Small Business Assistance

House Committee on Community & Economic Development – Work Session

Chris Green

ASSISTANT DIRECTOR,

OFFICE OF ECONOMIC DEVELOPMENT & COMPETITIVENESS

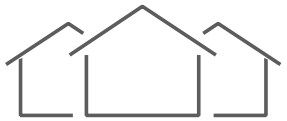
Jessica Camacho

SMALL BUSINESS RESILIENCY NETWORK DIRECTOR

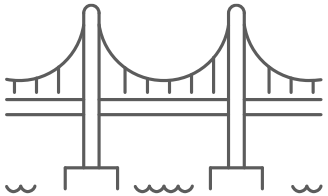
NOV. 19, 2021

Washington State Department of Commerce

We strengthen communities



HOUSING HOMELESSNESS



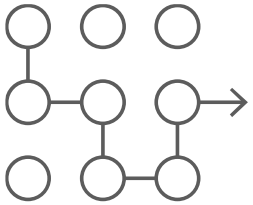
INFRASTRUCTURE



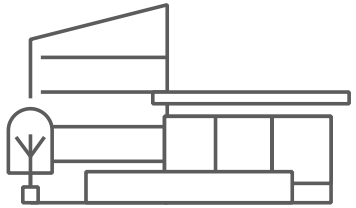
BUSINESS ASSISTANCE



