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Small Business Administration's New Boss Has Big Job Ahead

Jovita Carranza will oversee \$349 billion SBA loan program



By

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WASHINGTON—Jovita Carranza, the newly appointed head of the Small Business Administration, just found herself leading the charge in one front in the epic battle against the coronavirus pandemic.

With the pandemic threatening to engulf many of the country's 30 million small businesses, the 70-year-old Ms. Carranza is now the Trump administration's point person on shoring up a sector of the economy that accounts for 44% of gross domestic product, by the agency's estimates.

Her agency faces the enormous responsibility of ensuring small businesses get \$349 billion in SBA-guaranteed loans, a crucial chunk of the estimated \$2 trillion government rescue package.

The challenge: The SBA has never done anything even remotely comparable to the urgent task on its agenda, and Ms. Carranza has only been on the job for three months.

The SBA, a small federal agency with 4,000 employees, has already struggled to disburse funds in a timely manner when faced with recent natural disasters, including the 2017 hurricane damage in Puerto Rico. Some small-business owners already say they are having difficulty accessing SBA's website to apply for assistance since last week.

The amount Congress set aside to guarantee small-business loans by banks, credit unions and other lenders is 12 times the size of the loans the agency approved last year.

And timely dispersal will be crucial, as many small businesses are running out of money and fighting for survival.

"Her urgent task is to ensure these small-business owners get cash immediately, as quickly as possible, to give them relief, and to make sure they are giving relief to their employees," said Renee Johnson, senior government affairs manager at Main Street Alliance, a small business advocacy group.

The highest-ranking woman of Latin American heritage in the Trump administration, Ms. Carranza has served as President Trump's ambassador to the Hispanic community, where his support is spotty.

She declined to be interviewed, but when confirmed by the Senate in January, she described herself as the "embodiment of that American dream," a child of Mexican immigrants who raced up the corporate ladder to reach the pinnacle of the federal government.

People who know Ms. Carranza say she is as qualified for the challenge as anyone might be. She served as the SBA's No. 2 official between 2006 and 2009, after a successful career in the private sector. She also has unusually strong bipartisan support from lawmakers, with whom she now needs to work even more closely than before.

“She is very practical,” said Shane Jett, chief executive of Citizen Potawatomi Community Development Corp., in Shawnee, Okla., which focuses on making loans to Native American entrepreneurs.

Mr. Jett served with Ms. Carranza on a Treasury Department panel that advises on loans to lower-income communities. “What motivates her is trying to figure out how to shape policy where it impacts the most,” he said.

In the Trump administration, Ms. Carranza initially served as U.S. Treasurer under Treasury Secretary Steven Mnuchin—a job that meant her signature appeared on dollar bills alongside that of Mr. Mnuchin.

She also advised Mr. Mnuchin on the “Opportunity Zones” program, Mr. Trump’s initiative to encourage business investments in economically distressed communities.

Before coming to Washington, Ms. Carranza spent more than 30 years at United Parcel Service, where she started in California working part-time loading trucks while raising a child as a single mother.

She eventually rose to the position of vice president of Air Operations and president of Operations for Latin American and the Caribbean, overseeing thousands of employees. Her responsibilities in those roles ranged from acquiring airport landing rights, negotiating with unions and upgrading automation systems.

“She had a great history within UPS,” said Ron Wallace, former president of UPS International who promoted Ms. Carranza to Latin America chief in 2000. “She was a good partner, and she had all the characteristics to lead when necessary.”

The Senate confirmed her as SBA administrator in January on an 88-to-5 vote, an overwhelming margin rare in the current divisive political environment. Ms. Carranza, who grew up in Chicago, is a longtime GOP supporter who campaigned for Mitt Romney in the 2012 presidential election.

“If years ago someone had told six-year-old Jovita, while she was sitting at the kitchen table being taught the value of a hard-earned dollar, that someday her name would be printed on every U.S. dollar, she would never have believed it,” Ms. Carranza told senators at her December confirmation hearing. “But I sit here before you today, the embodiment of that American dream.”