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Small Business, Big Investment: JPMorgan Chase & Co. Announces \$30 Million to Help Entrepreneur Networks

New research shows high-performing small business "clusters" grew faster and added more jobs than other businesses in major U.S. metro areas

Grants to small business networks will provide access to critical resources, including facilities, investors and skilled employees

WASHINGTON, D.C., July 22, 2014 - JPMorgan Chase & Co. today launched *Small Business Forward*SM, a five-year, \$30 million grant program to boost small business support networks that help growing enterprises in specific industries. *Small Business Forward* connects entrepreneurs with critical resources to help their businesses grow, create jobs and strengthen communities.

Small businesses can increase their impact on a region's competitiveness and economic output through business concentrations known as economic "clusters." In fact, nearly half of the high performing clusters in the nation's 10 largest metros grew roughly three times faster than other local businesses between 2003 and 2011, according to a new study from the Initiative for a Competitive Inner City (ICIC).

"Beyond their vital role in our economy, small businesses are often the source of innovation and inspiration," said Scott Geller, CEO of Chase Business Banking. "Helping local, small business clusters grow faster and create more jobs will take JPMorgan Chase's involvement in the entrepreneurial community to a new level."

JPMorgan Chase launched *Small Business Forward* at a forum supported by Maria Contreras-Sweet, Administrator of the U.S. Small Business Administration; U.S. Senator Maria Cantwell, chair of the Senate Small Business and Entrepreneurship Committee; U.S. Senator James Risch, the committee's ranking member and Rep. Sam Graves, chair of the House Small Business Committee.

Small Business Forward will fund nonprofit cluster organizations that work with small businesses concentrated in a single sector. In addition to supporting strategic planning and research, JPMorgan Chase's grants will help cluster organizations provide participating small businesses with:

- **Networking** that helps businesses connect with investors, mentors, competitors and customers;
- **Partnerships with colleges and universities** that help drive industry research and innovation;
- **Workforce and management training** that gives them access to the skilled employees and managers they need to grow;
- **Supplier networks** that offer specialized products and services to cluster businesses; and
- **Export promotion** to help businesses access new markets, and source new customers and suppliers.

In addition to their impressive economic growth, businesses participating in high performing clusters typically add more jobs than other businesses in local/regional markets, according to the ICIC research, which was commissioned by JPMorgan Chase. Between 2003 and 2011, many small business clusters outperformed overall employment growth in their metropolitan areas. For example, the Education and Knowledge Creation cluster in Los Angeles increased employment growth by 31 percent compared to general employment growth rates in the city during that eight year period. The Oil and Gas Production and Transportation cluster increased employment growth by 47 percent in Houston during that same time frame. ICIC is a nonprofit research and strategy organization founded by Harvard Business School Professor Michael Porter in 1994. ICIC's extensive knowledge of urban economies and small businesses has contributed to the advancement of cluster theory and practice.

"Clusters are driving economic growth in major cities, contributing to job creation, higher wages and innovation. But the impact of clusters on small business growth could be strengthened. Most cities currently lack a unifying strategy for supporting clusters and small businesses," said Kim Zeuli, ICIC's Senior Vice President and Director of Research.

Supportive of regional, industry-specific clusters, the SBA applauded JPMorgan Chase for developing the *Small Business Forward* initiative.

"America's forward-looking companies are investing in clustered communities, because they see the return on investment," said SBA Administrator Contreras-Sweet. "Clusters speed commercially viable ideas from the drawing board to the marketplace. These are communities with buy-in at every level and a proven support structure that nurtures success."

Inaugural investments of *Small Business Forward's* five year, \$30million commitment will touch the following ten cities across the country and then expand to additional markets in the US and abroad:

- **Chicago:** Manufacturing Renaissance's Austin Manufacturing Innovation Park is developing a facility for advanced manufacturing companies on Chicago's West Side.
- **Detroit:** Eastern Market's new community kitchen gives small business owners access to professional kitchens and connections, and Bizdom is strengthening the environment for e-commerce businesses in Detroit.
- **Kansas City:** The University of Missouri-Kansas City's Free Enterprise Center will provide growing businesses access to high tech equipment including 3D printing to help them develop new products.
- **Los Angeles:** LA Cleantech has brought together business, government, and academia in LA to grow the city's cleantech sector and is now developing satellites throughout California and internationally.
- **Milwaukee:** The Water Council connects freshwater research, innovation, education, and business development to make Milwaukee a hub of water technology.
- **Newark:** The New Jersey Innovation Institute applies the intellectual and technological resources of the New Jersey Institute of Technology to challenges identified by industry partners.
- **New Orleans:** New Orleans BioInnovation Center is a health sciences incubator that supports promising, high growth companies.
- **San Francisco:** QB3 is a lead partner of BioSF, a collaboration between academia and government to develop a biotech industry cluster in San Francisco.
- **Seattle:** Washington Interactive Network is growing interactive media and technology companies that are generating high-quality jobs in across Puget Sound.
- **St. Louis:** BioSTL is building the regional infrastructure in the bioscience sectors of health and healthcare IT.

LA Cleantech provides a good example of the kinds of success that today's clusters are producing. In less than three years, LA Cleantech has helped more than 30 companies create 400 new jobs, raise \$40 million in capital and generate more than \$90 million in long-term economic value for the City of Los Angeles.

"The best way to build new companies is by creating tightly focused, all-inclusive, small business clusters that harness a region's strengths," said Fred Walti, LA Cleantech's executive director. "With JPMorgan Chase's support, we're building a cleantech cluster for Los Angeles that's the second largest green economy in the nation with the highest number of cleantech start-ups."

Small business advocates in Congress and mayors of leading American cities reaffirmed the importance of the *Small Business Forward* initiative and clusters as economic development tools to accentuate their regional economic strengths and sow the seeds of innovation.

U.S. Senator James Risch (ID), Ranking Member, Senate Small Business and Entrepreneurship Committee: "I want to commend JPMorgan Chase for making a sizeable contribution to help small businesses innovate and compete. Private sector experience and expertise can be a catalyst to small firms, especially startups, and I look forward to seeing how this investment helps entrepreneurs expand and hire."

Rep. Sam Graves (MO-06), Chair, House Small Business Committee: "Private sector investments like this not only fuel business startups but really transform communities and local economies. We applaud JPMorgan Chase for providing private sector leverage for these organic movements of innovation and ingenuity. As our nation's recovery continues, this program will truly assist small business to network and find resources within their local community that allow them to grow and create jobs."

Chicago Mayor Rahm Emanuel: "In Chicago, we are pursuing bold new strategies to grow our economy. JPMorgan Chase's support of the Austin Manufacturing Innovation Park is a key element of this remarkable public-private partnership that will bring hundreds of good jobs to Austin and the West Side."

Los Angeles Mayor Eric Garcetti: "JPMorgan Chase's support of the clean tech sector in Los Angeles is an innovative investment in our city's future. Small businesses are a key engine of job creation, and JPMorgan Chase's initiative helps connect small businesses with the resources they need to grow."

New Orleans Mayor Mitch Landrieu: "As we continue to rebuild New Orleans, we have experienced the eye-opening impact that focused support and investment have in creating a new economy based on knowledge, technology and innovation. We have especially appreciated JPMorgan Chase's support of our economic blueprint, Prosperity NOLA, and the NOLA BioInnovation Center, which points to the potential New Orleans has to become a world class hub for bioscience and business overall."

For more information about the grants and research, visit www.jpmorganchase.com/smallbusinessforward and follow #SmallBizForward on Twitter.

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