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Pennsylvania SBDC Responds to Governor Corbett's 2014-15 State Budget Proposal

PHILADELPHIA – Today, Governor Corbett announced additional funding for the [Pennsylvania Small Business Development Centers](#) (SBDC) and its partners as part of the [Partnerships for Regional Economic Performance](#) (PREP) budget line item. By increasing its investment in PREP, Governor Corbett and the Pennsylvania Department of Community and Economic Development have taken steps to put the Commonwealth on the path to economic growth.

“We are pleased to see an increase in the PREP line item in the Governor’s budget proposal, this is a step in the right direction,” said Pennsylvania SBDC State Director Christian Conroy. “To support the Governor’s job-creation goals we are introducing Start-Up in PA, our plan to help jump-start the Commonwealth’s start-up economy and build on this positive momentum.”

[Start-Up in PA](#) outlines the unique position Pennsylvania is in to grow its economy through entrepreneurship. The proposal points to the fact that Pennsylvania ranks low in new business formation rates and has a low entrepreneurial index according to the Kauffman Foundation. The Pennsylvania SBDC argues that these statistics can be counteracted by leveraging three key populations of the Commonwealth:

- 1.) Pennsylvania’s older populations of experienced adults are prime targets for entrepreneurship, with those aged 55-64 increasingly starting new companies at higher rates than their younger counterparts.
- 2.) Pennsylvania has the fifth largest population of veterans in U.S., another group who typically excels at new business formation.
- 3.) Finally, the SBDC expects more entrepreneurs will be taking the leap to start new ventures thanks to easier access to healthcare insurance.

All of these opportunities can be leveraged to build innovative new companies that can succeed in today’s global economy and achieve robust growth. Start-Up in PA proposes to facilitate the development of new firms with significant growth potential by utilizing the additional state funding to deliver a more robust suite of start-up services, which will be available to assist more prospective entrepreneurs in all 67 counties of the Commonwealth.

Funds will be used to provide prospective entrepreneurs with the resources to plan and launch successful new ventures through supporting start-up educational and consulting at all 18 centers in the network to ensure access to services and impact all across the state. Start-Up in PA services will include:

(MORE)

SBDC Locations

Bucknell University
Clarion University
Duquesne University
Gannon University
Indiana University
of Pennsylvania
Kutztown University
of Pennsylvania
Lehigh University
Lock Haven University
Penn State University
Saint Francis University
Saint Vincent College
Shippensburg University
Temple University
University of Pittsburgh
University of Scranton
The Wharton School,
University of
Pennsylvania
Widener University
Wilkes University

- Access to the SBDCs tools and resources including research databases and business software programs
- Additional “First Step: Starting a Business” workshops, Starting a Business Online Tutorial and in-depth business planning programs
- Professional advisement including individualized, confidential consulting on all areas critical to business success
- Connections to other state economic development partners and services
- Assistance in planning and organizing a business Grand Opening event
- Additional growth and expansion services as the business matures

“It is important to focus on spurring new business formation, because as these firms mature and grow, they will maintain and increase their employment,” said Conroy.

While the Pennsylvania SBDC is deeply appreciative of the proposed increase, it still maintains that \$15 million in the PREP line item is the minimum amount of funding needed to continue supporting the Commonwealth’s entrepreneurs and job-creators. In addition to providing funding for the SBDC network, the line item also supports the Economic/Industrial Development Corporations, Industrial Resource Centers, and Local Development Districts.

Based on the Pennsylvania SBDC network’s performance-based funding allocation model, the following annual impacts are anticipated to result **just from** Start-Up in PA services:

- Clients – 700
- Consulting Hours – 7,000
- First Step Courses – 60
- First Step Attendees – 600
- Online Starting a Business Tutorial Users – 250
- Start-Up and Expansion Capital Acquired – \$6,000,000
- New Businesses Opened – 100
- Jobs Impacted – 250

[Independent analysis of SBDC start-up services](#) has demonstrated that these services are highly effective. In fact, more than 75% of new businesses started with SBDC assistance are still in business after five years, a success rate that is 20% greater than the survival rate for other companies that start without SBDC assistance.

To download the Start-Up in PA proposal in its entirety, visit www.startupinpa.com.

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About Pennsylvania Small Business Development Centers (SBDC)

The Pennsylvania SBDC network is the only statewide, nationally accredited program that provides high quality one-on-one consulting, training and information resources to empower new and existing businesses. SBDC consultants work with entrepreneurs in confidential, individualized sessions to help them with a range of business issues including testing a new business proposition, shaping a business plan, investigating funding opportunities, and much more. The SBDC program is a public/private partnership with the U.S. Small Business Administration, the Pennsylvania Department of Community and Economic Development and 18 universities and colleges across the Commonwealth. For more information on the Pennsylvania SBDC services and impact, please visit www.pasbdc.org.