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Businesses and the economy are benefiting from access to financing through Mid-Columbia Economic Development District (MCEDD), according to a recent study conducted by the Oregon Consulting Group. The team completed an independent analysis of MCEDD's revolving loan fund program, revealing that businesses in the program have overall significantly contributed to employment, wages, and community health. The program, which is available to entrepreneurs, start-up businesses and expanding businesses in Sherman, Hood River, Wasco, Klickitat and Skamania counties, was created to provide access to capital and complement private sector lending.

Metrics from the study measured the growth of businesses over time and provided a comparison pre- and post-financing of the change in number of employees, business revenue and area growth. Across each metric, businesses performed well. One of the highlights from the report showed a **total wage growth of \$40 million, with more than 50% of that amount attributable to jobs paying higher than average wages for the region.** The report indicated that businesses involved in the program also had a significant impact on hiring employees, with 85% noting that the financing through MCEDD allowed them to increase employment in the local area. Significantly, that hiring trend continued post-financing, as well.

MCEDD Board Chair Ken Bailey shared the reason for the survey, stating "We undertook this study to gain insight and perspective from an independent third party on the impact of our programs to the regional economy over the long term. We were very pleased with the long term impact as that is what the funds are designed to accomplish." The initial investments to MCEDD, which uses a range of public financing tools, managing funds originating from the State of Oregon, State of Washington, US Department of Agriculture, US Economic Development Administration and through the Columbia River Gorge Oregon Investment Board, are revolved many times over. As a business repays their loan, those funds are reinvested into new businesses in the region, accelerating the economic health of the economy.

In addition to the wage and employment impacts, the Oregon Consulting Group also sought to assess community impact and the change in a business' self-sufficiency over time, both of which are important to MCEDD which seeks to invest in businesses that will remain anchored in the local community and contribute to future economic opportunities. The report findings indicate that the program is assisting businesses which are reinvesting into community and MCEDD is investing into businesses who are sustaining overall gradual growth, with a \$450,000 median increase in sales. Further, 88% of businesses were stable or growing after concluding their financial relationship with MCEDD.

MCEDD Loan Administration Board Chair Scott Clements commented on the findings stating, “The function of our revolving loan fund program is to provide access to credit to those unable to qualify for bank funding. By design, this entails a greater lending risk than the commercial norm. The finding that our program is making a material regional contribution to the creation, growth and success of these entrepreneurial undertakings is heartening and is a testimony to the effectiveness of all involved in the program’s administration.”

The consulting group drew conclusions around business trajectories and common characteristics, with the highest growth businesses being those exporting products and/or bringing in business from outside of the area. As an additional benefit, these businesses were generally able to invest in the training of their employees to continue growth of the local workforce.

MCEDD’s Executive Director Amanda Hoey lauded the independent research team and noted that an unanticipated benefit from the process is how much the team learned about the local area. “The consultants reflected in their final presentation that they were astounded by how much our clients were giving back to their communities. It is reflective of our regional Gorge business culture and sign of a healthy community,” stated Hoey.

Mid-Columbia Economic Development District promotes the creation of family-wage jobs, the diversification of the economic base, and the growth, development and retention of business and industry. MCEDD was established in 1969 by Klickitat, Skamania, Hood River, Wasco, and Sherman counties to benefit from better access to economic development loans and grants, pooled technical assistance, marketing, and administrative resources, and a regional approach to economic development efforts. Over the years MCEDD’s membership has grown to include counties, cities, ports and chambers of commerce within the five county region. The loan program is part of MCEDD’s efforts to strengthen and support the region’s economy. Contact MCEDD at 541-296-2266 or www.mcedd.org for more information.

“The Oregon Consulting Group (OCG) is a professionally managed, student-run consulting organization housed in the Lundquist College of Business at the University of Oregon. OCG works with companies and nonprofit organizations to deliver excellent quality research, analysis, insights, strategies and business plans at a fraction of the cost of a traditional consultancy. Founded in 2014, its primary purpose is to provide student consultants an opportunity to gain mastery of their classroom studies through intensive experiential learning. OCG serves companies and nonprofits on a wide range of consulting projects, operating under the guidance of a professional director and drawing on the expertise of Lundquist College of Business faculty and research resources to provide clients with a professional deliverable from student consulting teams.”

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