ENERGY



PLANNING



COMMUNITY FACILITIES

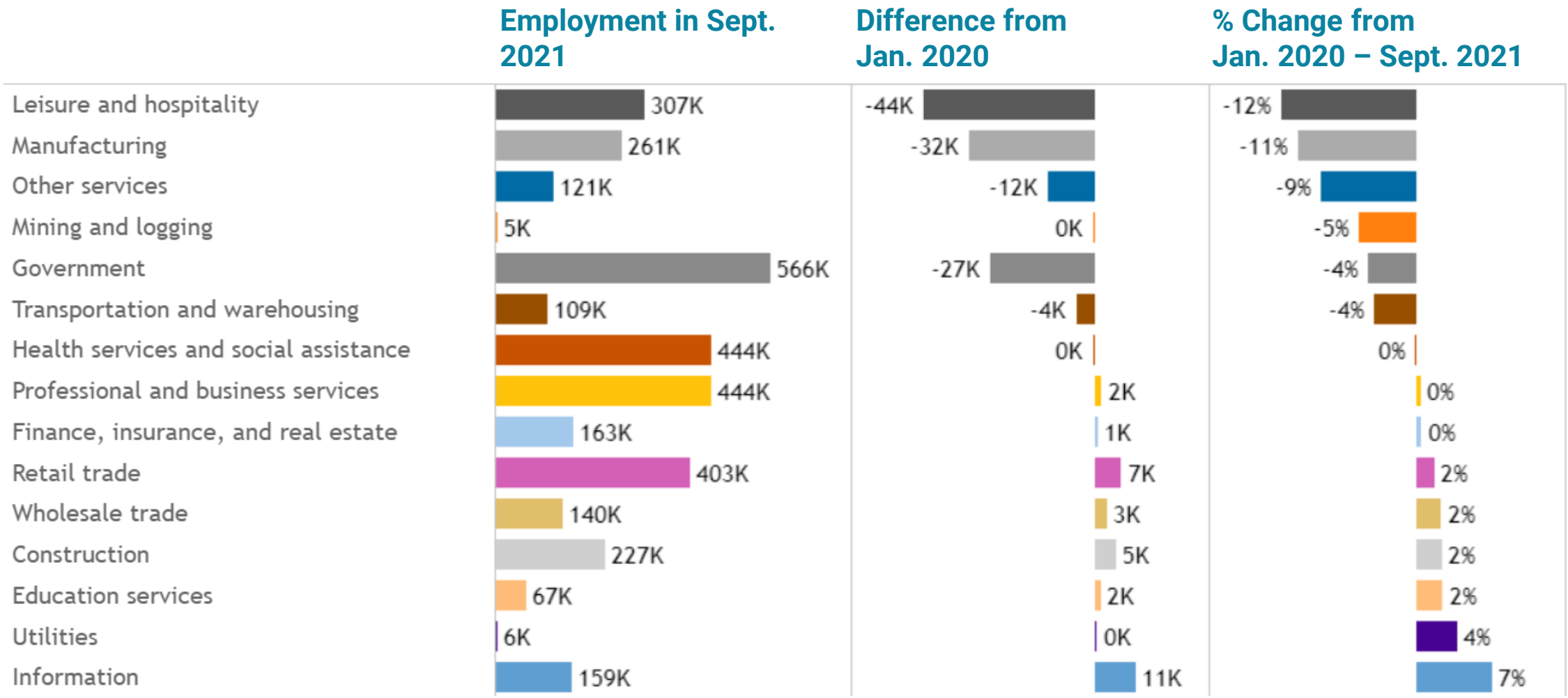


CRIME VICTIMS & PUBLIC SAFETY



COMMUNITY SERVICES

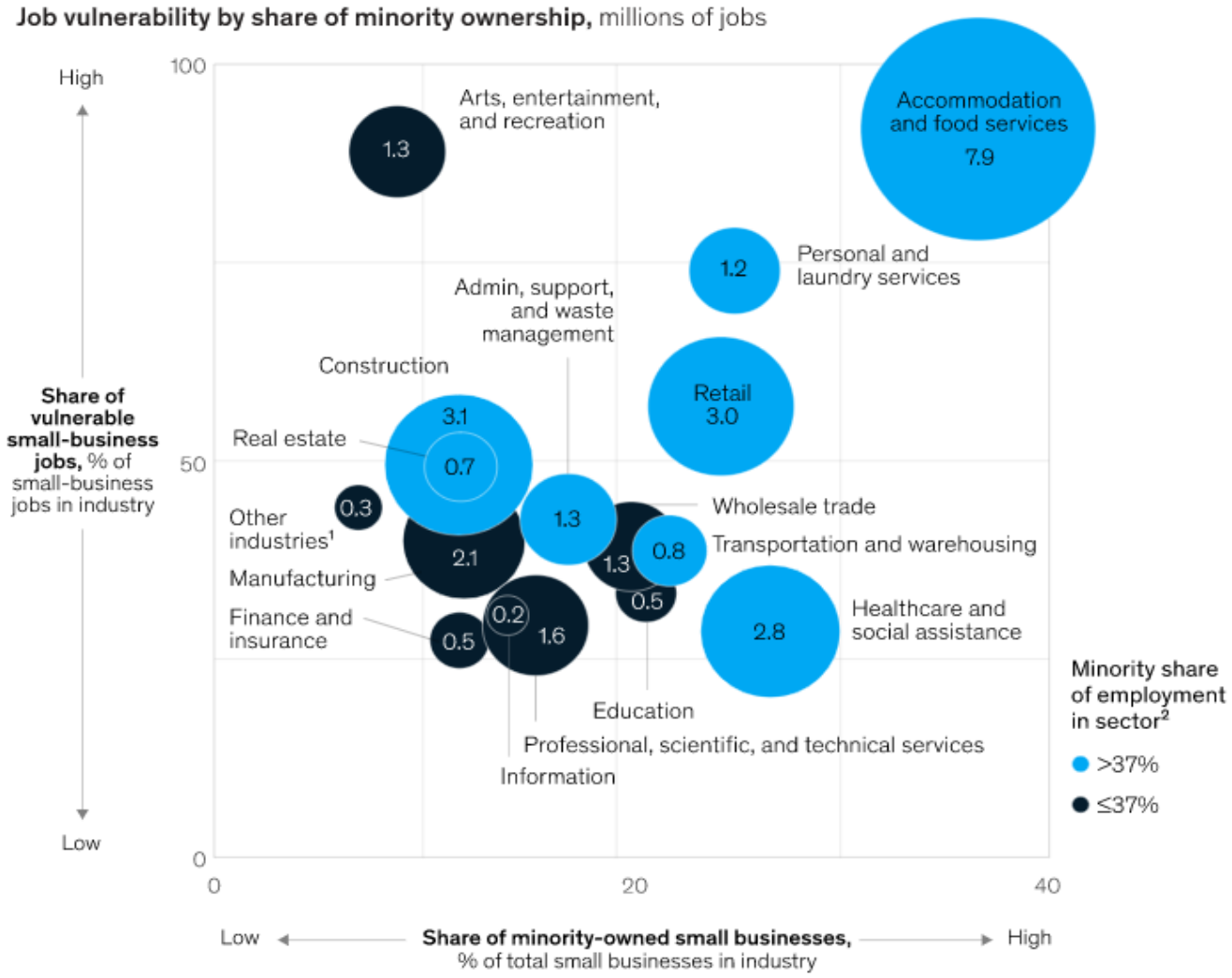
Impact varied greatly by industry



Source: WA-QB Current Employment Statistics (seasonally adjusted)

BIPOC-owned businesses are in slower to recover sectors

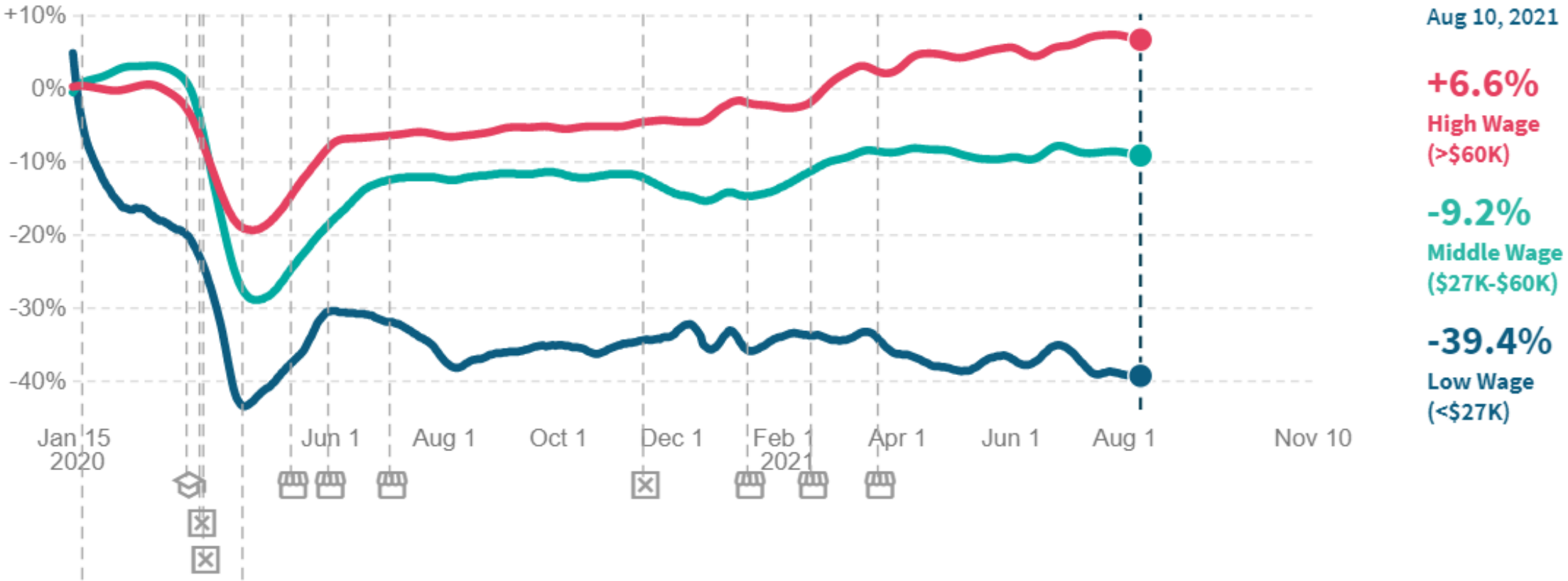
Sectors with a higher share of **minority employment and ownership** tend to be in sectors with jobs that are more vulnerable to COVID-19 impacts.



