



OREGON CAPITAL SCAN 2020

A REPORT AND ANALYSIS OF CAPITAL FLOWS
AND AVAILABILITY IN OREGON 2018-20

 **Lundquist College of Business**

PREPARED BY THE UNIVERSITY OF OREGON LUNDQUIST COLLEGE OF BUSINESS
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Acknowledgements

The 2020 Oregon Capital Scan offers a unique perspective on the flows of capital into and through the State of Oregon from 2018 through 2020. As the project was beginning to take shape in March 2020, the world shifted with the COVID-19 pandemic. At the time, the group of stakeholders supporting this effort chose to continue with this project when it was clear that many other challenges were on the horizon. This commitment to consistency and continuity of data reporting enables this effort to serve as a bridge between the economy pre-pandemic and the economy to be built after the pandemic.

Oregon Capital Scan Steering Committee

The 2020 Oregon Capital Scan Steering committee members are:

- Business Oregon: Ricardo Lopez, John Saris, Kate Sinner
- Craft3: Adam Zimmerman
- CTC Consulting | MyCFO: Jon Finney
- Federal Reserve Bank of San Francisco: Ian Galloway
- The Ford Family Foundation: Kathleen Flanagan
- Independent Consultant: Sayer Jones
- Lemelson Foundation: Rachel Jagoda Brunette
- Meyer Memorial Trust: Judith Hutchison
- Office of the State Treasurer: Dmitri Palmateer
- Oregon Community Foundation: Melissa Freeman
- Oregon Small Business Development Center Network: Noah Brockman
- Oregon Economic Development Association: Avery Pickard
- Oregon Entrepreneurs Network: Amanda Osborne
- Prosper Portland: Katherine Krajnak, Kay Little
- US Senator Ron Wyden's office: Grace Stratton

This report would not be possible without the collaboration of the steering committee members listed here. Many assisted by providing data represented in the report and all offered support of the effort through a turbulent time. The community effort represented here serves as a great example of collaboration focused on understanding and improving the growth-oriented economy of the State of Oregon.

Oregon Capital Scan Team



Nathan Lillegard, Instructor of Entrepreneurship and Program Manager of the Lundquist Center for Entrepreneurship at the University of Oregon leads the Oregon Capital Scan research program. Nathan has been a part of every Oregon Capital Scan project since 2014, developing a unique perspective on the gathering of data and analysis necessary for this effort.

The student team for the 2020 version includes students from diverse backgrounds and fields of study. Each team member has made valuable contributions to the report and extended their own personal growth through participation on this project.

Miranda Menard served as the lead editor of the 2020 Capital Scan. She is a concurrent Master of Business Administration and Community and Regional Planning student graduating in 2021. She is interested in economic development and filling industry gaps. Miranda brought her perspective in both public policy and business to the team.



Ethan Rife is an undergraduate in the Lundquist College of Business. Ethan led the research into the angel investing and venture capital sections of the 2020 report. Ethan’s passion for entrepreneurship is evident in his engagement with entrepreneurial student organizations and events at the UO and his work as the founder of CactusandCandles.com.

Dharini Srinivasan is a Master of Business Administration student graduating in 2021. Her professional experience prior to joining the Oregon MBA focus in Entrepreneurship and Innovation was as a Software Engineer for Wipro Systems in India. Her work experience enabled Dharini to lead the effort to develop a data model for the Oregon Capital Scan that can be applied to future reporting and analysis.



William Sullivan is a student in the Master of Public Administration program at the University of Oregon. Williams efforts for the 2020 Capital Scan were focused on gathering data on public sector programs that support entrepreneurship through state, county, and city programs. William’s experiences as a Peace Corps volunteer and through RARE AmeriCorps in Falls City, Oregon helped him to connect with vital public programs that support entrepreneurship.

Alvia Wilcox is a concurrent Master of Business Administration and Master of Finance Student, graduating in 2021. Alvia focused on gathering data on commercial lending by banks and credit unions for the 2020 Capital scan report. Her professional experience in the banking industry of her native Peru served as a foundation for her engagement with the report.



Introduction

The effort to understand the flows of capital in the state of Oregon began with a group of stakeholders in 2012 who saw a need to identify gaps in the capital ecosystem. As that first report focused on the challenges of recovery from the great financial crisis, it was followed by a second iteration in 2014 and through continuing support from a growing group of stakeholders, the project has become a biennial effort of the University of Oregon's Lundquist College of Business.

In each iteration of the Capital Scan from 2014 to 2020 the focus of the project has been to illuminate data that is not otherwise easily accessible. The research and analysis also seek to provide insights into the opportunities and challenges for businesses in Oregon seeking outside capital through loans, grants, crowdfunding, equity investments and other programs to grow their firms, employment base and the Oregon economy.

This report seeks to provide data on capital flows in Oregon from the earliest stages of company formation to mature growth capital. To align with other statewide efforts to understand and support the capital ecosystem, this report aligns with the Oregon Innovation Plan metrics for classification of capital in PitchBook. That classification calls out the various stages of risk capital:

- **Translational Research and Commercialization** – typically grant funds to support the earliest stage technical ideas through SBIR/STTR grants and Oregon SRCs, ONAMI and VertueLab.
- **Pre-seed funding** – Capital for initial development and validation of a business ideas (typically between \$10,000 and \$50,000 in total funding for a new business).
- **Angel funding** – Capital for the earliest stages of company formation (commonly between \$50,000 and \$500,000 per round). Sourced from private angel investors (high net worth individuals) and angel investment networks.
- **Seed funding** - Capital to assist with the early growth stages for a venture (commonly between \$500,000 and \$2 million per round). Sourced from later-stage angel investors and venture capital firms who invest at early stages.
- **Early-Stage Capital** – Venture capital to help established businesses scale and develop (typically between \$2 million and \$15 million rounds). Sourced from one or more venture capital firms.
- **Later Stage Capital** – Larger rounds of venture capital (more than \$15 million per round) to help established firms develop new products, expand into new markets, or even to acquire other companies. Sources of later stage capital include venture firms, hedge funds, investment banks, and private equity firms.
- **Debt Financing** – Lending to firms of any size or maturity that may include CDFI, SBA, commercial bank loans, and other sources of working capital.

Recognizing the importance of consistency between reports and planning efforts, the 2020 Capital Scan will include these classifications of risk capital within the broader context of the report. However, the breadth of the data sources surveyed for the Oregon Capital Scan includes data for funding programs that are not easily classified such as business loans from credit unions, USDA lending programs, city and county grant and loan programs and others.

Data regarding capital resources is organized according to the stages of business growth: Startup, Launch, and Growth. The intention with this classification is to enable readers to assess the health of Oregon's capital ecosystem for firms at each stage.

Survive – CARES Act Programs

Acknowledging the significant economic disruption that has occurred throughout 2020, this report captures some data from programs enacted by Congress in response to the pandemic.

- Compilation and analysis of Paycheck Protection Program (PPP) loans in Oregon
- Summary compilation of Economic Injury Disaster Loans (EIDL) in Oregon
- Listing of State of Oregon agency allocations of funding from the CARES Act

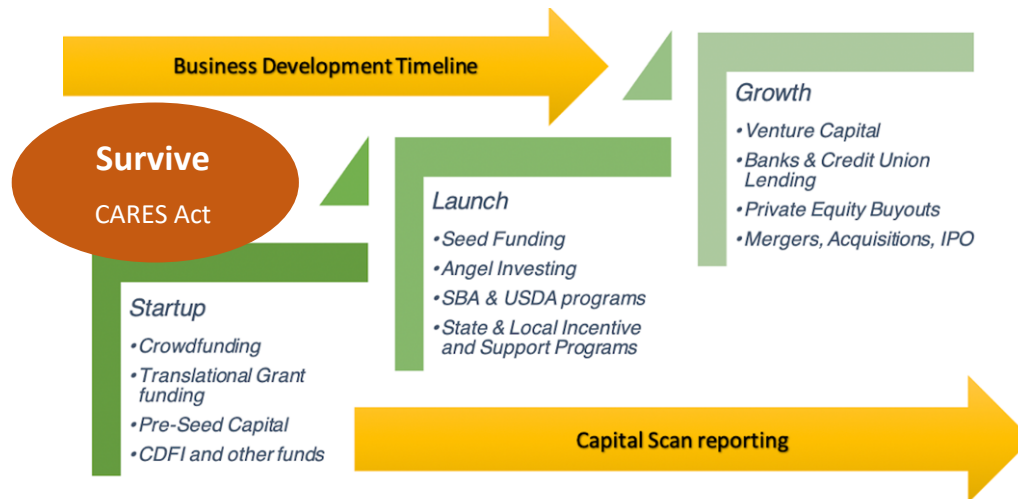


Figure 1 - Capital scan report structure

Startup – funding for the earliest stage of business development

In Startup, are there sufficient resources to test the idea, validate a market need, and organize a business entity?

- Crowdfunding – Funding from individuals to support a project on a online platform.
- Translational Research and Commercialization – SBIR/STTR and Oregon Signature Research Center funding
- Pre-Seed funding – founder resources to start businesses

Launch – Capital for established businesses to meet a market need

In Launch, can a business obtain capital to support growth from simple operations to a self-sustaining scale?

- Seed – Debt or equity investments from friends, family, or angel investors
- Angel – from individuals or groups of individuals
- SBA & USDA backed loans through financial institutions
- State & local government incentive and support programs

Growth – Capital to expand and grow a business opportunity

In Growth, can a business secure capital necessary to grow a large and impactful scale?

- Venture Capital – early and late-stage investments (Series A and beyond)
- Commercial Bank and Credit Union Business lending

Executive Summary

Chronicling the past is a challenging endeavor. The recent experiences tend to dominate discussions as the freshest feelings and most urgent reminders of a situation are at the forefront of thought and action. But there is value in looking beyond the most recent history to a time further back in our memory. Understanding the experiences that shaped responses to a current challenge helps prepare for the future. Such is the charge of the 2020 Oregon Capital Scan.

This reporting effort began just as the world shifted in March 2020. In that context, the goals of this report became clear. First, document what was happening in the 2018-2019 time period (the 'before'). Clearly understanding what was and was not working in Oregon is critical to building a better 'after' economy. As the research progressed and the economic reality of a post COVID-19 world emerged, a secondary goal emerged – document the unprecedented responses to the economic challenges ahead. At the time of publication, there are still many data sets to be finalized to capture the activities of capital flows in an unprecedented time. From what we know as 2020 comes to an end, here are some insights identified in this report.

CARES Act funding had a substantial impact in 2020. The total dollar value of capital obtained by Oregon firms was over \$8 Billion. This level of lending activity is unprecedented, surpassing the total of \$5.4 Billion in total outstanding bank small business loans in Oregon before the PPP.

Indicators of new firm formation are strong. Filings for new LLCs increased an average of 22.9% over the 4-year average since June 2020. Also, angel round investments increased in 2020 over 2019 levels indicating positive trends for firms seeking to grow in the coming years.

Oregon's SBDC Network serves the needs of many. In 2018 and 2019, the SBDCs continued to serve businesses in all corners of the state. 2019 was a particularly strong year for sales increases and capital access measurements, with both growing over 30% from 2018 levels.

City and County, and other government business funding programs are important for their communities. Newly reported in this edition of the Oregon Capital Scan data show that many cities across the state offer assistance to businesses. Whether through grant or loan programs, jurisdictions are actively supporting business formation and growth in various ways. These efforts are complementary to the efforts of Economic Development Districts across the state.

State of Oregon business initiatives through Business Oregon are a consistent foundation for programs across the state. These programs have been actively engaged in the application of CARES Act funding and economic responses to COVID-19. The full impact of these initiatives will be measured once data is available from activities in 2020.

SBA Lending to Oregon firms has rebounded from a drop between 2017 and 2018. Demographic data gathered by the SBA indicates that challenges for female business owners are real and persistent. Even more challenging, data on SBA loans show that non-white owned businesses continue to face systemic challenges in obtaining funding.

Venture Capital investing in Oregon dropped in 2020 after 5 straight years of growth. Since 2015, VC investment in Oregon has tripled. The drop in total funding in 2020 is tempered by increases in Angel round investments and the number of late stage (4th round +) investments made in Oregon firms.

Oregon has strong local VCs for early stages of company growth. The top 5 most active VC firms in Oregon since 2014 are all Oregon based. However, these firms have relatively limited assets under management, which limits potential follow-on funding or larger initial rounds.

Consolidation in the banking industry continues to be reflected in decreased lending by Oregon Headquartered banks. The count of banks with an Oregon headquarters dropped in 2019 to just 16, down from 28 in 2014. As some of the larger Oregon headquartered banks have combined with out of state banks, the total amount of loans by banks based in Oregon fell below \$5 Billion in 2019 from over \$10.1 Billion in 2015.

Credit Union business lending has seen strong growth since 2014. Business lending by member-based credit unions has not previously been included in the Oregon Capital Scan. While the total value of loans is below 10% of the total of Oregon based banks, credit unions do serve local needs. Loan data shows that credit unions have a large impact in non-Metro regions of the state.

The 2020 Capital Scan is just that; a scan of the landscape of capital resources firms can access to start, launch, and grow. While broad in coverage of capital types, this report does not dig deep into the questions which many stakeholders may have about economic, social, or racial disparities of capital flows and access. Such detailed analysis is the domain of a different type of research by more appropriate investigators and organizations. What the 2020 Oregon Capital Scan can offer is a look into the activities of Oregon's economy in the relative stability of 2018-2019, the adaptation to the different world of 2020, and a measurement of activities that can be used to calibrate how Oregon's businesses and capital resources evolve in the coming years.

Contextual Economic Data

Perspective is important in evaluating the data presented in this report. The reporting timeframe of 2018-2019 was a relatively stable time for the Oregon and national economies. The general economic indicator data presented here serve as reference points to understand a few of the measurements of economic activity that can inform interpretation of the data regarding capital flows.

Oregon Economic Forum data

A program of the University of Oregon Department of Economics, the Oregon Economic Forum (<https://econforum.uoregon.edu/>) collects and reports on economic indicators for the state of Oregon. The summary measurements of Oregon’s statewide economic activity are included here. Oregon Economic Forum reports typically include data from 2010 forward. For purposes of context to this report, the charts below covers data gathered since 1990.

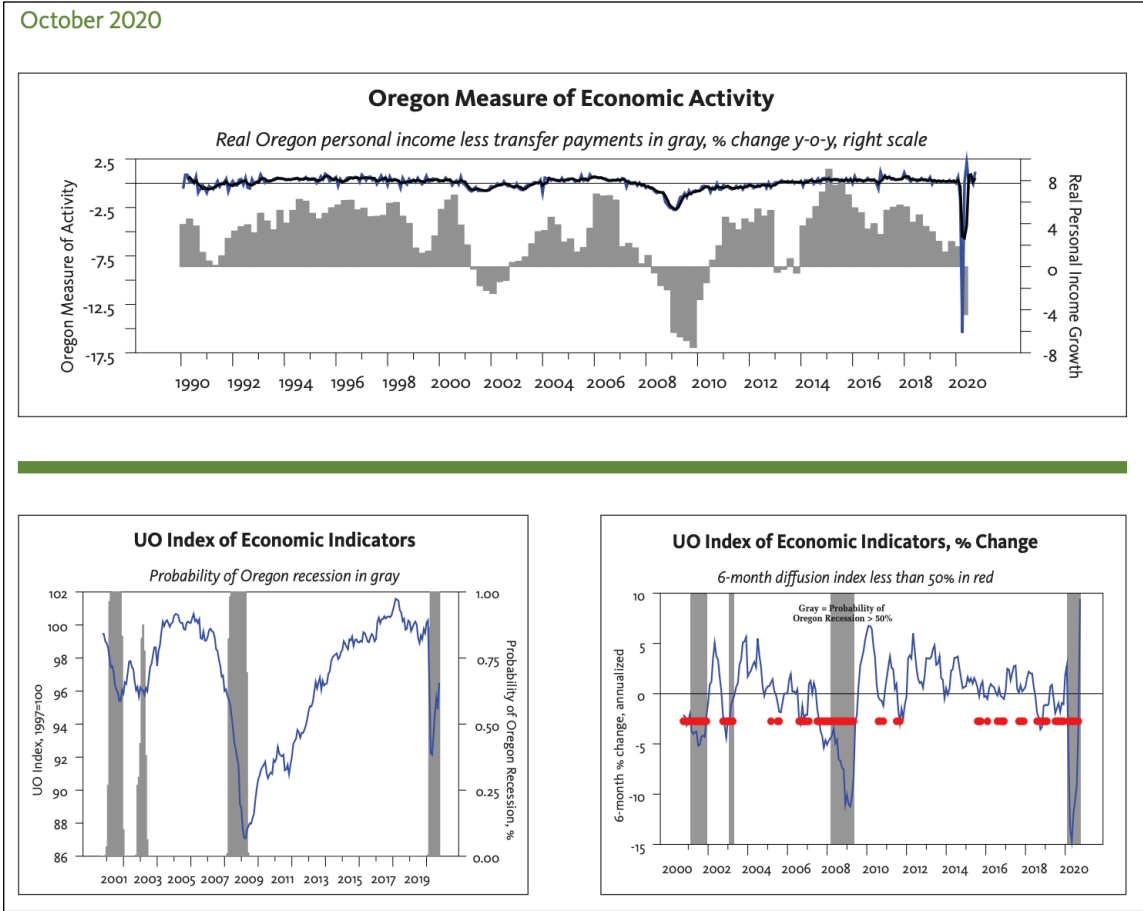


Figure 2 - Oregon Economic Forum Indicators - October 2020

The data represented in Figure 2 - Oregon Economic Forum Indicators - October 2020 show the context of the 2018-2019 timeframe covered by this report. In general, economic activity was positive in these times, but not as robust as covered by previous Oregon Capital Scan reports. The economy of Oregon was growing, but the rate of growth and drivers of growth were weakening.

Statewide Business Creation

In Oregon, business formation is managed by the Secretary of State (SoS). That office collects Business formation statistics on the number of filings over three broad categories:

1. Limited Liability Companies (LLC) – creation of a new legal entity for a new firm.
2. Assumed Business Names (ABN) – filing a name for a firm to operate under.
3. Corporations (Corp) – creation of a new legal entity with a corporate structure.

The impacts of the economic challenges presented by the COVID-19 pandemic are clearly represented in **Error! Reference source not found.** In March 2020, just as public health policies to protect Oregonians were implemented, business formation, as represented by filings with the SoS dropped below the 4-year average, remaining below average through May. The largest percentage change was a 14.74% drop in new corporation filings in May 2020.

New Business Filings Increase in the second half of 2020

Interestingly, the rate of filings for new entities grew in June 2020. Filings for ABN are up an average of 5.25% from June to November 2020 over the 4-year average. Monthly filings for LLCs, arguably a more accurate indicator of actual firm formation than ABNs, have increased an average of 22.39% since June 2020. This indicates a potentially promising development when evaluating the economic recovery potential that may be driven by the flow of capital in the near-term future.

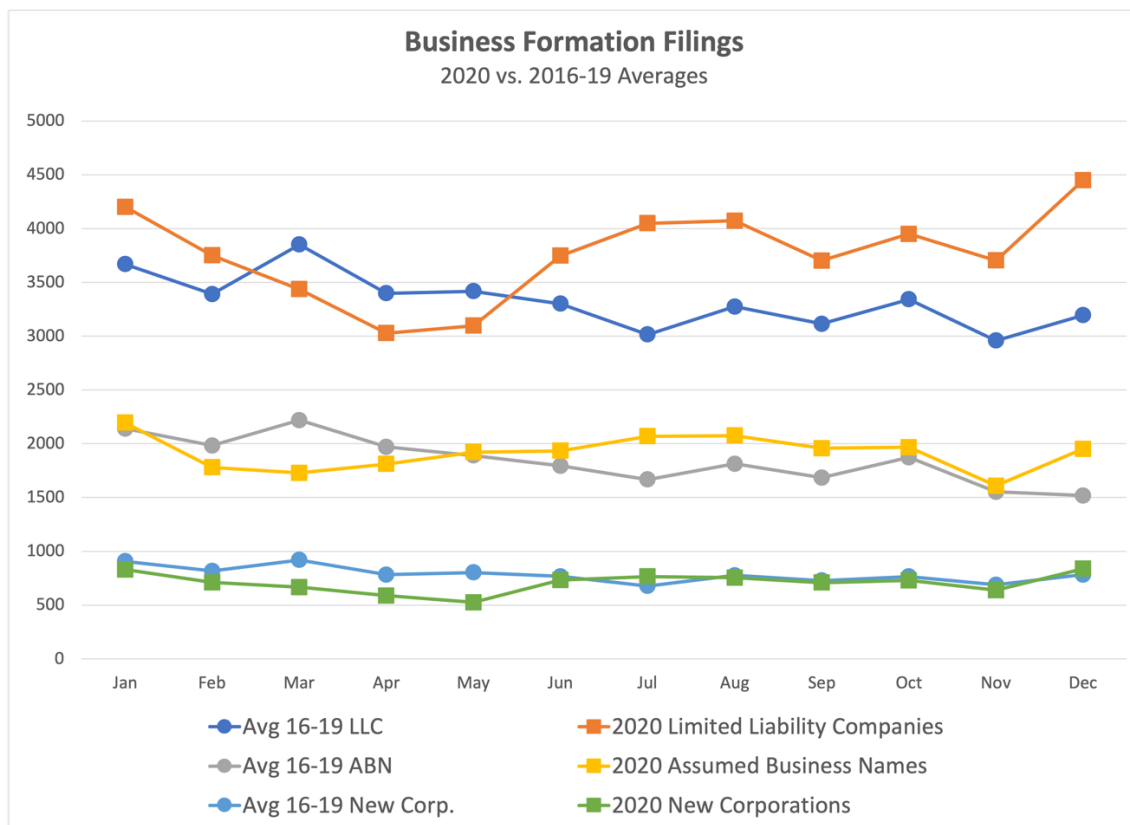


Figure 3 - Oregon Business Formation trends

Oregon Employment Data

The Oregon Economic Forum compiles employment data for regular reporting. The most recent report (October 2020) chart is presented here. These data show the massive impact of the COVID-19 related shutdowns on employment since March 2020. Of note is the relative stability of employment over the past decade.

October 2020

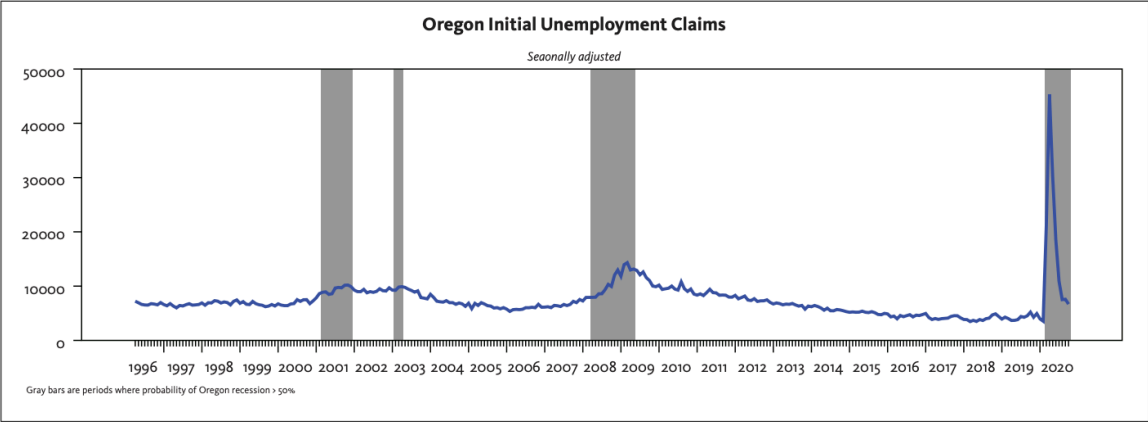


Figure 4 - Historical Oregon Unemployment Claims

Zooming in to the time periods covered by the Oregon Capital Scan (2012-2019) a more positive trend in employment appears.



Figure 5 - Oregon Unemployment Rate: 2012-2020

Since 2012, Oregon has experienced steadily declining unemployment, reaching what many described as ‘full employment’ in 2017. That prosperity has turned around drastically, with record levels of unemployment in May 2020. Direct correlation between unemployment and business creation is difficult to make. However, one can see the trends of significant business creation in the form of new registrations as a positive sign for the future prospects of Oregon’s economy. More businesses started today should yield more opportunities for growth in the future. Those firms will need capital, which defines the key purpose of this report – understanding the flows of capital available to Oregon based firms.

Oregon Regional Solutions

To the extent possible, analysis of data for the Oregon Capital Scan includes summary by Oregon's Regional Solutions framework. These teams work closely with the Governor on community and economic development priorities. Established by executive order in 2011 and enacted by the Oregon Legislature in 2014, Regional Solutions is comprised of eleven regions around the state. Each of these regions has an appointed regional coordinator plays a vital role in convening state agencies and local stakeholders to identify and complete projects. More information on the Oregon Regional Solutions program can be found here -

<https://www.oregon.gov/gov/admin/regional-solutions/Pages/about.aspx>

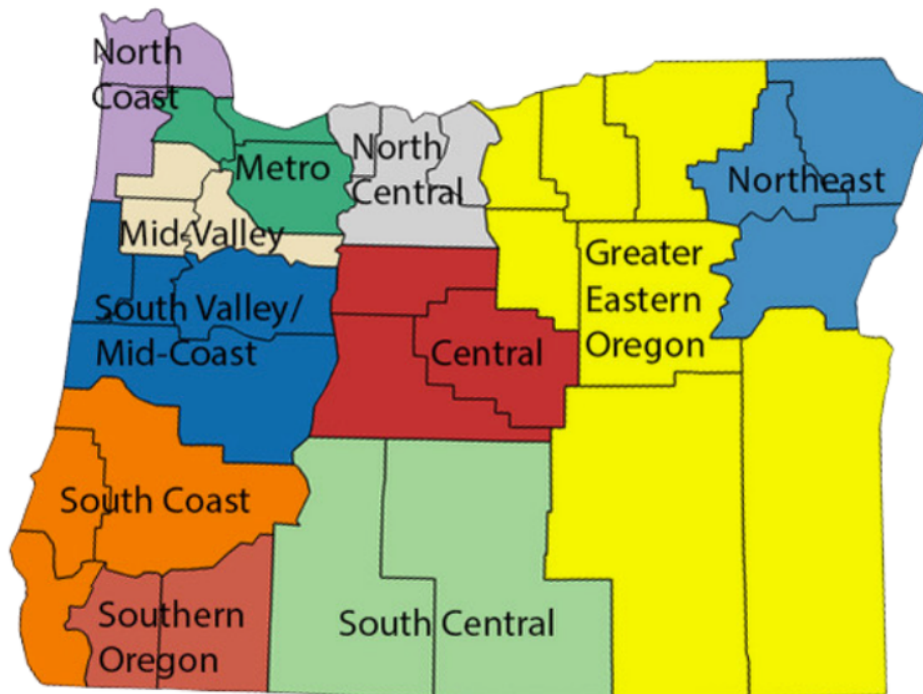


Figure 6 - Oregon Regional Solutions Map

Regional Solutions Areas comprise the following counties:

Metro: Clackamas, Multnomah, Washington

North Coast: Clatsop, Columbia, Tillamook

Mid-Valley: Marion, Polk, Yamhill

South Valley/Mid-Coast: Benton, Lincoln, Linn, Lane

South Coast: Coos, Curry, Douglas

Southern Oregon: Jackson, Josephine

South Central: Klamath, Lake

Central: Crook, Deschutes, Jefferson

North Central: Hood River, Sherman, Wasco

Greater Eastern: Gilliam, Morrow, Wheeler, Umatilla, Grant, Harney, Malheur

Northeast: Union, Wallowa, Baker

Capital Scan Data Modeling

The 2020 Capital Scan is beginning to develop a data model for updating Oregon Capital Scan reports with available data on a timelier schedule than biennially. This simple data model is a collaboration with the UO student team that will continue through the 2020-2021 academic year and will be used for future Capital Scan reports.



Figure 7 - Oregon Capital Scan Data Model

Proposed Data Model:

The data model proposed will follow a star schema consisting of fact and dimension tables.

- Dimension tables include: Location (City, County, Region), Date and Party (Firms and Funders) Information.
- Fact table will include the transactional data from all of the funding categories covered in the Capital Scan.

Proposed Reporting Solution:

The proposed reporting solution is to build dynamic power pivot reports on top of the SQL server. Models will be created by establishing relationships between fact and dimension tables. End users will be able to view the basic reporting metrics and will also have capabilities to drill down across various regions and timelines. The reports will be deployed in Microsoft SharePoint and will be scheduled to refresh automatically once the data load is completed. User privileges will be provided according to the needs of the stakeholders.

