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**Testimony of Donald Loewel, MBA
Director
SBDC at Pasadena City College**

**before the
House Committee on Small Business
Subcommittee on Investigations, Oversight, and Regulations**

***“Fostering the American Dream: How SBA Can Empower
Immigrant Business Owners”***

November 8, 2019

Pasadena City College Small Business Development Center
3035 E. Foothill Blvd., rm. 122, Pasadena, CA 91107
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Thank you Chairwoman Chu, and members of the subcommittee for the opportunity to share my testimony with you today. My name is Don Loewel, and I am the Director of the Small Business Development Center (SBDC) at Pasadena City College. I have worked for the SBDC at PCC since 2014, first as a business advisor and for the last 18 months, as the Director. I have personally counseled over 300 small businesses, and currently lead a team of 12 business professionals who provide no-cost 1:1 consulting and low-cost training to hundreds of businesses in the San Gabriel Valley of Southern California. Our mission is to stimulate the local and regional economy by supporting business owners and startup entrepreneurs.

As reported, the SBDC is the largest of the SBA resource partners with 63 lead centers and over 900 SBDC service centers across all 50 states and U.S. Territories. At the SBDC, we provide counseling and training to entrepreneurs and small business owners on a variety of topics including business planning, marketing, international trade and accessing capital. The SBDC also provides support to businesses during disasters such as fires and floods. We help our small business clients start, grow and succeed, and when needed, we help them recover and rebuild.

The Los Angeles Regional SBDC Network covers Los Angeles, Santa Barbara and Ventura counties, and includes 8 Service Centers and a network lead center. The LASBDC's team of approximately 100 contracted or part-time specialty Advisors support a wide array of small business sectors in the region, including retail, food-specific industries, the tech sector, agriculture, advanced manufacturing, film/television, aerospace, and international trade and logistics. In 2018, our network served over 4700 clients, helped launch more than 400 new businesses, and supported \$165,000,000 in capital infusion. (see attached data sheet)

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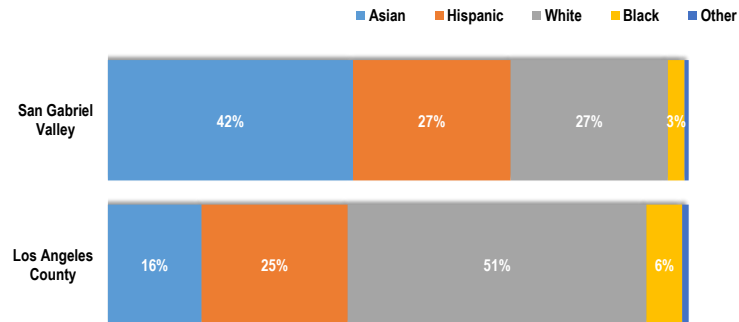
The SBDC at Pasadena City College is one of two located in the San Gabriel Valley, with the other located at University of LaVerne. The San Gabriel Valley is an area made up of thirty-one cities and five unincorporated areas in Los Angeles County, and as noted in the 2019 San Gabriel Valley Economic Forecast, the San Gabriel Valley “has the assets to move forward: a diverse pool of human capital; world-class institutions of higher learning and research facilities; respected arts and cultural organizations; and a well-developed trade network.” The San Gabriel Valley is an area uniquely distinct from greater Los Angeles County, in terms of demographic composition, industry employment, wages and industry concentration of business establishments. Per the data below, there were over 75,000 businesses in San Gabriel Valley in 2017, and 69% of businesses in SGV are owned by Asians or Hispanics, many of whom are immigrants. These demographics are reflected in the clients we see at the PCC SBDC.

Establishments by Major Industry Sector, 2017

Industry Group	SGV	LA County	SGV % of LAC
Natural Resources & Mining	80	482	16.5%
Construction	2,568	14,360	17.9%
Manufacturing	2,013	12,153	16.6%
Wholesale Trade	4,664	20,015	23.3%
Retail Trade	4,752	27,143	17.5%
Transportation & Utilities	1,553	7,595	20.4%
Information	656	10,346	6.3%
Financial Activities	4,814	26,682	18.0%
Professional & Business Services	7,815	48,866	16.0%
Education	775	7,975	9.7%
Health Services	7,716	29,974	25.7%
Leisure & Hospitality	4,581	33,633	13.6%
Other Services	32,205	227,020	14.2%
Total	75,045	467,225	16.1%

Source: California Employment Development Department, ES202 data

San Gabriel Valley Business Ownership by Race



Source: U.S. Census Bureau, 2012 Survey of Business Owners



The PCC SBDC has been experiencing considerable growth over the last 12 months. We received additional funding from the state of California, and we put it to use expanding our services. We are on track to double the number of clients we served in 2018, and will help launch almost 50 small businesses in 2019.

Our SBDC is supported by a great host institution at Pasadena City College, which is nationally recognized as one of the top Community College's in the nation. Our work at the PCC SBDC builds on a foundational commitment at Pasadena City College to be of service to marginalized communities of all kinds. To that end, PCC agreed to provide space for me to expand our services to a satellite campus in Rosemead, CA. This campus is located within a few miles of underserved business communities including El Monte, South El Monte, Duarte and Montebello, and is adjacent to several HUB Zone census tracts. This expansion allows me to bring our services to the businesses that need it most, and make an even greater impact and greater return on investment for the SBA and our other funders.