Source: Annual Survey of Entrepreneurs; McKinsey Global Institute Analysis

COVID-19 Impact: Lowest wage workers most affected

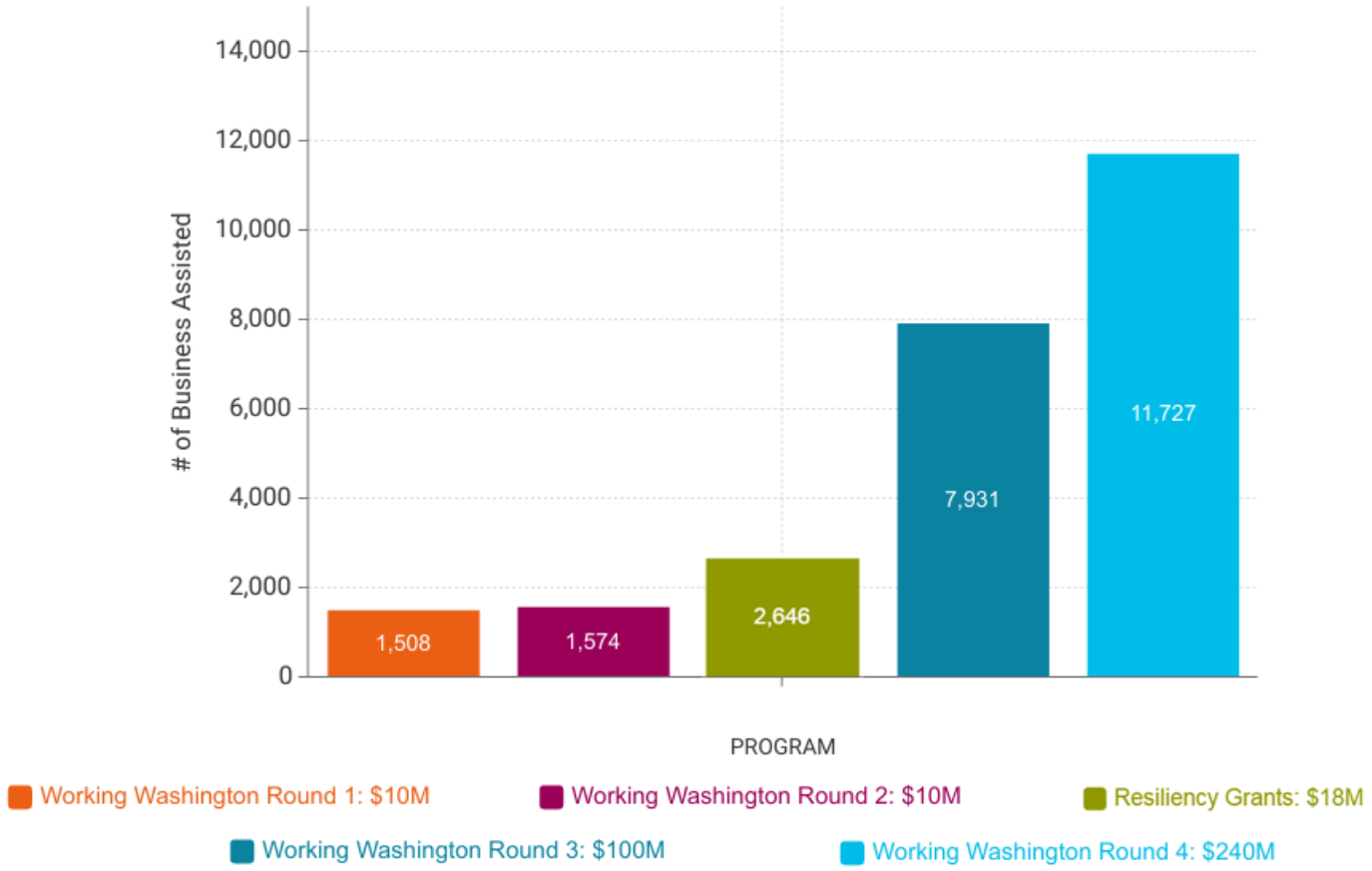
In **Washington**, as of **August 10 2021**, employment rates among workers in the bottom wage quartile **decreased** by **39.4%** compared to January 2020 (not seasonally adjusted).