Data Sources

The utility and accuracy of the Oregon Capital Scan is only as good as the data on which the report is based. Through the experience of 3 previous reports, the University of Oregon team has refined the approach to gathering valid data for this report. Information on the sources of data for the report are provided here as a reference for further study and analysis.

Equity Funding (Angel, VC, Private Equity) – PitchBook Data

Since 2016, the research team for the Oregon Capital Scan has relied on data from PitchBook for assessing the equity capital components of the report. Founded in Seattle in 2009, Pitchbook has evolved into a trusted source for data on private company transactions. PitchBook serves as the definitive data source for the NVCA (National Venture Capital Association) Venture Monitor report, the leading source for data on venture capital activity. Through the generous support of the Oregon Community Foundation and partners who fund the Oregon Capital Scan, The University of Oregon has a full campus wide subscription to PitchBook for all students and faculty. This wide distribution of the data resource enables students from all majors and researchers from all disciplines to access business related data that can augment their learning and research. PitchBook - <https://pitchbook.com/>

Crowdfunding – Crowdfunding Center

Crowdfunding has become an ever more important piece of the funding puzzle for many product focused businesses. The simple concept of getting people from around the world (the crowd) to support your idea with pledges and/or presales of a product helps validate ideas and lower the risk to starting for many entrepreneurs.

As there are several different platforms for crowdfunding, finding good data on the overall state of the crowdfunding market was difficult in the 2014 and 2016 Capital Scan reports. Data was limited and analysis was difficult. Since the 2018 edition of the Capital Scan, the project has relied upon the data resources offered by The Crowdfunding Center, a UK based research firm that compiles Crowdfunding from multiple global platforms and offers analysis packages. The Oregon Capital Scan team is grateful for the support and assistance from the Crowdfunding Center team. Crowdfunding Center - <https://www.thecrowdfundingcenter.com/data>

SBIR/STTR Grants

Reporting in the Capital Scan is based on award year as noted by the granting agencies. Data on Federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grant programs is available from the SBIR reporting website hosted by the Small Business Administration. <https://www.sbir.gov/sbirsearch/award/all> .

Oregon Signature Research Centers

The activities of each Oregon Signature Research Center are self-reported via those entities. Staff at ONAMI and VertueLab provided information on their funding programs. Sincere thanks is due the staff of these centers for their efforts to share data with this report.

CDFI

Data on the activity of Community Development Financial Institutions was gathered from Oregon based CDFIs and partners in various funding programs around the state. Data was also obtained from the US Department of Treasury CDFI Fund website - <https://www.cdfifund.gov/research-data/Pages/default.aspx> .

Small Business Administration lending

Data from the Federal Small Business Administration (SBA) was obtained through a collaboration with the Portland Business Journal. SBA reporting is limited by the requirement for a Freedom of Information Act (FOIA) request. Through their regular reporting on SBA lending the staff at the Portland Business Journal has executed such requests and were able to share their resources with the Capital Scan team.

US Department of Agriculture (USDA) Lending

Data from the United States Department of Agriculture is available via the agency websites accessible via <https://www.rd.usda.gov/programs-services> .

Non-SBA Bank lending

Lending outside of SBA programs is captured in this report via two separate data sources. The first is reporting from the Federal Deposit Insurance Corporation lending reports available here. - <https://www7.fdic.gov/sdi/index.asp>

Data regarding market share for banks in Oregon is also sourced from FDIC reporting available here. - <https://www7.fdic.gov/sod/sodMarketBank.asp>

For contextual data beyond what is available through the FDIC, the 2020 Capital Scan has added data from the Community Reinvestment Act (CRA) reporting system.

https://www.ffiec.gov/cra/online_rpts.htm

Credit Union lending

Data for credit union business lending was source from the National Credit Union Administration (NCUA). From the NCUA website, data was compiled for the top 25 institutions in Oregon by assets. The annual Call Reports were then analyzed to obtain the total of commercial loans granted in the last five years. See website here:

<https://mapping.ncua.gov/ResearchCreditUnion.aspx>

SBDC Services and Funding

Data regarding the services offered and funding provided was obtained from the Oregon Small Business Development Network directly. Capital Scan steering committee member Noah Brockman assisted the research team with data gathering.

City and County Programs

City and County loans and grants data was obtained through direct outreach to jurisdictions by the Capital Scan research team. Sincere thanks and appreciation is due all local officials who responded to inquiries during the summer months of 2020.

Economic Development District Programs

EDD program data was gathered through direct outreach to all entities across the state. Sincere thanks and appreciation is due all economic development officials and leaders who responded to inquiries during the summer months of 2020.

State of Oregon Programs

Gathering data on State of Oregon capital programs is very important to the overall Oregon Capital Scan objective of understanding and informing policy makers approach to these issues. The research team is grateful to the Business Oregon team members who assisted in the gathering and validation of the data in this report. Business Oregon representatives on the Capital Scan Steering Committee John Saris and Kate Sinner provided invaluable guidance and support to this effort.

Survive – CARES Act Funding

The unprecedented economic repercussions of the COVID-19 pandemic have had a major impact on the landscape of business funding across Oregon. Some firms have risen and thrived in the face of these challenges, while others have struggled with the fundamental shifts in demand, logistics, and consumer behavior necessitated by the public health response to COVID.

The typical biennial reporting period for the Oregon Capital Scan would cover only 2018-2019 data of various capital types. Based on new data made available covering the Paycheck Protection Program (PPP), the 2020 edition of the report includes a cursory listing and analysis of PPP loans in Oregon. Detailed data on PPP loans was publicly available by the SBA on November 24, 2020, making including that data in this report possible. Reporting on CARES Act programs is limited by the type of data available and the timeframe of this report. Further analysis of CARES Act and subsequent COVID-19 pandemic support programs will be advisable in future reporting.

CARES Act - \$8 Billion of Relief

In relative terms, the impact of funding provided by the CARES Act is massive. The grand total of \$8,056,674,826 in funding provided by these programs represents a historic infusion of capital for firms in Oregon that occurred within a general window of 4 months (April to August 2020).

There are 3 different reported types of funds included here.

- Economic Injury Disaster Loans (EIDL)
- Paycheck Protection Program Loans greater than \$150,000
- Paycheck Protection Program Loans less than \$150,000

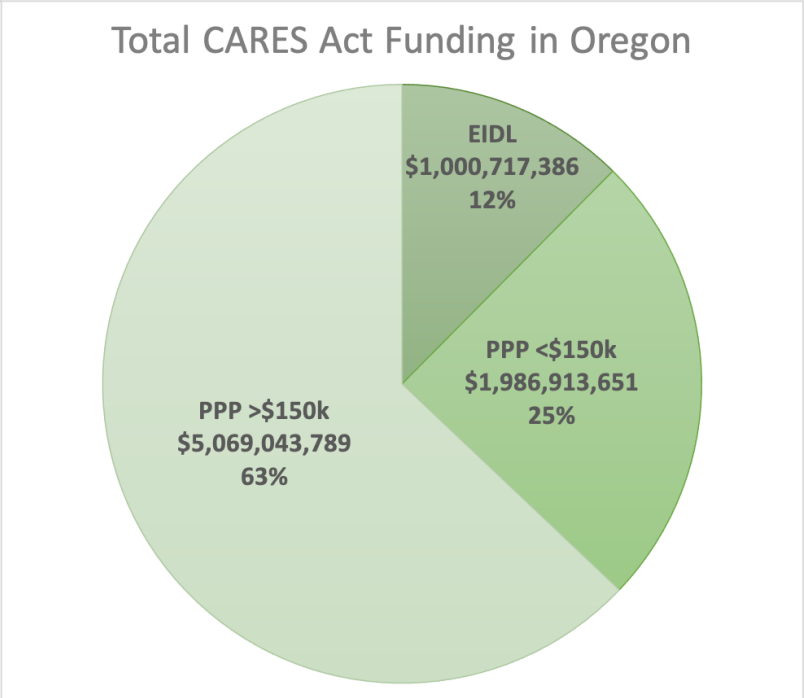


Figure 8 - Oregon CARES Act Funding

Paycheck Protection Program

Round #1 of PPP loans were issued to businesses across the state of Oregon. From Portland to Plush and Ashland to Arock, firms big and small applied for and received this funding.

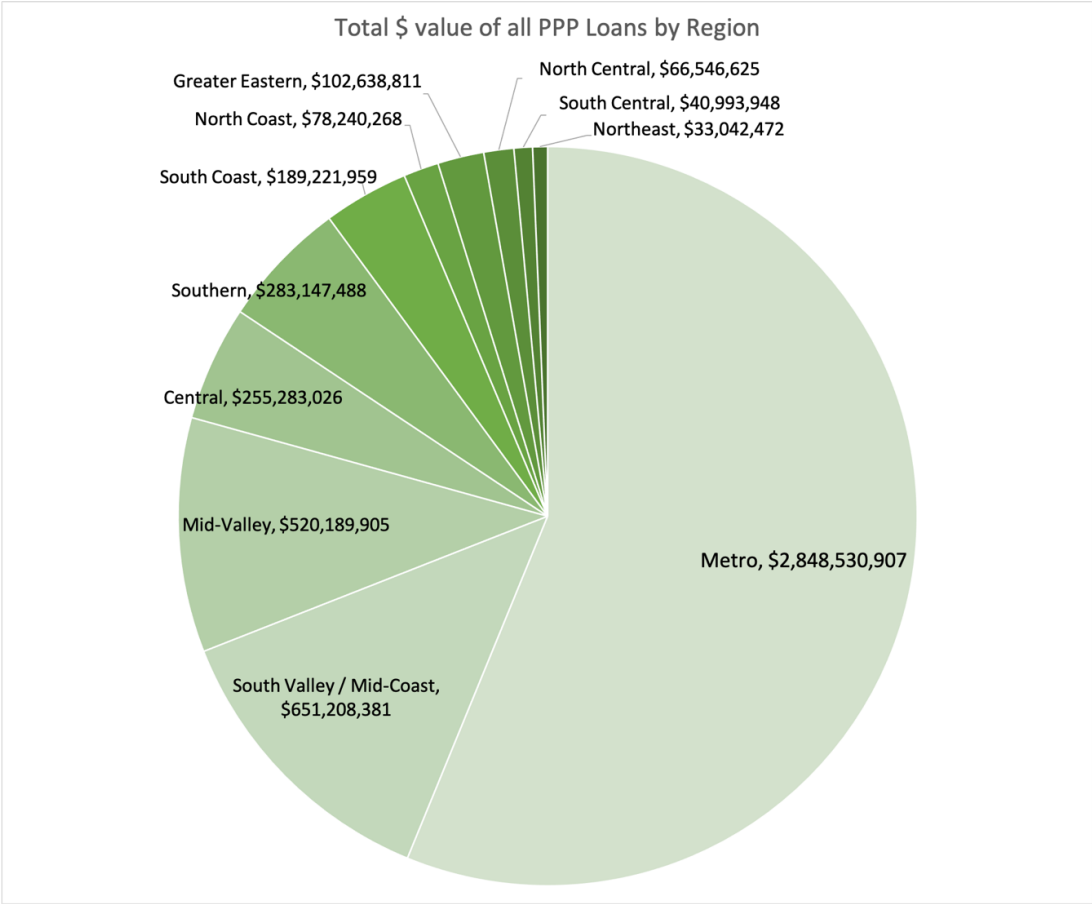


Figure 9 - PPP Loans Total by Oregon Region

PPP Loans were tracked in two categories: above and below \$150,000. While the vast majority of transactions were for less than \$150,000, the total value of loans for greater than \$150,000 was over 2.5 times that of smaller loans.

Table 1 - Oregon PPP Loans Summary

PPP Loans	Count	\$ Value	\$ Average
Under \$150k	57,043	\$ 1,986,913,651	\$ 34,832
Greater than \$150k	9,290	\$ 5,069,043,789	\$ 545,645

While there is significant disparity between Oregon’s regions in terms of total number and dollar value of PPP loans, there is general consistency between regions for the distribution of loans of each size classification. Regions with larger populations and number of loans had around 85% of total loans under \$150k. As the total number of loans for a region decreases, the percentage of smaller loans generally increases, with over 90% of loans less than \$150k in the South Central and Northeast regions.

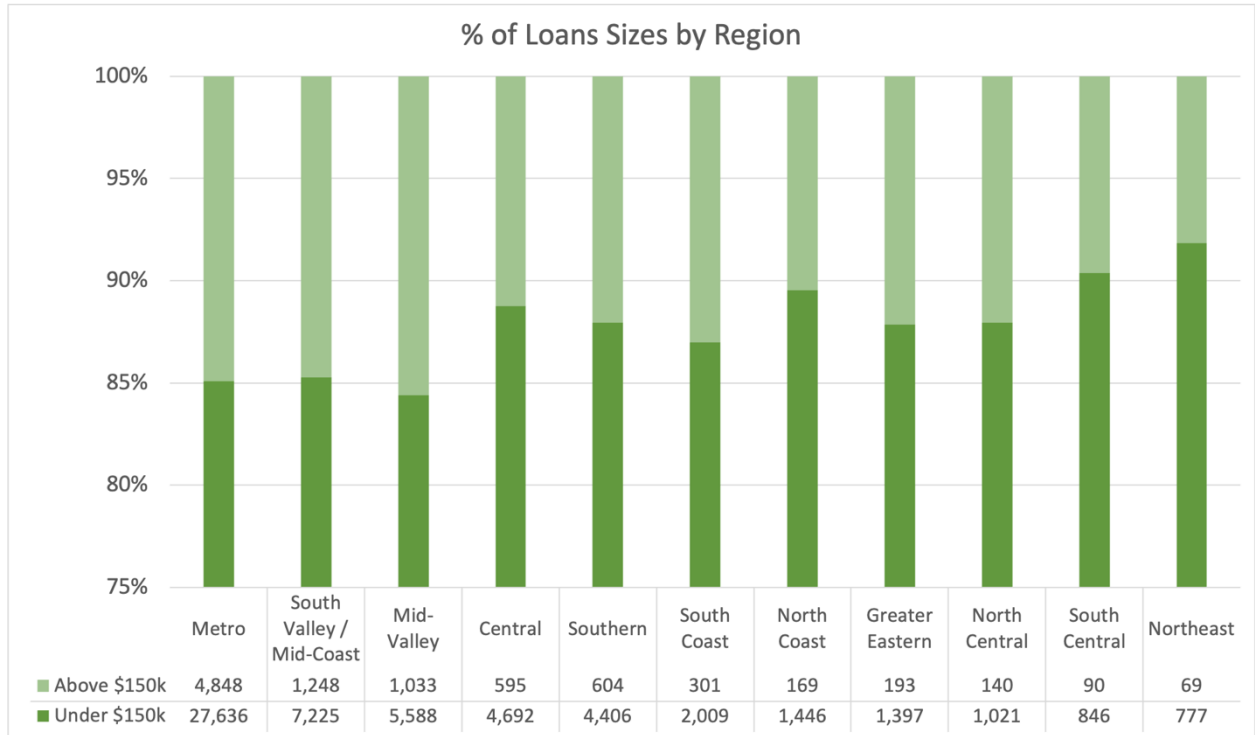


Figure 10 - Oregon PPP Loans by Region – Percentage Distribution

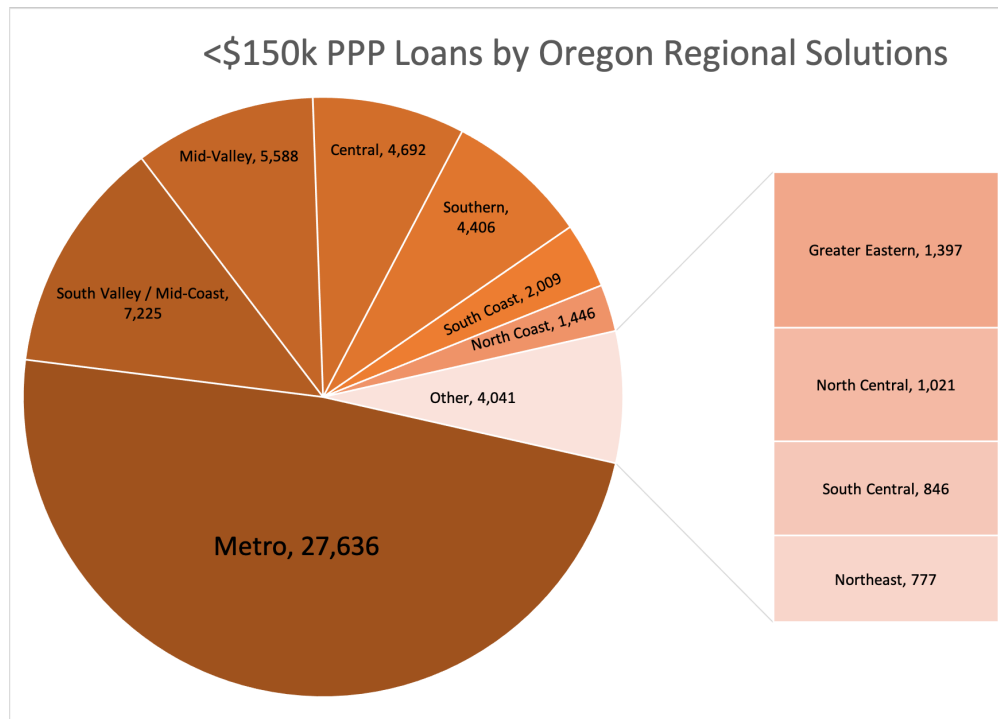


Figure 11 - PPP Loans < \$150k - Count by Region

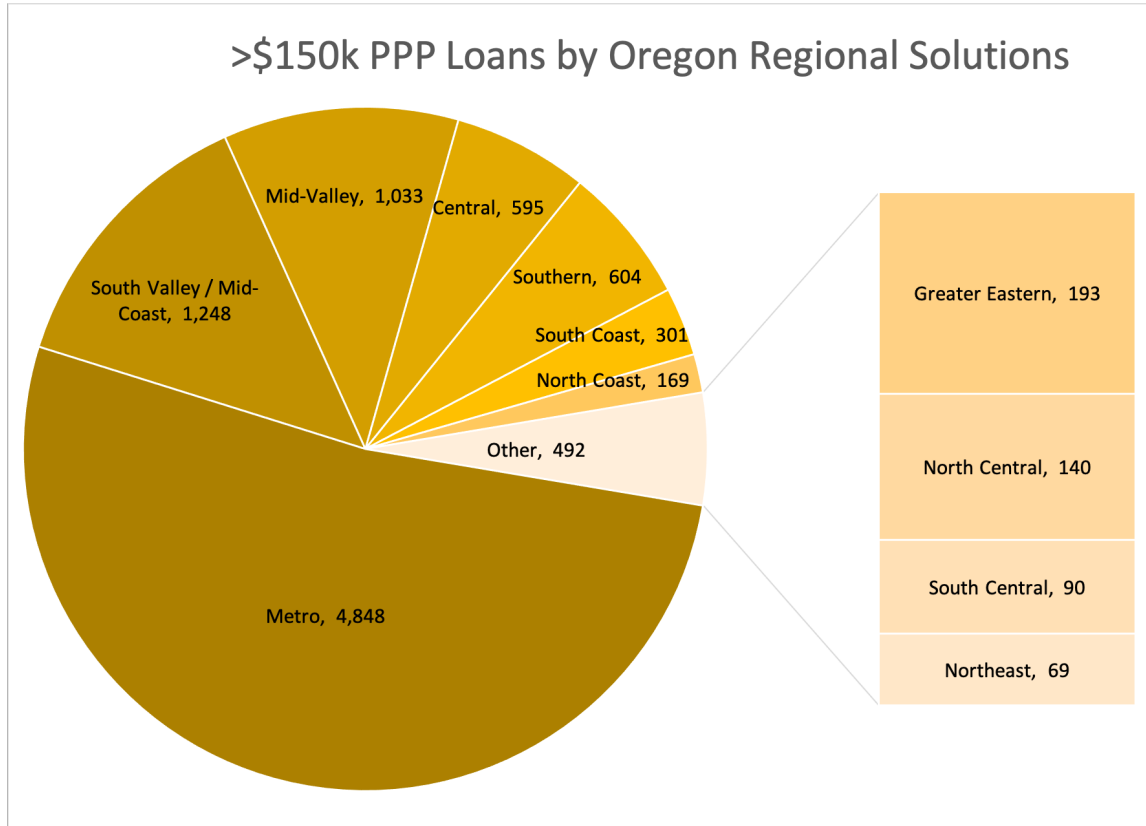


Figure 12 - PPP Loans >\$150k - Count by Region

Commercial banks were responsible for 93% of the value of PPP loans made to Oregon firms and 83% of the total number of loans. According to the Oregon Bankers Association, Round 1 of PPP lending reached 69% of Oregon small businesses and impacted over 600,000 jobs.

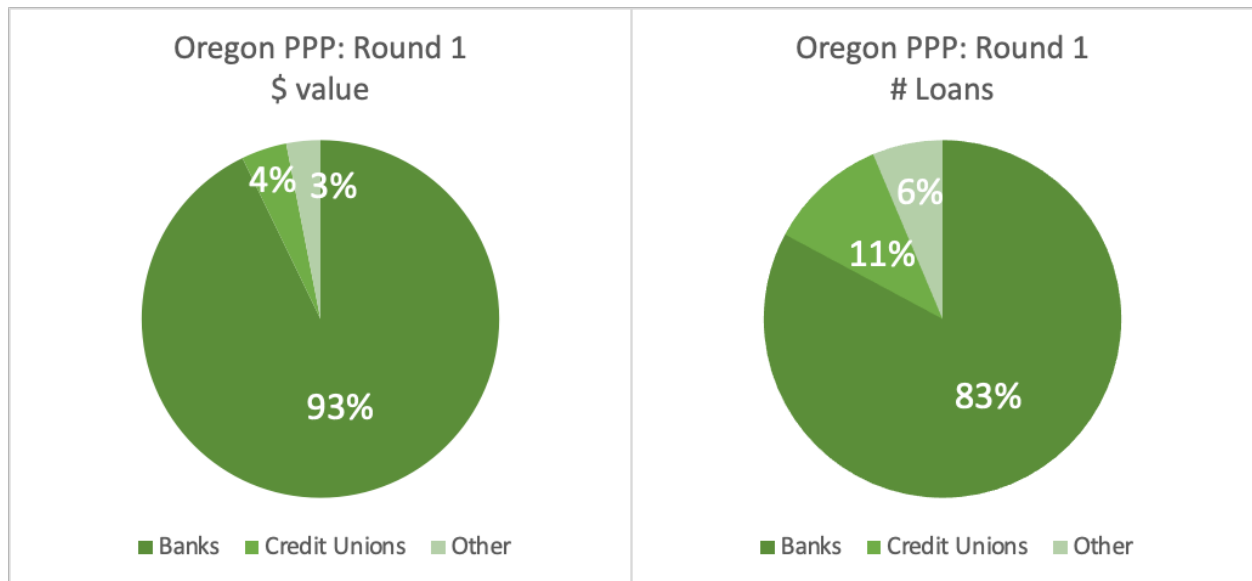


Figure 13 - PPP Origination Data

Economic Injury Disaster Loans (EIDL)

EIDL programs are designed to provide economic relief to businesses that are currently experiencing a temporary loss of revenue due to coronavirus (COVID-19). Loans are made for 30-year terms at 3.75% (business) or 2.75% (non-profit) interest rates.

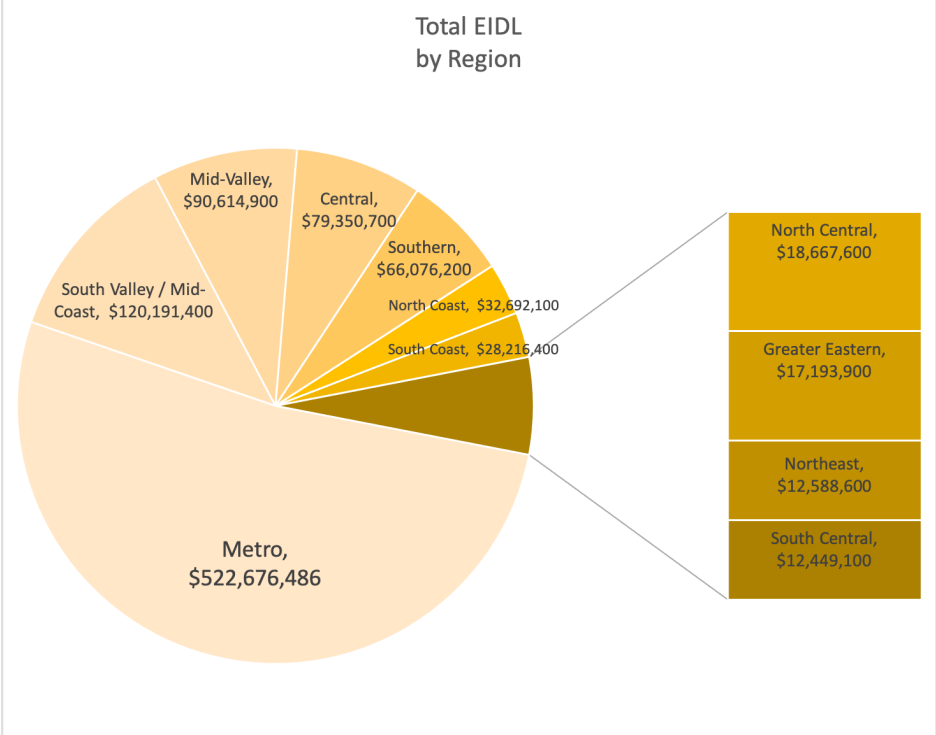


Figure 14 - EIDL Loans by Region

Table 2 - EIDL Summary by Region

Region	Total Count	Total \$ Value	Average
Central	1,213	\$ 79,350,700	\$ 65,416.90
Greater Eastern	264	\$ 17,193,900	\$ 65,128.41
Metro	7,356	\$ 522,676,486	\$ 71,054.44
Mid-Valley	1,275	\$ 90,614,900	\$ 71,070.51
North Central	265	\$ 18,667,600	\$ 70,443.77
North Coast	486	\$ 32,692,100	\$ 67,267.70
Northeast	193	\$ 12,588,600	\$ 65,225.91
South Central	191	\$ 12,449,100	\$ 65,178.53
South Coast	476	\$ 28,216,400	\$ 59,278.15
South Valley / Mid-Coast	1,835	\$ 120,191,400	\$ 65,499.40
Southern	1,061	\$ 66,076,200	\$ 62,277.29

EIDL Advances

The EIDL Advance program, which offered forgivable grants to firms reported disbursement of \$183,403,000 to 57,712 firms, averaging \$3,177.90 per grant. This program addressed the rapid and steep decline in business that many firms experienced in the April – June quarter. Further detailed analysis of this data may be within the scope of follow-up reporting by the Oregon Capital Scan.

State of Oregon CARES Act Funding

The CARES Oregon Capital Scan data for 2020 and 2021 will of course be affected by the economic repercussions of the COVID-19 pandemic. It is important to note that the Coronavirus Aid, Relief, and Economic Security (CARES) Act provided over \$25 million in funding from the Economic Development Administration to the State of Oregon and to twelve economic development districts to assist Oregon businesses in recovery:

Table 3 - Oregon EDA CARES Act Funding Allocation

Source: Business Oregon (John Saris)

Recipient	Allocation
Business Oregon	\$11,000,000
Mid-Willamette Valley Council of Governments	\$2,570,000
Central Oregon Intergovernmental Council	\$2,200,000
CCD Business Development Corporation	\$1,500,000
Prosper Portland	\$1,480,000
Greater Eastern Oregon Development Corporation	\$1,100,000
Lane Council of Governments	\$1,100,000
Northeast Oregon Economic Development District	\$935,000
Mid-Columbia Economic Development District	\$847,000
Oregon Cascades West Council of Governments	\$825,000
Southern Oregon Regional Economic Development, Inc.	\$616,000
Affiliated Tribes of Northwest Indians	\$550,000
South Central Oregon Economic Development District	\$550,000
Total	\$25,273,000

Specific programs funded with these EDA funds in response to COVID-19 public health and economic challenges were still in development at the time of this report. The impacts of CARES Act funding will be measured and analyzed in subsequent follow-up reporting in 2021.

There are many more programs under the CARES Act that provided financial resources to Oregon governments and businesses. A full accounting and reporting of that funding is outside the scope of this report.

Startup Funding

Moving from idea to reality is the most important leap for an entrepreneur to make. In the earliest stages of development, firms are often no more than one or two people and an idea. Here in the formative years of a venture, failure is more likely than success. Data presented here is generally focused on the early stages of funding for potential high-growth focused startups.

Startup: Crowdfunding

Crowdfunding, through platforms such as Kickstarter, Indiegogo, and others, has matured over the past decade. The growth in crowdfunding reflects a new reality for business ideas to enter the market. Crowdfunding has evolved into an important component of funding new ideas.

