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NEWS RELEASE 25-38

Small Business Administration Announces Agency-Wide Reorganization

SBA will restructure to eliminate wasteful spending,
restore mission of empowering small businesses

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WASHINGTON, D.C. – Today, pursuant to [EO 14210](#) , the [U.S. Small Business Administration](#) (SBA) announced its plans for an agency-wide reorganization. To return to its founding mission of empowering small businesses, and to restore accountability to taxpayers, the agency will

reduce its workforce by 43% – ending the expansive social policy agenda of the prior Administration, eliminating non-essential roles, and returning to pre-pandemic staffing levels.

The strategic reorganization will begin a turnaround for the agency by restoring the efficiency of the first Trump Administration, as well as its focus on promoting small businesses. Core services to the public, including the agency's loan guarantee and disaster assistance programs, as well as its field and veteran operations, will not be impacted.

The SBA's reorganization will enable the agency to become a dynamic and efficient force for small businesses, manufacturing, and job creation in support of President Trump's economic agenda. SBA will refocus its resources on the core missions of supplying capital, fostering innovation, supporting veteran small business owners, providing field support, and delivering timely disaster relief.

Key features of SBA's reorganization include:

- **Promoting business formation and growth** by shifting resources to expand capital formation functions and personnel, removing the emphasis from partisan programs of the past.
- **Prioritizing risk management and fraud prevention** by centralizing these functions within the Office of the Chief Financial Officer, in the effort to restore integrity to agency programs, audits, and financial statements.
- **Expanding disaster response support** by transferring disaster loan servicing functions and additional personnel into the Office of Disaster Recovery and Resilience. Additionally, the agency will cross-train field office personnel to support disaster recovery efforts.
- **Eliminating redundant pandemic-era positions** associated exclusively with processing pandemic-era loans within the Office of Capital Access.
- **Ensuring that 30% of the agency is located in the field**, by decentralizing services and working to better serve Main Streets across America.
- **Promoting veteran businesses and American manufacturing** by preserving existing staffing levels within the Office of Veterans Business Development and the Office of Manufacturing and Trade.
- **Exempting key accountability offices from reductions** at this time including the Office of Advocacy and the Office of the Inspector General.

Much of the reorganization is targeted to reverse the broad and costly expansion of the SBA under the Biden Administration. Since the pandemic, the agency has nearly doubled in size, in part to support a suite of new progressive programs like the Green Lender Initiative, the Community Navigator Pilot Program, and DEI activities. This partisan agenda, promoted at the expense of America's small businesses, predictably led to the deterioration of SBA's services and financial performance. An [estimated](#) \$200 billion in Paycheck Protection Program (PPP) and Covid Economic Injury Disaster Loan (EIDL) fraud was ignored for four years. Meanwhile, irresponsible Biden-era changes to the 7(a) loan program [generated](#) [🔗](#) rising defaults and delinquencies, as well as negative cash flow for the first time in over a decade – which will have future, multi-year consequences for the program.

“The SBA was created to be a launchpad for America's small businesses by offering access to capital, which in turn drives job creation, innovation, and a thriving Main Street. But in the last four years, the agency has veered off track – doubling in size and turning into a sprawling leviathan plagued by mission creep, financial mismanagement, and waste. Instead of serving small businesses, the SBA served a partisan political agenda – expanding in size, scope, and spending,” **said SBA Administrator Kelly Loeffler.**

“Just like the small business owners we support, we must do more with less. We have therefore submitted plans to pursue a strategic restructuring that will realign the agency and its resources with our founding mission. By eliminating non-mission-critical positions and consolidating functions, we will revert to the staffing levels of the last Trump Administration, which supported a historic economic boom. We will return our focus to driving private sector growth and delivering disaster relief with accountability, efficiency, and results.”

Under the reorganization plan, the agency will eliminate approximately 2,700 active positions out of a total active workforce of nearly 6,500 through voluntary resignations, the expiration of COVID-era and other term appointments, and a limited number of reductions in force (RIFs).

The average salary of an SBA employee is over \$132,000 – more than double the national average wage. The reduction in workforce will save taxpayers more than \$435 million annually by FY26.

SBA's reorganization plan will provide for the preservation of public services through a strategic transfer of duties. It will be actioned in the coming weeks.

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About the U.S. Small Business Administration

The U.S. Small Business Administration helps power the American dream of entrepreneurship. As the leading voice for small businesses within the federal government, the SBA empowers job creators with the resources and support they need to start, grow, and expand their businesses or recover from a declared disaster. It delivers services through an extensive network of SBA field offices and partnerships with public and private organizations. To learn more, visit www.sba.gov.

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