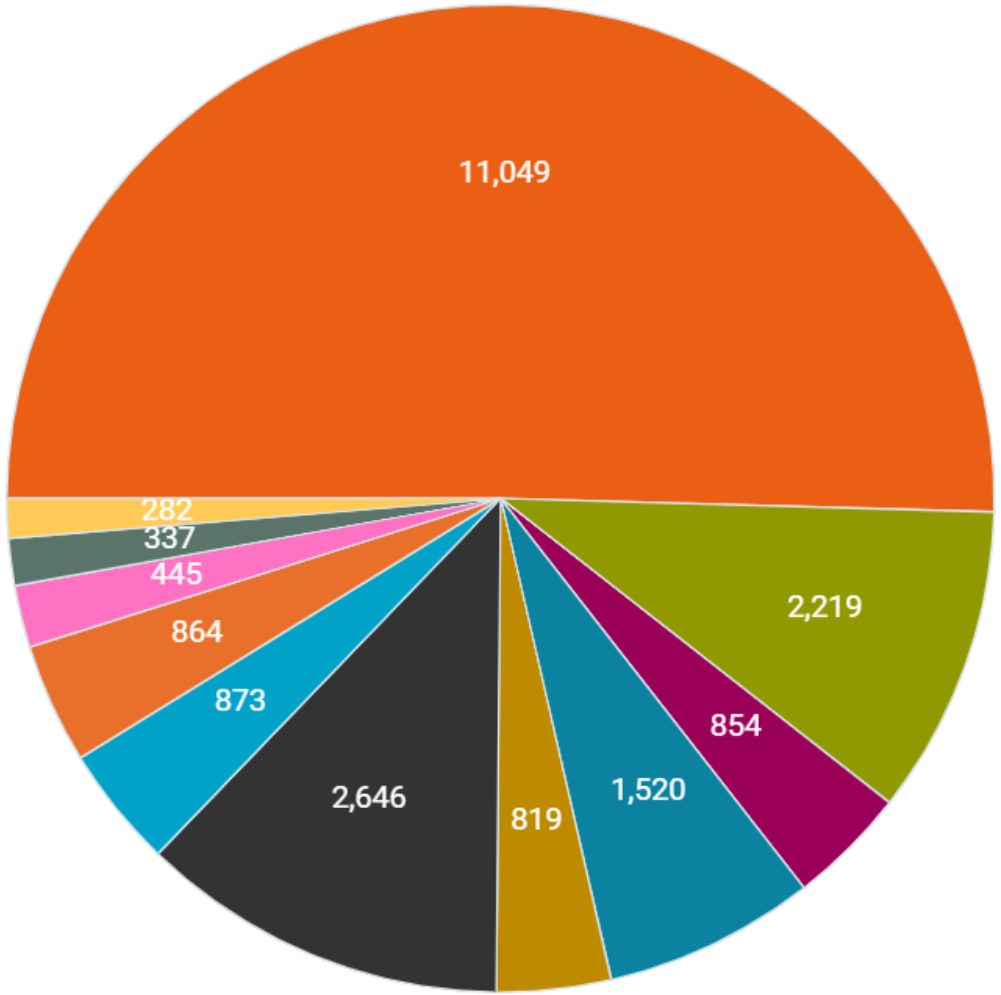
Source: Opportunity Insights using Earnin, Intuit, Kronos, Paychex data

Small Business Grants

$378 million in grants to small businesses to date, another $50 million in queue for 2022