"What this new data is telling us is that rewards crowdfunding's growth is sustained and at a high enough level to be making a significant impact on the mainstream economy, especially entrepreneurship and innovation. Seed-funding has always been an important but difficult, and so under-served, market. Feeding as it does 'upstream' investment. The structural difficulties, exacerbated by the financial and banking crisis, have become worse but it looks very much as if rewards crowdfunding is now providing a real alternative".

- Source: Richard Swart, PhD, Global Crowdfunding & Alternative Finance Research

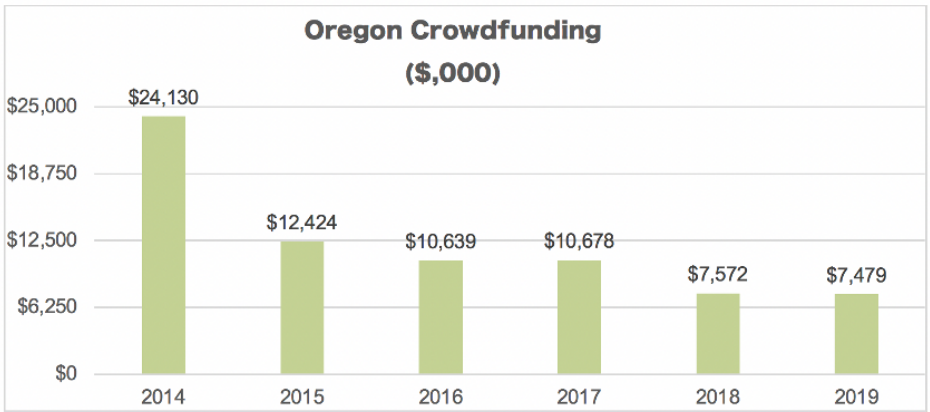


Figure 15 - Oregon Crowdfunding 2014-2019

Oregon Crowdfunding Declines

Oregon's crowdfunding has declined since the 2018 report, dropping below \$7M in total funding in 2019. In 2018, Oregon experienced a 21% decrease in total number of supporters and a 29% decrease in total amount pledged to Oregon based campaigns. Overall activity in this area has also declined. The number of new projects added in Oregon decreased by 21%, however the percent of success rose by 10%. Oregon's outcomes are not unique, as the total amount of capital raised via crowdfunding dropped by 8% across the US in 2018 and the number of projects launched falling by 2% in the US during 2019. The category with the most amount raised is Gaming with \$3,141,944 in total funding. In both 2018 and 2019, the top Oregon based campaigns were board games. The second highest amount of funding per category in 2018 - 2019 is Design with \$2,348,306. Comics and Graphics Novels is third in line with a total of \$1,400,536.

Top 10 Crowdfunding Categories in OR Jan 2018 - July 2020

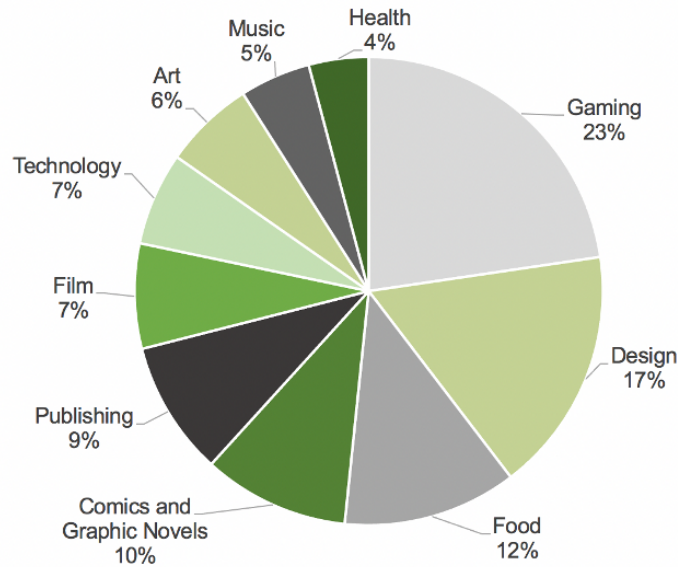


Figure 16 - Top 10 crowdfunding categories in Oregon January 2018 - July 2020

As presented in Figure 16 - Top 10 crowdfunding categories in Oregon January 2018 - July 2020, the leading categories for from January 2018 through June 2020 are: Gaming – including electronic and physical board games, Design – new consumer products developed and launched via a campaign, and Food – new products or food establishments.

Crowdfunding Examples

Crowdfunding can be leveraged in several ways by both new and existing firms. Examples demonstrate the variety of strategies employed by Oregon firms.

In May, 2018, Revant Optics closed a Kickstarter campaign for the launch a of new line of sunglasses. That Design category campaign yielded \$208,721 in presales for the well-established company that had previously focused only on replacement lenses for other eyewear brands. Revant continues to grow today as an independent private company in Portland.

GrowlerWerks is a Portland based company that has leveraged Kickstarter campaigns twice to build a company. In December of 2014, the company launched their beer growler with a campaign which yielded over \$1.56M in funds. The company built on that success and in February 2017 secured angel investments of over \$1.52M to grow their firm and added another \$1M round of venture capital funding in September 2018.

Startup: Commercialization Grant Programs

SBIR and STTR grants provided by the funding entities (agencies) within the US Federal Government are perfect for entrepreneurs working to bring new innovations to market by commercializing their technologies. These grants are typically available to companies working directly with researchers at a university, often where members of the early-stage company team are also employed in labs or research programs. Federal SBIR/STTR Grants range from \$75,000 for Phase 1 work to over \$1,000,000 for Phase 2 projects, depending on project scope and agency funding priorities.

Small Business Innovation Research (SBIR)

The SBIR program was established under the Small Business Innovation Development Act of 1982 with the purpose of strengthening the role of innovative Small Business Concerns (SBC) in Federally funded research and development (R&D). SBIR awardee entities must be in the U.S, be more than 50% owned by U.S citizens and meet the benchmark requirements for progress toward commercialization.

Small Business Technology Transfer (STTR)

Modeled after the Small Business Innovation Research (SBIR) program, STTR was established as a pilot program by the Small Business Technology Transfer Act of 1992. Government agencies with R&D budgets of \$1 billion or more are required to set aside a portion of these funds to finance STTR activity. The mission of the STTR program is to support scientific excellence and technological innovation through the investment of Federal research funds in critical American priorities to build a strong national economy.

The STTR program's goals are to stimulate technological innovation, foster technology transfer through cooperative R&D between small businesses and research institutions, and increase private sector commercialization of innovations derived from Federal R&D.

Currently, five agencies participate in the STTR program: Department of Defense, Department of Energy, Department of Health and Human Services, National Aeronautics and Space Administration, and the National Science Foundation. To apply for the STTR program, entities must be in the U.S, be at least 51% owned by U.S citizens, and meet one of three definitions:

- Nonprofit college or university
- Domestic nonprofit research organization
- Federally funded R&D center (FFRDC)

Differences between SBIR and STTR

STTR differs from SBIR in three important aspects. First, the SBC and its partnering institution are required to establish an intellectual property agreement detailing the allocation of intellectual property rights and the right to carry out follow-on research, development or commercialization activities. Second, STTR requires that the SBC perform at least 40% of the R&D and the single partnering research institution is required to perform at least 30% of the R&D. Lastly, unlike the SBIR program, STTR does not require the Principal Investigator to be primarily employed by the SBC. This allows research-active faculty to participate actively in projects.

Oregon SBIR/STTR grants 2018 to 2019

Oregon grants from SBIR and STTR agencies in 2019 totaled \$27.2M. Oregon SBIR/STTR grants have been growing at lower rates, and even declined by 37% between 2018 and 2019. Excluding California, when compared with other Western states, Oregon ranks consistently in the middle. Colorado and Washington lead the 5 states in Federal commercialization grants.

Table 4 - SBIR/STTR Funding in Western States

SBIR / STTR: Comparison of Western US (excluding California), 2014 - 2019

	2014	2015	2016	2017	2018	2019
Colorado	\$ 95,001,442	\$ 117,646,222	\$ 106,125,420	\$ 114,557,905	\$ 126,289,747	\$ 96,836,448
Washington	\$ 38,175,253	\$ 54,076,745	\$ 67,821,074	\$ 56,474,081	\$ 50,176,703	\$ 42,916,269
Oregon	\$ 47,323,955	\$ 32,222,682	\$ 39,361,834	\$ 39,651,934	\$ 42,903,019	\$ 27,192,140
Utah	\$ 27,348,034	\$ 22,347,891	\$ 28,332,257	\$ 50,825,145	\$ 36,608,527	\$ 23,024,405
Arizona	\$ 8,296,905	\$ 8,093,766	\$ 5,609,484	\$ 8,703,352	\$ 5,172,233	\$ 5,083,278

Both the University of Washington and University of Colorado have university research enterprises of over \$1 Billion. Those states are also home to National Laboratories and other Federal facilities which have programs that attract SBIR/STTR funding. Given that Oregon's combined Federal research support at OHSU, UO, and OSU combined is less than \$1B (FY2018) and there is only one small National Laboratory in the state (NREL, Albany) Oregon's ranking in SBIR/STTR grants is in line with the other federal research funding and activities.

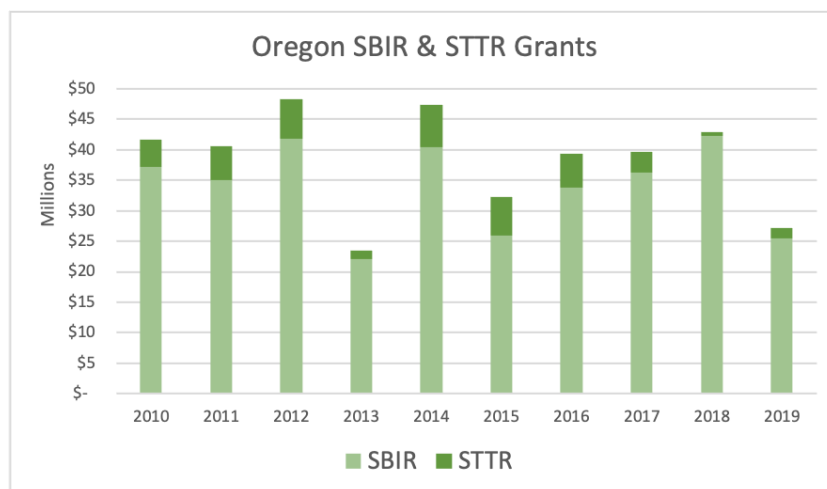


Figure 17 - Oregon SBIR/STTR Funding 2011-2019

Overall Oregon's Federal commercialization grant funding has remained relatively steady since 2011. Declines in grant awards in the 2013 and 2019 periods are noticeable anomalies from an average of \$38.2 Million in funding since 2011.

Table 5 - Oregon SBIR/STTR Funding 2010-2019

Year	# of Grants	SBIR/STTR Total Dollars	Avg Grant	% Change yr/yr
2010	95	\$ 41,597,578	\$ 437,869	
2011	86	\$ 40,655,506	\$ 472,738	-2%
2012	96	\$ 48,270,433	\$ 502,817	19%
2013	58	\$ 23,514,280	\$ 405,419	-51%
2014	71	\$ 47,323,955	\$ 666,535	101%
2015	65	\$ 32,222,682	\$ 495,734	-32%
2016	75	\$ 39,361,834	\$ 524,824	22%
2017	77	\$ 39,651,934	\$ 514,960	1%
2018	63	\$ 42,903,019	\$ 681,000	8%
2019	73	\$ 27,192,140	\$ 372,495	-37%

Oregon Signature Research Centers

The Oregon Nanoscience and Microtechnologies Institute (ONAMI) and VertueLab (formerly known as Oregon BEST) both operate to provide funding and assistance to Oregon startup companies and state university researchers in their respective sectors of technology innovation and sustainable resources and innovation.

ONAMI

ONAMI is an Oregon Signature Research Center, founded in 2006, with two available funding programs: ONAMI Launch and ONAMI Gap.

ONAMI Launch funding (Pre-Gap) is an early-stage program for ONAMI members with an idea that has commercial value and who intend to form a company within the next year. The maximum ONAMI Launch funding is \$75,000. The funding is to be used to help refine and/or validate the proof-of-concept and assist in optimal company formation.

ONAMI GAP is for research projects that yield breakthrough ideas, but cannot attract angel, venture or strategic investment without a proof of concept. ONAMI GAP funding bridges that void with up to \$250,000 for Oregon university-startup company collaborations to help businesses develop and test a product prototype, demonstrate a cost-effective fabrication process or cross the gap between current status and key customer requirements.

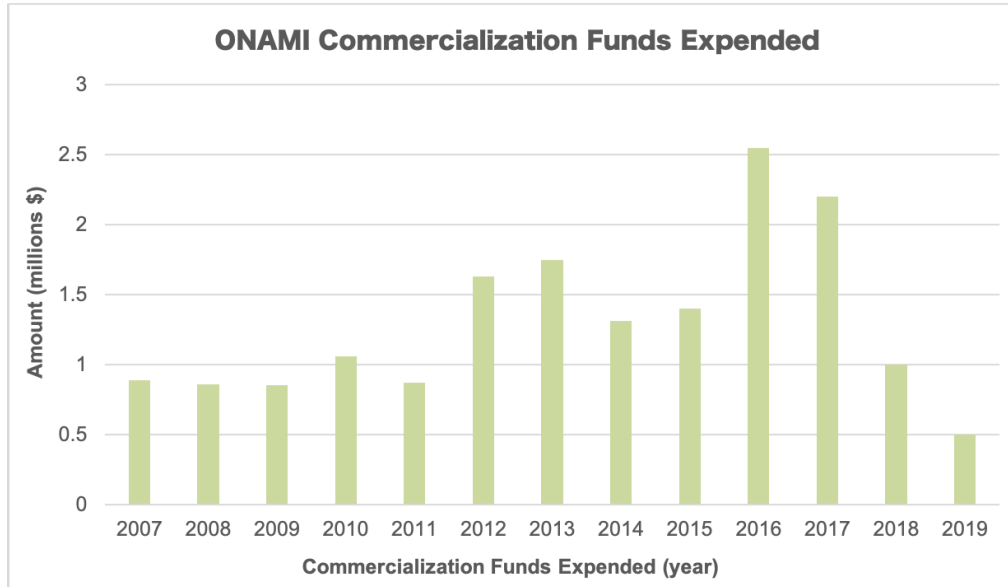


Figure 18 - ONAMI Funding 2007-2019

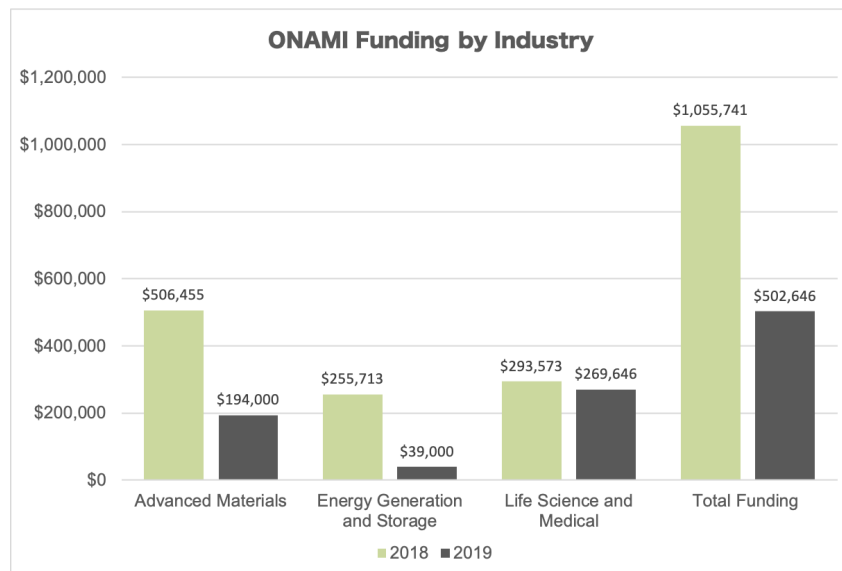


Figure 19 - ONAMI Funding by Industry 2018-2019

Since 2017, funding amounts for companies have been lower as there has been a shift to now focusing on direct company building by covering more expenses as shown in Figure 20 - 2019 ONAMI Investment Details.

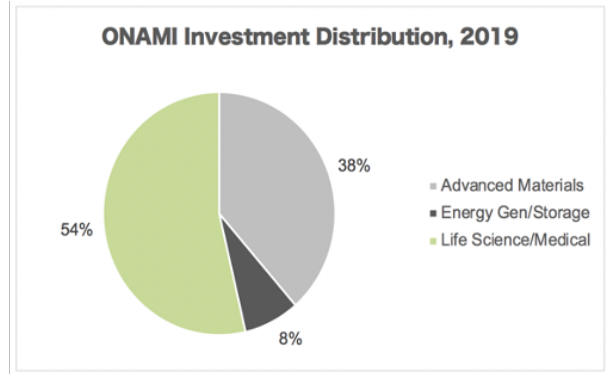
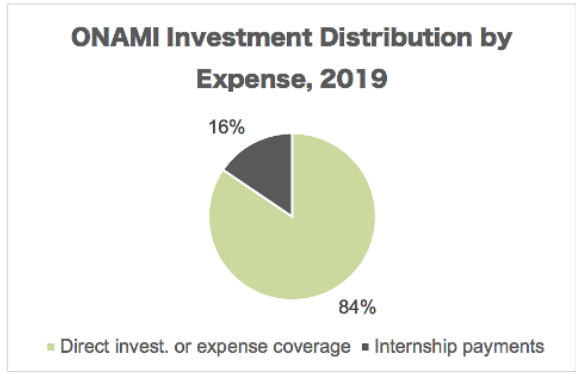


Figure 20 - 2019 ONAMI Investment Details

2019 ONAMI Benefiting Companies Names and Locations (amounts invested not available):					
Advanced Materials		Energy Generation and Storage		Life Science and Medical	
Company Name	Location	Company Name	Location	Company Name	Location
Nano3D Systems	Tigard	Energy Storage Systems	Wilsonville	LuxRay Dental	Portland
Diatomix	Beaverton	OnBoard Dynamics	Bend	OmnEcoil Instruments	Portland
Inpria	Corvallis	Element 1	Bend	TheraFluor	Eugene
Liquid Wire	Portland/Beaverton	OnTo Technology	Bend	Quantiport	Portland/Beaverton
Valliscor	Corvallis				
Abom	Tigard				
MicroFlow CVO	Corvallis				

Table 6 - ONAMI Investments 2019

ONAMI investments are well distributed between Oregon’s population centers. Companies in Bend, Corvallis, Eugene, and the Portland Metro region have received funding from the SRC in 2019. These investments in advanced technology firms across the state serves as a strong foundation for these companies to grow within the state.

VertueLab

VertueLab (formerly known as Oregon BEST) is an Oregon Signature Research Center that provides catalytic funding and holistic entrepreneurial support to startup companies and university spinouts in the clean technology (cleantech) sector. A significant portion of its funding comes from Business Oregon as an initiative of the Oregon Innovation Council. Additional funds come from federal grants, corporate support, and gifts/grants from foundations and individuals.

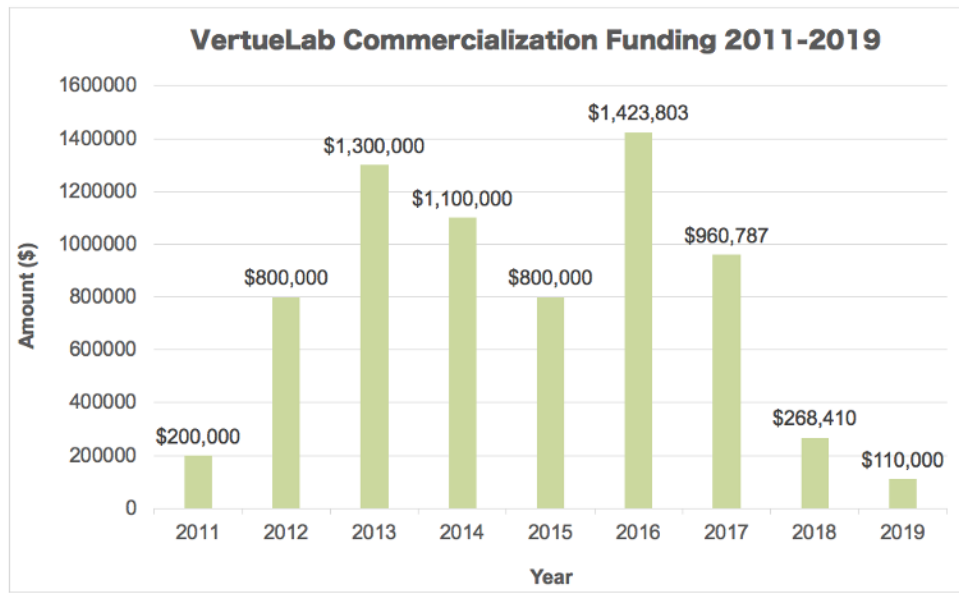


Figure 21 - VertueLab Funding 2011-2019

One of its entrepreneurial support programs is focused on helping Oregon proprietary technology startups (not just cleantech) obtain non-dilutive capital through the federal SBIR/STTR program. Part of VertueLab's funding comes from the US Small Business Administration under the Federal and State Technology Partnership (FAST) Program to provide targeted SBIR/STTR grant writing assistance to strengthen proposals and increase their success rate.

With VertueLab's support, Oregon companies have secured over \$7 million in awards from federal government agencies, critical funds that have enabled these companies to continue their research and development before they are able to finance their businesses with investment capital and customer revenue. VertueLab has invested \$6,963,000 in companies from 2011 through 2019.



Figure 22 - VertueLab Impact since 2011

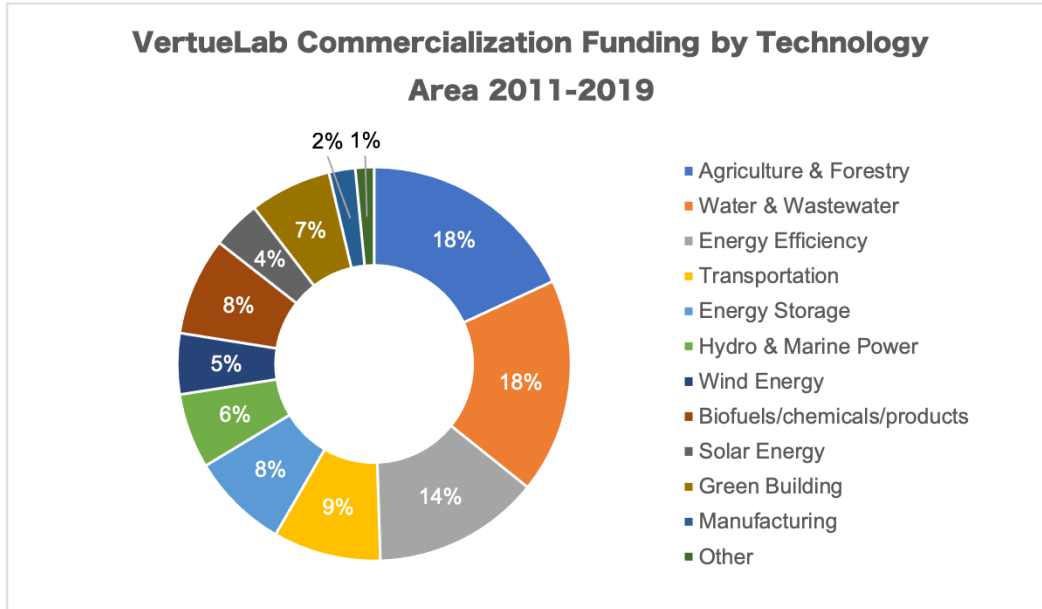


Figure 23 - VertueLab Funding by Technology

VertueLab funding supports a wide variety of firms across many different technology domains. As shown in Figure 23 - VertueLab Funding by Technology, the top 3 domains of Agriculture and Forestry, Water and Wastewater, and Energy Efficiency account for 50% of the funding. The remaining 50% of funding is divided among firms in other domains enabling impact of technology on sustainability and the environment.

With support from the US Economic Development Administration’s i6 challenge, VertueLab’s collaborative program, the Cascadia CleanTech Accelerator, has provided critical training and mentorship to 17 Oregon companies since 2016. In 2019, VertueLab issued \$110,000 in proof of concept/ validation grants for Accelerator graduates to partner with Oregon university researchers.

During the 2018-2019 period since the previous Capital Scan report, VertueLab awarded over \$378k to 5 companies as detailed in Table 7 - VertueLab 2018-2019 Investments.

Table 7 - VertueLab 2018-2019 Investments

Company	VertueLab Investment dates	Total company funding*
The Renewal Workshop	December 2019	\$8,640,000
Gadusol Laboratories	May 2018	\$980,000
Diamtomix – Beaverton	June 2019	\$1,040,000
Hemex Health - Portland	January 2019	\$7,000,000
RUTE – Portland	January 2018	\$920,000

*Source – PitchBook Data

In 2020, VertueLab launched the Climate Impact Fund, which will provide critical early-stage gap funding to innovative cleantech companies. The Climate Impact Fund is fueled by philanthropic and impact investors, as well as foundations and corporations. VertueLab’s Climate Impact Fund intends to invest \$5 million into startups with a significant potential to reduce greenhouse gas emissions, up to \$500,000 per startup.

Startup: Community Development Financial Institutions (CDFI)

Community Development Financial Institutions (CDFIs) are specialized community based financial institutions with a primary mission to promote economic development by providing financial products and development services to people and communities underserved by traditional financial institutions (particularly in low-income communities). Nationally there are over 1,000 Community Development Financial Institutions (CDFIs). The CDFI Fund recognizes 24 CDFIs in Oregon.

CDFI's in Oregon receive funding through the following programs: Bank Enterprise Award (BEA), Financial assistance (FA), Native American CDFI Assistance (NACA), Technical Assistance (TA) and New Market Tax Credits (NMTC). Community Development Financial Institutions play many different roles in Oregon's capital ecosystem depending on the needs of their communities and the expertise of their staff. Roles which CDFIs play in the capital ecosystem are many.

Table 8 - CDFI Roles

CDFI Roles in in the Capital Ecosystem	
Lender	Provide non-bank loans to traditionally underserved borrowers. Provide mortgage financing for low-income and first-time homebuyers. Provide gap-financing to business in between traditional lending stages.
"Boots on the Ground"	Build community relationships. Understand current challenges and opportunities of specific communities. Create trust.
Personal Finance Supporter	Provide Credit Builder Loans to improve borrower credit. Offer Individual Development Accounts: a grant matched savings account for personal or business goals. Offer education or technical assistance for microenterprises.
Partner	Partner with other business development resources to leverage impact. Example: Community Lending Works and Sprout! Food Hub.
Intermediary	Provide vetted community development loan funds for institutional impact investors. Example: Northwest Health Foundation works with CDFIs to select loan funds for their impact investing dollars because the CDFIs have experience creating impact outcomes and reducing the risk of impact loans through their relationships and experience.
Lever	Take loans, grants, and investments from others and leverage their impact in low-income communities through revolving loan funds and holistic financial development support.
Ally to banks	Help businesses who aren't currently able to get a loan migrate into a traditional banking relationship. Stepping-stone along the financial path as businesses grow, mitigating a bank's risk. Partner for Community Reinvestment Act compliance.

CDFI organizations include community development banks and credit unions, and non-regulated institutions such as non-profit loan funds, venture capital funds, microenterprise development loan funds, and community development corporations. Organizations must receive CDFI certification through the CDFI Fund – part of the U.S. Department of the Treasury – to qualify for CDFI funds. CDFI Fund's competitive programs include the Capital Magnet Fund, CDFI Bond Guarantee Program, Community Development Financial Institutions Program, and Native Initiatives (CDFI Certification) and the New Markets Tax Credit Program (CDE Certification).

Being a certified CDFI allows the organization to apply for funding through the U.S. Department of the Treasury's CDFI Fund. The CDFI fund gives large, unrestricted grants, but they don't give them to all CDFIs. Number of awardees in the past include: five in 2014, three in 2015, and seven each in 2016 and 2017. Since 1996, over \$26.4 million in CDFI Funds has been awarded to Oregon organizations.

