



**TESTIMONY**  
**HOUSE ECONOMIC DEVELOPMENT COMMITTEE**  
**FEBRUARY 10, 2020**

Hello, I'm Ashley Henry, executive director of Business for a Better Portland. We're a coalition of over 400 businesses and growing, who believe that in order for businesses to thrive they need to be doing business in a thriving community.

We're supporting HB 4033 because we know it to be true that with just a little bit of help, many more entrepreneurs could join our members' ranks and hire more Oregonians.

Let me quickly remind you that small businesses employ 55% of Oregon's private workforce, and are the source of almost all new net jobs — in 2016, this was more than 37,000, equivalent to the population of Grants Pass! Yet we as a state don't always spend our dollars in the most effective way on economic development.

If you are wondering whether it is the government's role to help out small businesses and early stage entrepreneurs, think of HB 4033 as a wise diversification of our state's investment in its own economy.

We've heard a few questions about whether there's truly a need for this type of support for Oregon's small businesses.

But from the first hearing here in September through to today's testimony, you've heard several voices, loudly and clearly, explaining how and why bank consolidation since the Great Recession has led to a capital chasm for Oregon's small businesses.

Sure, some programs do indeed exist to support small businesses, but they're woefully underfunded relative to the need, and especially hard to get for women, and people of

color and business owners in rural communities. There are surely other challenges small business owners face, but time and again they point to the challenge of getting a loan as one of the biggest impediments to their growth and success.

In this thoroughly researched Portland Business Journal article, Matt Kish reports that “Less than 20 percent of SBA loans in Oregon last year went to women-owned businesses and there’s been a 96 percent drop in the number of SBA loans made to black-owned businesses in a decade.”

Overall, small loans in Oregon, under \$100,000, are down 47% since 2007, despite Oregon bank deposits being up 76%, and loans to big businesses up 87% in the same time period.

You may be wondering why you haven't been hearing about these problems before. Quite simply, these small business leaders simply haven't had the platform to tell their story -- or even to know whom they should appeal for support.

You're hearing about these concerns now because we have called upon businesses and organizations around our state, including those from as far as Wallowa County, to tell their stories. They have made it clear that this is an issue decades in the making.

Our organization is grateful to be able to raise awareness about the good work that organizations like MESO, Rural Development Initiatives, Community Lending Works and the Northeast Oregon Economic Development District and so many others have been doing for years (and years!) in their communities.

Despite it being the source of so many jobs, there is very little Oregon-specific research on the needs of our small business community. The capital chasm is so clear that we're pushing to address it today, but we also need to get a clearer understanding of where else entrepreneurs face challenges and opportunities. The scoping and analysis portion of this bill will provide a more comprehensive assessment of those needs and help the State and its community partners to have a better understanding of what future targeted support would be most impactful in growing this significant part of the economy.

Members of the committee, this is a big moment for you to seize. Please stand shoulder to shoulder with today's and tomorrow's entrepreneurs. Their dreams are ready to turn into local, stable jobs, only held back by lack of access to a loan and some well-targeted advice. The power is in your hands to address these challenges across our state.