



Testimony
of
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Subcommittee on Oversight, Investigations and Regulations
Committee on Small Business
US House of Representatives

“Restoring the SBA: Putting Main Street First”

Chairman Alford, Ranking Member Tran, Members of the Committee, thank you for inviting me to testify today.

My name is Theodore (Ted) J. Gutierrez, and I am the State Director for the Missouri Small Business Development Center hosted by the University of Missouri Extension. Our network is dedicated to supporting and advancing the success of Missouri's entrepreneurs and small businesses.

We are a proud part of the nationwide small business development center system of 63 networks with over 900 locations and over 3,000 professional counselors, advisors, specialists and support staff.

For over 43 years SBDCs have been providing one-on-one counseling services to small business owners and aspiring entrepreneurs at no cost. During that time, our member networks have developed a wide variety of services tailored to meet the needs of Main Street America.

Some of the subject matter we counsel and train on include:

- Cybersecurity
- Export assistance
- Disaster recovery and resiliency
- Manufacturing
- Marketing, sales, ecommerce
- Accounting, financial statement analysis
- Business strategy development
- Business plans, basic credit practices
- Pre-business startup planning
- Existing business expansion
- Exit strategy and succession planning
- SBIR/STTR technology development and transfer
- Exim Bank financing
- Regulatory compliance (federal, state and local)
- Rural business exports, tourism and marketing
- Patent and Trademark training
- Workforce development
- Engineering, technology commercialization and development
- Personnel administration
- Assistance in management and operations

SBDCs continue to evolve to meet the needs of America's small businesses. We are tasked with providing almost every conceivable form of technical assistance to small businesses in our respective states. Each SBDC network is nationally accredited, which distinguishes us among available resources. Our networks leverage the accreditation to evaluate and update our services to meet the changing needs of our clients, who drive our services. Our economic impacts and performance numbers are based on attributed, verified input from our clients.

By sheer volume, locations and economic impact, the SBDC program is the #1 resource in the United States and its territories providing technical assistance and training for entrepreneurs and small businesses.

- In FY 2022-2023, Congressional funding/investment for America's SBDCs translated to \$216.4 million in federal revenues generated and \$327.2 million in state revenues generated.
- Every federal dollar received rendered \$1.59 in federal tax revenue and \$2.40 in state tax revenue.
- A new job is created every 6.5 minutes (80,995 new FTE jobs)
- A new business is started every 33.3 minutes (15,794 new business started)
- Clients experience an average 15.7% annual sales growth compared to national average of 6.2%
- \$6.6 Billion in sales
- SBDCs provided 90% of SBA's Access to Capital assistance (from SBA CBJ)
 - \$6.87 billion dollars (out of \$7 billion)
- SBDCs served 92% of SBA's Technical Assistance clients (from SBA CBJ)
 - 325,773 Unique SMB Clients out of 354,935 total

Despite SBDC's economic impact generation and ROI, here are a few challenges we face:

- Funding priorities vs demand for our services
 - Federal and local
- Political agendas which lead to mission drift
- Funding to bring on more staff with industry expertise
- Funding for technology and implementation of new ways to reach additional small businesses in need of help.
- Funding to provide disaster planning, resiliency and recovery.

Here are a few challenges faced by Main Street America:

- Confusion on resources available
- Uncertainty of economic climate (i.e. high interest rates, taxes)
- Supply chain disruption
- Increased costs of workforce
 - Minimum wage laws
- Finding and hiring people who are reliable and want to work
- Disaster recovery efforts
 - SBDC's are the first responders
 - SBDC's are there during and after the disaster
 - Strategies for long-term recovery

How can the SBA be restored? *By putting Main Street America first.*

The SBA is responsible for disbursing the allocated congressional funding and administration of our grant program. It is important to distinguish that the SBDC is not part of SBA nor are employees of SBA.

Over the years SBDCs have worked with SBA Administrators from every Administration – we do that because SBA is our partner, just as our host universities, states, banks, and economic development groups.

The SBA is ready for clarity of purpose and vision to serve entrepreneurs and small businesses. The SBA should remain an advocate for the millions of small businesses in our country not focused on political agendas. SBA has many fantastic tools and partners; they need to use them appropriately and efficiently.

To regain public trust in the SBA, it must focus on providing resources and collaborate with partner programs such as the SBDC, so every entrepreneur can work towards achieving their dream and contribute to the overall well-being of our economy. *Every entrepreneur, from the wheatfields to the shops on Main Street America, should have the same opportunity for success.*

This concludes my testimony, once again, thank you Chairman Alford and the committee for allowing me to speak here today.

*SBA Office of Advocacy 2023

National SBDC data impact source: <https://americassbdc.org/news/news-releases/>