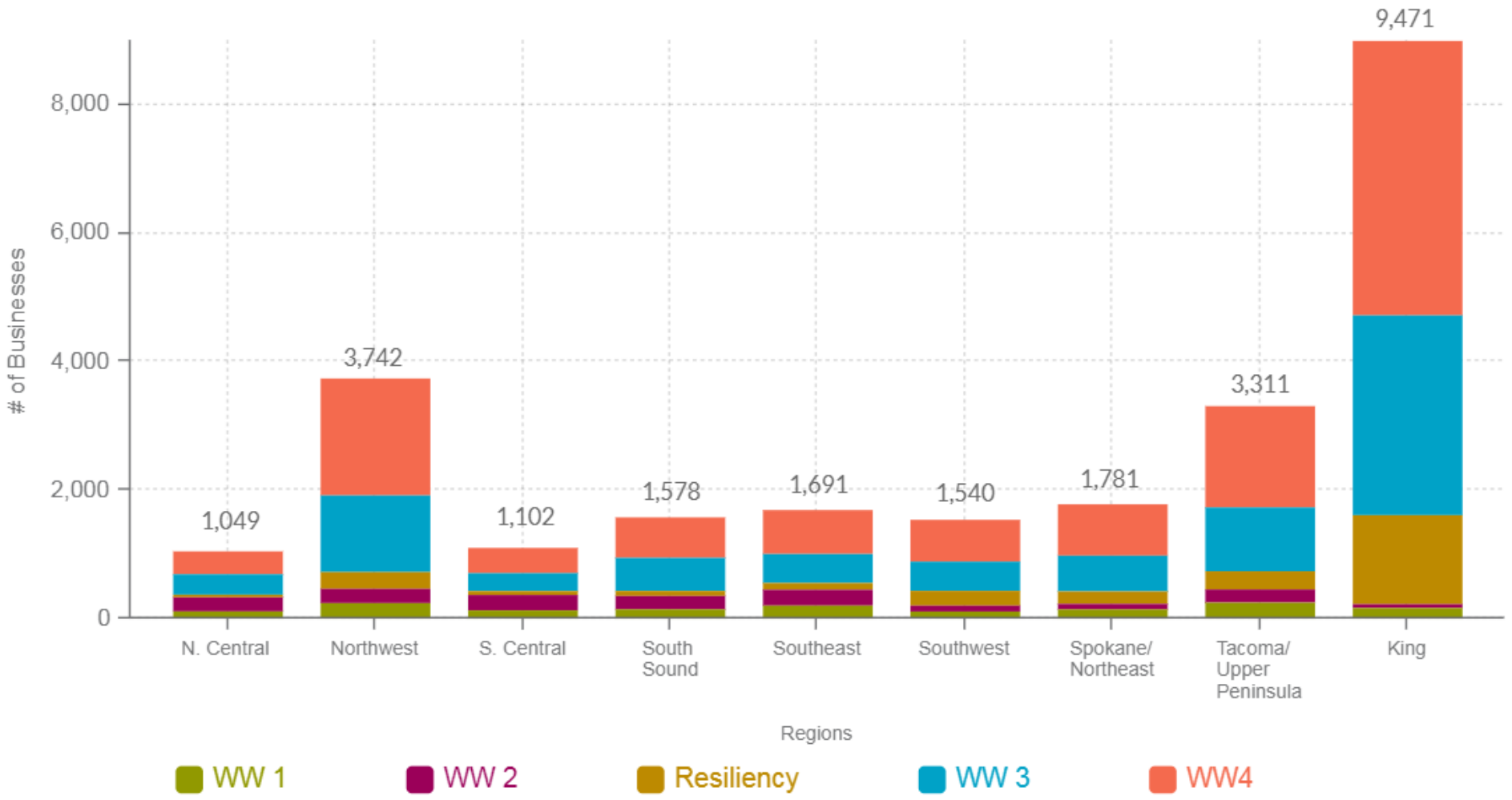


Small business grants by industry

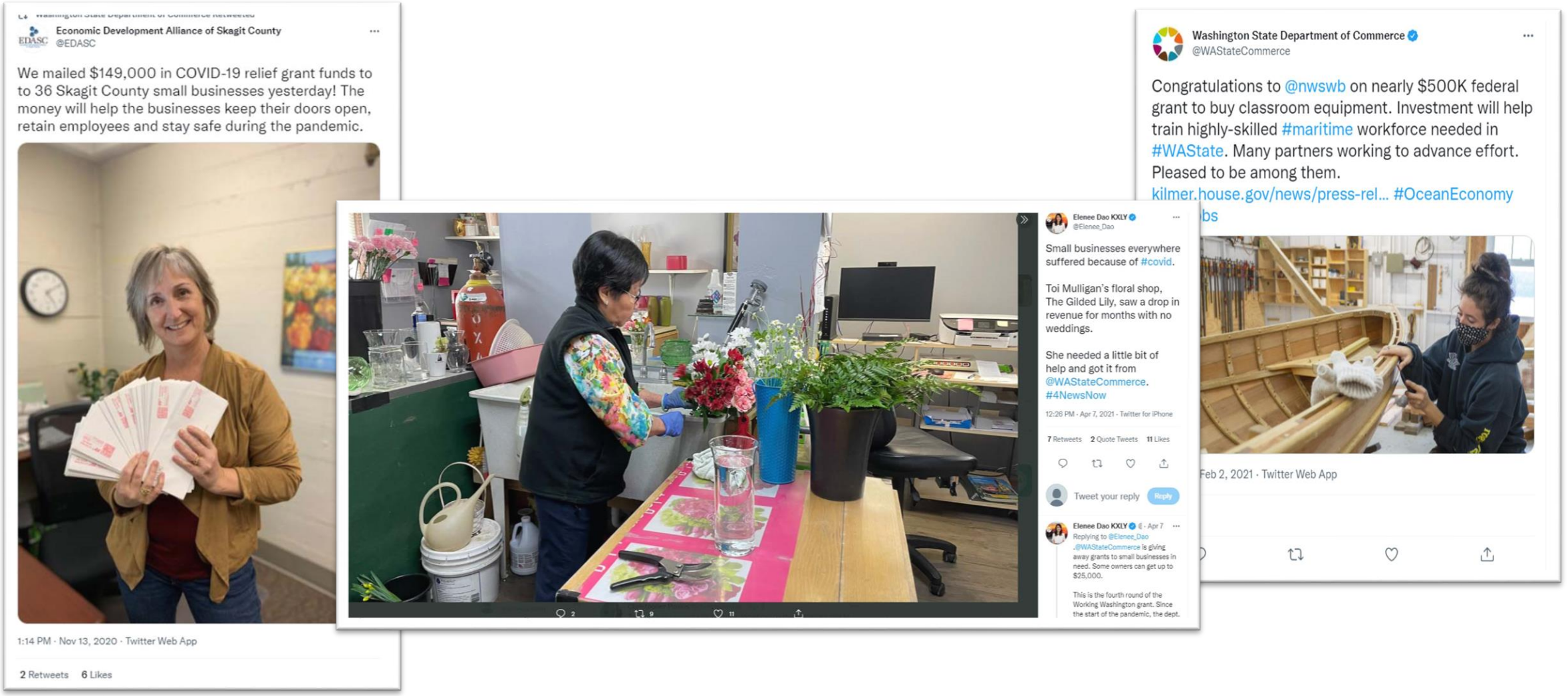


Accommodation & Food Services	50%
Personal & Professional Services	12%
Arts, Entertainment & Recreation	10%
Transportation & Warehousing	7%
Bars, Breweries & Wineries	4%
Healthcare & Social Services	4%
Fitness	4%
Retail	4%
Manufacturing	2%
Education	2%
Construction	1%