CDFIs in Oregon

Table 9 - Oregon CDFI Activity - 2015-2019

Institution	City	Program	2015	2016	2017	2018	2019
Albina Community Bank	Portland	BEA	\$ 239,117	\$ 189,157	\$ 233,389		
Albina Opportunities Corporation	Portland	TA			\$ 123,500		
Central Willamette Credit Union	Albany	FA					\$ 565,000
Community and Shelter Assistance Corp.	Sherwood	FA	\$ 1,359,120		\$ 776,500	\$ 600,000	
Community Housing Fund	Beaverton	TA				\$ 300,000	
Community Lending Works	Springfield	FA	\$ 300,000	\$ 500,000	\$ 350,000		\$ 275,000
Confederated Tribes of the Umatilla	Pendleton	NACA-TA		\$ 150,000			
Consolidated Credit Union	Portland	FA				\$ 700,000	
Craft3	Astoria	FA	\$ 2,000,000	\$ 750,000	\$ 686,500	\$ 700,000	\$ 525,000
Craft3	Astoria	NMTC				\$ 50,000,000	
Cutting Edge Federal Credit Union	Milwaukie	FA				\$ 600,000	
Ecotrust CDE LLC	Portland	NMTC		\$ 75,000,000			
Habitat for Humanity of Oregon	Portland	FA				\$ 284,000	
Innovative Changes	Portland	FA				\$ 125,000	
Micro Enterprise Services of Oregon (MESO)	Portland	FA			\$ 700,000	\$ 465,000	
National Community Fund I, LLC	Portland	NMTC		\$ 80,000,000		\$ 70,000,000	\$ 35,000,000
Network for Oregon Affordable Housing	Portland	FA			\$ 776,500	\$ 875,000	
Portland Housing Center	Portland	FA			\$ 686,500	\$ 700,000	\$ 500,000
Trailhead Federal Credit Union	Portland	FA		\$ 1,120,000			
BEA - Bank Enterprise Award	FA - Financial Assistance	TA- Technical Assistance					
NMTC - New Market Tax Credits	NACA - Native American CDFI Assistance						

Launch Funding

Once a firm is established, with some operating history, a successful crowdfunding campaign, and/or grant funding to advance an idea, the funding challenges change. Beyond the first few years, businesses must choose which type of funding is most appropriate for their goals. Equity funding, through private angel investors is typically the first step towards a high growth focused business, which is likely to go on to raise venture capital.

Debt financing at this stage can come from commercial and government sources. Government lending typically comes through local programs, either grant based or through loan funds run by cities, counties, economic development districts, and others. Commercial lending at this stage of development is often obtained through Small Business Administration (SBA) loan programs.

The Launch stage is also where many entrepreneurs turn to their local community for support. Small Business Development Centers (SBDC) are the focal point of local connection for thousands of businesses each year.

Launch: Angel Investments

Angel investing is typically the first step on the ladder of equity funding for startup businesses. These investors are high net worth individuals who meet the accredited investor criteria set forth by the US Securities and Exchange Commission. Angel investors must certify that they:

- Have a household income of \$200,000 annually (\$300,000 married filing jointly) for at least 2 years and the expectation to maintain that income level.
- Net worth of at least \$1 Million, excluding the value of a primary residence.

Angel investors typically invest locally, although the data show many invest outside their primary location. Angel investors also tend to invest in businesses that align with their professional experiences. A high-tech executive feels more comfortable investing in a hardware or software startup than a food and beverage venture and vice versa. A healthy angel investment community solidifies the foundation of an entrepreneurial ecosystem.

Limitations with Angel investing data

For this report, data on company investments was obtained from PitchBook data (www.pitchbook.com). Many of the earliest investments made in firms are summarized by simply noting 'Angel round' for a company's first financing. Relatively few individual angel investors are identified in Pitchbook by name. Given this challenge, we report on the data available while recognizing that there are many more angel investors involved in the Oregon community than reported here.

Given these limitations, the Angel investor data here should be evaluated as generally reflective of the activity in Oregon, but not exhaustive in nature.

Individual Angel Investor Data

Geography of Angel Investments

Angel investments are very personal. Typical connections between a startup firm and angel investors occur through either personal networks or tight circles of professional relationships. This component of investing makes the flow of capital across state and even international boundaries possible.

Table 10 - Angel Investor Location data

Location	N/A	California	New York	Oregon	Non-US	Wash.	Other US
Count	76	50	19	12	13	4	25

In the data available from Pitchbook presented in Table 10 - Angel Investor Location data, 199 Individual angel investors were identified as involved in investment deals in Oregon from 2014 through 2020. Of those individuals, 76 did not have identifying location information. Of those who did have location information attached to their profile, you can see the relative distribution of angel investors is widely varied. Based on available data, California represents the largest source of angel capital for Oregon based firms.

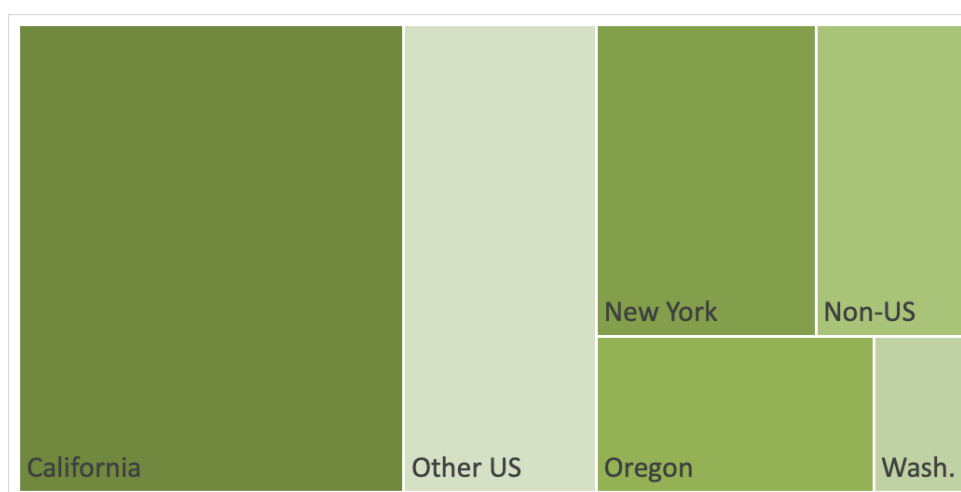


Figure 24 - Relative Scale of Location for Angel Investors in Oregon firms

However, there are undoubtedly angel investments happening in Oregon that are not captured in this data, as many 'Angel Round' investments are not disclosed individually. A complete dataset of angel investments can be a critical function of a reporting structure established at either the state or federal level.

Early Stage Investing across Sectors

In early-stage investments, Oregon leads with products. The business to business (B2B) and business to consumer (B2C) sectors are the leading sectors of investment for Seed, Accelerator/Incubator, and Angel stage investments as illustrated in Figure 25 - Oregon Early-Stage Equity Investments by Industry. These sectors combined have a greater or equal number of investments as the Information Technology and Healthcare sectors together in all years since 2014, except for 2020.

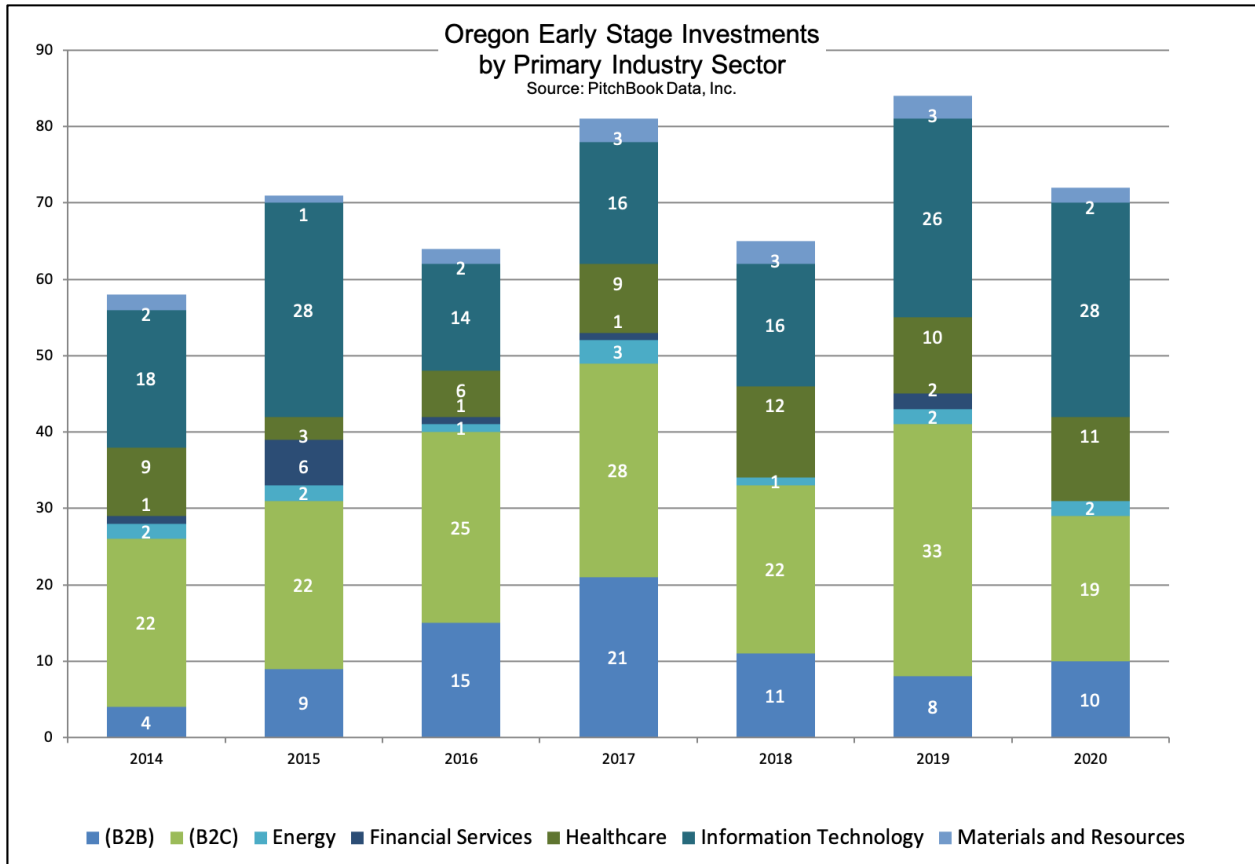


Figure 25 - Oregon Early-Stage Equity Investments by Industry

Oregon Angel Groups are very active

Angel groups serve to gather capital from individual investors to share the risks and rewards of investing in early-stage companies. Of the groups listed in Table 11, three of the top five most active angel groups are Oregon based. Significantly, these groups also have a very high percentage of their portfolio (OR based investments/Total investments) invested in Oregon firms, keeping Oregon Angel investor dollars supporting Oregon startups.

Table 11 - Top Angel Groups in OR 2014-2020

Investor Name	# OR Inv	HQ State	OR Portfolio %
Alliance of Angels	17	Washington	4.6%
Bend Venture Conference	15	Oregon	62.5%
Willamette Valley Capital	13	Oregon	81.3%
Willamette Angel Conference	7	Oregon	53.8%
Tech Coast Angels	5	California	0.9%
Sand Hill Angels	4	California	1.7%
Seattle Angel Conference	3	Washington	9.7%
Knudsen Capital	3	California	14.3%
Oregon Sports Angels	3	Oregon	33.3%

Launch: SBDC Network and Capital Access Team

The Oregon Small Business Development Center (SBDC) Network includes nineteen Small Business Development Centers across the state. These SBDCs advise business owners, offer classes and events, and connect business owners to resources to help their businesses thrive. SBDCs offer these services to business of any size and at every stage of growth.

Established in 1983, the Oregon Small Business Development Center Network participates in a nationwide network of SBDCs. Business owners seeking to engage with an SBDC can find their regional center at <https://bizcenter.org/centers/>. Oregon's SBDCs are located at the following community colleges and public universities:

- Blue Mountain Community College, Pendleton
- Central Oregon Community College, Bend
- Chemeketa Community College, Salem
- Clackamas Community College, Clackamas
- Clatsop Community College, Seaside
- Columbia Gorge Community College, The Dalles
- Eastern Oregon University, La Grande Klamath
- Community College, Klamath Falls
- Lane Community College, Eugene
- Linn-Benton Community College, Albany
- Mt. Hood Community College, Gresham
- Oregon Coast Community College, Lincoln City
- Portland Community College, Portland
- Rogue Community College, Grants Pass
- South Oregon University, Medford
- Southwestern Community College, Coos Bay
- Tillamook Bay Community College, Tillamook
- Treasure Valley Community College, Ontario
- Umpqua Community College, Roseburg

SBDC Capital Access Team

Within the Oregon Small Business Development Center Network is the specialized Capital Access Team, whose staff works statewide to guide business owners to find emerging- and growth-stage funding. They offer assistance with refining business plans and financial projections so that business owners may engage with potential funders, help in cultivating those funder relationships, provide financial analysis and feedback, review client loan packages for small business loans, and discuss and review client finance strategies. Referrals to the Capital Access Team are made through SBDCs and local economic development partners. The Capital Access Team is broken into the following six regions, each with at least one dedicated CAT advisor:

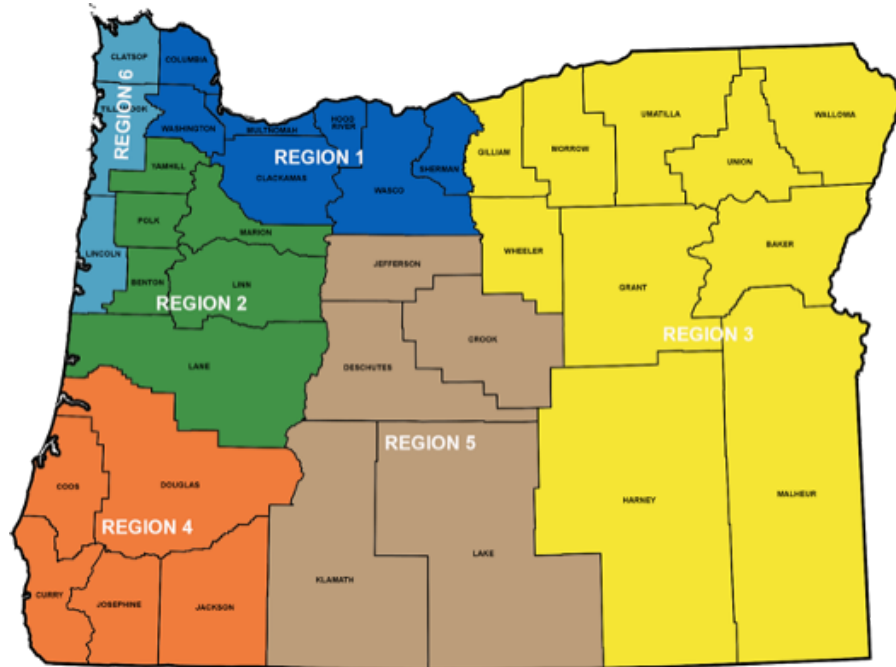


Figure 26 - Oregon SBDC Capital Access Team Regions

SBDC Outcome Reporting

The SBDC Network has tremendous impact across the state.

The Oregon SBDC Network captures the following data: the number of businesses served by SBDCs, the number of jobs created by those businesses, the number of businesses started by SBDC clients, the increase in sales for SBDC client businesses, the amount of capital accessed by SBDC clients, the number of events and courses offered by SBDCs, the number of attendees at those events and courses, and total number of advising hours delivered by SBDC staff to clients.

The Oregon SBDC Network records their client demographics to help evaluate the availability of services to historically underserved populations and guide programs to serve more Oregonians.

Table 12 - Oregon SBDC Demographic Data

SBDC Client Demographics	2018	2019
Women	1,805	3,049
BIPOC (Latino)	1197 (698)	1184 (752)
Veterans	340	427

Most of those metrics have seen growth from the same data points for 2016 and 2017 collected for the previous Capital Scan. Unsurprisingly, some (but not all) of the biggest figures are reported by SBDCs in and around the state's three biggest cities: Portland, Salem, and Eugene.

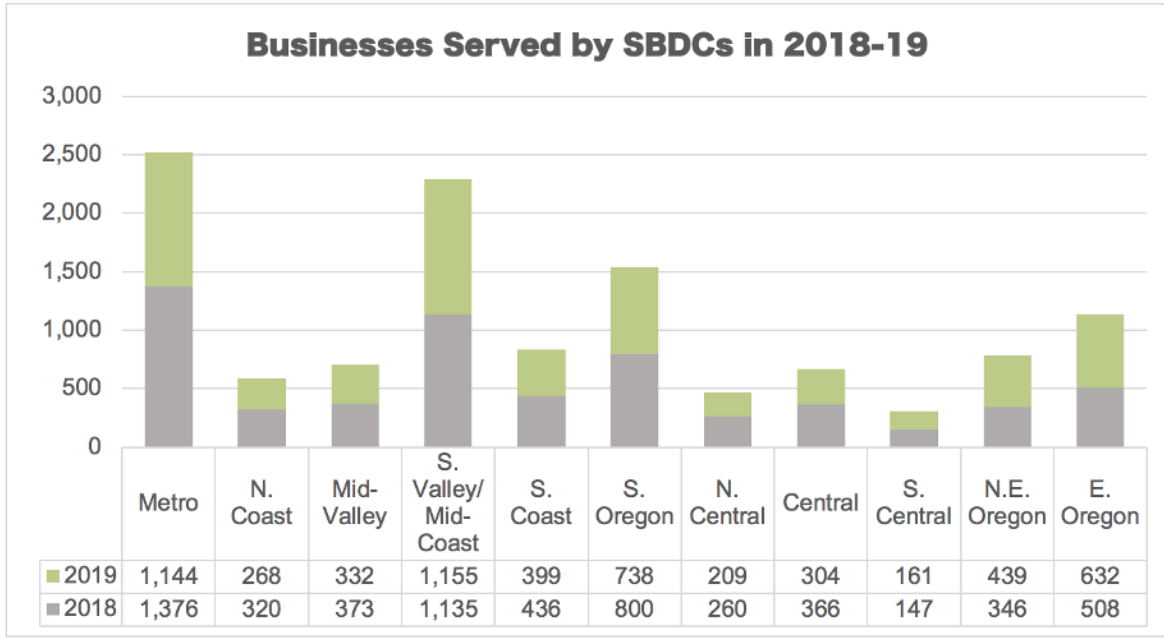


Figure 27 - SBDC Services by Region: 2018-2019

The number of business served were fairly consistent during the two years with a few modest declines in 2019. SBDCs that fall into the Metro, South Valley/Mid-Coast, and Southern Oregon Regional Solutions regions reached the most businesses. Areas like the Mid-Valley and Central regions, which include Salem and Bend respectively, might be expected to reach more businesses, but did not see proportional results.

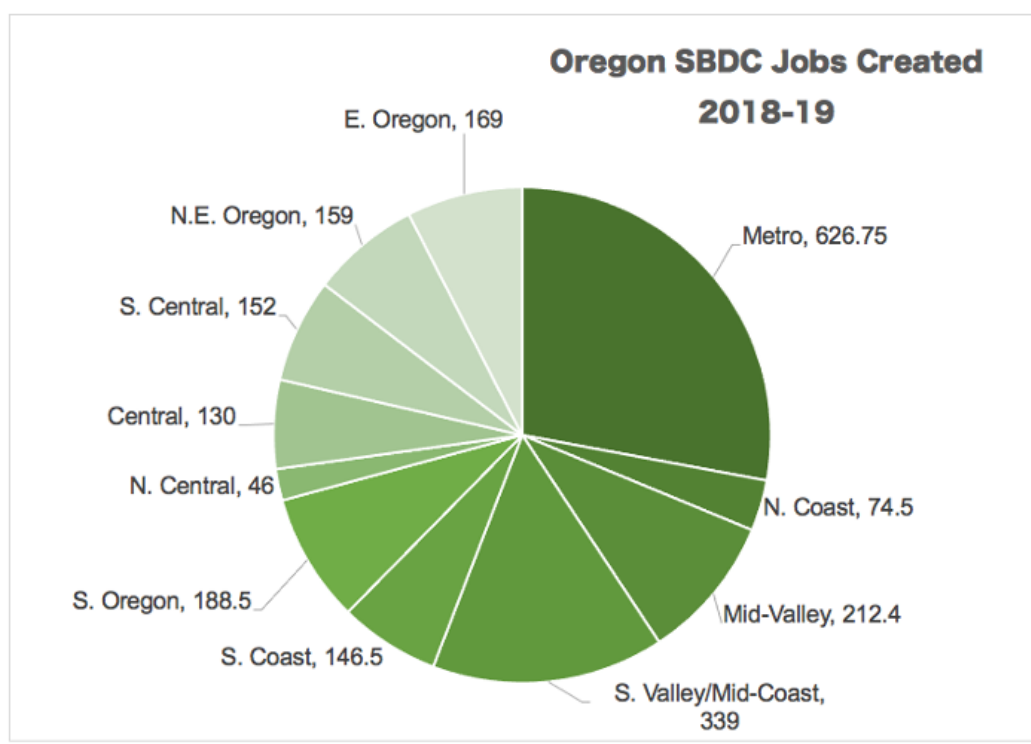


Figure 28 - Oregon SBDC Job Creation

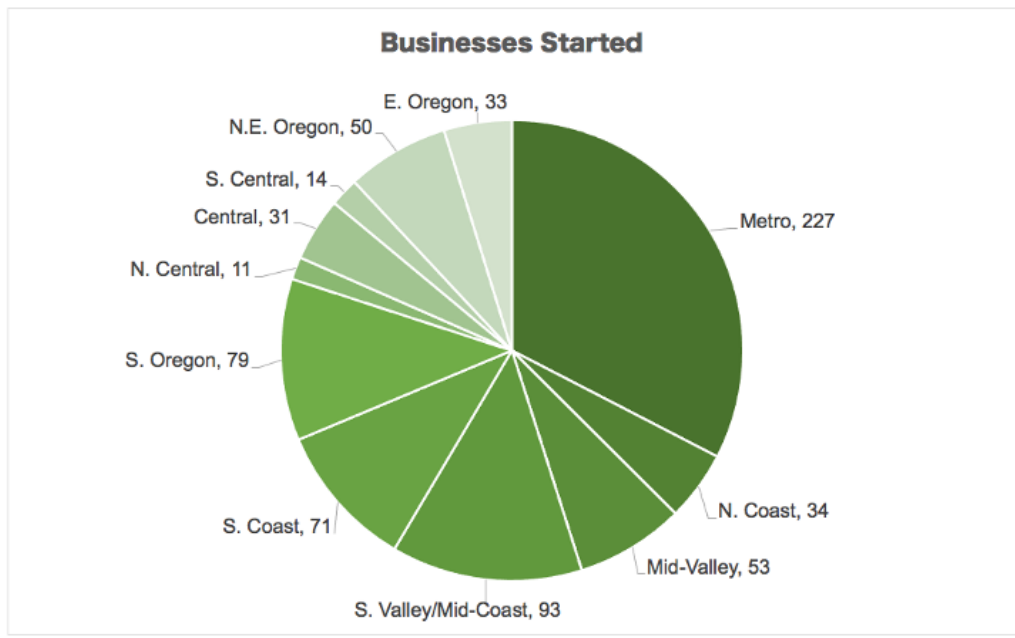


Figure 29 - Oregon SBDC Business Starts - 2018-2019

The Metro and South Valley/Mid-Coast regions saw the highest numbers of jobs created and businesses started, with the Metro region seeing almost twice the number of jobs created by SBDC clients in the South Valley/Mid-Coast region and more than twice the number of businesses started. The regions that saw the least number of jobs created by SBDC clients were the North Central and North Coast regions, which along with Central and Eastern Oregon regions also saw lower numbers of businesses started.

The data on the increase in sales and capital accessed show strong numbers again for the Metro and South Valley/Mid-Coast region, as well as strong numbers in the Mid-Valley region. Of

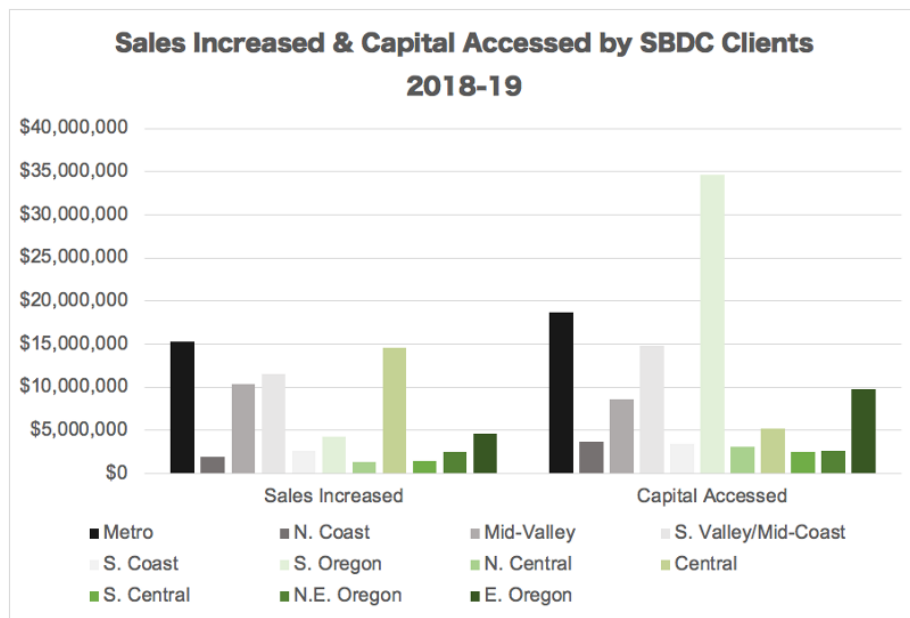


Figure 30 - SBDC Sales and Capital Outcomes

note is the strong performance of the Central region in the increase in sales seen by their regional SBDC clients. The most glaring is the tremendous amount of capital accessed by SBDC clients in the Southern Oregon region. Greater Eastern Oregon region SBDCs clients also accessed more capital than in more urban regions, but the region covers more counties so that capital is likely more dispersed.

Table 13 - SBDC Event data 2018-2019

	2018			2019		
	Events & Courses	Attendees	Average per Event/Course	Events & Courses	Attendees	Average per Event/Course
Metro	220	2,307	10.49	224	2,453	11
N. Coast	63	581	9.20	75	506	7
Mid-Valley	71	591	8.32	72	751	10
S. Valley/Mid-Coast	204	1,671	8.19	170	1,340	8
S. Coast	55	650	11.82	58	647	11
S. Oregon	126	1,162	9.22	129	1,067	8
N. Central	18	92	5.10	6	27	5
Central	72	775	10.76	63	562	9
S. Central	38	384	10.11	29	226	8
N.E. Oregon	21	127	6.05	11	107	10
E. Oregon	75	636	8.48	56	588	11
Total	963	8,976	8.89	893	8,274	8.81
2-Year Total	1,856	17,250	8.85			

Numbers of courses offered regionally in 2018 and 2019 remained fairly consistent. Metro region SBDC events saw more attendees per event and SBDC events in the North Central and North Central regions saw fewer attendees per event offered. SBDCs in those two regions offered fewer courses than other SBDCs in other regions.

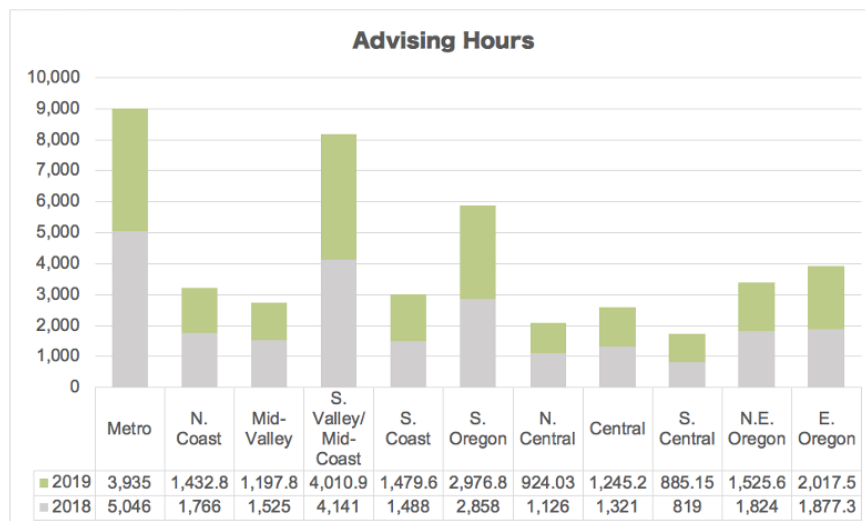


Figure 31 - SBDC Advising Hours

The numbers of advising hours reflect trends in previously discussed data, with the highest numbers present in the Metro, South Valley/Mid-Coast, and Southern Oregon regions. In both years, SBDCs serving the South Central region reported the fewest individual advising hours with business owners.

