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## Job and Business Development Program (JBD)

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**WISCAP's Job and Business Development (JBD) program** provides vital technical assistance to low-income entrepreneurs to successfully start or expand small businesses in Wisconsin. Agency staff assists clients to develop business, financial and marketing plans and to access capital through commercial lenders and agency-operated revolving loan funds. The JBD program was created with Governor Thompson's endorsement in 1989 and has had **bi-partisan support** for over 25 years. The current 2015-17 state budget provides **\$200,600 GPR annually** for operate JBD at nine Community Action Agencies & the Great Lakes Inter-Tribal Council (GLITC). DWD's budget request for 2017-19 remains at \$200,600 GPR annually.

- **JBD directly creates & preserves jobs**, a critical priority of the administration. Since its inception, JBD has **created 2,188 new small businesses** and **6,022 new jobs in Wisconsin**. Since Governor Walker overrode a proposed rescission in 2011 that enabled the program to continue, **333 new jobs** have been created at **190 new businesses & 114 existing businesses** (through 2016).
- Since 2006, JBD has leveraged **\$9.98 million** in loans to Wisconsin small businesses in over 40 counties and **\$4.6 million** in other business development support. This means JBD leverages over **\$6.50 in other funds** for every \$1 in GPR funds.
- JBD **stimulates local economies** because business owners (1) buy local supplies and services; (2) sell value-added goods and services; and (3) pay sales and income taxes that increase state revenues. An analysis by Southwest CAP showed that **for every \$1 spent on JBD, \$1.78 was returned to the state in increased tax revenues**.
- JBD is a unique economic development initiative that **directly targets low-income people** and helps them to become **tax-paying business owners** who utilize fewer public resources.

JBD was initially funded at \$250,000/year. Over the past 25 years, through various budget rescissions of past administrations, the program's funding has declined 20% to the current annual appropriation of \$200,600. However, as more CAAs seek to provide business development services in underserved areas and the effects of inflation continue to accumulate, the pressure on GPR funds has increased considerably. Presently state funding has declined to \$19,000 per agency. With a modest increase in state investment, the JBD program can serve more clients and expand services to more counties.

- Annual GPR funding at \$500,000/year would further stimulate local job and business creation. Based on the last 10 years of actual JBD performance, the additional \$299,400/year in GPR funding is projected – over 5 years – to **start 324 new small businesses, create 590 new jobs, preserve 240 existing jobs, and leverage \$6.97 million in new private sector business loans**.