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Oregon to Receive Up to \$83.5 Million from U.S. Treasury Department to Promote Small Business Growth and Entrepreneurship through the American Rescue Plan

Oregon Among Four States Recently Approved to Receive Federal Funding Through the State Small Business Credit Initiative

WASHINGTON — Today, the U.S. Department of the Treasury announced the approval of Oregon’s application for funding under the State Small Business Credit Initiative (SSBCI) for up to \$83.5 million. President Biden’s American Rescue Plan reauthorized and expanded SSBCI, which was originally established in 2010 and was highly successful in increasing access to capital for small businesses and entrepreneurs. The new SSBCI builds on this successful model by providing nearly \$10 billion to states, the District of Columbia, territories, and Tribal governments to increase access to capital and promote entrepreneurship, especially in traditionally underserved communities as they emerge from the pandemic. SSBCI funding is expected to catalyze up to \$10 of private investment for every \$1 of SSBCI capital funding, amplifying the effects of this funding and providing small business owners with the resources they need to sustainably grow and thrive. State governments submitted plans to Treasury for how they will use their SSBCI allocation to provide funding to small businesses, including through venture capital programs, loan participation programs, loan guarantee programs, collateral support programs, and capital access programs.

“This is an historic investment in entrepreneurship, small business growth, and innovation through the American Rescue Plan that will help reduce barriers to capital access for traditionally underserved communities including those in rural areas,” **said Secretary of the Treasury Janet L. Yellen.** “I’m excited to see how SSBCI funds will promote equitable economic growth in Oregon and across the country.”

“I’d like to thank Secretary Yellen, Deputy Secretary Adeyemo, and the Biden-Harris administration for approving Oregon’s application and for their support of our business community,” **said Governor Kate Brown.** “Oregon’s SSBCI funds will make meaningful impacts for our small business community for generations to come and help to further our work

to build a safe, strong, just, and equitable Oregon for all. Oregon's approach will be to use these funds to counter systemic barriers to economic opportunity by providing access to capital in persistently underserved, low- and moderate-income areas, and rural communities."

"Oregon is a leader in innovation, thanks to the entrepreneurs and small businesses generating thousands of jobs in their communities. Yet, too often small business owners – especially entrepreneurs of color, women, and those in rural parts of our state -- face serious obstacles to get the capital they need to grow their businesses, or even get their businesses off the ground in the first place," **said Senator Ron Wyden**. "These historic American Rescue Plan investments will go far in tearing down obstacles to growth and support more entrepreneurs and small businesses in every nook and cranny of our state. I am thrilled that Oregon's SSBCI plan has been approved and am eager to see our entrepreneurs and small businesses thrive."

"Small businesses are the lifeblood of our communities," **said Senator Jeff Merkley**. "As our economy continues to recover from the ongoing pandemic and other market disruptors, it's crucial to continue supporting our local community businesses. This important access to capital will help jumpstart new and growing small businesses in Oregon by ensuring business opportunities are accessible and encouraging entrepreneurs old and new to build out their small businesses—ultimately, serving their communities and building the shared future we want."

"This significant investment is an exciting opportunity for Oregon's small businesses and the hard-working, entrepreneurial Oregonians who run them," **said Congresswoman Suzanne Bonamici**. "Small businesses are an important part of our communities and our economy. With more people starting new small businesses and growing existing businesses, it's important to break down barriers to success, especially in underserved areas and rural communities. I've been working on access to capital for small businesses since my time in the Oregon Legislature, so I enthusiastically helped to secure this federal funding. I look forward to seeing how it contributes to the growth and stability of Oregon small businesses in the years to come."

Oregon, approved for up to \$83.5 million, will operate five programs, including two venture capital programs to which the state has allocated \$30 million. The venture capital programs are designed to invest in funds in need of additional capital to launch and scale and to make co-investments in companies alongside private investors by matching the lead investor's structure and terms. Across its programs, Oregon's plan aims to counter systemic barriers to economic opportunity by providing access to capital in persistently underserved, low- and moderate-income areas and rural communities. Oregon expects these programs to be self-sustaining, providing vital support to small business in Oregon now and over the long term.

A recent White House [report](#) found that more Americans are starting new businesses than ever before. In 2021, Americans applied to start 5.4 million new businesses – 20% more than any other year on record. It also found that small businesses are creating more jobs than ever before, with businesses with fewer than 50 workers creating 1.9 million jobs in the first three quarters of 2021 – the highest rate of small business job creation ever recorded in a single year. The investments being made through SSBCI are a key part of the Biden Administration's strategy to keep this small business boom going by expanding access to capital and by providing entrepreneurs the resources they need to succeed. The work Treasury has done through the

implementation process to ensure SSBCI funds reach traditionally underserved small businesses and entrepreneurs will also be critical to ensuring the small business boom not only continues but also continues to lift up communities disproportionately impacted by the pandemic. Treasury intends to continue approving state plans on a rolling basis.

The following descriptions highlight some of the key programs that Treasury has approved for the four states being announced today:

- **Colorado**, approved for up to \$104.7 million, will operate three programs, including a venture capital program, to which it has allocated nearly \$60 million. The program expects to invest in two venture capital funds per year for three years to build a diverse seed-stage portfolio of small businesses in need of capital. Colorado has also allocated \$35 million to an existing cash collateral support program that enables small businesses and non-profit organizations to secure credit by pledging a cash deposit as collateral. In addition, Colorado has set aside \$10 million for a loan program intended to help Main Street businesses recover from the pandemic.
- **Montana**, approved for up to \$61.3 million, will operate a loan participation program modeled after a successful program in the previous iteration of SSBCI. This new program is designed to significantly increase the number of eligible CDFI and non-profit local economic development agencies with revolving loan funds (RLFs) that can participate in the program, to obtain a much broader outreach for targeting underserved markets. In addition, this program gives rural and Native American entrepreneurs greater opportunity to create new businesses and expand existing small businesses — creating jobs and economic opportunities in Montana’s rural counties and Indian Country.
- **New York**, approved for up to \$501.5 million, will operate multiple programs, including a capital access program, loan guarantee programs, loan participation programs, and venture capital programs. For example, New York has allocated over \$154 million to a program that provide equity support to small businesses by investing through private venture capital funds and accelerator funds. This program will provide capital support to funds with diverse and emerging fund managers and teams. In addition, New York has allocated funds to two programs designed to help small and underserved businesses compete for government contracts, which may include projects funded by the Bipartisan Infrastructure Law. As part of these efforts, New York will expand an existing program that saw a significant majority of its support for potential contractors going to minority- and women-owned businesses.
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