The data demonstrate percent change year-over-year in outcomes achieved by SBDCs statewide. No single year saw a decline across all metrics, but some years did see less growth across several metrics than the previous year (2014, 2016, and 2018). Other years saw more

consistent growth in several metrics (2017 and 2019). Declines were seen in 22 of the 49 above data points, indicating a few more instances of year-over-year growth than decline. The largest decline was in jobs created from 2017 to 2018 (-44.67%), but the largest increase was in sales increased from 2012 to 2013 (168.44%). Overall, in the instances of growth from year to year, the percent increase was higher than the percent decrease in years of decline, indicating stronger growth generally.

Table 14 - SBDC outcomes 2012-2019

Year	Businesses Served	Jobs Created	Businesses Started	Events & Courses	Advising Hours	Sales Increased	Capital Accessed
2012	5,415	513	137	1,162	25,179	\$7,335,325	\$17,817,296
2013	5,308	773	174	1,145	24,272	\$19,691,157	\$31,821,078
2014	5,433	1,041	187	1,010	24,704	\$30,834,392	\$28,189,516
2015	5,011	892	201	972	23,789	\$57,280,384	\$44,311,698
2016	5,162	987	195	887	22,299	\$45,331,919	\$37,675,933
2017	5,245	1,894	386	904	22,416	\$29,693,617	\$65,305,764
2018	6,067	1,048	362	963	23,791	\$30,240,542	\$43,692,688
2019	5,781	1,195	334	893	21,631	\$40,489,806	\$63,536,713

Launch: State of Oregon Programs

Business Oregon offers five loan programs:

1. The **Oregon Business Development Fund (OBDF)**, established in 1986, is a direct loan program that encourages traded sector businesses to locate or expand in Oregon.
2. The **Oregon Royalty Fund (ORF)**, established in 2019, is a direct loan program designed to improve the flexibility of financing offered allowing loan repayment to occur exclusively from royalty payments.
3. The **Entrepreneurial Development Loan Fund (EDLF)**, established in 1991, is a direct loan program that assists micro-enterprises and new and small businesses.
4. The **Credit Enhancement Fund (CEF)**, established in 1991, offers loan guarantees to regulated financial institutions to increase the availability of capital for small businesses.
5. The **Capital Access Program (CAP)**, established in 1991, provides a form of loan loss reserve so financial institutions may make business loans that carry higher than conventional risks while complying with federal and state banking regulations.

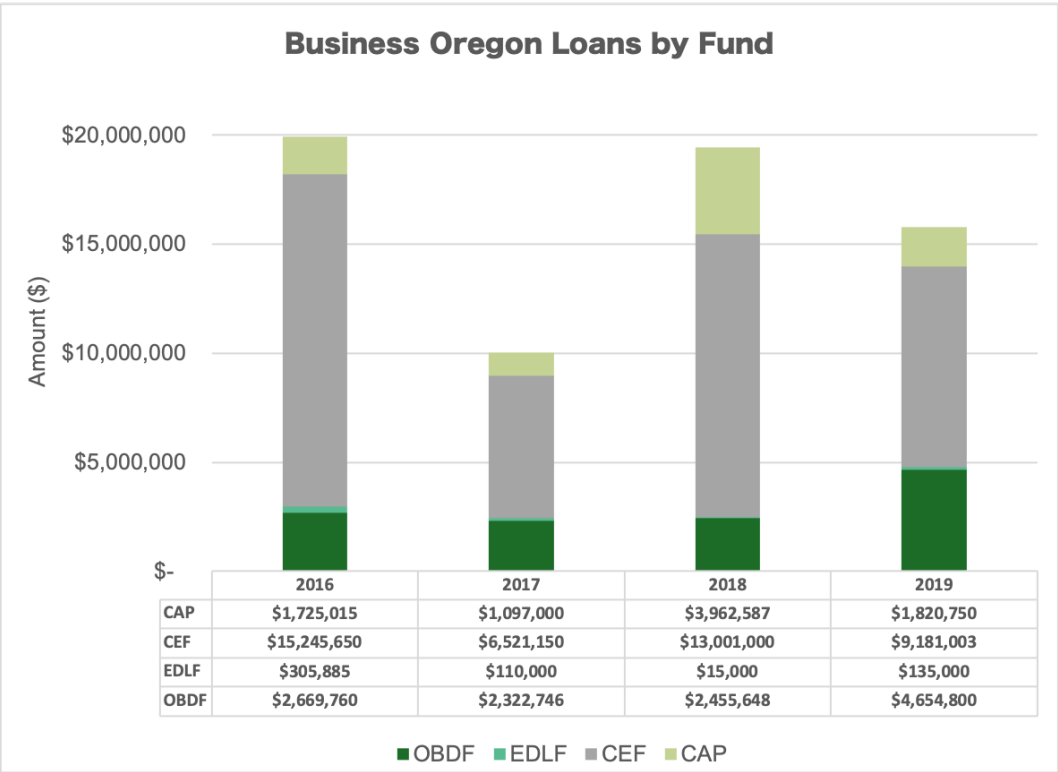


Figure 32 - Business Oregon Loans 2016-2019

The Oregon Capital Scan has collected loan program data from Business Oregon since 2016 and yearly data suggests some fluctuation in the total volume of loans made. Higher loan volumes were observed in 2016 and 2018 with a lower volume in 2017. Availability of local micro-lending resources, utilization of personal credit for business purposes, and requirements for collateral have reduced the volume of EDLF, but the loan guarantees offered by the CEF remain the most popular each year. No funds show consistent growth or decline year-to-year, but over this four-year period, the OBDF has trended upwards while the CEF has declined.

Business Oregon programs often experience utilization that is counter-cyclical to economic conditions (as economic conditions deteriorate, program utilization increase). Example of this may include the following:

- The pandemic may lead to a decrease in angel investing, which would lead to more loans made through the Oregon Royalty Fund.
- Should businesses experience deteriorating financial conditions or as regulators tighten credit standards for banks and credit unions, the CEF program would experience greater demand and utilization by lenders to assist in extending capital to business owners.

To be better prepared to support the future needs of Oregon businesses, legislation is being considered to increase lending limits for the EDLF and OBDF loan program. As of this report (January 2021), Business Oregon expects to experience an increase in demand of up to 200% across their access to capital programs in the wake of the COVID-19 pandemic as lenders, business owners and new entrepreneurs seek assistance starting, stabilizing, and rebuilding in response to the 2020 economic recession.

Demographic Data

In 2019, Business Oregon began collecting voluntarily reported demographic data from business owners accessing its programs. Future use of this data will include aggregating information of the demographic makeup of who is accessing and benefiting from the programs. With that information, the agency can look at what is working, and what can be improved to ensure that any populations that may be unrepresented in program use can be included and have equitable access to the agency’s services.

Geographic Distribution of Business Oregon Loans

Geographically, the Central Regional Solutions region saw the greatest percentage of Business Oregon loans over the two-year period, with the Metro region claiming a fifth of loans during that period. No loans were made to businesses in the Northeast region and very few made in the South Coast and South-Central regions. There are many factors that go into how these loan funds are geographic distributed, including demand from business owners and the availability of other loan options. Utilization of the CAP, for instance, is based on local banks prioritizing the program and so is dependent on strategic policy set by bank executives and is apt to change when banks merge or are acquired.

Table 15 - Business Oregon Loans by Region 2018-2019

2018-19 Loan Dollar Distribution by Regional Solutions Regions	
Central	\$11,525,744
Metro	\$6,912,765
South Valley/Mid-Coast	\$5,281,756
Mid-Valley	\$4,068,648
North Central	\$2,835,038
North Coast	\$2,568,837
Greater Eastern Oregon	\$993,000
Southern Oregon	\$875,000
South Coast	\$150,000
South Central	\$15,000

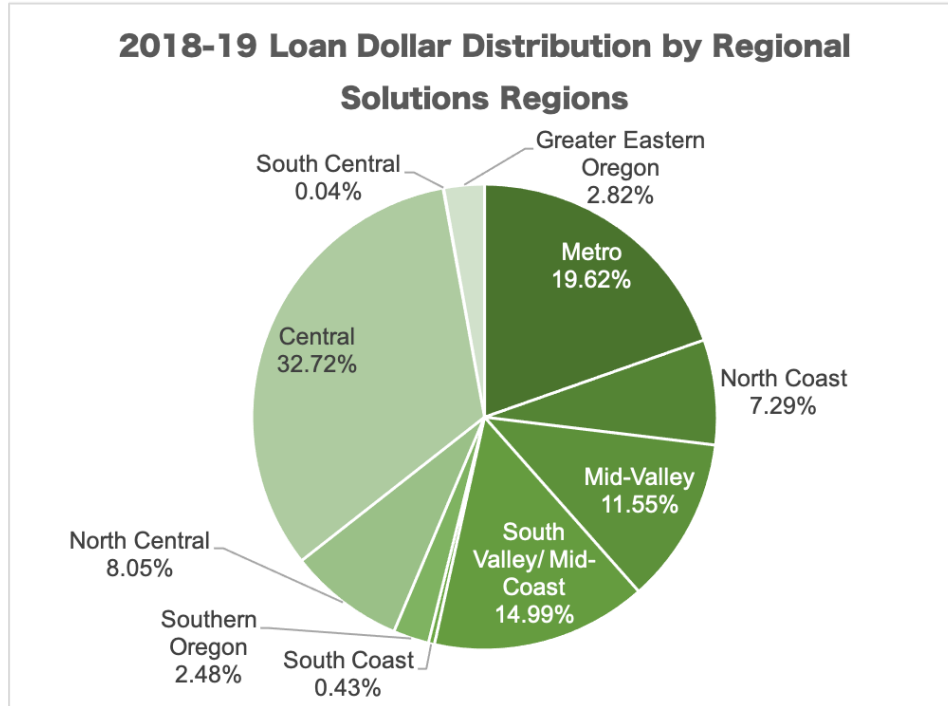


Figure 33 - Business Oregon Loans by Region

Oregon Business Development Fund

The Oregon Business Development Fund (OBDF) is a revolving loan fund that provides up to \$1 million term fixed-rate financing for land, buildings, equipment, machinery, and permanent working capital. Participants must create or retain jobs and must typically be a traded-sector business in manufacturing, processing, or distribution. The program gives preference to projects located in rural and distressed areas and to small businesses with fewer than 100 employees.

Table 16 - OBDF Data 2016-2019

OBDF Data 2016-19 (Source: Business Oregon, John Saris)					
	Number of Loans	Total Loan Dollars	Average Loan Dollars	Number of Jobs Created	
2016 Sub-Total	11	\$2,669,760	\$242,705	85	
2017 Sub-Total	7	\$2,322,746	\$331,828	128	
2016-17 Total	18	\$4,992,506	\$287,267	213	
2018					
County	Number of Loans	Total Loan Dollars	Average Loan Dollars	Number of Jobs Created	RS Region
Deschutes	2	\$1,437,000	\$718,500	13	Central
Marion	1	\$318,648	\$318,648	4	Mid-Valley
Yamhill	1	\$700,000	\$700,000	34	Mid-Valley
Sub-Total	4	\$2,455,648	\$579,049	51	
2019					
County	Number of Loans	Total Loan Dollars	Average Loan Dollars	Number of Jobs Created	RS Region
Deschutes	3	\$2,058,400	\$686,133	28	Central
Jefferson	1	\$196,400	\$196,400	9	Central
Marion	1	\$1,000,000	\$1,000,000	31	Mid-Valley
Multnomah	1	\$1,000,000	\$1,000,000	9	Metro
Washington	1	\$400,000	\$400,000	2	Metro
Sub-Total	7	\$4,654,800	\$656,507	79	
2018-19 Total	11	\$7,110,448	\$617,778	130	

Oregon Royalty Fund

The Oregon Royalty Fund (ORF) is an alternate financing solution for projects that are not yet bankable but are more like angel or venture capital deals. The program lends up to \$250,000 to eligible businesses and allows businesses to pay a monthly royalty payment as a percentage of sales to accommodate growing companies that do not yet qualify for traditional financing. The program was created by SB 1516, passed during the Oregon Legislature’s 2018 session, and became effective on January 1, 2019. In its first year, no loans were finalized.

How it Works

The percentage of sales varies with each project but targets a 2x return from royalty payments over a 3- to 5-year period. Additional payments may be required in certain scenarios, such as sale of the company or other change in ownership. Once the 2x repayment has been achieved, royalty payments stop and the company has satisfied its repayment obligation.

Entrepreneurial Development Loan Fund

The Entrepreneurial Development Loan Fund (EDLF) provides fixed-rate term loans up to \$250,000 to help start-ups, micro-enterprises and small businesses expand or become established in Oregon. This fund fills a niche not provided through traditional lending markets.

Table 17 - Business Oregon EDLF Data 2016-2019

EDLF Data 2016-19 (Source: Business Oregon, John Saris)					
	Number of Loans	Total Loan Dollars	Average Loan Dollars	Number of Jobs Created	
2016 Sub-Total	9	\$305,885	\$38,236	17	
2017 Sub-Total	2	\$110,000	\$55,000	5	
2016-17 Total	11	\$415,885	\$46,618	22	
2018					
County	Number of Loans	Total Loan Dollars	Average Loan Dollars	Number of Jobs Created	RS Region
Grant	1	\$15,000	\$15,000	3	Greater Eastern Oregon
Sub-Total	1	\$15,000	\$15,000	3	
2019					
County	Number of Loans	Total Loan Dollars	Average Loan Dollars	Number of Jobs Created	RS Region
Klamath	1	\$15,000	\$15,000	2	South Central
Tillamook	2	\$120,000	\$60,000	2	North Coast
Sub-Total	3	\$135,000	\$37,500	4	
2018-19 Total	4	\$150,000	\$26,250	7	

Credit Enhancement Fund

The Oregon Credit Enhancement Fund (CEF) is a loan insurance program available to regulated banks and credit unions to lend to businesses. The program is available to almost any business, can include loans used for fixed assets or working capital, can insure term loans and lines of credit, and has an enrollment fee typically between 1.25% and 3.5% of the insured amount based on the term and type of the credit facility. The CEF program offers up to \$2 million of insurance per enrolled loan.

Table 18 - Business Oregon Credit Enhancement Fund data 2016-2019

CEF Data 2016-19 (Source: Business Oregon, John Saris)					
	Number of Loans	Total Loan Dollars	Average Loan Dollars	Number of Jobs Created	
2016 Sub-Total	28	\$15,245,650	\$544,491	64	
2017 Sub-Total	13	\$6,521,150	\$501,627	32	
2016-17 Total	41	\$21,766,800	\$523,059	96	
2018					
County	Number of Loans	Total Loan Dollars	Average Loan Dollars	Number of Jobs Created	RS Region
Clackamas	1	\$2,000,000	\$2,000,000	10	Metro
Coos	1	\$150,000	\$150,000	0	South Coast
Deschutes	3	\$3,030,000	\$1,010,000	6	Central
Hood River	3	\$1,430,000	\$476,667	6	North Central
Lane	1	\$1,000,000	\$1,000,000	0	South Valley/Mid-Coast
Linn	1	\$1,995,000	\$1,995,000	0	South Valley/Mid-Coast
Malheur	1	\$178,000	\$178,000	0	Greater Eastern Oregon
Multnomah	2	\$1,443,000	\$721,500	22	Metro
Polk	2	\$1,775,000	\$887,500	10	Mid-Valley
Sub-Total	15	\$13,001,000	\$935,407	54	
2019					
County	Number of Loans	Total Loan Dollars	Average Loan Dollars	Number of Jobs Created	RS Region
Clackamas	1	\$604,765	\$604,765	0	Metro
Clatsop	1	\$42,500	\$42,500	0	North Coast
Deschutes	6	\$2,416,944	\$402,824	9	Central
Hood River	2	\$1,385,038	\$692,519	2	North Central
Jackson	1	\$125,000	\$125,000	2	Southern Oregon
Josephine	1	\$750,000	\$750,000	1	Southern Oregon
Lane	2	\$748,356	\$374,178	19	South Valley/Mid-Coast
Lincoln	2	\$328,400	\$164,200	0	South Valley/Mid-Coast
Linn	2	\$1,000,000	\$500,000	0	South Valley/Mid-Coast
Malheur	1	\$800,000	\$800,000	0	Greater Eastern Oregon
Multnomah	2	\$980,000	\$490,000	20	Metro
Sub-Total	21	\$9,181,003	\$449,635	53	
2018-19 Total	36	\$22,182,003	\$692,521	107	

Capital Access Program

The Oregon Capital Access Program (CAP) helps regulated lenders (banks and credit unions) make more small business loans and provides capital for start-up or expansion. The program is designed for non-profit and for-profit businesses seeking funds for most business purposes with the exception of purchasing or improving residential housing, purchasing or improving real property not used for business operations, or refinancing an existing balance of a non-enrolled loan. All types of loans and lines of credit are eligible. Lenders build a loan-loss reserve each time they enroll a loan. Contributions to the loan-loss reserve account are matched by CAP program.

CAP loans have enrollment fees between 3% and 7% as determined by the financial institution, will receive a match on the enrollment fee of up to \$35,000 per borrower and have rates and terms for repayment determined by the lender.

Table 19 - Business Oregon Capital Access Program data 2016-2019

CAP Data 2016-19 (Source: Business Oregon, John Saris)					
	Number of Loans	Total Loan Dollars	Average Loan Dollars	Number of Jobs Created	
2016 Sub-Total	25	\$1,725,015	\$69,001	60	
2017 Sub-Total	17	\$1,097,000	\$64,529	15	
2016-17 Total	42	\$2,822,015	\$66,765	75	
2018					
County	Number of Loans	Total Loan Dollars	Average Loan Dollars	Number of Jobs Created	RS Region
Clackamas	4	\$165,000	\$41,250	2	Metro
Clatsop	10	\$1,140,587	\$114,059	11	North Coast
Deschutes	4	\$2,387,000	\$596,750	7	Central
Lane	2	\$160,000	\$80,000	0	South Valley/Mid-Coast
Lincoln	1	\$50,000	\$50,000	0	South Valley/Mid-Coast
Marion	1	\$25,000	\$25,000	1	Mid-Valley
Washington	1	\$35,000	\$35,000	0	Metro
Sub-Total	23	\$3,962,587	\$134,580	21	
2019					
County	Number of Loans	Total Loan Dollars	Average Loan Dollars	Number of Jobs Created	RS Region
Clackamas	2	\$50,000	\$25,000	1	Metro
Clatsop	7	\$1,115,750	\$159,393	9	North Coast
Hood River	1	\$20,000	\$20,000	2	North Central
Marion	1	\$200,000	\$200,000	10	Mid-Valley
Multnomah	1	\$35,000	\$35,000	2	Metro
Polk	1	\$50,000	\$50,000	1	Mid-Valley
Tillamook	1	\$150,000	\$150,000	4	North Coast
Washington	1	\$200,000	\$200,000	0	Metro
Sub-Total	15	\$1,820,750	\$104,924	29	
2018-19 Total	38	\$5,783,337	\$119,752	50	

Oregon Industrial Development Bonds and Oregon Express Bond Program

Oregon Industrial Development Bonds are tax-exempt bonds issued by the state of Oregon, designed to help Oregon manufacturers grow. They provide long-term financing for land, buildings and equipment.

These bonds finance job creation and business growth for Oregon traded-sector, value-added manufacturers and processors by providing long-term debt financing for land, buildings and other fixed assets at a rate below prime. Affordable interest rates and tax-exempt status assist in lowering capital expenses. The bonds are available to manufacturers, processors, exempt facilities (e.g., docks or solid waste facilities) and nonprofits and generally provide the greatest benefit to the borrower for bonds of \$5 million or more.

Oregon Express Bond Program

The Oregon Express Bond program uses much less paperwork and highly standardized documents to save borrowers time and money during the tax-exempt bond borrowing process.

Business Oregon has selected a bond counsel firm with a pre-approved fee schedule. Express Bonds are placed with the borrower's bank and may be feasible for financing smaller projects, particularly within the \$1,000,000 to \$5 million cost range.

Launch: City and County Governments' Grant and Loan Programs

Grant and loan programs offered by city and county governments are important resources for starting or growing a business. Many entrepreneurs and business owners, particularly small business owners, are most likely to seek capital at the local level before exploring options available regionally, statewide, or nationally.

Many cities and counties employ economic development staff who play a crucial role in linking businesses to sources of capital and whose outreach to business owners can be determinative in whether a business is able to access needed capital. The relationships between economic development staff and local entrepreneurs can provide myriad other resources. These can include site selection assistance for new or relocating companies, facilitation of a local business network connecting business owners, advocacy for crucial local infrastructure improvements necessary for business growth, and cultivation of an ecosystem that attracts a skilled workforce. For local jurisdictions that offer grants or loans to business owners, not only do economic development staff often administer those programs, but they are also essential in connecting with and supporting business owners throughout the application and award processes.

Offering grants and loans to businesses can benefit local jurisdictions, too. County and city governments target their grant and loan funds to accomplish goals at the local level, including encouraging property rehabilitation and development of underutilized properties, retaining businesses in a competitive landscape, attracting visitors and tourists, and diversifying property types to increase tax revenues.

Overall, city and county governments award more grants than loans to businesses. While grants are more attractive to businesses for the obvious reason that they do not need to be paid back and do not involve paying interest or providing collateral, this trend more importantly reflects two realities for local jurisdictions:

- 1) Administering loans can often be very difficult for local governments whose capacity is often strained by the variety of other services they provide and
- 2) It can be more advantageous for city and county governments to work with a partner development corporation, chamber of commerce, economic development district, or other entity to manage a loan fund that they may or may not fund directly.

This collaboration with other public or private entities that manage loan programs allows local governments to provide resources for their businesses with the help of partners who have significant expertise in offering business financing programs and in complying with financial regulations, without having to shoulder the additional regulatory and administrative burdens that come with overseeing grant and loan opportunities.

Both grants and loans are often made available by city governments in a defined urban renewal district. A city council may establish such a district to encourage development or to encourage property rehabilitation and development of underutilized properties in a particular area. These programs are made possible by tax-increment financing, whereby a portion of property taxes are dedicated specifically to the revitalization of an urban renewal district. Many urban renewal agencies reserve funds for capital improvement projects, but this structure is worth mentioning because it is a popular tool for cities to establish grant and loan programs for their local businesses. It is also of note that while this report focuses on sources of capital for business owners, cities in particular have a wide variety of incentives and programs they can or do offer that encourage and promote new business and business growth through means other than direct funding, such as waiving development fees.

City grants

Many city governments across the state offer grants, most of which are available to business owners. However, these grants do not provide unrestricted capital to businesses, but rather assist in the development of industrial sites, improvements to existing buildings, and upgrades to storefronts.

Table 20 - City grant programs 2019-2019

City Grant Programs FY 2018-2019										
City [† County Seat]	County	Type of Grant [*Loans are also made through this fund, but have been removed from this table]	FY 2018				FY 2019			
			Grant Dollars Available	Number of Grants	Total Grant Dollars	Average Grant Dollars	Grant Dollars Available	Number of Grants	Total Grant Dollars	Average Grant Dollars
Salem †	Marion	Riverfront Capital Grant	\$2,825,000	17	\$2,412,365	\$141,904	\$750,000	18	\$3,005,000	\$166,944
Salem †	Marion	Riverfront Strategic Grant	\$175,000	9	\$165,701	\$18,411	\$200,000	5	\$126,445	\$25,289
Salem †	Marion	West Salem Grant	\$700,000	2	\$467,073	\$233,537	\$200,000	4	\$364,000	\$91,000
Salem †	Marion	North Gateway Grant	\$2,000,000	10	\$1,962,293	\$196,229	\$1,000,000	2	\$517,700	\$258,850
Gresham	Multnomah	New Industries Grant	\$260,000	1	\$30,167	\$30,167	\$260,000	1	\$27,552	\$27,552
Hillsboro †	Washington	Downtown Storefront Improvement Grant	\$120,000	3	\$87,811	\$29,270	\$120,000	7	\$96,463	\$13,780
Beaverton	Washington	Storefront Improvement Grant	\$275,000	13	\$239,636	\$18,434	\$604,971	24	\$444,202	\$18,508
Beaverton	Washington	Tenant Improvement Grant	\$370,000	9	\$302,303	\$33,589	\$652,720	11	\$349,303	\$31,755
Beaverton	Washington	Pre-Development Grants	\$190,000	8	\$110,408	\$13,801	\$348,245	8	\$270,945	\$33,868
Tigard	Washington	Interior/Exterior Matching Grant	\$135,000	1	\$68,784	\$68,784	\$75,000	1	\$55,393	\$55,393
Grants Pass †	Josephine	Building Façade Matching Grant	\$45,363	7	\$26,071	\$3,724	\$30,363	4	\$16,000	\$4,000
Grants Pass †	Josephine	Light the Storefront Matching Grant	\$19,700	4	\$2,079	\$520	\$17,921	4	\$2,810	\$703
Grants Pass †	Josephine	Building Retention, Relocation Assistance Grant					\$200,000	6	\$300,000	\$50,000
Grants Pass †	Josephine	System Development Charge Grant					\$479,000	5	\$125,000	\$25,000
Roseburg †	Douglas	Tourism Grant		15	\$71,581	\$4,772		8	\$35,982	\$4,498
Hermiston	Umatilla	Façade Improvement Grant	\$50,000	6	\$56,507	\$9,418	\$50,000	0	\$0	\$0
Coos Bay	Coos	Façade Improvement	\$100,000	0	\$0	\$0	\$50,000	1	\$18,816	\$18,816
Coos Bay	Coos	Façade Improvement	\$250,000	3	\$41,057	\$13,686	\$300,000	7	\$390,000	\$55,714
The Dalles †	Wasco	Columbia Gateway Urban Renewal Agency Grants & Loans *	\$60,000		\$118,252		\$60,000		\$97,170	
Central Point	Jackson	Façade Improvement Grant	\$35,000	3	\$13,062	\$4,354	\$35,000	5	\$23,354	\$4,671
Ontario	Malheur	Façade Improvement Grant	\$20,253	3	\$15,700	\$5,233	\$4,553	1	\$4,553	\$4,553
Silverton	Marion	Façade Improvement Grant		4	\$76,999	\$19,250		1	\$9,750	\$9,750
Silverton	Marion	Building Improvement Grant		5	\$539,037	\$107,807		1	\$100,000	\$100,000
Monmouth	Polk	Façade Improvement Grant	\$30,000	2	\$21,250	\$10,625	\$30,000	0	\$0	\$0
Tillamook †	Tillamook	Urban Renewal District Grants & Loans *		3	\$102,829	\$34,276		1	\$2,500	\$2,500
Vale †	Malheur	Downtown Beautification Grant	\$7,500	0	\$0	\$0	\$7,500	0	\$0	\$0
TOTAL			\$7,667,816	128	\$6,930,963	\$43,382	\$5,475,273	125	\$6,382,939	\$40,126
2-YEAR TOTAL							\$13,143,089	253	\$13,313,902	\$41,754

Grant programs are advantageous for cities in addressing certain needs and offer more flexibility than loan programs in terms of how long a program may be available for business owners. For instance, a city may make a storefront improvement grant program available for a number of years, but if the city government meets its objectives or experiences budget constraints, city staff can pause or discontinue that program without the longer-term responsibilities of lending.

Benefitting from a larger tax base, more urban, populous cities offer more grant opportunities, in terms of both grants awarded and higher average grant amounts. However, in more rural areas, where other sources of funding are not as easily accessible, city grant programs can fill an important gap for local businesses.

Many cities, urban and rural alike, have established grant programs in response to the COVID-19 pandemic (although those programs will fall within the scope of the next Capital Scan). Declining municipal revenue from the economic downturn may negatively affect what cities can offer in terms of grant and loan programs in coming years, but many cities that did not previously have established frameworks for grant-making have run their first grant program and may be more inclined to offer grants to businesses in the future.

City Loans

As stated, loan programs are less commonly offered than grant programs by city governments due to the administrative burdens of managing loan portfolios and the ability to enter an agreement with partner organizations who may be able to manage a loan program on a city's behalf. Some urban renewal districts offer both grant and loan programs, which allows them to maximize the funding they can make available to businesses. In doing so, they make grants available for smaller, less costly projects and loans available for larger development projects.