Small business grant distribution by region



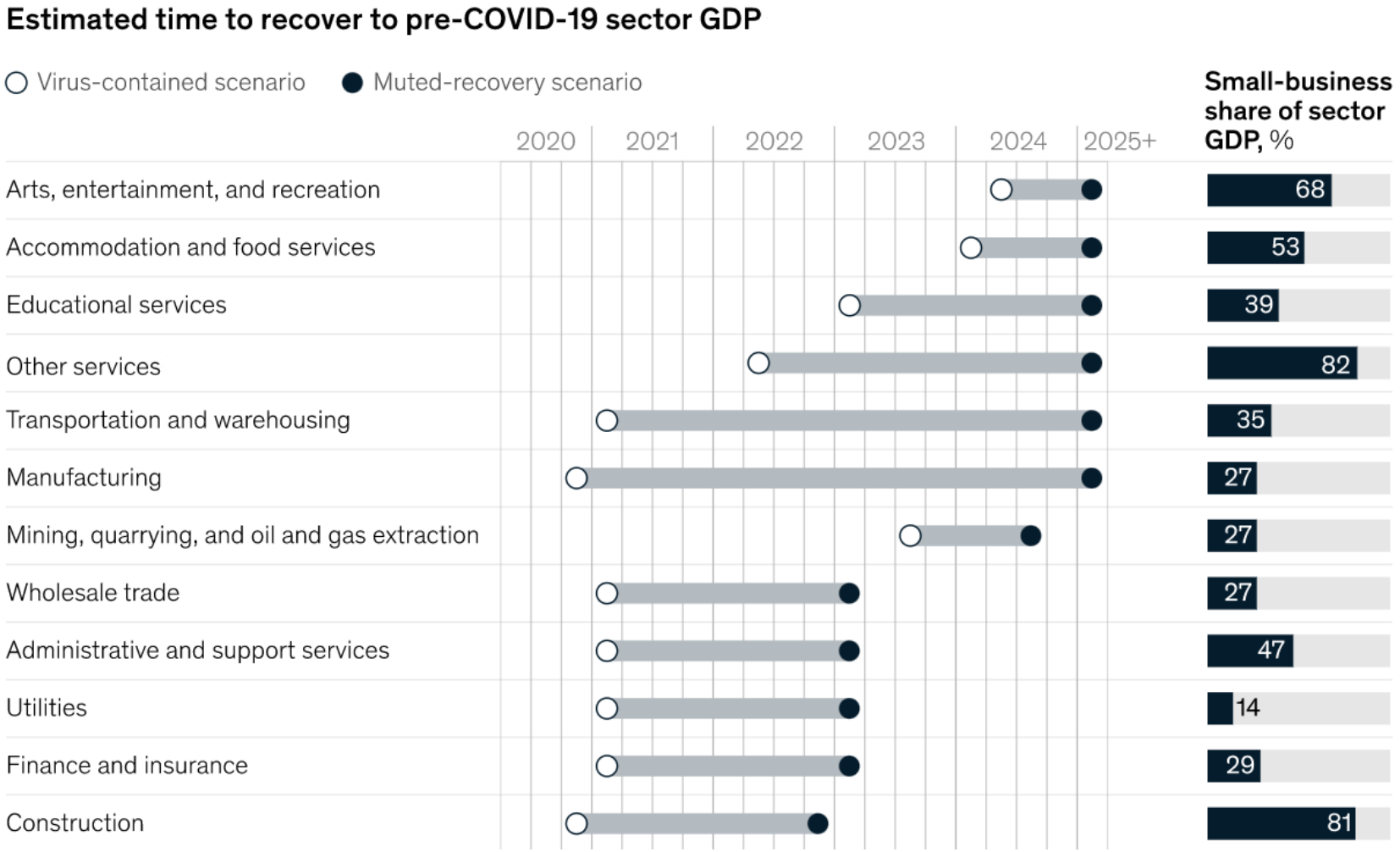
Our work is having an impact



Small businesses continue to struggle

- Nearly 1/3 of all small businesses closed at least temporarily since the start of the pandemic
- Those that navigated the pandemic face continued challenges:
  - Lost Revenue / Lack of Capital
  - Increased Debt & Inflation
  - Supply Chain Disruptions
  - Workforce Shortages
  - Wage & Benefit Pressures
  - Worker Housing Shortages
  - Access to Broadband
  - Lack of Childcare

