

To: Senate Committee on Business and Transportation

From: Main Street Alliance of Oregon Small Businesses

Date: April 18, 2013

Re: Letter in Support of SB 712

Chair Beyer and Members of the Committee,

The Main Street Alliance of Oregon, a coalition of more than 1200 small businesses across Oregon, supports SB 712. Access to capital is a necessity for small businesses like ours to grow and continue to thrive in today's economy. More and more, money is being taken away from Main Street and put into Wall Street – this practice needs to stop.

Not only are the big banks not loaning to small businesses, they are pushing the small, community banks out of business as well as increasing regulatory costs and changing capital requirements are disproportionately hurting small banks when they didn't create the problem. Today, there are 938 fewer small and mid-sized banks than there were three years ago and their share of bank assets has fallen from 23 to 21 percent. Even so, these banks continue to provide 54 percent of small business loans, the same share they held three years ago¹.

To small business owners across Oregon, this trend is concerning. This leads to less money available for improvements to businesses, growth, hiring more employees, thus creating more jobs in our local communities, and helping them thrive and prosper.

SB 712 will help small businesses of Oregon by establishing a way for more investments and money to stay in state. Public investments will be able to be made in state by partnering with local financial institutions so more loans flow through Oregon community banks instead of Wall Street banks.

Currently the state's deposits and investments flow almost entirely out of state. SB 712 would allow a portion of state deposits to stay in state and allow investments in portions of loans made by Oregon community banks.

The Main Street Alliance of Oregon urges you to support SB 712, and anything we can do to invest more in state, keeping our hard earned money in Oregon. For us, it's simple, the stronger we can make our community banks, the stronger our small businesses, the stronger our economy, and the stronger our local communities.

Thank you for your time and consideration of this matter.

Yours respectfully,



Jim Houser, Co-Chair
Hawthorne Auto Clinic, Portland



Mark Kellenbeck, Co-Chair
BrainJoy LLC, Medford

¹ Too Big to Lend, Stacy Mitchell. (Institute for Local Self-Reliance, October 2012). <http://www.ilsr.org/big-lend/>

The **MAIN STREET**
Alliance of Oregon

a big vision for small business