

Oregon Small Business Development Center Network (SBDC) Legislative Testimony

Chair Gomberg and Members of the Oregon Joint Subcommittee of Ways and Means on Transportation and Economic Development. I am Mark Gregory, State Director with the Oregon Small Business Development Center Network.

The Oregon Small Business Development Center Network (SBDC) plays a critical role in supporting small businesses across our state. Small businesses form the backbone of Oregon's economy, driving job creation, innovation, and economic resilience. Ensuring their success is vital to the well-being of our communities and the long-term sustainability of our state's economic development.

Oregon is committed to leveraging national best practices in small business support, drawing from the expertise of our nationwide Small Business Development Centers. With 63 networks nationwide, over 900 locations, and more than 3,000 professional advisors, counselors, and specialists, the SBDC program is the most comprehensive provider of technical assistance and training for entrepreneurs and small businesses in both Oregon and across the United States. In Oregon, our regional centers and satellite offices are hosted among all 17 community colleges, Southern Oregon University and with the Columbia County Economic Team. This support of our professional advisors, instructors and staff benefit from world class collaborations within Oregon and nationwide. For over 43 years, SBDCs have delivered no-cost, one-on-one counseling services tailored to the unique needs of business owners. Our services cover a wide range of topics, including:

- Small business management
- Market research
- Capital access
- Strategic planning and business transition support
- Manufacturing support
- Supply chain management and partnerships supporting government procurement
- Marketing, sales, and e-commerce
- Financial management and accounting
- Export assistance
- Cybersecurity

Our collaboration with the Oregon Manufacturing Extension Partnership (OMEP) enhances Oregon's ability to provide targeted support to the manufacturing sector. Our SBDC Network teams with OMEP to support rural and urban manufacturers statewide in both early and advanced stages respectively. Mike Vanier, OMEP state director and I both hold national board membership with our respective national associations, which allow us to work closely to ensure that Oregon businesses benefit from shared resources, innovative strategies, and industry-specific expertise nationally.

Our federal funding through the Small Business Administration (SBA) recognizes the critical need to support rural businesses and manufacturing enterprises nationwide, a priority of the current administration. Oregon aligns with this national focus by prioritizing resources and assistance to rural entrepreneurs and manufacturers, helping them navigate challenges such as workforce shortages, automation and the use of technologies such as artificial intelligence, supply chain disruptions, and disaster recovery efforts. Our partnership with the SBA and Business Oregon ensures that small businesses receive the guidance, funding, and technical support necessary to grow and thrive.

The SBDC program delivers measurable economic impact and significant returns on investment. In FY 2022-2023, congressional funding for America's SBDCs generated \$216.4 million in federal revenue and \$327.2 million in state revenue. For every federal dollar invested, \$1.59 was returned in federal tax revenue, and \$2.40 in state tax revenue. SBDC-assisted businesses demonstrated strong performance metrics:

Federally:

- 80,995 new full-time jobs created (one job every 6.5 minutes)
- 15,794 new businesses started (one business every 33.3 minutes)
- 15.7% average annual sales growth for SBDC clients, compared to the national average of 6.2%
- \$6.6 billion in total client sales
- 92% of SBA's technical assistance clients served through SBDCs

In Oregon:

- 820 jobs created
- 289 business starts
- 5,621 advising clients
- \$60,779,205 Capital Infusion
- 6,627 training attendees focused on business ownership

Despite our proven impact, we face significant challenges, including funding constraints, workforce shortages, and the growing demand for our services. Addressing these challenges requires sustained investment to expand our capacity, hire industry experts, and enhance our technological capabilities to reach more small businesses. We are asking for the Oregon SBDC Network to be funded at least at the prior service level of \$5.8 million, but also will be requesting a COLA adjustment to maintain our service levels.

Oregon SBDC remains committed to serving as a first responder for small business disaster recovery and long-term resilience. We continue to work alongside the SBA, state agencies, and economic development partners to ensure that Main Street America remains strong. Restoring and expanding support for small businesses must remain a priority, as they are essential to the economic vitality of our state and nation. Tomorrow on Wednesday, March 19th we will celebrate national SBDC Day. Many of our clients will be in the capital and meet with some of

you and with other members to discuss their local business success, their experience with the SBDC and they will highlight local business priorities. Thank you for your support of Oregon small businesses. We look forward to continuing our work with the legislature to support Oregon's small business community.