Innovation Research (SBIR) Program

U.S. Small Business Administration (SBA)

SBIR targets the entrepreneurial sector, because that is where most innovation and innovators thrive. However, the risk and expense of conducting serious R&D efforts are often beyond the means of many small businesses. By reserving a specific percentage of federal R&D funds for small business, SBIR protects the small business and enables it to compete on the same level as larger businesses. SBIR funds the critical startup and development stages, and SBIR encourages the commercialization of the technology, product, or service, which, in turn, stimulates the U.S. economy.

Eligible Users:

Small businesses meeting certain eligibility criteria.

Financing Type:

Access to Capital | Innovation Finance

Economic Adjustment Assistance Program

U.S. Economic Development Administration (EDA)

Through the Economic Adjustment Assistance (EAA) program, EDA provides a wide range of construction and non-construction assistance, including public works, technical assistance, strategies, and revolving loan fund (RLF) projects, in regions experiencing severe economic dislocations that may occur suddenly or over time. The EAA program is designed to respond flexibly to pressing economic recovery issues and is well-suited to help address challenges faced by U.S. communities and regions.

Eligible Users:

State, county, city governments, institutions of higher education, nonprofits, and others.

Financing Type:

Access to Capital | Infrastructure Finance | Revolving Loan Funds (RLFs) | Innovation Finance

Office of Energy Efficiency and Renewable Energy Grants

U.S. Department of Energy (DOE)

The DOE's Office of Energy Efficiency and Renewable Energy (EERE) grants program is a funding vehicle for businesses, industries, universities, and others. EERE works with industries and outside agencies to provide funding for renewable energy and energy efficiency research and development. Financial assistance awards transfer money, property, or services to a recipient to accomplish a public purpose authorized by federal statute.

Eligible Users:

Grants are awarded on DOE criteria for merit, detailed in an online Merit Review Guide for Financial Assistance.

Financing Type:

Energy Finance | Access to Capital | Innovation Finance