



**Contact:**  
(973) 353-1927  
press@njsbdc.com

## INVESTMENT IN AMERICA'S SBDC NEW JERSEY GENERATES JOBS

### *Small Businesses Pre-Pay for these Services through their Taxes*

**June 9, 2016** (Newark, NJ) – The New Jersey Small Business Development Centers network, also known as America's SBDC New Jersey, has provided its annual accountability impact report to state legislators. Last year, the State Legislature increased the allocation amount for small business assistance through the state's Small Business Development Centers program. However, the Governor's proposed budget for FY 2016-2017 reduced that allocation.

"The network's impact on small business development and growth is strong over the years," said Brenda Hopper, NJSBDC chief executive officer and state director. "We need to ensure that the state's investment remains stable in relation to the increase enacted in last year's state budget. Small businesses need as much support as possible given the nature of the economy at this point in time."

The NJSBDC network states that it is not asking for an inflated state budget funded through more tax dollars, but rather, reallocation of existing budgetary funds for this high-yield purpose.

The statewide 12-center network is part of a national network –America's SBDC – which brings back federal funding to New Jersey for small business support provided that each dollar is matched with other non-federal sources of funding. The state investment is a part of that match with other leveraged private and non-federal grants, private sector sponsorships and other financial support. Without the proper match, New Jersey could lose its fair share of federal funding and leftover funds could revert back to other states' SBDC networks as a result. "New Jersey should get back its fair share of tax revenues it sends to the federal government," the network stated.

Several years ago the Legislature worked with the NJSBDC network on behalf of small business owners and entrepreneurs to increase state funding from half a million dollars to \$1 million. Following that increase, during the Corzine administration, the funding for this program was reduced to \$250,000 and that level was sustained during the Christie administration until June 2015 when a state budget was enacted with a \$500,000 allocation due to legislative efforts.

In 2015, the NJSBDC network helped its clients create and save 16,606 jobs and 554 SBDC clients started new businesses. "With our network's assistance and customized one-on-one counseling, small businesses succeed," said Deborah Smarth, NJSBDC network chief operating officer and associate state director. "We will continue to educate and promote proper investment in this jobs producing program by the state of New Jersey since our state's investment lags behind investments made by other states in their SBDCs. Small businesses already pre-paid for these services through their tax payments. They deserve comprehensive support in return."

In the 2015 non-partisan Small Business and Entrepreneurship Council's study, New Jersey ranks 49th in small business and entrepreneurial friendly policies. States with similar population levels as New Jersey like Georgia and North Carolina invest \$3 million and \$2 million, respectively, in their statewide SBDCs.

“Some economists are warning of difficult economic times ahead and a possible recurring recession. Small businesses need as much technical assistance and support as they can possibly obtain,” said Smarth. “We provide pro bono counseling and affordable training to empower small businesses and entrepreneurs to develop and sustain their operations in an efficient and effective way. This program helps create and save jobs. The Legislature’s restored increase for SBDC last year should be sustained in this year’s budget.”

A recent, past study by the Government Accountability Office (GAO) of 52 economic development/entrepreneurial programs lauded the national SBDC program (America’s SBDC) due to its high standards of applying metrics, programmatic and financial reviews, national accreditation and economic impact through job generation and small business retention and expansion.

“We’ve been serving small business owners for 37 years,” said Brenda Hopper. “Our experts come from the private sector and have been small business owners. We share a wealth of information and provide the necessary guidance to help small businesses advance their productivity, products, services, etc.”

Last year, the program provided one-on-one personalized management consulting for more than 4,100 small business owners and entrepreneurs, delivering almost 17,000 total counseling hours; and more than 6,500 trainees gleaned knowledge to apply to their businesses by participating in 508 diverse training seminars held across the state. In addition, almost \$74 million in financing and \$15.8 million in procurement contracts was facilitated for the SBDC network’s clients. Client sales revenues conservatively generated \$900 million resulting in approximately \$50 million in sales tax revenues, notwithstanding additional business and income taxes to the State Treasury. According to an independent 2015 study, for every \$1 invested in all counseled clients of the SBDC program, \$2.92 is returned. That return was even higher as it related to clients receiving five or more hours of counseling.

In June 2015, the Governor was quoted as saying at a Chamber of Commerce event that, “Small businesspeople don't have a lawyer on staff,” and, “They can't afford to hire two or three people to fill out the paperwork, and they get overwhelmed by what government places on them.”<sup>1</sup>

“Small businesses can’t afford a high level of resources. Thus, the kinds of services that NJSBDC provides to small business owners are invaluable. The services business owners receive from NJSBDC would be cost prohibitive if they tried to obtain those services from the for-profit market,” Smarth said. “We help small business owners and would-be entrepreneurs to organize operations properly, understand their business plans and financials, and provide them the resources for guidance to navigate through governmental rules, regulations and other aspects of developing and sustaining their businesses including obtaining financing.”

According to official statistics of NJSBDC Headquarters, from 2005 through 2015, the statewide network helped its clients create and save 105,804 jobs; more than 5,000 SBDC clients started new businesses; and \$497,381,922 in financing (loans and equity) was facilitated for SBDC clients.

The senior leadership management team of America’s SBDC New Jersey strongly indicated that, “This is a program that is essential for small business owners and entrepreneurs and we need to leverage as much funding as possible to provide comprehensive assistance to the small business sector. They create the jobs and support New Jersey’s economy.”

---

<sup>1</sup> <https://www.uschamber.com/above-the-fold/gov-christie-heres-how-get-small-businesses-us-economy-back-track>

## About America's SBDC New Jersey (NJSBDC)

The New Jersey Small Business Development Centers network, one of the first pilot projects in the nation, has provided comprehensive services and programs for small business in New Jersey for 37 years; SBDC experts help businesses expand their operations, manage their growth, or start new ventures. Expert staff and practicing business consultants help small business owners and entrepreneurs to develop business plans, find financing, accounting and financial analysis, identify new markets, initiate marketing strategies, find procurement and international trade opportunities, learn green sustainability practices, commercialize technology and develop an E-commerce presence. This non-profit network, a federal-state-educational partnership, leverages funding from the U.S. Small Business Administration (SBA), the N.J. Business Action Center, the educational institutions that host the 12 centers as well as other private sponsorships and additional private/public grants. The NJSBDC Headquarters, located at the Rutgers Business School in Newark, NJ, oversees the network which is an accredited member of the national network of America's SBDC. Up to 1,000 centers and satellite offices serve small businesses across the country, generating jobs, new businesses and economic development. Visit [www.njsbdc.com](http://www.njsbdc.com).

###

