

One Minnesota Budget



GROWING SMALL BUSINESS

Small businesses are the foundation of Minnesota's economy. They employ three-fourths of Minnesota workers, enliven our Main Streets, and power economic growth.

Small business growth has surged over the last four years as entrepreneurs see new opportunity across our state. Small business starts have increased by nearly one-third in Minnesota, with 61,000 new businesses in 2022. Because of our high business survivability rates in Minnesota, businesses that start here, thrive here.

The One Minnesota Budget will go even further to help Minnesota's small businesses, their owners and employees, and our communities succeed.

Following are DEED's priorities included in the One Minnesota budget.



Revitalizing Minnesota Main Streets - \$85 million

The Main Street Economic Revitalization Fund is one of the ways Governor Walz, Lieutenant Governor Flanagan and DEED are reinvesting in Minnesota communities. By partnering with local economic development nonprofits, DEED has provided \$80 million since 2021 to catalyze investments in business corridors – neighborhoods and main streets – where they can make a big difference for individual businesses and communities as a whole. The One Minnesota Budget includes new funding to multiply the positive impacts of this program across the state.



Expanding Opportunity for Small Businesses Owners - \$40 million

Small business owners and entrepreneurs are often unable to obtain the loan capital they need to start or expand their businesses – a critical miss for job creation as the state emerges from the pandemic. To help small business owners, the One Minnesota budget includes \$40 million for an Expanding Opportunity Fund to partner with nonprofit lenders, who will in turn invest in small businesses. The fund would provide additional capital for nonprofit lenders and benefit over 8,000 businesses.



Innovation Investing via the Angel Tax Credit - \$20 million

The Angel Tax Credit is Minnesota's primary economic development tool for assisting and attracting early-stage businesses. It has already resulted in over \$500 million in private investment for Minnesota startups focused on new technologies or services in specified fields. Expanding the tax credit will incentivize investment in companies with founders who are women, veterans, people of color, Native people, and those headquartered in Greater Minnesota.



Supporting Our Small Businesses Partners - \$17.25 million

The Small Business Partnership Program, Small Business Navigation Program, and Small Business Development Centers provide crucial funding, coaching, and consulting that small businesses deeply need – especially those facing systemic barriers to growth. New funding for these programs will help create an economic environment that produces job growth and supports economic success.



Empowering Entrepreneurs at Launch Minnesota - \$5 million

DEED's Launch Minnesota supports innovation and entrepreneurship by increasing access to capital, creating a connected and collaborative culture, and expanding entrepreneurial talent and expertise. Investing in Launch Minnesota will connect more start-ups to funding, expand entrepreneurial expertise, jumpstart commercialization, and cultivate collaboration with business leaders.