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With all of that as background, here are a few suggestions to increase the SBA's impact on immigrant-owned and underserved small businesses.

First, it's important to note that we do not segment our clients by immigration status. We know a large percentage of our clients are immigrants or first-generation entrepreneurs and may need additional support, but we service all clients who meet the SBA qualifications.

Secondly, awareness is the number one opportunity we have to make greater impacts on small business success. Putting aside the owner's nationality, it is difficult to serve the small business population, if they are not aware of who we are and how we can help. I recently learned about H.R. 4406, the Small Business Development Centers Improvement Act of 2019, which would permit SBDCs to use federal funds to market our services directly to small businesses, and this is exciting news!

Additional support from the SBA to raise national awareness would also be tremendous. A recent episode of the TV show *Undercover Billionaire* highlighted the services of a SBDC in Pennsylvania, and our SBDC received numerous phone calls and 12 new clients. I know that other centers within our region also gained new clients thanks to that national exposure.

Thirdly, support for multilingual advisors. Once we have identified and bring advisors into underserved communities, it will be important to build trust by providing advising in the client's native language. The vast majority of small business owners can conduct business in English, but many will not engage with centers that do not provide advisors who speak their language. As an example, the LA network has done a great job engaging the Hispanic community in East Los Angeles with an initiative that provides 3 advisors who speak Spanish. It has built trust in the community and local business owners engage with the program. It has also raised awareness and ultimately impacted economic growth in the area.

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Fourthly, engage Community Redevelopment Act departments of our lending partners. I have had success partnering with the CRA department of Cathay Bank in El Monte, CA. Banks are required to provide support to small businesses, and they can leverage our technical assistance while introducing us to large numbers of small business owners. My team has met several small business clients from underserved communities based on the work we have done together with Cathay Bank. For example, we partnered on 4 workshops provided in Spanish in 2019. This is a local strategy, but it may be something the SBA could do on a larger scale with our partners.

Finally, I would like to conclude by recognizing some of our partners, because we could not serve the numbers we do without them. Our host, Pasadena City College is dedicated and supportive to the work of the SBDC. Superintendent President Dr. Erika Endrijonas, Executive Director of Economic and Workforce Development Salvatrice Cummo, and Assistant Superintendent/Senior Vice President, Dr. Robert Bell, have supported the expansion of our center to a secondary location in Rosemead, CA. They have a clear understanding of the SBDC and how it compliments and supports the mission of Pasadena City College and the communities it serves. It is also important to recognize our partners at the local Chambers of Commerce, especially Ray Jan at the Rosemead Chamber of Commerce. The San Gabriel Valley Economic Partnership and LAEDC are also valuable partners and provided some of the data for this testimony. Lastly, I want to thank Victor Parker and his team at the SBA District Office in Los Angeles. They value and support the work of our center and have been a great partner in the growth of our services.

Thank you again, Chairwoman Chu and members of the Subcommittee for the opportunity to participate in this important hearing, and I would be happy to take any questions.

Donald Loewel

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Helping Small Businesses

START, GROW & SUCCEED

Small businesses are innovators and job creators. America's Small Business Development Centers are proud to offer cost-effective, accredited and proven assistance to help these entrepreneurs thrive.

In 2018, the Los Angeles Regional SBDC (LA SBDC) Network provided business advising and training to more than 4,700 small business clients in Los Angeles, Santa Barbara, and Ventura Counties.



NEW JOBS
CREATED

2,033



NEW BUSINESSES
LAUNCHED

439

2018
ECONOMIC
IMPACT



TOTAL CAPITAL
INFUSION

\$165M



CLIENTS
SERVED

4,705



LA SBDC client **Danh Tran**, men's fashion entrepreneur and founder of **Butter Cloth** — Carson, CA & Long Beach, CA

The LA SBDC Team Drives **ECONOMIC GROWTH**

in our region by providing:

- Confidential business advising at no cost
- Help accessing capital
- Small business disaster recovery resources and assistance
- Training workshops in business planning, financial management, marketing, and more

Los Angeles Regional SBDC Network

The Los Angeles Regional SBDC Network is the 6th largest in the nation. Our centers and satellite locations serve a population of more than 11.5 million in Los Angeles, Santa Barbara, and Ventura Counties.



Santa Barbara County

Ventura County

Los Angeles County

LA SBDC SERVICE CENTERS

LA Chamber Bixel Exchange SBDC

www.lachamberbixelsbdc.org 213.580.7587

College of the Canyons SBDC

www.cocsbdc.org | 661.362.5900

Economic Development Collaborative Ventura County SBDC

www.edcsbdc.org | 805.384.1800

El Camino College SBDC

www.southbaysbdc.org | 310.225.8277

Long Beach City College SBDC

www.longbeachsbdc.org | 562.938.5100

Pacific Coast Regional SBDC

www.pcrsbdc.org | 213.674.2696

Pasadena City College SBDC

www.pccsbdc.org | 626.585.3105

University of La Verne SBDC

www.lavernesbdc.org | 909.448.1567

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