



RAIN

How Do We Champion Oregon's Entrepreneurs?

A Community Conversation with Policymakers



Why We're Hosting This Conversations

RAIN was selected by the Kauffman Foundation to lead an advocacy program in Oregon to **help underrepresented entrepreneurs connect to their policymakers to discuss the barriers they face to starting and growing a business in Oregon.**

The grant also allows us to host **educational workshops for Oregon policymakers to increase their knowledge about entrepreneurial ecosystem-building**, why it's important to Oregon's current and future economy, and how policymakers can help **reduce barriers to entrepreneurship & innovation in Oregon.**

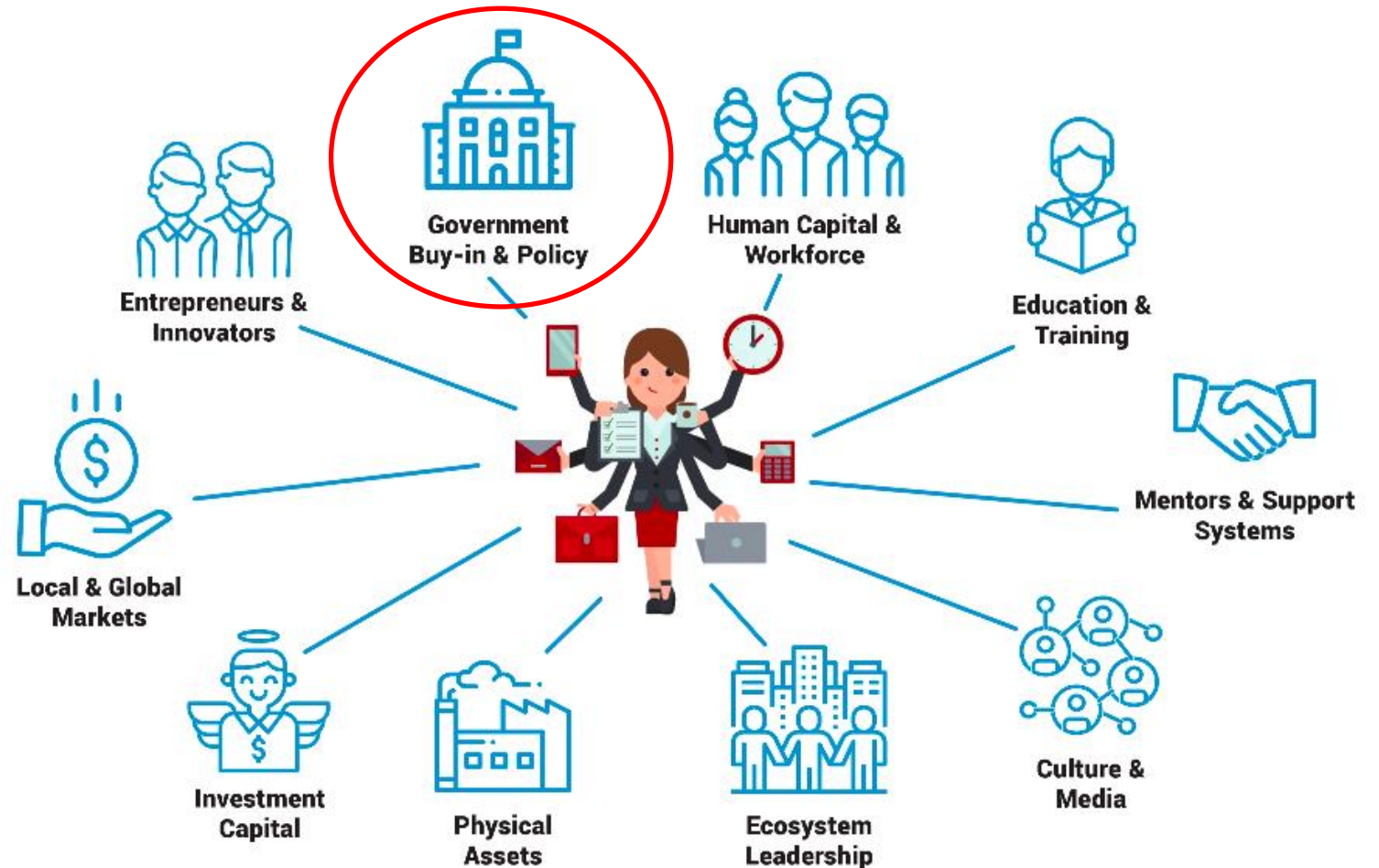


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The Entrepreneurial Ecosystem

An **entrepreneurial ecosystem** is defined as a set of **interdependent actors** and **factors coordinated** in such a way that they enable **productive entrepreneurship** within a particular **territory**.



