

Rural Business and Cooperative Service • Intermediary Relending Program

Fueling Wage Growth, Business Expansion in the Columbia Gorge

Rural businesses on both sides of the Columbia River—from a brewery to an assisted living facility, from a Thai restaurant to a tribal fish market—are improving the local economy by hiring more employees and providing higher wages. These myriad small businesses have one thing in common: they were unable to obtain conventional loans. Instead, they financed the start-up or expansion of their business with assistance from the Mid-Columbia Economic Development District (MCEDD).

USDA Rural Development helped to capitalize MCEDD's revolving loan fund through \$2.86 million in Intermediary Relending Program loans. Those funds are still being revolved by MCEDD today, with the nonprofit providing new funding as existing loans are paid off. So far, the portion of MCEDD's revolving loan fund capitalized by USDA has assisted more than 80 small businesses. "We appreciate the primary role that USDA played in providing the capital for this program," said Amanda Hoey, Executive Director of MCEDD.



Intermediary lending by MCEDD is helping rural communities in the Columbia Gorge improve jobs, wages, and the economy overall.

Many of the businesses assisted are investing in higher wages and training for their employees. The highest growth businesses are exporting products or bringing in business from outside the local area. An independent analysis of the impact of this lending program over the past 15 years found that 85 percent of the businesses assisted were able to increase hiring as a direct result of their loan from MCEDD, and that 88 percent were stable or growing after concluding their financial relationship with the nonprofit. Still more impressive, the study found that MCEDD's assistance resulted in a total wage growth of \$40 million in the region, with more than 50 percent attributable to jobs paying higher than average wages for the area.

"The study consultants reflected that they were astounded by how much our clients were giving back to their communities," said Hoey. Overall, the increased access to capital is significantly contributing to the creation, growth, and success of local business ventures, which is improving the economy and more opportunities for local residents.

Obligation Amount:	\$2.86 million loans
Date of Obligation:	June 1999, June 2004, November 2007, October 2011, August 2012, and June 2014
Congressional District:	Representative Walden, District 2; Senators Wyden and Merkley
Partners:	Mid-Columbia Economic Development District, Economic Development Administration, State of Oregon, and Orgon Consulting Group
Demographics:	Hood River, Sherman, and Wasco counties in Oregon; Klickitat and Skamania counties in Washington State
Impact:	Long-term lending through a revolving fund has improved the economy in the Columbia Gorge, creating new jobs, expanding businesses, and generating \$40 million in wage growth since 2002.
