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For Immediate Release
Wednesday, September 21, 2005

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Report Indicates State Investment in Maine Small Business Development Centers Yields Significant Returns

(PORTLAND, Maine) – For every dollar of state funds invested in Maine’s Small Business Development Centers (SBDC), more than four dollars in state tax revenue is generated annually, according to an independent report presented to Governor John Baldacci today at the Maine SBDC state headquarters.

“It is critical that we invest in the growth of small business in Maine because small businesses employ approximately half of our workforce,” said Governor Baldacci. “The Maine SBDC is a big part of our small business development strategy, and the report clearly shows they warrant our continued support.”

The 2005 Chrisman Report analyzes activity of Maine SBDC in calendar year 2003 and its subsequent financial impact on calendar year 2004. According to the report, Maine SBDC provided more than five hours of business counseling to each of their 595 long-term clients, which, in turn, generated at total of \$3.01 million in state taxes and \$1.58 million in federal taxes.

Also in calendar year 2004, Maine SBDC long-term clients generated \$67.3 million in incremental sales and 497 new jobs. Another estimated \$73.5 million in sales and 495 jobs were saved due to Maine SBDC counseling, according to the Chrisman Report. In addition, an estimated \$28.3 million in financing was obtained by long-term clients as a result of Maine SBDC counseling.

Maine SBDC State Director John Massaua presented the report to the Governor. He said, “Our dedicated staff and network of partners, including the SBA, University of Southern Maine, Department of Economic and Community Development, and the economic and community development corporations that host SBDC offices, are key to the impact being produced. Through this collaborative effort, we are continuously improving the services being provided to Maine’s small business community.”

The Chrisman report is prepared annually by James Chrisman, Ph.D., a Mississippi State University professor that tracks the value of state and federal investment in SBDCs throughout the country via their impact on state economies.

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PRINTED ON RECYCLED PAPER

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Maine SBDC and its technology-focused group, the Maine Small Business & Technology Development Centers (SBTDC), provide comprehensive business management assistance, training, resource and information services to Maine's micro, small and technology-based business communities. They assist in the creation and growth of viable micro, small and technology-based businesses and the jobs these businesses provide. For more information, visit www.mainesbdc.org.

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About Dr. James Chrisman: *Dr. Chrisman has been a professor in Mississippi State University's (MSU) Management and Information Systems Department since 2002. Dr. Chrisman has conducted extensive studies of the SBDC's economic impact from both state and national standpoints over the past 23 years. Because of that expertise, he was recently invited by the U.S. House Small Business and Entrepreneurship Committee Chair Representative Donald A. Manzullo (R-IL) to participate in a Washington, D.C., hearing on Small Business Development Centers to present testimony before the congressional committee studying the issue.*

About Maine SBDC/SBTDC: *Maine SBDC/SBTDC is a partnership program of the U.S. Small Business Administration (SBA) in association with the SBA/OSBDC, Maine Department of Economic and Community Development, the University of Southern Maine, and leading economic and/or community development hosting organizations, including the Androscoggin Valley Council of Governments, Coastal Enterprises, Inc., Eastern Maine Development Corporation, and the Northern Maine Development Commission and with support from the Maine Technology Institute (MTI) and other contractors, allies and stakeholders. Accredited by the Association of Small Business Development Centers (ASBDC) and administered by USM's School of Business, Maine SBDC/SBTDC operates a network of service centers and outreach offices located conveniently throughout the state.*