Entrepreneurs Drive Economic Development & Regional Strategy

Entrepreneurs are the **primary creators of net new jobs.**

Entrepreneurs **create wealth** in communities.

Entrepreneurship is **especially impactful for rural communities.**

Entrepreneurship & Innovation **anchors the CEDS**
(Comprehensive Economic Development Strategies)
for Oregon's 11 designated EcDev Districts

Comprehensive Economic Development Strategy 2020-2025



Priority Area 2: Sector Diversification Through Business Development

Description: Our region's businesses are the beating heart of our economy. To thrive, the region must support and retain existing businesses while also cultivating new businesses that will help diversify our economy and generate job growth. With macro-level economic changes – from globalization to shifting market structures – the regional economy will require a continued influx of fresh energy from new and existing businesses.

Oregon Cascades West Council of Governments CEDS

OR Legislation Making Positive Change

Oregon legislators have **passed meaningful measures in recent sessions**, and it shows the impact policymakers can have as partners:

- **HB 2266** (2021) **expanding access to capital**
- \$9 million in **technical assistance** (2021)
- **HB 409-A** to enhance **statewide broadband, digital equity** (2022)
- Updates to **Entrepreneurial Development Loan Fund** (2022)

Thank You!



Sample of the Many Partners Serving Ecosystem Roles



Examples of Barriers

- Struggling to locate **affordable commercial space** for rent (*Linn County*)
- **Wetland Mitigation** Challenges with Buildable Land (*Linn County*)
- Bakery seeking capital for retail expansion must parse **county code requiring multiple permits** for local sales (*Springfield*)
- Venue + aquaculture business struggling with **export restrictions** (*Benton County*)
- Fishing business **cannot sell product locally** due to regulations (*Oregon Coast*)
- B-corp consumer product business needing to **access capital** and plug in to VC infrastructure (*Metro area*)

Best Practices: Remove Barriers & Create Access

New Business Creation Spiked 20% in 2020 as Americans turned to entrepreneurship during COVID.¹ **Imagine the economic revitalization we could realize in Oregon if access to entrepreneurship were finally equitable.**

Four Target Areas:

Access to Opportunity | *A Level Playing Field Without Red Tape*

Access to Funding | *The Right Kind of Capital Everywhere*

Access to Knowledge | *The Know-How to Start a Business*

Access to Support | *The Ability for All to Take Risks*



March 2022 Oregon Entrepreneur Statewide Survey

- **234 Entrepreneur Respondents**
- **60% Rural**
- **63% Women**
- **13.7% Speak a language other than English in Home**



Pillar 1: Access to Opportunity

A Level Playing Field Without Red Tape

During the pandemic, **52%** of entrepreneurs with businesses under 1 year old identified **laws, policies, and regulations as a challenge**.

Entrepreneurs lack the internal capacity to navigate these systems that larger, established businesses enjoy. (SOURCE)

Where mergers and conglomerates produce industry dominance, entrepreneurs struggle to enter and compete. Research shows that **increases in concentration correlate with reduced entrepreneurship**. (SOURCE)

OREGON EXAMPLES

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Pillar 1: Access to Opportunity

Possible Policy Answers

Entrepreneur Impact Statements

Can we leverage the Oregon Small Business Rules Advisory Committee to produce this analysis for potential legislation?

Streamline the Process of Starting

Provide a unified list of requirements (across regulatory bodies) walking through the steps of starting and permitting a new business. Make this guide easy to access and available in different languages.

Remove Debt-Imposed Barriers to Entry

Remove “debt traps” that prevent prospective entrepreneurs from obtaining or renewing business licenses due to unrelated unpaid fines and eliminate excessively punitive fines.

Reform Noncompete Agreements

Noncompetes lock potential innovators into jobs and hamper new business creation. Restricts the use of these agreements and improve employer transparency.

