Congressional Research Service
Informing the legislative debate since 1914

INSIGHT

Small Business Administration's (SBA's) Manufacturing in America E2G Grant Initiative

August 12, 2026

In May, the U.S. Small Business Administration (SBA) announced a new round of funding for the Manufacturing in America E2G Grant Initiative (MAGI). The 2026 round expands a program introduced in 2025 and appears to be part of the Administration's increased focus on support for small manufacturing businesses. That effort includes new loan guarantees for certain small manufacturing businesses and a one-year waiver of some SBA loan fees for certain small manufacturing businesses for FY2026.

According to SBA, MAGI will make up to 10 grant awards in FY2026, each worth up to $5 million. The awards will go to eligible organizations to provide management and technical assistance to small manufacturing businesses enrolled in SBA's Empower to Grow (E2G) program. According to a question-and-answer document posted by SBA, the agency plans to announce the awards by the end of August. This Insight provides background and details on MAGI and selected considerations for Congress.

Background

SBA has helped provide management and technical assistance to small businesses for decades. Initially, SBA directly provided its own management and technical assistance training programs. Over time, SBA has increasingly relied on third parties to provide that training. SBA refers to these third parties as *resource partners*, and SBA funds these entities through grants. SBA stipulates that management and technical assistance programs be made generally available to all small businesses meeting SBA's size standards, including small manufacturing businesses.

SBA's management and technical assistance programs include E2G, which until 2024 was known as the 7(j) Technical Assistance program. Through resource partners, E2G provides "a wide variety of management and technical assistance to eligible individuals or concerns to meet their specific needs, including: (a) counseling and training in the areas of financing, management, accounting, bookkeeping, marketing, and operation of small business concerns; and (b) the identification and development of new business opportunities." To be eligible for E2G, a small business must be:

- located in an area of high unemployment or low income, which is met when the unemployment rate in the county in which the business is located is at least 140% of the U.S. unemployment rate or the unemployment rate of the county's state, whichever is lower;
- owned by low-income individuals, defined as individuals whose families' taxable income for the preceding year did not exceed 150% of the federal poverty level established by the U.S. Census Bureau; or
- eligible for SBA's 8(a) contracting assistance program.

Congress appropriated $3.8 million for E2G/7(j) Technical Assistance for FY2026. SBA also reprogrammed other FY2026 appropriations it received for entrepreneurial development programs (a category that includes SBA's other management and technical assistance programs) to fund MAGI awards. Congress appropriated $330 million for entrepreneurial development programs for FY2026.

Purpose

As noted, the purpose of MAGI awards is to fund entities to provide management and technical assistance to E2G-enrolled small manufacturing businesses. According to MAGI's notice of funding opportunity (NOFO), MAGI is intended to align with SBA's strategic priorities to "bring manufacturing jobs back to the United States, and [address] workforce shortages, operational inefficiencies, and limited access to contract opportunities." The NOFO does not require MAGI to target assistance to small businesses in specific manufacturing sectors. MAGI awards are anticipated to have a 12-month period of performance.

In assessing applications, the MAGI NOFO states that SBA sought proposals that:

- outlined "innovative workforce development approaches" to the challenges faced by E2G-enrolled small manufacturing businesses;
- provided "hands-on, in-person training" to E2G-enrolled small manufacturing businesses in "key manufacturing industries," including aerospace, construction equipment, metal fabrication, electrical equipment, food processing, medical and precision manufacturing, advanced manufacturing, and robotics; and
- allowed for the same "hands-on, in-person training" for small businesses in other manufacturing sectors in addition to those identified above.

Implementation

The MAGI NOFO states that grant recipients are expected to work with other SBA resource partners and participants in SBA's access to capital programs such as the 7(a) loan guaranty program to implement projects under awards. In addition, SBA does not anticipate MAGI award recipients making any subawards, and recipients are instead expected to partner together to execute their proposals. Unlike many SBA entrepreneurial development programs, there is no matching requirement for MAGI awards.

Considerations for Congress

Congress may consider whether SBA's focus on assisting small manufacturing businesses is an effective or equitable use of E2G's resources. The MAGI NOFO cites 15 U.S.C. §636(j)—E2G's authorizing statute—as MAGI's authorization. That statute authorizes SBA to fund technical assistance services for small businesses, with "special attention to small businesses located in areas of high concentration of unemployed or low-income individuals" and to small businesses eligible for the 8(a) program. However, the statute does not identify particular industries for specific assistance. While the MAGI NOFO does state that award recipients may provide services only to small businesses enrolled in E2G, Congress may assess whether SBA should provide targeted assistance to small manufacturing businesses within E2G.

More broadly, Congress may assess whether MAGI assistance overlaps with existing SBA management and technical assistance programs, such as Small Business Development Centers. These programs generally offer assistance to small businesses in most industries, including manufacturing. Congress has previously questioned whether there is duplication among SBA's management and technical assistance programs. While MAGI award recipients are expected to work with other SBA resource partners—which may help mitigate duplication—this may still present Congress with an oversight issue.

Congress may also consider SBA's reprogramming of entrepreneurial development funds for MAGI in light of broader discussion on SBA funding. The Trump Administration's FY2027 SBA budget request stated that it "eliminates a number of SBA programs that waste taxpayer dollars on failed business counseling and training programs" and requested $21.4 million total for entrepreneurial development programs, all of which would fund SBA's veterans outreach programs. That amount would be a decrease from $330 million in FY2026 appropriations for those programs. As Congress considers FY2027 SBA funding, it may consider whether to allow or forbid reprogramming of appropriated funds.

Author Information

Adam G. Levin
Analyst in Economic Development Policy

Disclaimer