Table 21 - City Loan Programs 2018-2020

City Loan Programs 2018-2029										
City [† County Seat]	County	Type of Loan Fund [*Grants are also made through this fund, but have been removed from this table]	FY 2018				FY 2019			
			Loan Dollars Available	Number of Loans	Total Loan Dollars	Average Loan Dollars	Loan Dollars Available	Number of Loans	Total Loan Dollars	Average Loan Dollars
Eugene †	Lane	Arts Loans	\$191,044	0	\$0	\$0	\$192,087	3	\$110,500	\$36,833
Eugene †	Lane	Business Growth Loans	\$1,228,479	3	\$795,000	\$265,000	\$728,518	5	\$883,600	\$176,720
Eugene †	Lane	Downtown Loans	\$2,912,476	1	\$500,000	\$500,000	\$2,646,536	1	\$200,500	\$200,500
Eugene †	Lane	River Loans	\$3,244,279	0	\$0	\$0	\$3,244,279	0	\$0	\$0
Springfield	Lane	Springfield Urban Renewal District Loans	\$200,000	1	\$125,000	\$0	\$200,000	0	\$0	\$0
Newberg	Yamhill	Industrial/Commercial Revolving Loan Fund	\$300,000	0	\$0	\$0	\$300,000	0	\$0	\$0
Hermiston	Umatilla	Revolving Loan Fund	\$70,000	0	\$0	\$0	\$173,625	1	\$65,000	\$65,000
Pendleton †	Umatilla	Revolving Loan Fund	\$170,000	1	\$52,560	\$52,560	\$180,000	3	\$292,000	\$97,333
The Dalles †	Wasco	Columbia Gateway Urban Renewal Agency Grants & Loans *	\$60,000		\$118,252		\$60,000		\$97,170	
Tillamook †	Tillamook	Tillamook Urban Renewal District Grants & Loans*		4	\$156,400	\$39,100		0	\$0	\$0
Vale †	Malheur	Revolving Loan Fund	\$400,000	1	\$100,000	\$100,000	\$400,000	2	\$119,400	\$59,700
TOTAL			\$8,776,278	11	\$1,847,212	\$95,666	\$8,125,045	15	\$1,768,170	\$63,609
2-YEAR TOTAL							\$16,901,323	26	\$3,615,382	\$79,637

Prosper Portland Grants and Loans

The City of Portland offers grants and loans through its economic development agency, Prosper Portland. Business funding is not available from county governments in Multnomah or Washington Counties, nor from the Greater Portland Economic Development District.

Prosper Portland offers a variety of loan programs to business owners, in addition to technical assistance, aggregated RFP/bid opportunities, and a list of available commercial properties available for lease or purchase from the agency. The agency has established an equity focus to reach business owners and entrepreneurs of color and to support revitalization of neglected communities. New loan programs were launched in 2020 to support business owners of color and will be featured in the next Capital Scan.

Table 22 - Prosper Portland Programs 2018-2019

Prosper Portland Programs 2018-2019						
Type of Loan Fund	2018			2019		
	Number of Loans	Total Loan Dollars	Average Loan Dollars	Number of Loans	Total Loan Dollars	Average Loan Dollars
Business Lending Special Authorization Loans	2	\$227,500	\$113,750			
Commercial Property Redevelopment Loans	2	\$9,206,165	\$4,603,083	4	\$6,006,075	\$1,501,519
Prosperity Investment Program Matching Loans	1	\$25,000	\$25,000			
Commercial Property Assessed Clean Energy Loans				1	\$290,000	\$290,000
Neighborhood Prosperity Initiative & Main Street Network Loans				1	\$56,407	\$56,407
Small Business Loan Fund				2	\$267,500	\$133,750
Thriving Small Business				1	\$50,000	\$50,000
TOTAL	5	\$9,458,665	\$1,580,611	9	\$6,669,982	\$406,335
2-YEAR TOTAL				14	\$16,128,647	\$993,473

Additionally, Prosper Portland offers grant funds through the Prosperity Investment Program (PIP), which funds building improvements for business owners within five urban renewal districts in Portland. The program seeks to create high-quality jobs, invest in communities of color, and build healthy neighborhoods. For this program, 2018-2019 data was not available.

County Grants and Loans

More business funding is available from city governments than is available from county governments across the state. Much like city governments, many counties make business funding available through a partnership with another economic development partner, such as a development corporation, a local chamber of commerce, or economic development district, who are equipped to manage loan portfolios that may receive funding from the county government.

A few counties in the Greater Eastern Oregon Regional Solutions region do offer direct business funding programs which may fill important gaps left by fewer funding opportunities available to the region’s business owners.

Table 23 - County Loan Programs

County Loan Programs 2018-2019								
	2018				2019			
County	Loan Dollars Available	Number of Loans	Total Loan Dollars	Average Loan Dollars	Loan Dollars Available	Number of Loans	Total Loan Dollars	Average Loan Dollars
Gilliam		0	\$0	\$0		1	\$400,000	\$400,000
Lake	\$223,000	0	\$0	\$0	\$0	1	\$29,500	\$29,500
Morrow	\$171,746.43	0	\$0	\$0	\$85,431	1	\$100,000	\$100,000
TOTAL	\$394,746	0	\$0	\$0	\$85,431	3	\$529,500	\$176,500
2-YEAR TOTAL					\$480,178	3	\$529,500	\$88,250

Many counties offer additional grant or loan programs for other community and economic development projects to public and non-profit organizations, which fall outside of this report’s scope, and some counties fund projects ad hoc at the discretion of the county’s commissioners. County government’s loan terms are often significantly less competitive than business owners may be able to find through state programs and private financial institutions. Collectively, county grant and loan programs account for a very small percent of available capital for business owners and entrepreneurs in the state.

Table 24 - County Grant Programs

County Grant Programs 2018-2019								
	2018				2019			
County	Grant Dollars Available	Number of Grants	Total Grant Dollars	Average Grant Dollars	Grant Dollars Available	Number of Grants	Total Grant Dollars	Average Grant Dollars
Lake	\$223,000	2	\$17,750	\$8,875	\$228,000	0	\$0	\$0
Polk	\$80,000	2	\$39,700	\$19,850	\$80,000	2	\$11,500	\$5,750
Umatilla	\$135,550	26	\$109,863	\$4,226	\$125,000	25	\$104,475	\$4,179
Yamhill	\$200,000	10	\$200,000	\$20,000	\$0	0	\$0	\$0
TOTAL	\$638,550	40	\$367,313	\$13,238	\$433,000	27	\$115,975	\$2,482
2-YEAR TOTAL					\$1,071,550	67	\$483,288	\$7,860

Notes on Methodology for City and County Programs

The above data in this section includes self-reported figures collected from all counties and those cities with populations over 10,000 people and county seats. Responses were not received from every jurisdiction and so the above data should be viewed as a snapshot of the grant and loan programs available. Data for 67 cities was requested and the response rate was 64%. Of 36 counties in the state, all but two county governments responded (for a 94% response rate).

Given that the cities and counties record their data by fiscal year (July 1 to June 30) and data requests were submitted to a high number of cities, fiscal year data has been substituted for calendar year data for cities, but new programs started in calendar year 2020 have been excluded from figures for FY2019-20.

Only grant and loan programs that provided a capital injection to businesses are included in the above data, so for instance, a program that reimburses businesses for local system development charges for new development would be included, but a program that waived system development charges would not be. Some listed grant and loan programs may also be available to public and non-profit entities, but when possible, those awardees have been excluded from the figures above. Grants and loans for historical preservation of buildings are popular and may indirectly benefit a business but fall outside of this report's scope and have also been excluded.

Launch: Economic Development District Loan Programs

An economic development district is an organizational entity, generally covering several jurisdictions, multiple counties, and sometimes crossing state lines, that drives economic development through strategic planning and leading collaboration amongst public, private, and non-profit partners. These entities are designated by the federal Economic Development Association (EDA). Oregon has thirteen economic development districts:

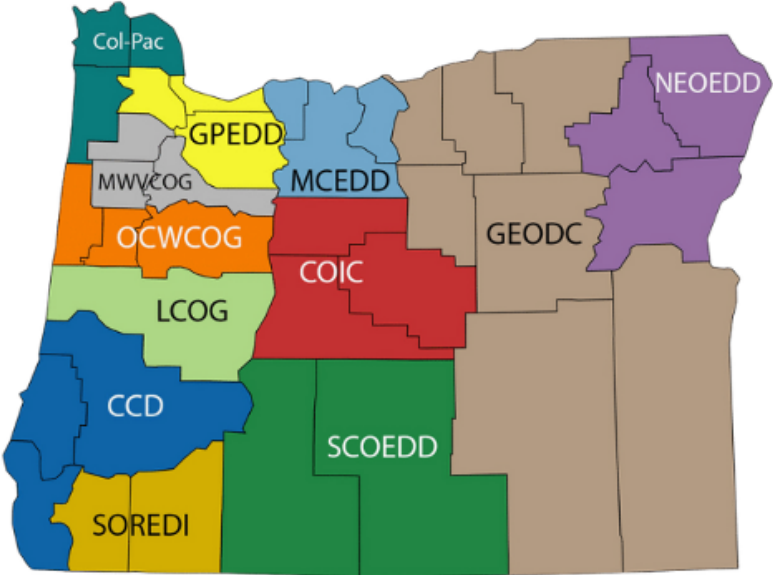


Figure 34 - Oregon Economic Development Districts Map

Economic development districts map almost exactly on to Regional Solutions regions used throughout this report. The only exceptions are that ATNI-EDC provides services to Native business owners statewide and the South Valley/Mid-Coast region is split between OCWCOG (Benton, Lincoln, and Linn Counties) and LCOG (Lane County).

Affiliated Tribes of Northwest Indians Economic Development Corporation (ATNI-EDC) serves businesses owned by or that directly benefit Native Americans of ATNI-member tribes in Washington, Oregon, Idaho, and parts of Montana, California, Nevada, and Alaska. The ATNI-EDC offers a revolving loan fund but is in the process of revising their loan portfolio and expects to make more loans in coming years.

Coos, Curry, Douglas (CCD) Business Development Corporation primarily serves businesses located in Coos, Curry, and Douglas counties. They package and market SBA 504 loans and Oregon Business Development Fund loans. They also offer revolving loan programs in the counties they primarily serve (Coos, Curry, and Douglas counties), as well as in Jackson and Josephine counties.

Central Oregon Intergovernmental Council (COIC) offers many services in Crook, Deschutes, and Jefferson counties. Their business loan portfolio includes an Economic Development Administration revolving loan fund (also available to businesses in Harney, Klamath, and Lake counties), USDA Intermediary Relending Program revolving loan fund (also available in Coos, Curry, Douglas, Harney, Hood River, Jackson, Josephine, Klamath, Lake, Lane, Malheur, Sherman, and Wasco counties), and the origination and servicing of a revolving loan fund

owned by Jefferson County. COIC offered SBA 504 loans until last year before transferring that program to Evergreen Business Capital.

Columbia-Pacific (Col-Pac) Economic Development District serves Clatsop, Columbia, and Tillamook counties and western parts of Washington County. They offer a USDA revolving loan fund and a Rural Business Enterprise Grant loan program.

Greater Eastern Oregon Development Corporation (GEODC) covers a very large portion of the state geographically, including Gilliam, Grant, Harney, Malheur, Morrow, Umatilla, and Wheeler counties. Through GEODC, business owners have access to the SBA 504 Loan Program, the USDA Intermediary Relending Program, the EDA revolving loan fund, regional revolving loans funds, a microbusiness revolving loan fund, a revolving loan fund for Native American business owners, and the Morrow County Equity Fund.

Greater Portland Economic Development District (GPEDD) staffed by Greater Portland, Inc., serves Clackamas, Multnomah, and Washington counties, but does not offer lending programs as an economic development district. Business owners within Portland's urban growth boundary can alternatively access loan programs offered by Prosper Portland. GPEDD is not included in the data below, but more about Prosper Portland's loan programs can be found in the City & County Grant and Loan Programs section of this report.

Lane Council of Governments (LCOG) offers a high volume of loans to businesses in Lane County. Business owners throughout the county can access SBA 504 and SBA 7A loans and the EDA Revolving Loan Fund program, in addition to assistance with loan programs offered by Business Oregon. In rural areas of Lane County, USDA rural business loan programs are available.

Mid-Columbia Economic Development District (MCEDD) serves Hood River, Sherman, and Wasco counties, as well as Klickitat and Skamania counties in Washington. In addition to their loan programs, MCEDD assists business owners in applying to financing programs offered by Business Oregon, the Mt. Hood Economic Alliance, and other partners.

Mid-Willamette Valley Council of Governments (MWVCOG) offers business financing services in Marion, Polk, and Yamhill counties. They offer a regional revolving loan fund, a rural community loan fund, SBA 504 loans, SBA Intermediary Lending Pilot Program loans, and SBA Community Advantage loans. The Mid-Willamette Valley COG also manages revolving loan funds for the city of Independence, city of Newberg, and Yamhill county and offers assistance in accessing Business Oregon's loan programs.

Northeast Oregon Economic Development District (NEOEDD) offers loan programs to business owners in Baker, Union, and Wallowa counties. Their offerings include the USDA Intermediary Relending Program and EDA Revolving Loan Fund, in addition to community public offerings and individual development accounts for low-income community members.

Oregon Cascades West Council of Governments (OCWCOG) serves business owners in Benton, Lincoln, and Linn counties. OCWCOG offers a Business Investment Fund, Rural Development Fund (for businesses outside of Corvallis and Albany), SBA 504 loans, and 4 separate USDA IRP loan programs in all three counties. Lincoln and Linn county business owners can access separate revolving loan funds as well.

South Central Oregon Economic Development District (SCOEDD) offers business financing through the EDA Revolving Loan Fund and a rural microloan assistance for businesses in Klamath and Lake counties.

Southern Oregon Regional Economic Development, Inc. (SOREDI) serving business owners in Jackson and Josephine counties, offers an EDA Revolving Loan Fund and the SOREDI Business Development Loan Fund.

Table 25 - Economic Development District Loans 2018-2019

Economic Development District	New Loans 2018-2019
Lane Council of Governments (LCOG)	\$3,071,500
Mid-Columbia Economic Development District (MCEDD)	\$2,523,411
Southern Oregon Regional Economic Development, Inc. (SOREDI)	\$1,382,277
Greater Eastern Oregon Development Corporation (GEODC)	\$1,132,302
Coos, Curry, Douglas (CCD) Business Development Corporation	\$1,260,000
Oregon Cascades West Council of Governments (OCWCOG)	\$1,100,175
South Central Oregon Economic Development District (SCOEDD)	\$543,000
Central Oregon Intergovernmental Council (COIC)	\$520,000
Columbia-Pacific (Col-Pac) Economic Development District	\$252,000

NOTE: EDDs WHO MADE NO LOANS DURING THE PERIOD OR FOR WHOM COMPLETE INFORMATION WAS NOT AVAILABLE HAVE BEEN EXCLUDED. THE AMOUNT OF NEW LOANS MADE BY MWVCOG ONLY AVAILABLE FOR 2018

It should be noted that the dollar amount of new loans made by each economic development district varies year to year (by a margin of \$148,000 to \$764,500 from 2018 to 2019), but years where fewer loans were made are often preceded and followed years with higher loan volumes. This variability year-over-year is likely due to many factors outside of the control of economic development districts, such as the demand from business owners, the qualifications of loan applicants, and whether business owners are accessing capital through other sources in any given year.

Many business owners may not be familiar with their economic development district, so outreach by economic development districts and referrals from other lending partners and economic development professionals can be key in connecting business owners to the support that economic development districts offer. Moreover, the amount available to loan does not fluctuate as significantly, so there is no indication that there is much variability in what economic development districts are able to provide in loans, although that amount does vary regionally.

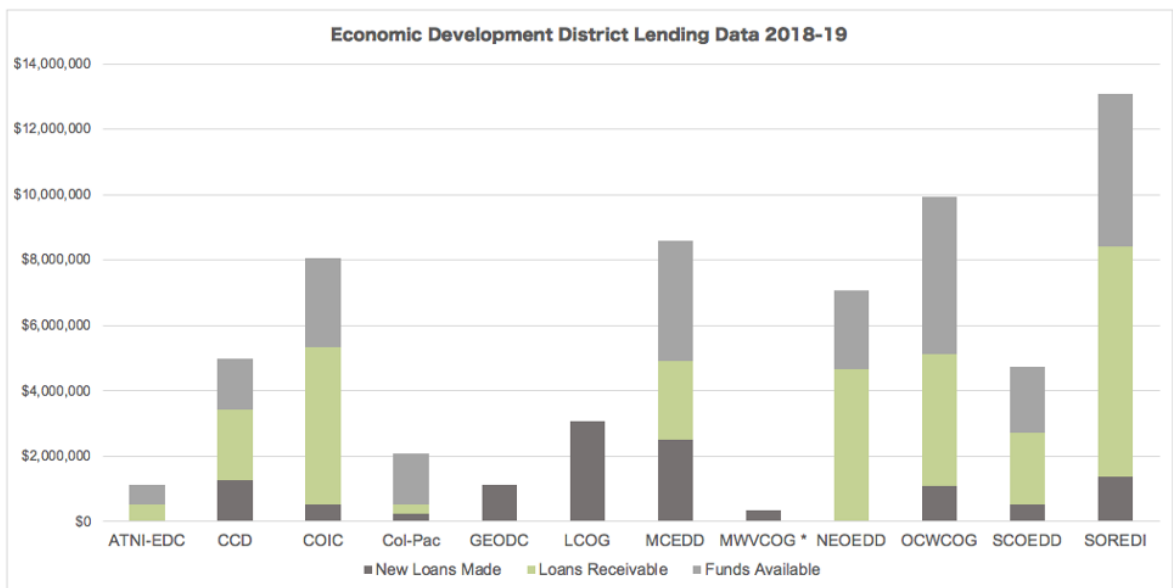


Figure 35 - EDD Lending Data 2018-2019

The above economic development districts have reliably provided data since 2014. As the above figure shows, there is no universal trend in the volume of new loans made by each economic development district. Data will need to be collected over a longer time period before stronger trends emerge. While 2018 saw the highest volume of loans made across all thirteen economic development districts (\$7,792,009), some individual economic development districts saw a decline in the volume of new loans made compared to the previous year.

The effects of the COVID-19 pandemic will interrupt any trends in data, but it is likely that many local loan funds owned by cities and counties but managed by economic development districts will be in demand as businesses weather the economic downturn and as entrepreneurs start new ventures in the wake of business closures.

Launch: USDA Loan Programs

The U.S. Department of Agriculture (USDA) Rural Development Program is committed to improving the economy and quality of life in rural America. They offer loans, grants, and loan guarantees to support essential services, such as housing, healthcare, first responder services and equipment, water, electric, and communications infrastructure. With their facilitation of loans to businesses, the USDA aims to promote economic development throughout the state. They offer technical assistance and information to help agricultural producers and cooperatives get started and improve the effectiveness of their operations. Additional initiatives focus on providing technical assistance to help communities undertake community empowerment programs. Furthermore, USDA Rural Development helps rural residents buy or rent safe, affordable housing and make health and safety repairs to their homes.

Table 26 - USDA Programs

Program	Description
Rural Energy for America Program (REAP)	The Rural Energy for American Program (REAP) provides guaranteed loan financing and grant funding to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements.
Rural Business Development Grant Program (RBDG)	The Rural Business Development Grant (RBDG) Program is a competitive grant designed to support targeted technical assistance, training, and other activities leading to the development or expansion of small and emerging private businesses that have fewer than 50 employees, less than \$1 million in gross revenues, and operate in rural areas.
Rural Business Opportunity Grant (RBOG)	The RBOG program promotes economic growth in rural communities by supporting training and technical assistance for business development and to assist with regional economic development planning. A specific emphasis within RBOG is support for collaborative economic planning and development through regional food systems.
Value Added Producer Grant Program (VAPG)	The Value-Added Producer Grant (VAPG) Program helps agricultural producers enter into value-added activities related to the processing and/or marketing of bio-based, value-added products in order to help generate new products, create and expand marketing opportunities, and increase producer income.
Rural Economic Development Loan & Grant Program (REDLG)	The Rural Economic Development Loan and Grant (REDLG) Program provides funding to rural projects through local utility organizations. Under this program, USDA provides zero interest loans to local utilities, which they in turn pass through to local businesses for projects that will create and retain employment in rural areas. USDA also provides grant funds to local utility organizations, which use the funding to establish revolving loan funds to help finance projects that will create or retain rural jobs.
Rural Cooperative Development Grant Program (RCDG)	The Rural Cooperative Development Grant (RCDG) Program helps to improve the economic condition of rural areas by assisting individuals and businesses in the startup, expansion, or operational improvement of rural cooperatives and other mutually-owned businesses through Cooperative Development Centers.
Rural Micro-entrepreneur Assistance Program (RMAP)	The Rural Microentrepreneur Assistance Program (RMAP) provides loans and grants to Microenterprise Development Organizations to be used for microloans for microenterprise startups and growth through a Rural Microloan Revolving Fund or to provide training and technical assistance to microloan borrowers and microentrepreneurs.

Table 27 - Oregon USDA Programs 2018-2019

Business Programs	2018		2019	
	Amount	\$ Value	Amount	\$ Value
Biorefinery, Renewable Chemical, Biobased Manufacturing	30	\$150,190	7	\$74,641
Rural Business Development Grant Program	10	\$586,876	10	\$542,446
Rural Cooperative Development Grant Program	2	\$500,000		
Rural Energy for America Program	20	\$628,687	32	\$977,342
Rural Micro-entrepreneur Assistance Program	3	\$34,491	4	\$28,790
Value Added Producer Grant Program	8	\$1,441,624	0	\$ -
Totals	73	\$3,341,868	53	\$1,623,219

Table 28 - USDA Programs in Oregon by Region

Region	2018		2019	
	Number of Transactions	\$ Value	Number of Transactions	\$ Value
Central			2	\$ 100,000
Coast	14	\$ 243,918	4	\$ 59,266
Columbia Gorge	6	\$ 364,388	1	\$ 1,703
Eastern	8	\$ 365,906	11	\$ 213,876
Greater PDX	7	\$ 524,189	7	\$ 169,284
Southern	7	\$ 697,168	8	\$ 383,896
Willamette Valley	31	\$1,246,299	20	\$ 695,193
Totals	73	\$3,441,868	53	\$ 1,623,218

Launch: SBA Small business loans

One of the core components of any business financing strategy is lending from commercial banks. Many small business loans are backed by the US Small Business Administration, lowering the barriers to approval for banks and making capital more readily available to earlier stage businesses.

Not all banks and credit unions participate in SBA lending programs, which limits the broad applicability of some of the data presented here. However, SBA lending data requirements do offer some of the most thorough data resources for understanding lending trends.

The SBA provides an array of financing for small businesses from the smallest needs in microlending to substantial debt and equity investment capital. The SBA provides a guarantee to the lender for a portion of up to 85% of the total loan amount. This guarantee is necessary for higher risk deals, often those that fall short of the lender’s collateral requirements. This guarantee alleviates a significant portion of the lender’s exposure and fosters the flow of capital to start-ups and growth stage businesses.

The SBA has an array of resources available for small business in order to prepare them to access funding. These resources include assistance in preparing a business plan, guidance preparing financial statements, business counseling and LINC. The latter is an online tool that matches the applicant with a corresponding lender. Here applicants are filtered through to participating SBA lenders within their respective counties by submitting basic information about their business and financing needs. This tool is aimed to streamline both the applicants and lenders effort’s by connecting applicants with possible lenders as quickly as possible. LINC can be accessed through www.sba.gov/tools/linc.

Loans through the Federal Small Business Administration (SBA) programs, Sections 7(a) and 504 decreased approximately by 30% from 2017 to 2018 in Oregon. From 2018 to 2019, lending rebounded and increased again by roughly 10% from 2018 disbursement levels.

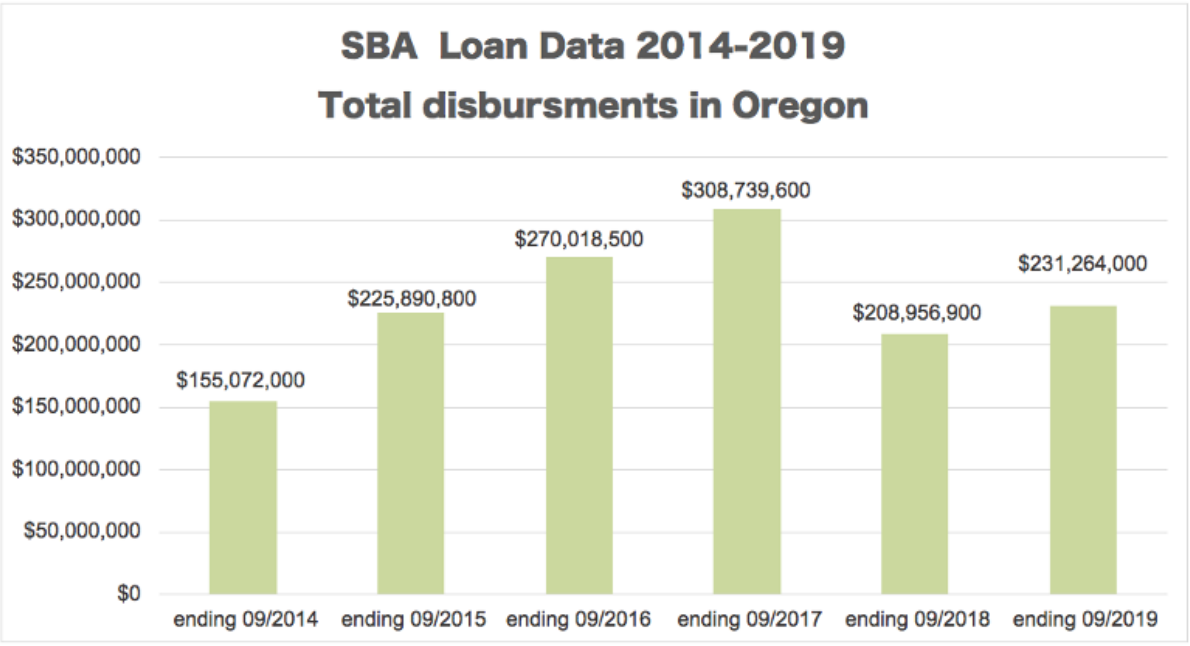


Figure 36 - SBA Loan Trends 2014-2019

The SBA maintains a Portland District Office which tracks SBA-backed loans within the state plus southern Washington. Eastern Oregon is serviced from the Boise District Office. The SBA has several types of federal loan guarantee programs available, the most popular being the 7(a) program (general small business loan guarantees) and 504 programs (real estate and equipment loans). Within the 7(a) program there exist several sub-types with differing loan parameters and requirements. These include Standard 7(a), 7(a) Small Loan, SBA Express, Export Express, CAPLines, International Trade, Exporting Working Capital, Preferred Lenders, and Veterans Advantage.

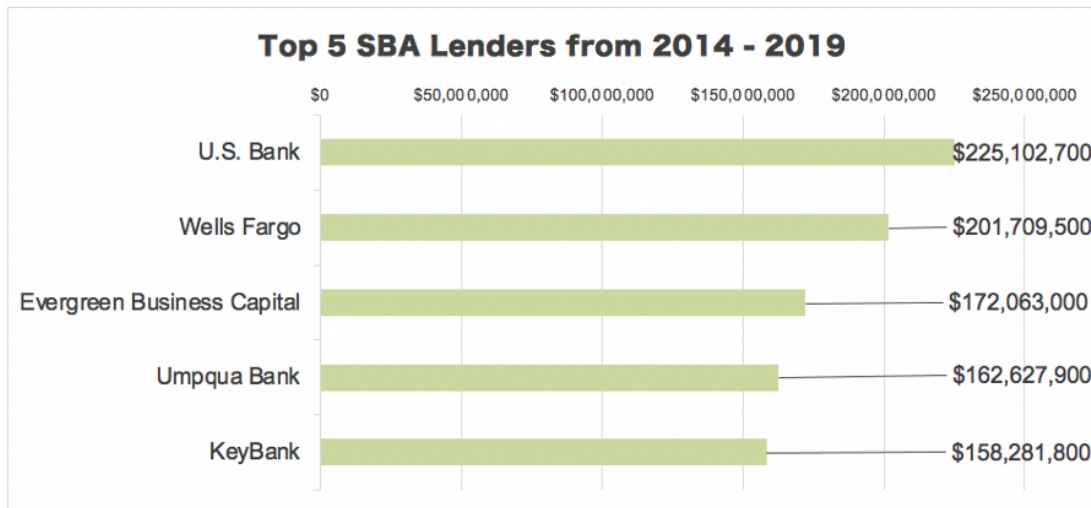


Figure 37 - Top SBA Lenders 2014-2019

SBA Demographic Data

Not all banks and credit unions participate in SBA lending programs, which limits the broad applicability of the demographic data presented here. However, SBA lending data requirements do offer some of the most thorough resources for understanding lending trends. A potential improvement to understanding the demographics of capital availability would be more robust reporting requirements for all lending activity through federal legislation.

SBA Lending is one of the few types of capital where demographic data for gender and ethnicity are gathered. Through collaboration with the Portland Business Journal, the Capital Scan presents that data here.