Manage Occupational Licensing

Streamline requirements and replace where possible with less onerous forms of regulations like certifications; re-think “good character” standards

Pillar 2: Access to Funding

The Right Kind of Capital Everywhere

Entrepreneurs believe that access to capital is the most important resource for starting a business and also one of the most significant barrier. The vast majority of entrepreneurs do not access bank loans or venture capital when launching a business.

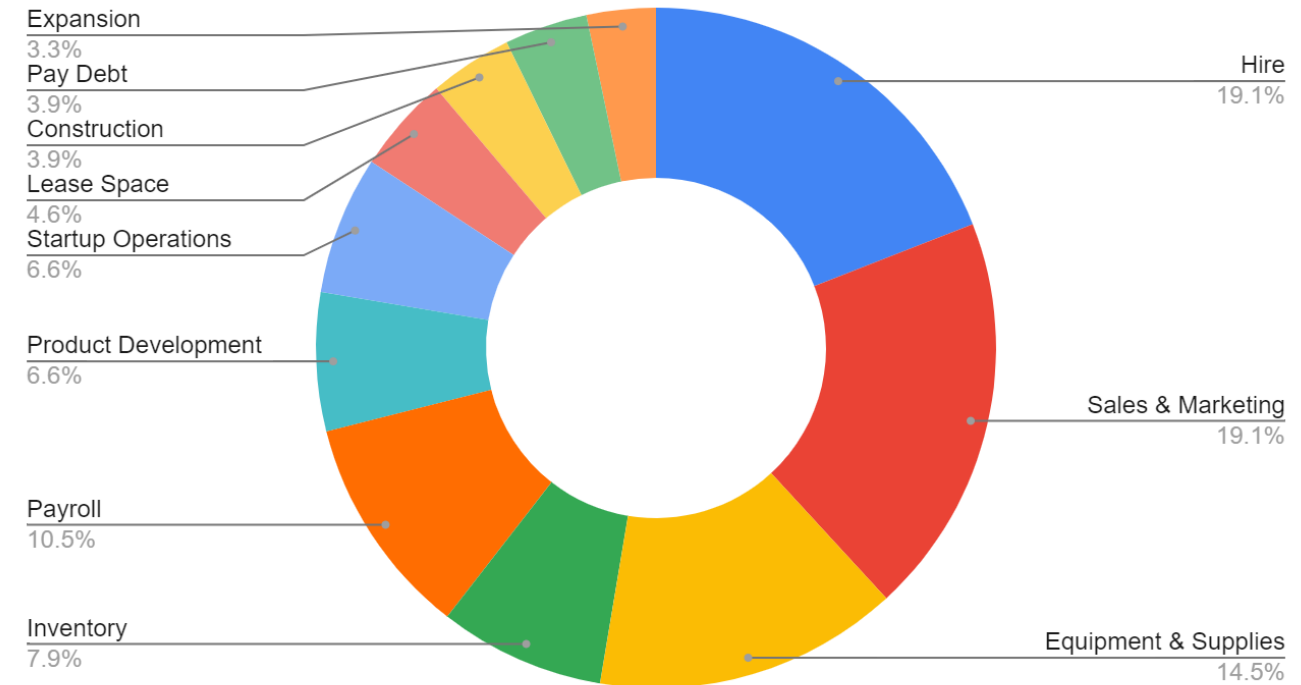
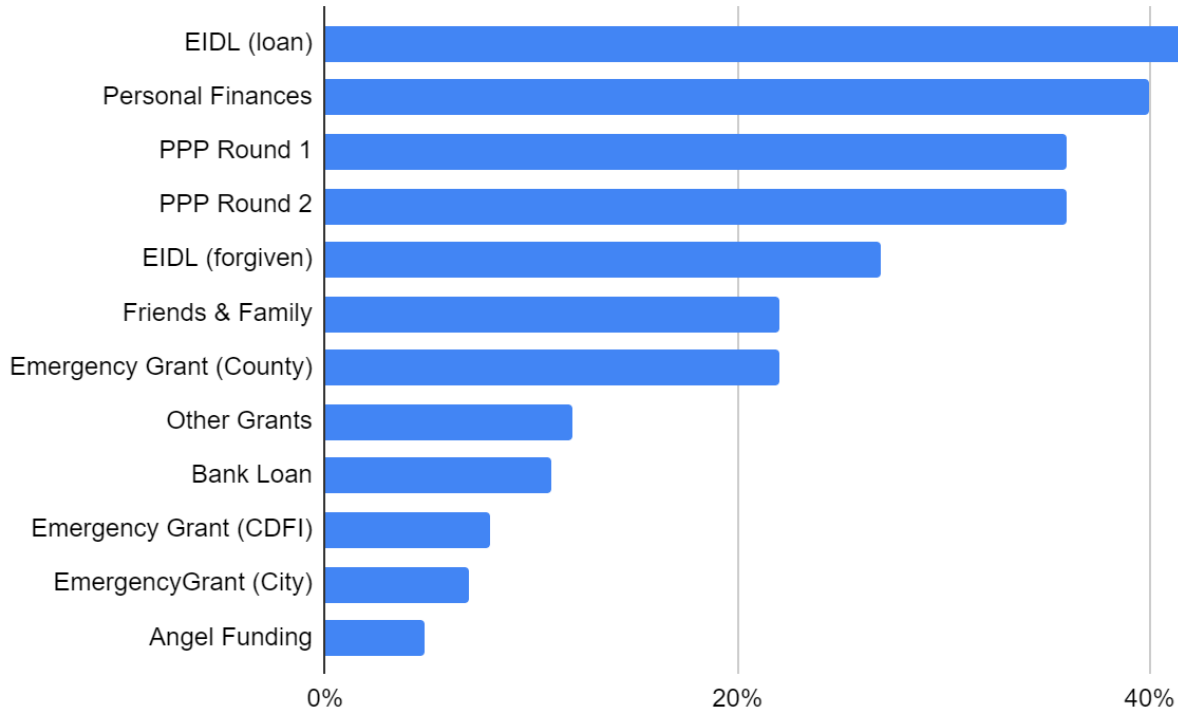
Women, Black, and Latino entrepreneurs consistently face institutional bias and barriers to raise needed funds.

