

Oregon growth board

Sabrina Parsons, OGB Co-Chair

Kate sinner, I&E Manager, Business OR



Oregon Growth Board

- Created by the 2012 Legislature to manage investments for the Oregon Growth Account (OGA) and the Oregon Growth Fund (OGF)
 - Oregon Growth Account (OGA) - Earns returns for the Education Stability Fund through institutional investments
 - Oregon Growth Fund (OGF) - Supports new and existing capital initiatives that prioritize economic development in Oregon
- Funder of Funds – invests in funds – venture capital, growth equity, debt funds, etc.



Oregon Growth Board (continued)

12 member board

Members appointed by Governor, approved by Senate

- Sayer Jones, Co-Chair
- Sabrina Parsons, CEO Palo Alto Software Co-Chair
- Gudrun Granholm, CEO and Founder of Box One, Inc.
- Stephen Green, Outreach Manager Pensole Academy
- Elmer Huh, CIO, Murdock Charitable Trust
- Wendy McGrane, Commercial Banking Lead and VP, US Bank
- Amber Shultz-Oliver, ED, Affiliated Tribes of NW Indians EDC
- Chad Olney, Director, Pacific Crest Credit Union
- Tobias Read, Oregon State Treasurer
- Chris Cummings, Business OR Director
- Rep. John Lively
- Sen. Chuck Thomsen

Oregon Growth Board Investment Tools

- **Oregon Growth Account: *approx. \$20M for '19-21***

Earn returns for the Education Stability Fund through institutional investments

- **Oregon Growth Fund: *approx. \$1.2M for '19-21***

Supports new and existing capital initiatives that prioritize economic development in Oregon

Oregon Growth Account

- Earns returns for education
- Invests in institutional in and out-of-state investment vehicles with significant track records to make funding available for Oregon-based companies
- **1.8%** Lottery Revenue directed to the account annually, approximately **\$10m** each year
- Invests roughly \$15-\$25M/year:
 - Women's Venture Fund – Oregon, early state venture capital
 - Seven Peaks Ventures - Oregon, early stage venture capital
 - Voyager Capital Fund – Oregon, early stage venture capital
 - Madrona Venture Fund - Washington, early stage venture capital

Oregon Growth Fund

- Created in 2012 to invest in earlier, smaller, and first-time capital sources in Oregon
- Economic development mandate
- Fills capital gaps encountered by Oregon businesses
- Gaps include underserved communities, rural geographies, and under-supported industry sectors
- 2019-21 LAB includes **\$629K** for the Oregon Growth Fund –**\$1.2M** available including distributions and repaid grants



Oregon Growth Fund

Loan Funds:

- Craft3 – *rural, statewide*
- Micro Enterprise Services of OR – *underrepresented focused*
- Community Lending Works - *Springfield*
- Albina Opportunities Corp – *underrepresented focused*
- Xxcelerate Fund – *female focused*

Venture Investments:

- TiE-TAP Fund - *underrepresented*
- Cascade Angels - *underrepresented*
- Oregon Entrepreneur's Network
- Willamette Angel Conference - *Eugene*
- Bend Venture Conference - *Bend*
- Elevate Inclusive Fund – *underrepresented*
- Roseburg Angel Investment Network



Oregon Growth Fund

- 37 investments made in last 5 years
- Over 60 Oregon companies received funding
- Leverage ranges from 1:1 to 1:25
- 150+ jobs created
- Increased access to capital in rural Oregon and for underrepresented entrepreneurs

Oregon Growth Fund RFP: Background

- OGB will commit OGF resources to two capital gaps
 - Rural geographies (\$300k)
 - Staff propose using OGB's definition of rural communities as areas outside Portland, Eugene, and Bend
 - Underrepresented entrepreneurs (\$300k)
 - Staff propose using Business Oregon's definition of underrepresented as people of color, immigrants, native/tribal communities, and adding women and LGBTQ populations



Oregon Growth Fund RFP: Background

- Business ownership and entrepreneurship rates in the United States and Oregon do not reflect the overall population and skew heavily toward privileged groups / white men.
 - African American: 2.2% of Oregon population
0.5% of employer small firms
 - LatinX: 13.1% of Oregon population
3.2% of employer small firms
 - Women: 50% of Oregon population
21% of employer small firms
 - Asian American: 4.4% of Oregon population
6.5% of employer small firms
 - Native American: 1.2% of Oregon population
0.8% of employer small firms

OGF RFP: Background Cont.

- Lack of capital access for women and people of color has resulted in loss of 17 million jobs and at current trends it will take 145 years to close the ownership gap.

- **Percent of Entrepreneurs Reporting Profits Negatively Impacted by Lack of Access to Capital**

(Annual Survey of Entrepreneurs, 2016)

– Black or African American	22.3%
– Native Hawaiian and Other Pacific Islander	19.6%
– American Indian and Alaska Native	17.0%
– Asian	15.1%
– Latino	13.3%
– All firms	9.5%
– White	8.9%

“In 2017, the rate of new entrepreneurs for women was 270 per 100,000 people, compared with 400 per 100,000 for men.”

Oregon Growth Fund RFP: Outreach

Over 40 individuals, representing a broad array of rural geographies and underrepresented groups provided input. Below is a non-exhaustive list:

Oregon Community Foundation
Meyer Memorial Trust
Ford Family Foundation
Lemelson Foundation

Melissa Freeman
Sayer Jones
Kathleen Flanagan
Rachel Jagoda Brunette

Statewide funder
Statewide funder
Statewide funder
Statewide funder

Community Lending Works Lynn Meyer
Craft3
NE OR Economic Development

April Knudsen
Lisa Dawson

Rural lender
Rural lender
Rural lender

Uncorked Studios
Bambuza
Switchboard

Marcelino Alvarez
Katherine Lam
Mara Zepeda

Entrepreneur

Entrepreneur
Entrepreneur



Oregon Growth Fund RFP: Outreach cont.

Xxelerate
MESO

Amy Jermain
Nita Shah

Lender
Lender

Color
Backstage Capital

Chris Cantino / Jamie Schmidt
Arlan Hamilton

Venture Capital
Venture Capital

Oregon Tech & Business Center
PSU Business Accelerator Juan Barazza
Rural Development Initiatives
Oregon Entrepreneurs Network
BBPDX
PIE
Klamath IDEA

Jim McCreight
Heidi Khokhar
Amanda Osborne
Ashley Henry
Rick Turoczy
Kat Rutledge

Support org
Support org
Support org
Support org
Support org
Support org

Affild. Tribes of NW Indians EDC

Amber Schulz-Oliver

Tribal lender

- and many more-

OGF RFP: Outreach Themes

- Stakeholders excited about the prospect of an RFP focused on their target audience, and appreciative that their viewpoints were solicited
- Near unanimous support for additional technical assistance alongside any investment funds (lending programs/venture funds)
- Rural and underrepresented entrepreneurs often lack the collateral to obtain financing
- Emphasis on early stages of the business life cycle (which often leans on “friends and family round”) would be an effective use of OGB funds

OGF RFP: Proposed Vehicles

- Support for CDFIs or loan funds, including technical assistance
- Support for new venture funds, including start up financing to establish new funds
- Localized micro-funds that focus on target populations in specific communities (Oregon Technology and Business Center)
- Investment funds tied to accelerators

OGF RFP: Metrics

- Number of rural and underrepresented start-ups receiving investment
- Funds leveraged and follow-on funding
- Revenue growth
- Diversity of management teams
- Jobs created
- Income taxes generated

Questions?

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