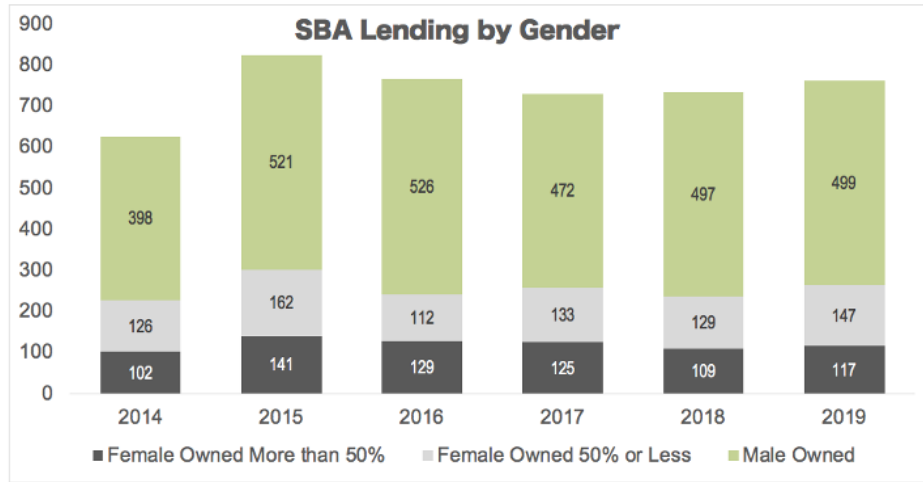


Figure 38 - Oregon SBA Lending by Gender

The data are clear that the majority of SBA loans go to male owned firms and firms with both male and female ownership. Firms owned 50% or greater by females represent a smaller share of SBA lending.

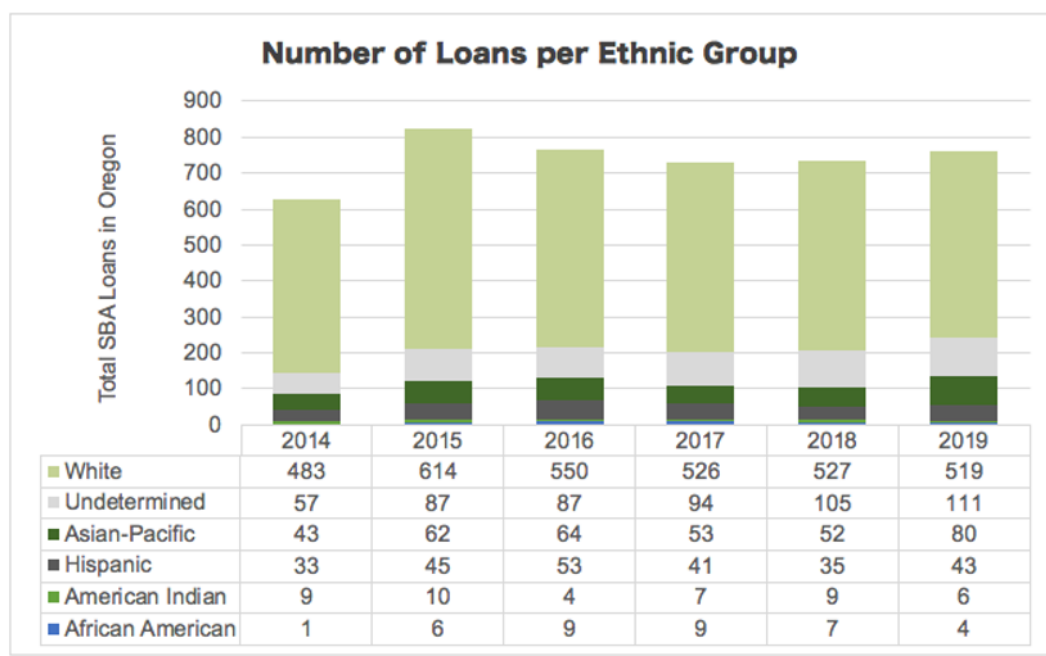


Figure 39 - Oregon SBA Lending by Ethnicity

SBA data can also be applied to analysis of ethnic diversity in Oregon lending. In these data we see a distinctly limited number of loans being made to non-white businesses. Although SBA backed loans are only a subset of the overall lending ecosystem, these data do represent a unique view on how the highest risk loans are made to firms typically in the earliest stages of their development. A more complete picture of the demographics of all types of lending would be a helpful tool for lenders and policy makers to address equity issues related to capital access.

SBA 504 Programs

The 504 Loan Program provides approved small businesses with long-term, fixed-rate financing used to acquire fixed assets for expansion or modernization. 504 loans are made available through Certified Development Companies (CDCs), SBA's community-based partners for providing 504 Loans.

A Certified Development Company (CDC) is a nonprofit corporation that promotes economic development within its community through 504 Loans. CDCs are certified and regulated by the SBA, and work with SBA and participating lenders (typically banks) to provide financing to small businesses. 504 Loans are typically structured with SBA providing 40% of the total project costs, a participating lender covering up to 50% of the total project costs, and the borrower contributing 10% of the project costs. Under certain circumstances, a borrower may be required to contribute up to 20% of the total project costs.

Table 29 - SBA 504 Lenders

Oregon SBA 504 Loan Activity 2018 -2019 by Lender							
504 Lender	2018			2019			Total Loan Volume
	# Loans	Total Loan Dollars	Average Loan	# Loans	Total Loan Dollars	Average Loan	
Evergreen Business Capital	42	\$ 26,105,000	\$ 621,548	38	\$ 28,475,000	\$ 749,342	\$ 54,580,000
Northwest Business Development Association	15	\$ 13,587,000	\$ 905,800	16	\$ 11,066,000	\$ 691,625	\$ 24,653,000
Cascade Capital Funding	1	\$ 706,000	\$ 706,000	7	\$ 8,728,000	\$ 1,246,857	\$ 9,434,000
CCD Business Development Corp.	4	\$ 1,983,000	\$ 495,750	8	\$ 4,632,000	\$ 579,000	\$ 6,615,000
Oregon Business Development Corp.	8	\$ 3,681,000	\$ 460,125	1	\$ 2,828,000	\$ 2,828,000	\$ 6,509,000
Ameritrust CDC	1	\$ 4,787,000	\$ 4,787,000	1	\$ 488,000	\$ 488,000	\$ 5,275,000
Total	71	\$ 50,849,000	\$ 7,976,223	71	\$ 56,217,000	\$ 6,582,824	\$ 107,066,000

Growth Capital

Moving a business into growth mode requires new types of capital. From the Startup resources of grants, crowdfunding, and possibly founder self-funding, firms move to Launch stage. In Launch, many different types of programs exist to help businesses grow and evolve. These resources include Angel investments, Small Business Development Centers and related programs, State and Local government programs, and SBA backed loans.

In the Growth phase, firms are mature enough to get non-SBA backed loans from commercial banks and credit unions. Later stages of venture capital come into play for firms that have chosen equity financing as a pathway. Those investments and similar private equity growth investments can have major impacts on a firm.

Growth: Venture Capital

VC activity was strong through 2020. Venture capital has been growing substantially since 2017. Oregon, and peer Western states all saw a ramp up of investment activity 2017-2019. The market for VC dropped in 2020 by different margins in different states.

Table 30 - Western US VC Activity 2014-2020

US States	2014	2015	2016	2017	2018	2019	2020
Arizona	\$543.93M	\$352.58M	\$550.43M	\$634.92M	\$719.26M	\$1.01B	\$658.09M
Colorado	\$2.40B	\$1.59B	\$2.08B	\$1.33B	\$1.82B	\$2.71B	\$2.94B
Oregon	\$362.92M	\$305.06M	\$382.04M	\$470.68M	\$827.80M	\$1.02B	\$662.52M
Utah	\$926.88M	\$774.11M	\$1.05B	\$827.93M	\$1.05B	\$1.51B	\$1.37B
Washington	\$1.96B	\$2.06B	\$1.58B	\$2.09B	\$3.13B	\$4.32B	\$4.73B
Total	\$6.19B	\$5.08B	\$5.65B	\$5.35B	\$7.55B	\$10.57B	\$10.36B
Arizona		-35.18%	56.11%	15.35%	13.28%	40.93%	-35.08%
Colorado		-33.81%	31.11%	-36.18%	37.01%	49.09%	8.46%
Oregon		-15.94%	25.23%	23.20%	75.87%	23.24%	-35.06%
Utah		-16.48%	35.89%	-21.30%	27.40%	42.82%	-9.31%
Washington		5.39%	-23.23%	32.13%	49.69%	38.03%	9.51%
Y/Y % change	Average	-19.20%	25.03%	2.64%	40.65%	38.82%	-12.29%

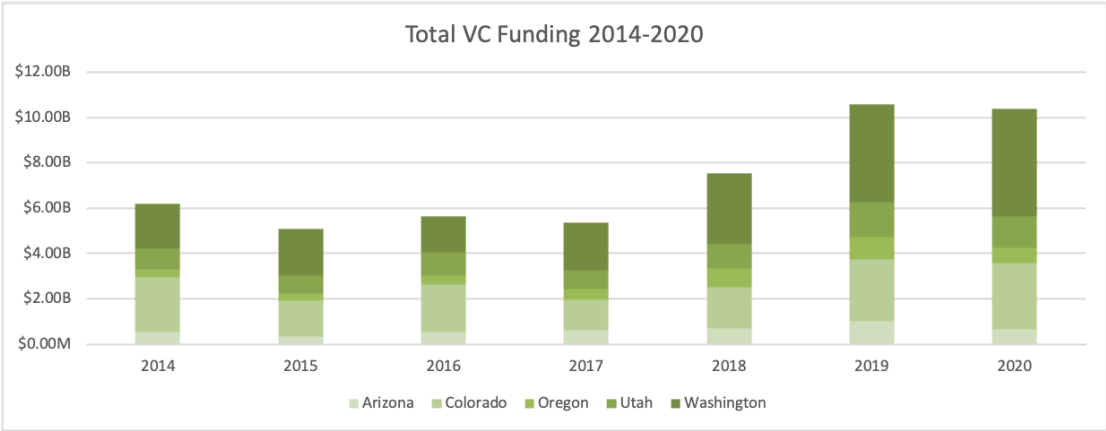


Figure 40 - Western US VC Activity 2014-2020

Reflecting the strength of the economy, the core measurements of total capital invested, and count of investments made were both very robust for Oregon in 2018 and 2019. Reflecting the challenging times of 2020, both measures dipped significantly in 2020. While the decline in VC investment can be seen as a significant challenge for future growth, examining the data in more detail yields interesting insights for Oregon’s future.

As seen in Table 30, Oregon’s percentage increase in VC investments was greater than other Western states in 2017 and 2018 and grew more slowly than peers in 2019. The decrease of VC investment activity in Oregon in 2020 was very similar to that of Arizona, with both declining just over 35% year over year. Utah saw a smaller percentage decline of 9.31%. The larger markets of Washington (+9.51%) and Colorado (+8.46%) saw growth in VC activity in 2020, though significantly less than previous years.

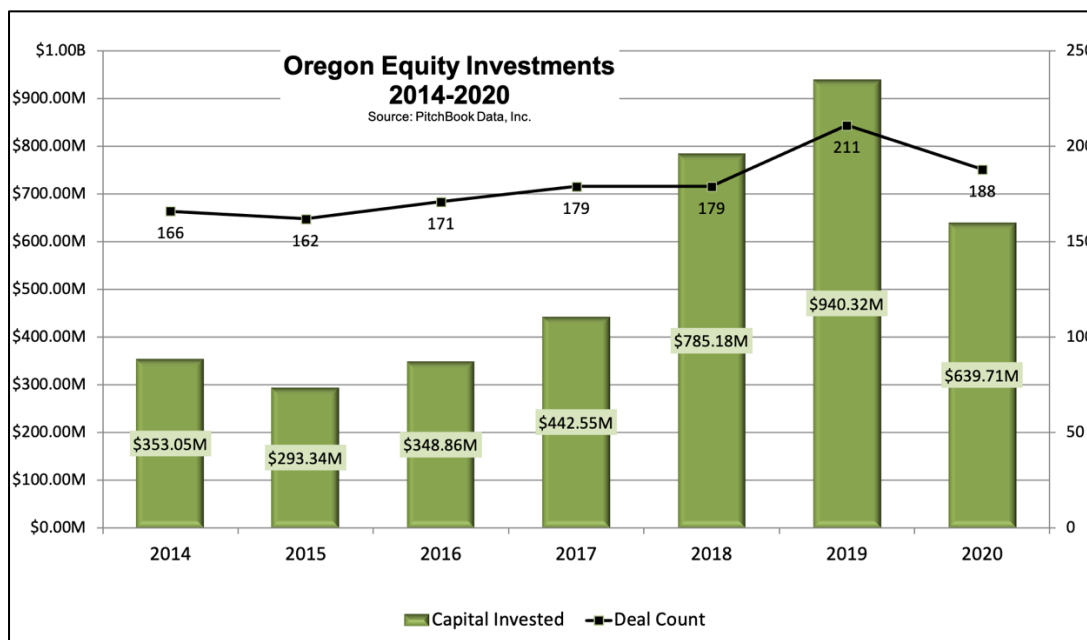


Figure 41 - Oregon Equity Investment Trends

Early stage investing grew in 2020

Though not specifically correlated with the data on business startups seen in **Error! Reference source not found.**, the data on funding rounds for Oregon firms is encouraging. The increase in LLC filings seen in the final 9 months of 2020 reflects new businesses starting in the face of economic uncertainty. Similarly, the 20% increase in the number of equity investments in Angel rounds in 2020 shows promise for the future.

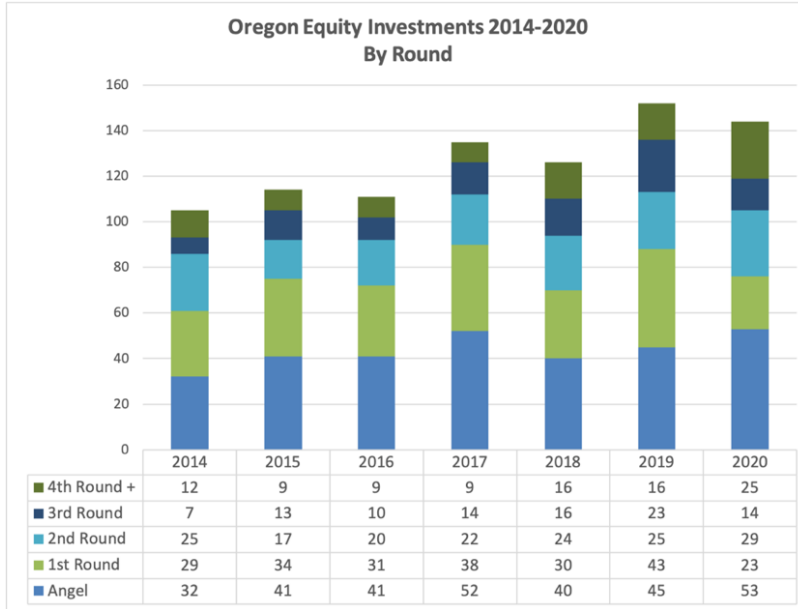


Figure 42 - Oregon Equity Investments - Count by Round 2014-2020

While the number of investments by round is not particularly troubling, viewing the data through overall value of investments by round presents a different view. All rounds of investment decreased in 2020 except 2nd rounds and Angel rounds.

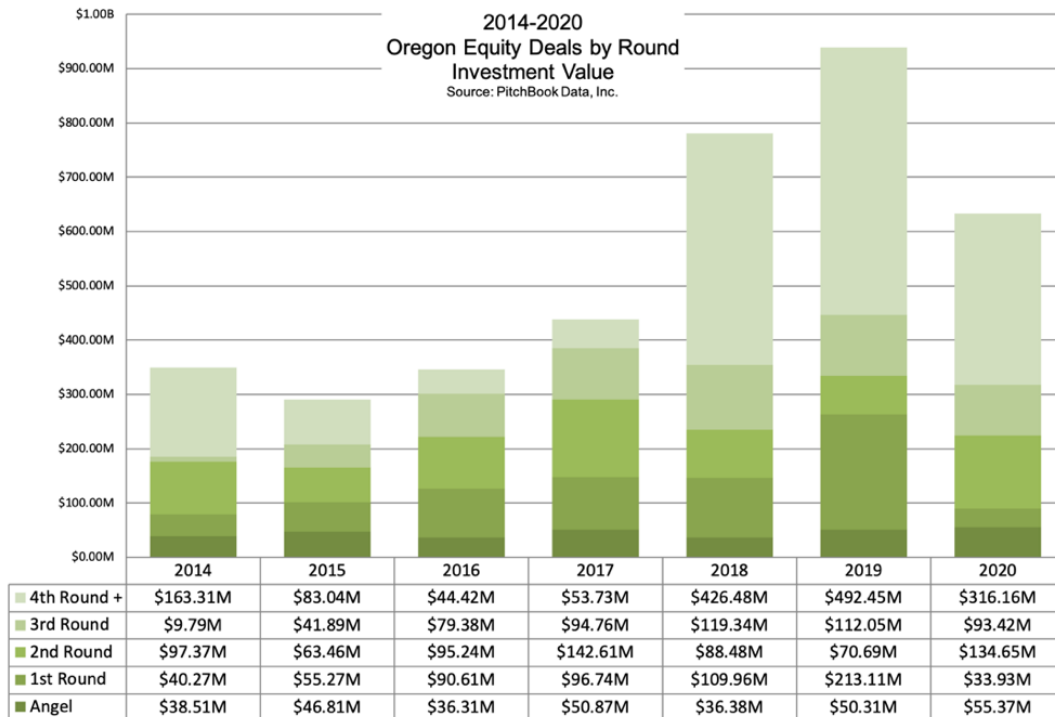


Figure 43 - Oregon Equity Investments - Value by Round 2014-2020

1st round investments in 2020 declined dramatically in 2020, dropping to just under \$34M from over \$213M in 2019.

Oregon based firms are the most active Oregon investors

Since the first Oregon Capital Scan in 2014 the need for more ‘resident capital’ in the Oregon has been an issue raised by many. Noted in Table 31 below, the 5 most active investors since the 2014 are all Oregon based, averaging 45% of their portfolio investments in Oregon based firms. However, all of these firm have relatively limited capital, with none managing more than \$70M.

Table 31 - Oregon VC Investors 2014-2020

Venture Firm	HQ	AUM (\$M)	Total #	# OR Inv	OR Port. %
Portland Seed Fund	OR	24.76	192	107	55.7%
Oregon Venture Fund	OR	64	95	45	47.4%
Cascade Seed Fund	OR	12	36	27	75.0%
Elevate Capital	OR	13	57	27	47.4%
Seven Peaks Ventures	OR	28	60	26	43.3%
Keiretsu Forum	CA	N/A	956	24	2.5%
Rogue Venture Partners	OR	50	59	22	37.3%
Voyager Capital	WA	520	177	15	8.5%
Madrona Venture Group	WA	1800	419	11	2.6%
Ideaship	OR	N/A	41	10	24.4%

Oregon VC firms have limited capital

When filtering for Venture firms with over \$100M AUM, the list of active investors looks quite different. Only two firms populate both lists, Voyager Capital and Madrona Capital. Both of those firms are based in Washington.

Table 32 - 2014-2020 VC Investors in OR > \$100M AUM

Venture Firm	HQ	AUM (\$M)	# OR Inv
Voyager Capital	WA	\$ 520	15
Madrona Venture Group	WA	\$ 1,800	11
Rally Ventures	CA	\$ 600	9
Foundry Group	CO	\$ 2,698	8
True Ventures	CA	\$ 2,000	7
Greycroft	NY	\$ 1,812	6
BoxGroup	NY	\$ 165	5
Collaborative Fund	NY	\$ 365	5
EPIC Ventures	UT	\$ 208	5
General Catalyst	MA	\$ 9,128	5

These data present a situation that is well documented by watchers and participants of the Oregon entrepreneurial ecosystem. There are firms that exist to support Oregon based entrepreneurs and they do so with great regularity. However, larger rounds of funding needed for growth beyond early stages requires participation of VC firms outside Oregon.

Further analysis of venture capital in Oregon is needed. In the context of the Oregon Capital Scan, VC as a component of the capital landscape is important, but only a single piece of a much larger puzzle. The team at the University of Oregon will be working on a supplemental report covering VC and Angel Investing to be released in March 2021.

Growth: Credit Union Small Business Lending

Credit Unions play an important role in the flow of capital towards small business in the state of Oregon. Contrary to the FDIC loans previously shown, Credit Union commercial loan disbursements have been increasing steadily since 2014 to 2019. This might be an indication of the flexibility in requirements Credit Unions have to access loans that might be more appealing to small businesses in the state.

A commercial loan is a loan, line of credit, or letter of credit that a credit union extends to a borrower for a commercial, industrial, agricultural, or professional purpose. These loans may be secured or unsecured and may have a short or long-term maturity. Such loans include commercial real estate loans, as well as commercial and industrial loans (examples include term business loans, working capital lines of credit, and others).

The data represented in the table below is not a complete picture of all commercial loans disbursed to small businesses. Credit Unions are not required to classify a loan as a commercial loan when the aggregate outstanding balance plus unfunded commitments less any portion secured by shares in the credit union to a borrower or an associated borrower, are equal to less than \$50,000. Therefore, some commercial loans less than \$50,000 might be listed as consumer loans, although the funds may be used to support some aspect of the small business.

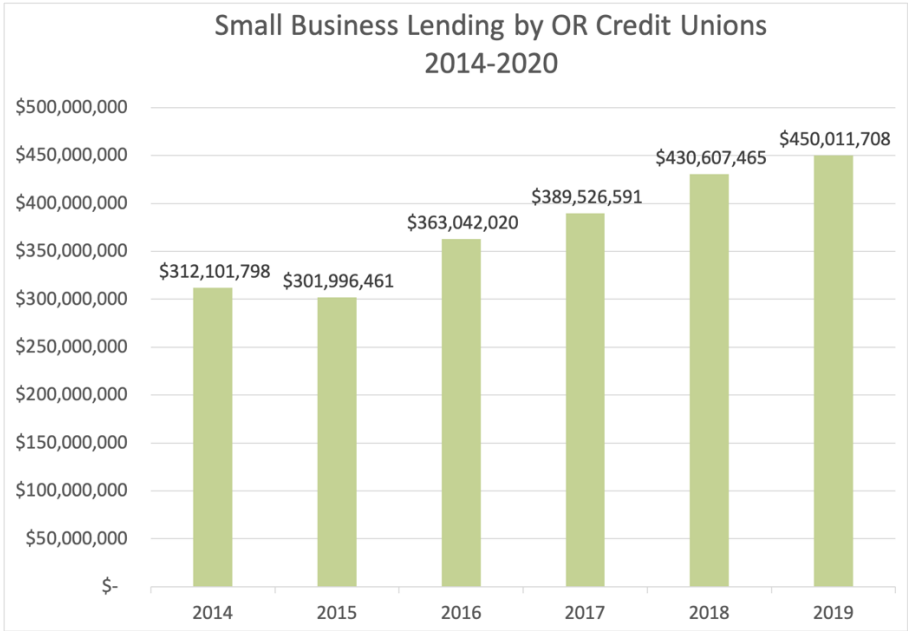


Figure 44 - Oregon Credit Union Lending

There is some disparity between the credit unions in terms of number of loans made and total dollar value of loans made. In Figure 45 - Top 5 Credit Unions by Loan Amount, data shows that OnPoint (Portland) and SELCO (Eugene) provide high dollar values of loans. However, it's also clear that Old West Federal (John Day) provides a significant amount of capital for its regional business needs.

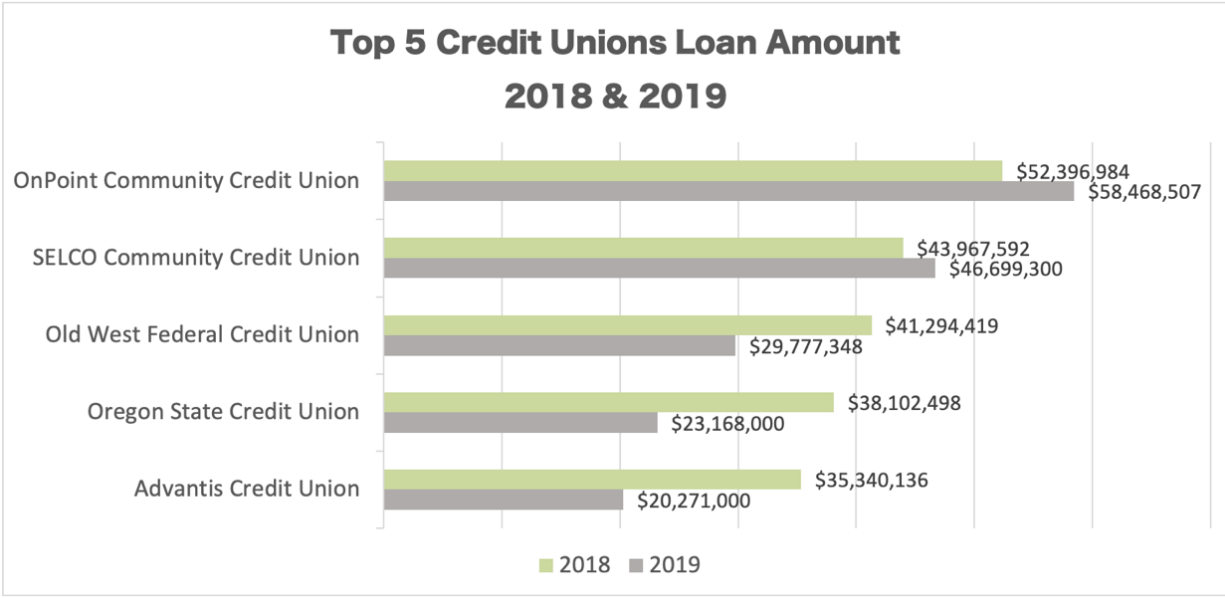


Figure 45 - Top 5 Credit Unions by Loan Amount

When measuring credit union activity by the number of loans made, a different set of institutions is identified. Rivermark Community and Northwest Preferred serve the Portland Metro region. Old West Federal, based in John Day serves the Greater Eastern Region. Northwest Preferred is based in Coquille, serving the South Coast Region, and Mid-Oregon Federal is based in Bend, serving Central Oregon. Based on these data, we can see the impact of credit union business lending on areas outside of the Metro region.

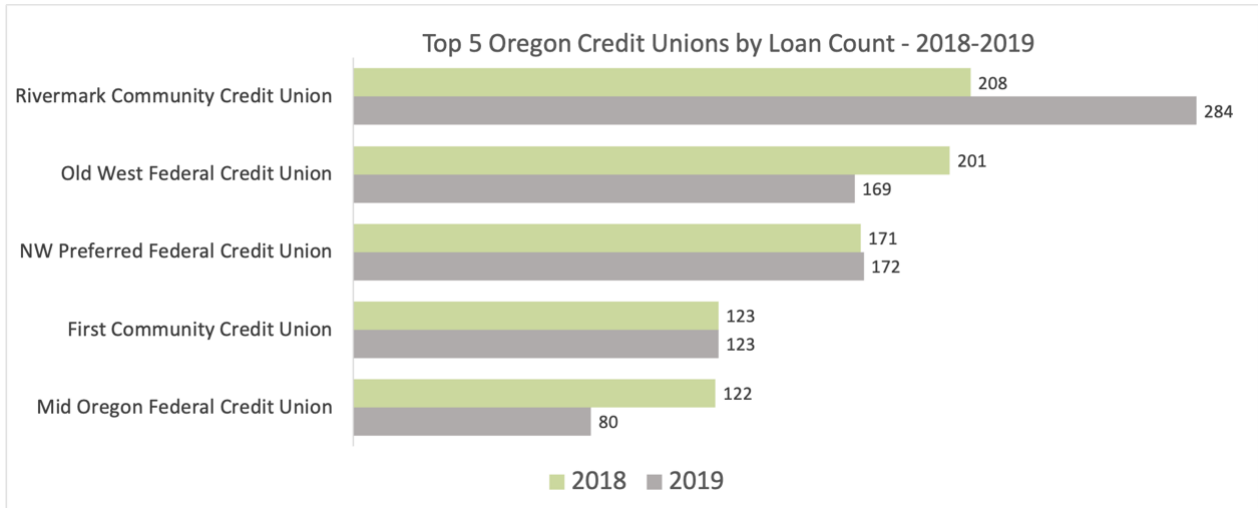


Figure 46 - OR Credit Unions by Loan Count

Regional Distribution of Credit Unions

The Metro region is not the largest region for credit union lending. That distinction belongs to the South Valley / Mid-Coast (Benton, Lane, Lincoln, and Linn counties), which are well served by six (6) credit unions total. The Metro region has nine (9) credit unions. The Mid-Valley and Greater Eastern regions trade the 3rd and 4th position for dollar value of loans made in the data from 2014-2019.