Capital must flow to entrepreneurs in every community so that populations too often left behind are given equitable opportunities to turn their ideas into businesses.

OREGON SURVEY DATA

- **50%** need to raise capital this year
- **99%** of those need help accessing that capital

Capital Needs & Sources – Oregon Survey



Pillar 2: Access to Funding

Possible Policy Answers

Commit to Expanding Access to Capital

Assess how state and local entrepreneurial [ecosystems can improve access to capital](#) for all entrepreneurs and incentivize financial innovation to address capital gap.

Invest in Local Financial Institutions

Provide technical [assistance and funding to help CDFIs expand](#) operations. Work with CDFIs to offset risk. Establish community deposit programs.

Develop Entrepreneurial Capital Catalyst Grants

Establish evergreen [community investment funds, collaborative investment funds](#) engaging established businesses on joint product development and supplier relationships. See models from other states.

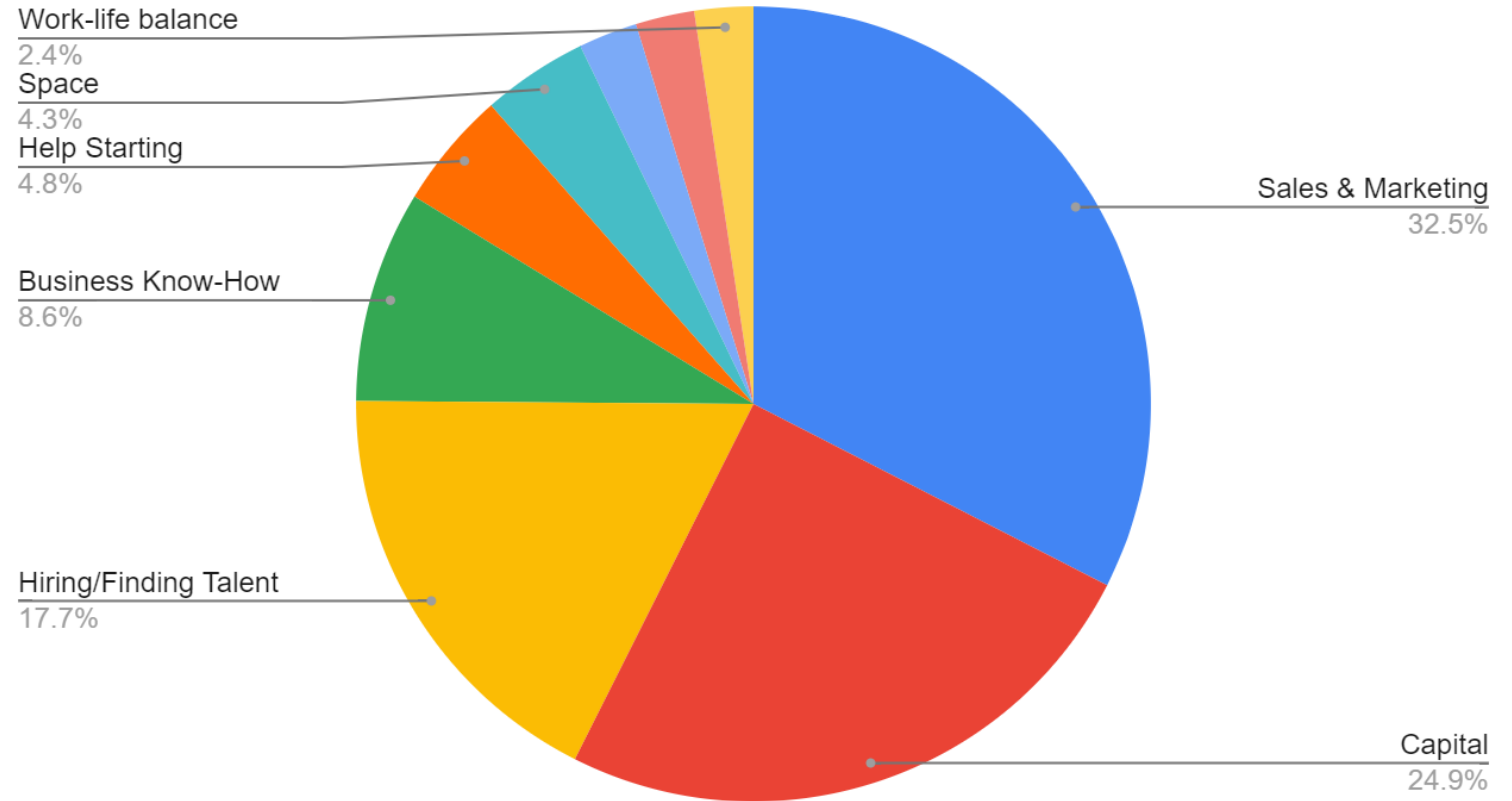
Promulgate Truth-in-Lending Laws

Apply relevant consumer truth-in-lending rules to new and small business borrowers so there is greater transparency in lending terms, rates, and other conditions, including for all non-bank commercial financing products.

Pillar 3: Access to Knowledge

The Know-How to Start (And Grow) A Business

Entrepreneurs report that some of their biggest challenges are practical, such as knowing how to start, operate, and grow a business.



Pillar 4: Access to Support

The Ability for All to Take Risks

When entrepreneurs strike out on their own, they leave behind the salary and benefits an employer provides.

Some are held back by financial obligations, such as paying off student loans. Others fear the impact on their personal finances. And some have medical conditions that make maintaining affordable and quality health care essential.

One critical resource is a [safety net that supports entrepreneurial risk-taking](#).

Possible Policy Answers

Provide Health Care Options for Early-stage Entrepreneurs

Facilitate the development of a system of portable benefits and incentivize new businesses to offset health care costs.

Provide Relief from Student Loan Debt

Provide entrepreneurs who maintain residence in the state an exclusion from state income tax equal to the amount of student loan payments made in a year up to a capped amount.

What's Next?

Over the coming months, our advocacy team will:

- Continue meeting with policymakers and learning what YOU are seeing and hearing; isolate impact areas, discuss data more closely
- Continue working with entrepreneurs to identify their barriers and connect them with their elected leadership
- Sector-specific barriers
- Areas ripe for regulatory/licensure streamline
- Entrepreneur impact assessment mechanism
- Build-on capital access measures
- Social infrastructure to mitigate risk





RAIN

Avery Pickard, Policy Education Director

avery@oregonrain.org

541-399-4438