Recovery will take time

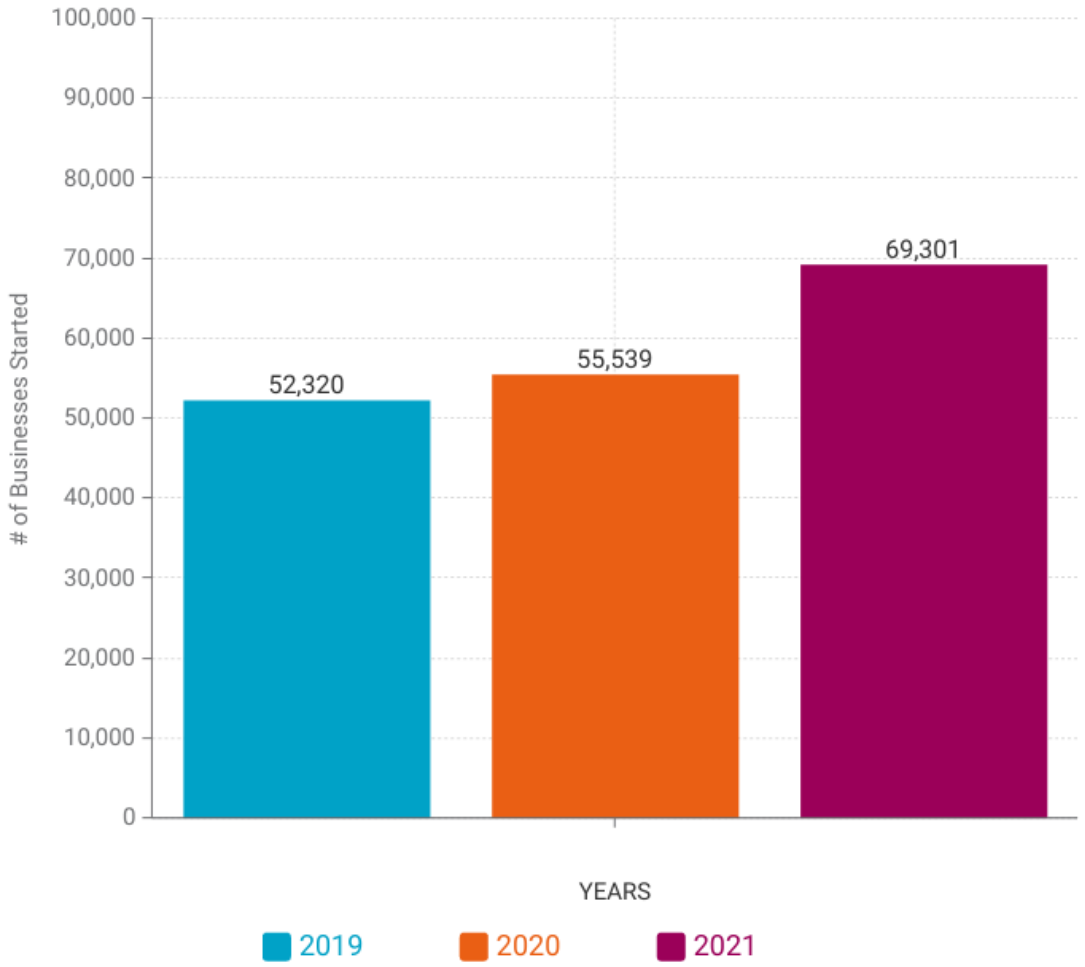


Source: McKinsey Global Institute Analysis

New businesses are starting

2021 starts in Washington are up 24.8% compared to 2020

90% of new enterprises are still in business five years later if they receive access to capital, technical assistance, education, training and mentorship



Source: U.S. Small Business Administration

The state's response



Business Centered Solutions



Increased Access to Capital



Focus on Equitable Recovery



Statewide Capacity Building

Looking ahead: restart, recover, rebuild

Focus on developing a 10-year strategy for economic recovery and growth

Equitable recovery

- Increase diversity of business ownership, particularly in high growth sectors

Increased loan and equity (capital) resources

- Flex Fund, SSBCI, private investment

Building Capacity

- Hub-spoke model for more coordinated technical assistance and business support

Additional Funding

- Support small business programs and services after federal resources are exhausted

Small Business Resiliency Network (SBRN)

















































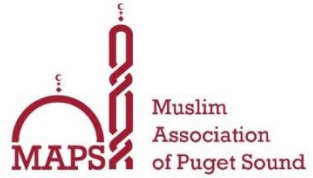










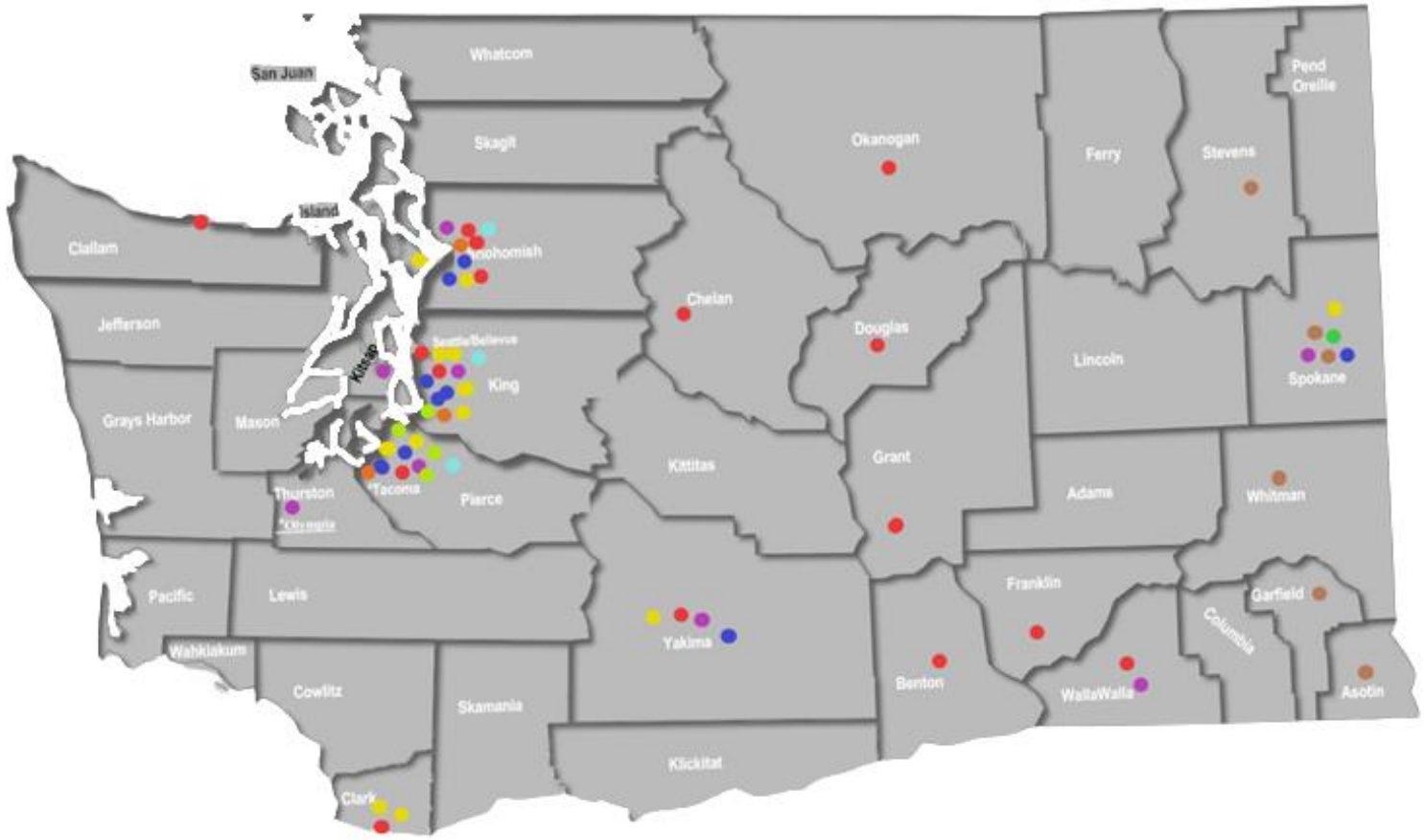




Small Business Resiliency Network Coverage

Trusted network of community partners to help with:

- Outreach
- Resourcing
- One-on-one technical assistance
- In-language support
- Recovery planning



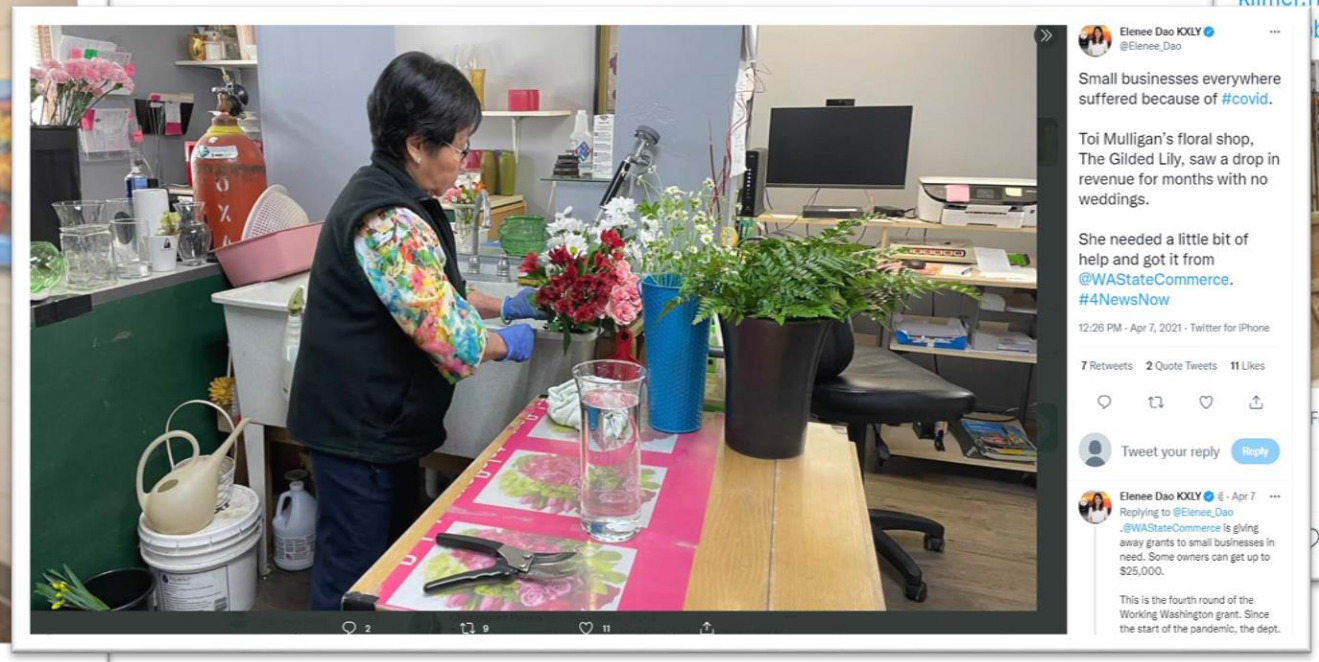
The need guides our future work

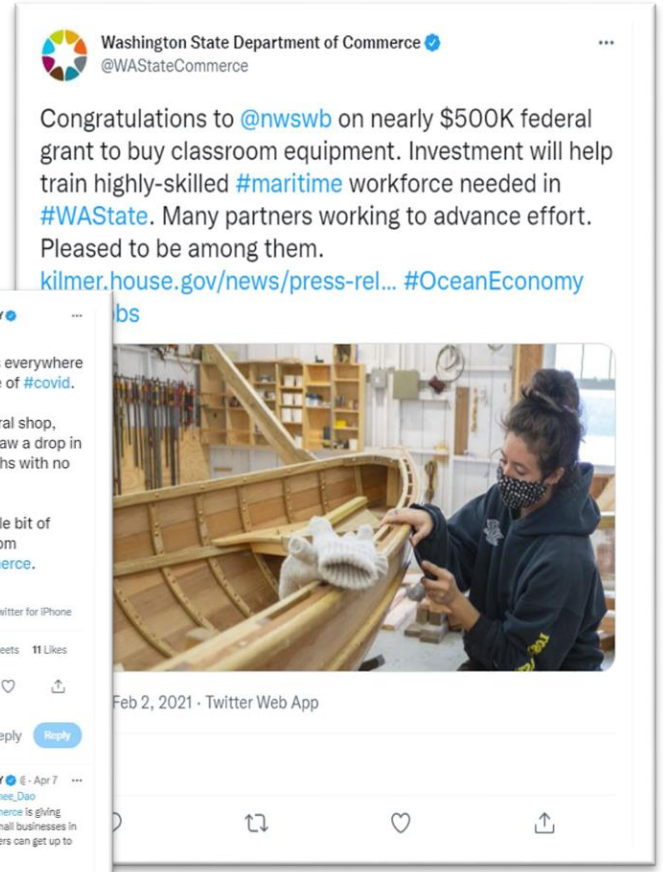
Culturally relevant technical assistance from trusted messengers

- Business management skills
- Financial management skills
- Access to technology and tech education
- Access to capital

Our work is having an impact







Thank you!

Washington State Department of Commerce

www.commerce.wa.gov

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