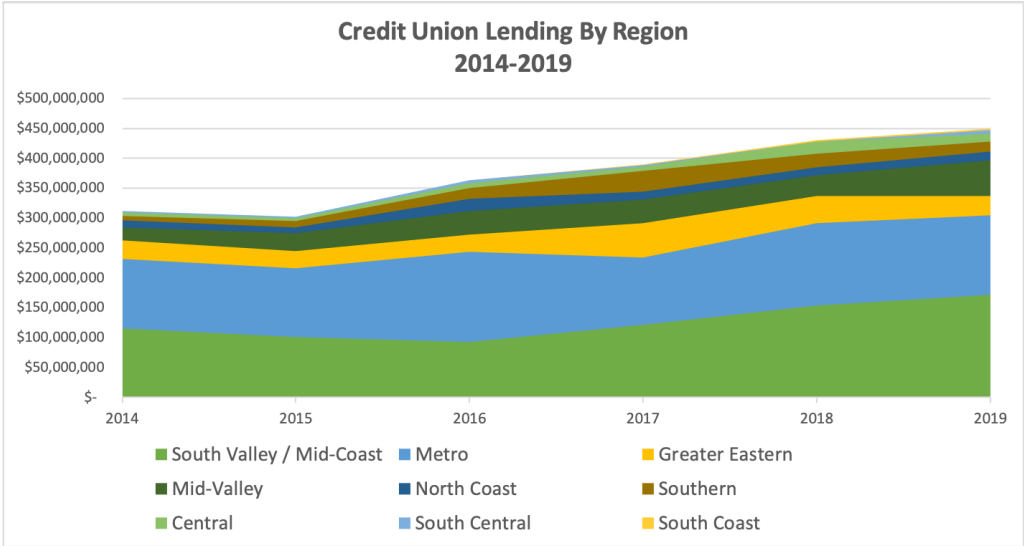


Figure 47 - Credit Union Lending by Region - 2014-2019

Table 33 - Credit Union Lending by Region - 2014-2019

Region	2014	2015	2016	2017	2018	2019
South Valley / Mid-Coast	\$ 115,602,647	\$ 101,120,969	\$ 92,421,945	\$ 122,069,658	\$ 153,273,602	\$ 171,720,725
Metro	\$ 115,450,953	\$ 114,642,794	\$ 150,971,254	\$ 111,757,451	\$ 138,749,872	\$ 132,827,874
Greater Eastern	\$ 31,577,989	\$ 28,892,475	\$ 28,767,102	\$ 58,228,175	\$ 45,220,212	\$ 32,650,205
Mid-Valley	\$ 21,927,337	\$ 30,450,757	\$ 39,888,279	\$ 39,107,075	\$ 34,332,754	\$ 59,464,230
North Coast	\$ 11,189,618	\$ 8,617,943	\$ 20,097,760	\$ 12,659,188	\$ 12,959,723	\$ 14,467,335
Southern	\$ 8,215,315	\$ 10,842,603	\$ 18,596,040	\$ 35,093,200	\$ 23,577,851	\$ 16,617,626
Central	\$ 5,863,532	\$ 4,917,170	\$ 7,652,180	\$ 7,558,044	\$ 19,719,192	\$ 13,730,007
South Central	\$ 1,789,407	\$ 2,511,750	\$ 4,535,400	\$ 1,968,066	\$ 618,000	\$ 5,461,712
South Coast	\$ 485,000	\$ -	\$ 112,060	\$ 1,085,734	\$ 2,156,259	\$ 3,071,994

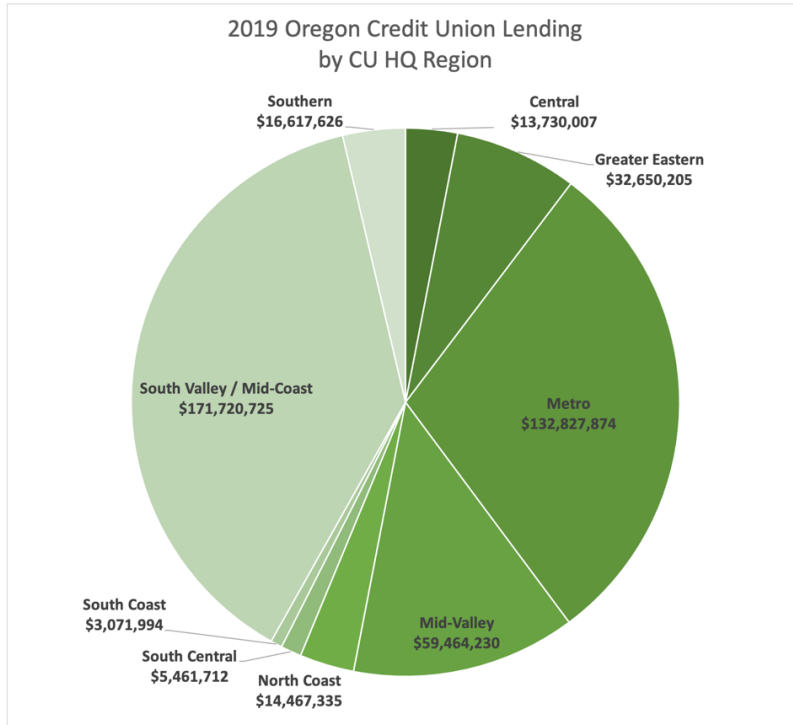


Figure 48 - Credit Union Lending by Region - 2019

Table 34 - Credit Union Rank by Assets

Credit Unions Headquarter locations and number of branches			
Ranking #	Name of Institution	Headquarters	# of Branches
1	OnPoint Community Credit Union	Portland	33
2	Oregon Community Credit Union	Eugene	11
3	SELCO Community Credit Union	Eugene	16
4	Rogue Credit Union	Medford	21
5	Advantis Credit Union	Portland	9
6	Oregon State Credit Union	Corvallis	15
7	Unitus Community Credit Union	Portland	12
8	Northwest Community Credit Union	Eugene	11
9	First Community Credit Union	Coquille	38
10	Rivermark Community Credit Union	Beaverton	10
11	Maps Credit Union	Salem	12
12	Clackamas Federal Credit Union	Oregon City	8
13	Mid Oregon Federal Credit Union	Bend	7
14	Central Willamette Community Credit Union	Albany	7
15	Oregonians Credit Union	Portland	7
16	Wauna Federal Credit Union	Clatskanie	7
17	Consolidated Community Credit Union	Portland	3
18	InRoads Credit Union	St Helens	4
19	NW Priority Credit Union	Portland	6
20	Cascade Community Federal Credit Union	Roseburg	3
21	Pacific NW Federal Credit Union	Portland	4
22	Old West Federal Credit Union	John Day	8
23	Pacific Crest Federal Credit Union	Klamath Falls	5
24	Malheur Federal Credit Union	Ontario	5
25	NW Preferred Federal Credit Union	Tigard	2
	Total		264

As noted above in Table 34 - Credit Union Rank by Assets, the rank of a credit union by assets is not necessarily indicative of the impact that can be made through business lending to local communities.

Growth: Oregon Headquartered Bank Small Business Lending

The Federal Government, through the Federal Deposit Insurance Corporation (FDIC), requires banks to file statements outlining their loan exposures. One category that is identified on those statements is loans to small business and small farms with a breakdown of loans secured by nonfarm nonresidential properties as well as commercial and industrial loans.

We find this data to be somewhat representative of small business loan activity in Oregon. That said, 27 of the 43 FDIC-insured banks that have locations in Oregon are not represented in the data. These banks, which include community, regional and global banks not headquartered in Oregon, comprise the majority of overall bank lending and deposits in Oregon.

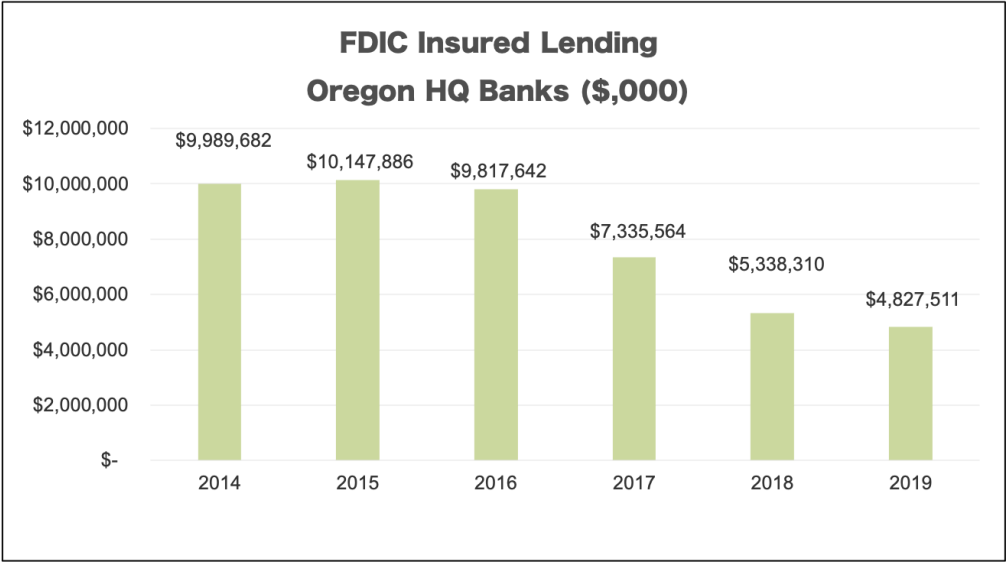


Figure 49 - Oregon Headquartered Bank Lending

Data tracked in the Oregon Capital Scan since 2014 indicate a decrease of greater than 50% in total loans made by Oregon headquartered banks. The decrease in loans corresponds to the 43% decrease in the number of banks headquartered in Oregon, which numbered 28 in 2014. Figure 49 - Oregon Headquartered Bank Lending above and the tables on the following page reflect the data supplied by the FDIC for banks with headquarters in Oregon.

This significant change in this measurement of capital resources can be tied directly to a shift in the banking industry. Since 2014, many Oregon headquartered banks have merged with or been acquired by banks headquartered outside of Oregon. Based on discussions with banking industry resources including the Oregon Bankers Association, consolidation continues throughout the United States. Overall, the number of FDIC insured banks has dropped from 7,870 in 2002 to 4,708 in 2018. (<https://www.statista.com/statistics/184536/number-of-fdic-insured-us-commercial-bank-institutions/>)

In Oregon, the change is equally striking, dropping from 28 in 2014 to 16 headquartered banks. The methods of the Oregon Capital Scan since 2014 have focused on Oregon headquartered banks, drawing attention to the issue of banking consolidation from many in the banking industry. Capital Scan research staff contacted the Oregon Bankers Association for insights into this issue. The OBA was conducting a member survey in the fall of 2020, the results of which were not available by the report deadline.

Table 35 - Oregon Headquartered Banks Lending 2018-2019

Traditional Small Business Debt					
		2018		2019	
Institution Name	City	Total No.	Total Amount (,000)	Total No.	Total Amount (,000)
BANK OF EASTERN OREGON	Heppner	1413	\$ 151,280	1603	\$ 173,118
CITIZENS BANK	Corvallis	2163	\$ 408,713	993	\$ 208,230
CLACKAMAS COUNTY BANK	Sandy	434	\$ 106,772		
CLATSOP COMMUNITY BANK	Seaside	411	\$ 77,876	104	\$ 22,941
COMMUNITY BANK	Joseph	586	\$ 114,699	501	\$ 100,553
EVERGREEN FEDERAL BANK	Grants Pass	416	\$ 124,959	445	\$ 135,266
FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF MCMINNVILLE	Mcminnville	197	\$ 81,048	194	\$ 84,005
LEWIS & CLARK BANK	Oregon City	108	\$ 43,756	289	\$ 91,383
OREGON COAST BANK	Newport	413	\$ 67,748	474	\$ 71,835
OREGON PACIFIC BANKING COMPANY DBA OREGON PACIFIC BANK	Florence	305	\$ 92,590	417	\$ 205,220
PACIFIC WEST BANK	West Linn	297	\$ 34,829	116	\$ 34,342
PEOPLE'S BANK OF COMMERCE	Medford	892	\$ 237,515	910	\$ 253,263
PIONEER TRUST BANK, NATIONAL ASSOCIATION	Salem	516	\$ 126,333	495	\$ 124,020
PREMIER COMMUNITY BANK	Hillsboro	120	\$ 43,624		
SUMMIT BANK	Eugene	292	\$ 94,125	343	\$ 121,247
UMPQUA BANK	Roseburg	13230	\$ 3,415,691	12029	\$ 3,075,519
WILLAMETTE COMMUNITY BANK	Albany	218	\$ 58,767	263	\$ 62,829
WILLAMETTE VALLEY BANK	Salem	179	\$ 57,985	190	\$ 63,740
Totals		22190	\$ 5,338,310	19366	\$ 4,827,511

Growth: Community Reinvestment Act Reporting

FDIC reporting is limited to the headquarters location of a bank. As there are only 16 headquartered banks in the state of Oregon, restricting reporting based on that parameter offers a limited view of banking activity in the state. There are many other banks headquartered in other states, operating in and/or lending to Oregon based firms. To have a more complete picture of banking activity in Oregon, the Capital Scan has integrated data from the Community Reinvestment Act (CRA) reporting collected by the Federal Financial Institutions Examination Council.

While offering a more robust picture of the activity of banks in the state of Oregon, CRA reporting is limited to banks with greater than \$1.305 billion in assets as of December 31 of each of the prior two calendar years. This regulatory threshold limits the transparency of viability of CRA reporting as only Umpqua Bank is a large enough Oregon headquartered bank to be required to report under the CRA (for 2020 reporting). **The most recent data from CRA reporting covers 2018.**

Overall Lending by CRA Reporting Banks in Oregon

The reporting through the CRA is simply another tool by which the capital flows within Oregon can be measured. In this case, the data show the contribution of large (over \$1.3 Billion in assets) financial institutions to lending in Oregon. The overall leaders in the Oregon’s commercial lending market are relatively consistent from 2015-2018 (the most recent reporting available). Pacific Continental Bank (Eugene) was acquired by Columbia State Bank (Tacoma, WA) in 2017, leaving just one Oregon based bank (Umpqua) large enough to fall under CRA reporting rules.

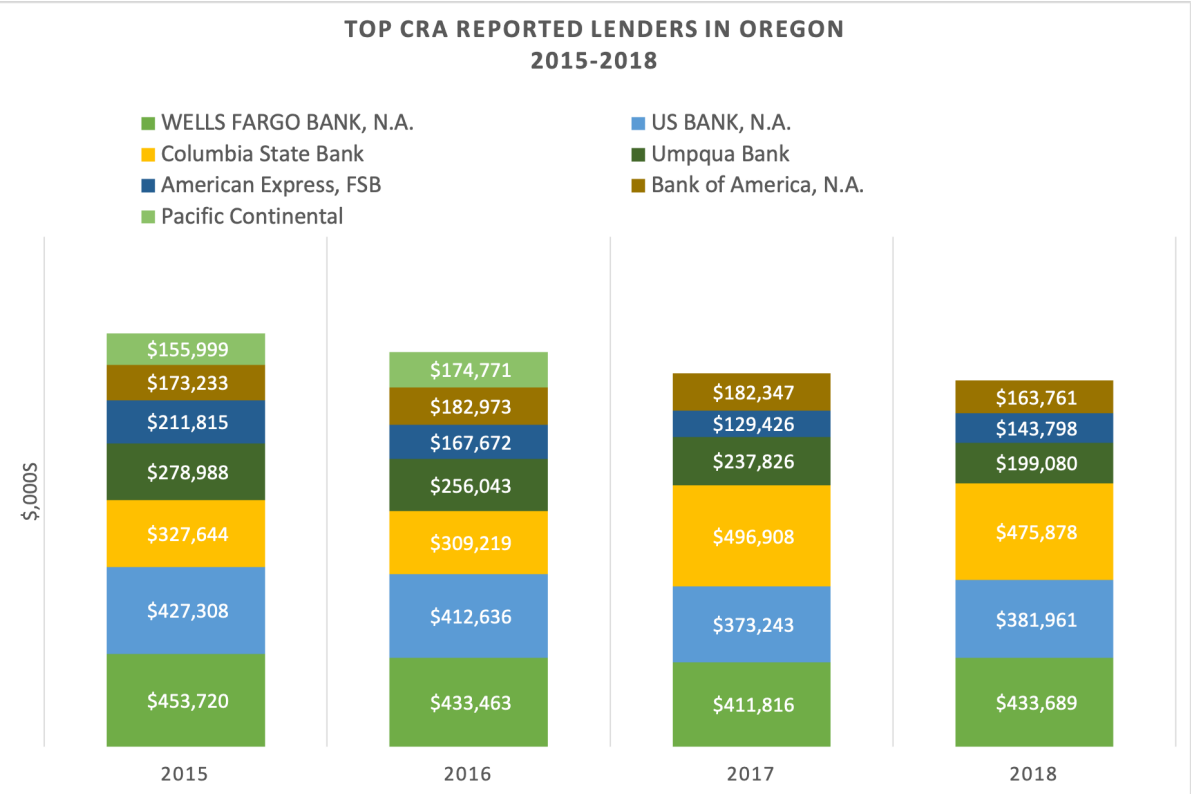


Figure 50 - CRA Reported top lenders in Oregon - 2015-2018

Including Community reinvestment Act reporting in the Oregon Capital Scan enables assessment of the value of loan activity to businesses in each Regional Solutions area. The top five lending institutions for each region are presented here.

This data indicates that while the market share for statewide financial institutions has been consistent, there are different banks with stronger positions in some of Oregon’s regions. It is difficult to know the extent of local control over lending decisions. However, diversity of institutions in each region may indicate that each market is served by bank and bankers who identify with and know the specific concerns and challenges for the local community.

All table values in \$,000

Table 36 - Central Region CRA Data

Central					
Crook, Deschutes, Jefferson					
Total \$ of Loans per Year					
Institutions	2015	2016	2017	2018	Grand Total
Columbia State Bank	\$ 25,761	\$ 30,923	\$ 39,436	\$ 33,721	\$ 129,841
WELLS FARGO BANK, N.A.	\$ 29,475	\$ 29,569	\$ 29,361	\$ 33,191	\$ 121,596
US BANK NA		\$ 32,917	\$ 35,410	\$ 35,395	\$ 103,722
Bank of the Cascades	\$ 46,914	\$ 54,646			\$ 101,560
First Interstate Bank			\$ 48,090	\$ 31,527	\$ 79,617

Of note in the Central Region, Bank of the Cascades was acquired by First Interstate Bank in August 2017.

Table 37 - Greater Eastern Region CRA Data

Greater Eastern					
Gilliam, Morrow, Wheeler, Umatilla, Grant, Harney, Malheur					
Total \$ of Loans per Year					
Institutions	2015	2016	2017	2018	Grand Total
Columbia State Bank	\$ 31,520	\$ 26,305	\$ 24,245	\$ 20,014	\$ 102,084
Banner Bank	\$ 16,644	\$ 17,923	\$ 18,506	\$ 16,802	\$ 69,875
US BANK NA		\$ 7,513	\$ 9,586	\$ 8,143	\$ 25,242
WELLS FARGO BANK, N.A.	\$ 4,960	\$ 6,862	\$ 4,843	\$ 5,286	\$ 21,951
Umpqua Bank	\$ 7,091	\$ 3,101	\$ 4,077	\$ 3,620	\$ 17,889

Table 38 - Metro Region CRA Data

Metro Region					
Clackamas, Multnomah, Washington					
Total \$ of Loans per Year					
Institutions	2015	2016	2017	2018	Grand Total
WELLS FARGO BANK, N.A.	\$ 273,131	\$ 250,369	\$ 232,218	\$ 231,623	\$ 987,341
Columbia State Bank	\$ 150,557	\$ 134,026	\$ 218,238	\$ 205,672	\$ 708,493
US BANK NA		\$ 225,475	\$ 192,699	\$ 193,353	\$ 611,527
Bank of America, N.A.	\$ 114,519	\$ 119,803	\$ 119,910	\$ 109,956	\$ 464,188
Umpqua Bank	\$ 98,009	\$ 87,633	\$ 85,628	\$ 71,105	\$ 342,375

Table 39 - Mid-Valley Region CRA Data

Mid-Valley					
Marion, Polk, Yamhill					
Total \$ of Loans per Year					
Institutions	2015	2016	2017	2018	Grand Total
Columbia State Bank	\$ 54,871	\$ 58,890	\$ 67,626	\$ 69,427	\$ 250,814
WELLS FARGO BANK, N.A.	\$ 37,996	\$ 38,475	\$ 32,786	\$ 41,320	\$ 150,577
US BANK NA		\$ 41,066	\$ 35,464	\$ 36,729	\$ 113,259
KEYBANK NATIONAL ASSOCIATION	\$ 14,228	\$ 16,177	\$ 12,070	\$ 17,465	\$ 59,940
Umpqua Bank	\$ 12,673	\$ 13,994	\$ 13,741	\$ 12,461	\$ 52,869

Table 40 - North Central Region CRA Data

North Central					
Hood River, Sherman, Wasco					
Total \$ of Loans per Year					
Institutions	2015	2016	2017	2018	Grand Total
Columbia State Bank	\$ 10,856	\$ 10,930	\$ 10,681	\$ 13,942	\$ 46,409
WELLS FARGO BANK, N.A.	\$ 3,887	\$ 3,931	\$ 4,901	\$ 3,462	\$ 16,181
US BANK NA		\$ 4,871	\$ 5,618	\$ 3,524	\$ 14,013
Bank of America, N.A.	\$ 2,726	\$ 2,161	\$ 2,214	\$ 1,419	\$ 8,520
US BANK, N.A.	\$ 6,939				\$ 6,939

Table 41 - North Coast Region CRA Data

North Coast					
Clatsop, Columbia, Tillamook					
Total \$ of Loans per Year					
Institutions	2015	2016	2017	2018	Grand Total
Columbia State Bank	\$ 16,111	\$ 11,764	\$ 13,397	\$ 14,963	\$ 56,235
US BANK NA		\$ 15,169	\$ 13,831	\$ 15,411	\$ 44,411
WELLS FARGO BANK, N.A.	\$ 10,230	\$ 9,067	\$ 10,570	\$ 13,808	\$ 43,675
Umpqua Bank	\$ 5,817	\$ 5,831	\$ 5,170	\$ 5,169	\$ 21,987
US BANK, N.A.	\$ 15,124				\$ 15,124

Table 42 - Northeast Region CRA Data

Northeast					
Union, Wallowa, Baker					
Total \$ of Loans per Year					
Institutions	2015	2016	2017	2018	Grand Total
Banner Bank	\$ 11,654	\$ 12,931	\$ 12,623	\$ 11,476	\$ 48,684
WELLS FARGO BANK, N.A.	\$ 3,183	\$ 4,368	\$ 3,440	\$ 5,103	\$ 16,094
US BANK NA		\$ 5,835	\$ 4,758	\$ 4,557	\$ 15,150
Umpqua Bank	\$ 3,420	\$ 2,429	\$ 1,846	\$ 3,057	\$ 10,752
Columbia State Bank	\$ 1,361	\$ 1,598	\$ 800	\$ 1,450	\$ 5,209

Table 43 - South Central Region CRA Data

South Central					
Klamath, Lake					
Total \$ of Loans per Year					
Institutions	2015	2016	2017	2018	Grand Total
Umpqua Bank	\$ 11,898	\$ 10,519	\$ 10,468	\$ 9,784	\$ 42,669
Washington Federal	\$ 8,149	\$ 8,423	\$ 4,890	\$ 5,592	\$ 27,054
WELLS FARGO BANK, N.A.	\$ 4,268	\$ 4,661	\$ 3,621	\$ 5,065	\$ 17,615
US BANK NA		\$ 5,214	\$ 6,435	\$ 4,917	\$ 16,566
Bank of America, N.A.	\$ 806	\$ 2,902	\$ 991	\$ 3,257	\$ 7,956

Table 44 - South Coast Region CRA Data

South Coast					
Coos, Curry, Douglas					
Total \$ of Loans per Year					
Institutions	2015	2016	2017	2018	Grand Total
Umpqua Bank	\$ 28,748	\$ 25,927	\$ 24,698	\$ 22,050	\$ 101,423
Banner Bank	\$ 10,617	\$ 14,264	\$ 11,452	\$ 18,647	\$ 54,980
WELLS FARGO BANK, N.A.	\$ 10,067	\$ 13,415	\$ 12,231	\$ 16,399	\$ 52,112
US BANK NA		\$ 10,691	\$ 7,441	\$ 11,370	\$ 29,502
American Express, FSB	\$ 8,100	\$ 4,792	\$ 2,196		\$ 15,088

Table 45 - South Valley / Mid-Coast Region CRA Data

South Valley/Mid-Coast					
Benton, Lincoln, Linn, Lane					
Total \$ of Loans per Year					
Institutions	2015	2016	2017	2018	Grand Total
Columbia State Bank	\$ 32,620	\$ 31,074	\$ 111,366	\$ 99,093	\$ 274,153
Umpqua Bank	\$ 51,584	\$ 60,334	\$ 46,073	\$ 42,210	\$ 200,201
WELLS FARGO BANK, N.A.	\$ 49,644	\$ 44,526	\$ 46,733	\$ 45,945	\$ 186,848
Pacific Continental Bank	\$ 70,355	\$ 72,862			\$ 143,217
US BANK NA		\$ 36,099	\$ 36,397	\$ 45,457	\$ 117,953

Note: Pacific Continental Bank was acquired by Columbia State Bank in November 2017.

Table 46 - Southern Region CRA Data

Southern Oregon					
Jackson, Josephine					
Total \$ of Loans per Year					
Institutions	2015	2016	2017	2018	Grand Total
WELLS FARGO BANK, N.A.	\$ 26,879	\$ 28,220	\$ 31,112	\$ 32,487	\$ 118,698
Umpqua Bank	\$ 39,311	\$ 30,111	\$ 27,087	\$ 13,149	\$ 109,658
Banner Bank	\$ 4,845	\$ 32,899	\$ 21,698	\$ 27,836	\$ 87,278
US BANK NA		\$ 27,786	\$ 25,604	\$ 23,105	\$ 76,495
Washington Federal	\$ 18,801	\$ 17,382	\$ 21,542	\$ 14,488	\$ 72,213

Conclusions and Summary

2020 will go down in history as one of the most turbulent years to date in this century. From a position of economic strength in 2018-2019, Oregon and the rest of the global economy have endured tectonic shifts. This report can only begin to capture the changes in capital flows that have happened because of and in response to the COVID-19 pandemic. While certainly not exhaustive, the data captured here do offer some insights.

- The CARES Act of 2020 will have an impact on capital flows well into 2021. Releasing over \$8 Billion into an economy of \$254 Billion (Oregon nominal GDP, 2019) will need to be measured by future research in more detail and with greater linkages to other economic data such as employment, business creation and closure, and other metrics.
- Oregon's Small Business Development Centers were in a strong position ending 2019. Outcome measurements from that system showed significant progress in financial metrics for clients. As data becomes available, understanding how the SDBC network responded to the economic challenges of 2020 will be an interesting indicator of the resilience of that system to provide guidance and services to small business.
- As a destination for venture capital, Oregon remained relatively strong in 2020. Total dollars invested fell for the first time since 2015, but the count of deals, especially Angel round investments remained strong relative to peer Western states.
- Venture capital is different in Oregon. Oregon based firms invest in a large number of Oregon companies. However, local VC firms have a fraction of the assets under management of firms located elsewhere. Resident capital exists, but it alone is not sufficient for funding large, rapidly growing businesses. Oregon's resident venture capital is doing well at helping businesses in early stages of development and then preparing them for investment from larger venture firms based in other geographies.
- Banking industry consolidation continues to lead to a decrease in lending by Oregon headquartered banks. From a high of over \$10.1B in 2015 to just above \$4.8B in 2019, the transfer of banking headquarters out of Oregon through mergers and acquisitions leaves fewer banks headquartered in local communities. Umpqua Bank (Roseburg) stands out as the only Oregon headquartered bank large enough to be required to report under the Community Reinvestment Act.
- Credit Unions are growing their presence in business lending. Included in the Oregon Capital Scan for the first time, credit unions are serving regions across the state with significant activity in business lending. While this is a fraction of overall lending activity, it is significant to note that the Portland Metro region *is not* the largest region for credit union business lending activity. All regions of the state have a growing base of this type of lending that offers a connection to local decision making.
- Government programs to support business formation and growth were strong in 2018-2019. Business Oregon and its array of programs leads a sector of support for business that extends down to rural counties and towns with programs in place to encourage entrepreneurs to take a chance on their ideas.

There will be much more analysis of the challenges of 2020 needed to understand how capital flows changed as the ground shifted beneath the foundations of the Oregon and national economy. Through the data in this report and the collaboration among stakeholders that make the Oregon Capital Scan possible, Oregon may be in a better position to understand what the previous 'normal' was.