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New Jersey's Investment is lower than the Average State Investment in SBDCs Nationally

Governor and Legislature Should Consider Small Business Assistance as Key to Sustained Economic Growth

June 15, 2018 (Newark, NJ) – [America's SBDC New Jersey](#), also known as the New Jersey Small Business Development Centers network, has assisted small businesses and entrepreneurs for 40 years. NJSBDC provides ongoing accountability reports to the Legislature and Governor's Office, especially in consideration of the proposed/introduced annual State Budget. The program was once funded at \$1 million a decade ago. The state currently invests \$500,000. This state allocation, which is leveraged with federal Small Business Administration (SBA) funding and other private sector and non-federal grants, helps provide comprehensive assistance for small business owners and entrepreneurs across New Jersey.

The state match is critical along with other non-federal funds the SBDC raises to obtain full federal funding for small business assistance services in all 21 counties.

Small business clients from around the state acknowledge that the guidance and knowledge they receive through the NJSBDC program has helped maintain, develop and grow their business operations. Clients maintain that this program is simply returning services for which they already pre-paid through the large amount of federal and state taxes they pay.

"The program produces high dividends to the State economy," said **Brenda B. Hopper**, NJSBDC Chief Executive Officer-State Director. *"Small businesses deserve even more assistance and resources."*

"Without small business development and growth, the economy won't grow. It's as simple as that!" **Deborah Smarth**, chief operating officer and associate state director, stated. *"The program provides the tools and strategies for business owners to find new markets, expand operations, increase business revenue sales, and retain and create jobs."*

A most recent survey of SBDCs nationally indicated that the average state investment in SBDCs stands at \$1.252 million. New Jersey falls significantly below that average. States like Georgia and North Carolina with a similar size population as New Jersey invest \$3.0 million and \$2.0 million, respectively. Connecticut, with a population less than half of New Jersey's, invests \$1.3 million in its SBDC program.

"Our experts advise small businesses that come to us for help in communities across the state," said Hopper. *"We take them to the next level."*

"We are on the ground everywhere, receiving state government small business referrals, and collaborating with municipal and county government economic development efforts," added Smarth. *"We're boots on the ground when it comes to economic development."*

For every dollar invested, more than \$2 is returned by the NJSBDC program. The cost per job created and retained according to a recent, past independent study (\$1,150/\$1,204) is way less than the past, average costs associated with jobs created and retained under the state's business grant and tax incentive programs aimed at larger companies.

In 2017, SBDC clients' revenue sales reached \$1.496 billion, returning an estimated \$60 million in sales tax revenues notwithstanding other business taxes paid to New Jersey. In addition, 630 SBDC small business clients started new businesses. More than 14,500 jobs were created and saved through NJSBDC's clients. The SBDC network's experts helped their clients obtain \$126.8 million in financing (loans and equity). In 2017, more than 19,200 total hours of counseling and one-on-one management consulting were provided to thousands of small business clients through NJSBDC's 12 regional centers statewide. More than 1,800 additional hours of small business training were provided at 541 training events throughout the state.

Science-technology companies, who received NJSBDC specialty assistance with competitive grant proposals and business plans, were awarded millions of dollars of federal grant funding to bring their technological innovations to the marketplace, setting the stage for further angel investors and venture capitalists to invest in these companies.

Small businesses assisted under this national SBDC program had an average 14.8% rate of job growth as compared to the national average of 1.8% for businesses not receiving SBDC technical assistance and support.

About America's SBDC New Jersey (NJSBDC)

The New Jersey Small Business Development Centers network, consisting of 12 centers, has provided comprehensive services and programs for small business in New Jersey for 40 years. This non-profit federal-state-educational partnership leverages funding from the U.S. Small Business Administration (SBA), the N.J. Business Action Center, and other private/public grants/sponsorships. NJSBDC Headquarters, located at Rutgers Business School, is an accredited member of America's SBDC, a national network with up to 1,000 centers/ satellite offices across the country, generating jobs, new businesses and economic development. Visit www.njsbdc.com.

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