http://newiprogressive.com/images/stories/S5/businesses-micro-ethnically-diverse3-s443.jpg



New infusion of federal funds will create a $50 million revolving venture capital fund, assist start-ups, and aid micro-lenders.

MADISON — Gov. Tony Evers and U.S. Sen. Tammy Baldwin (D-Wisconsin) today announced Wisconsin will receive nearly $80 million to support entrepreneurs and small businesses throughout the state. Gov. Evers and U.S. Sen. Baldwin, joined by Wisconsin Economic Development Corporation (WEDC) Secretary and CEO Missy Hughes and Wisconsin Housing and Economic Development Authority (WHEDA) CEO and Executive Director Elmer Moore Jr., announced the new federal funding, which is available through the State Small Business Credit Initiative (SSBCI) under the Baldwin-supported American Rescue Plan Act.



“More than 99 percent of Wisconsin businesses are small businesses that employ nearly half of Wisconsin workers, and we know they’re more likely to hire locally, buy supplies locally, and

reinvest locally back into our communities. One of our focuses in recovering from the pandemic has been ensuring our small businesses receive the resources needed to thrive," said Gov. Evers. "We've helped fuel our economic recovery by harnessing the ingenuity and homegrown talent we already have right here in Wisconsin, investing over $1 billion into supporting our small businesses and Main Streets, affected industries, and local communities. These new SSBCI funds will enable us to continue building upon our successful efforts to create jobs and new opportunities in our communities and ensure we maintain our state's economic momentum."

"In Wisconsin, our small businesses and Main Street's are the lifeblood of our communities and make our state the great place it is to live and raise a family," said U.S. Sen. Baldwin.



"But, many of our businesses struggle to expand their reach and need resources to grow and thrive. I was proud to vote for the American Rescue Plan to help Wisconsin's small businesses reach more customers, entrepreneurs access the resources they need to get their businesses' off the ground, and create good-paying jobs in all corners of the state."

The Evers Administration's plan for allocating the SSBCI funds, which was approved by the U.S. Treasury Department, includes:

- $50 million for WEDC to create the Wisconsin Investment Fund to partner with venture capital funds investing private capital in Wisconsin-based start-ups;
- $8 million to expand WEDC's popular Technology Development Loan program that supports innovative new businesses with flexible financing terms to launch and scale their operations;
- $6 million to support WEDC's Capital Catalyst program, which provides matching funds to non-profit organizations operating small-business loan programs; and
- $15 million for WHEDA to provide credit support to small businesses that receive microloans from Community Development Financial Institutions (CDFIs) for accessing capital, increasing lending to steady borrowers, and expanding loan participation.

The SSBCI is unique among federal recovery funds in that it focuses on supporting small businesses as they grow and create future opportunities. SSBCI funds are expected to be deployed over several years, primarily through private sector investors and lenders. SSBCI provides a total of $10 billion to states, the District of Columbia, U.S. territories, and Tribal governments to empower small businesses to access capital needed to invest in job-creating opportunities as the country emerges from the pandemic. SSBCI is funded by the American Rescue Plan Act, which was passed without any Congressional Republican support and enacted by President Biden in March 2021.

“The SSBCI offers an exciting opportunity to not only provide the capital that is so critical to small business success but to use federal resources to promote new private investment,” said WEDC Secretary and CEO Hughes. “The long-term benefit is using the private investment expertise to generate returns and grow a revolving pool of capital to be reinvested in new businesses again and again.”

The announcement today comes as, last week, Gov. Evers unveiled his 2023-25 biennial budget, which would create a $75 million venture capital fund of funds under the direction of WEDC. This fund of funds program will invest in venture capital funds that commit to investing the state’s funds in emerging Wisconsin companies alongside other private capital to leverage other sources of financing. This fund of funds proposal will require that 20 percent of all investments go to historically underserved communities, including rural areas that do not traditionally receive venture capital financing and diverse- and women-owned businesses.

“Small businesses are the backbone of Wisconsin’s economy, making up 99.4 percent of all businesses in the state. We are excited to be a part of building the future of small businesses in Wisconsin,” said WHEDA CEO and Executive Director Moore. “By partnering with our CDFI network, we have a unique opportunity to reach socially and economically disadvantaged borrowers so that they have access to the capital they need to grow and expand.”

A recent 2023 report shows that, as a share of aid Wisconsin received under the American Rescue Plan Act, Wisconsin remains the top state in the country for both aid directed to support businesses and aid directed toward economic development. The Evers Administration, under Gov. Evers' leadership, has already deployed more than $1 billion in federal recovery funding to support businesses across the state and help business owners respond to and get through the pandemic—to make health and safety improvements, purchase inventory, afford payroll and rent, and keep the lights on.

More information will be available on WEDC.org and WHEDA.com as details of the programs are released.