

ANNUAL 2020 HIGHLIGHTS





PRESIDENT'S MESSAGE

Dear Friends,

2020 was a year unlike any other. While the pandemic and social justice issues have changed the way businesses will operate for years to come, small businesses were among the hardest hit. I'm proud to say that UCEDC responded quickly to their needs and demonstrated our value as a small business resource. As we've begun this new normal, we've focused our efforts to better serve small businesses through innovative new services. We've developed new loan products, enhanced our training offerings and found expanded ways for businesses to explore new revenue streams through our government contracting services.

UCEDC's Crisis Relief Loan Program was the first of its kind to be offered in New Jersey. These loans, along with our Rahway CARES Forgivable Loan Program partnership, provided over \$2.3 million in capital to 210 small businesses throughout the state. Additionally, we developed new training programs to help businesses manage the unique economic challenges, reaching over 2,400 individuals. Our government procurement services assisted our clients in securing over \$150 million in contracts, helping many of them survive.

UCEDC will continue to look for new ways to support our clients. Whether through enhancing our ability to provide capital to underserved communities or new, targeted training programs, our commitment to these businesses is our first priority. As evidenced through our client stories, the resiliency and drive of these entrepreneurs remained strong through these trying times. We'd also like to give special thanks to the governmental and private entities supporting us through these times and whose funding has allowed us to continue providing these services to the small business community. I welcome you to read on and learn more.

Adam Farrah,
President, UCEDC



CHAIRPERSON'S MESSAGE

After serving on UCEDC's Board of Trustees for many years, I'm excited to have been named Chairman during this critical time in New Jersey's economy. UCEDC has proven to be adaptive and effective in responding to our clients' needs. Our Board, staff and supporters have recognized the demand for our services and have risen to the challenge in these unprecedented times. We continue to be inspired by our clients who have overcome these hardships and discovered new paths to sustain their businesses. We encourage you to read their stories contained herein and be inspired by their journeys.

Gary Pfarr,
Chairperson, UCEDC Board of Trustees

JOHNSON PR AND EVENTS

Two weeks after Shakira Johnson resigned from her position as Public Information Officer for The City of Perth Amboy to stay home with her newborn son, she began receiving calls to see if she could work on various events and projects. She hadn't planned on running her own business. She says, "it kind of just happened by default."

At first, Shakira began accepting projects one by one. The Rahway, New Jersey-based Johnson PR and Events was formed and grew organically from there. As she put it, her clients kept getting bigger and bigger, and when she started answering the calls, her business wasn't even formally set up yet. Little by little, she created the infrastructure for her company as needed. Before she knew it, Johnson PR and Events was a success. She was so successful that she had to turn business away because she hadn't had the time to develop a plan to scale it accordingly. Since then, she's determined that it's her role to have the vision and be the innovator for her company and that she can rely on other people to manage many of the day-to-day operations of her business.

Shakira initially learned of UCEDC through her connection to our board member Roderick Spearman and the Union County Fatherhood Initiative. She was looking to do more business development and pursue more government bids. She started attending various UCEDC government procurement training courses, and eventually, she opted for the free one-on-one counseling with our Procurement Counselor, Nadine Clark. When asked if the training and counseling helped, she said it was "absolutely helpful!" She particularly noted how Nadine helped her prepare a bid and gave feedback as she went through the process.

The lessons she's learned over the last 14 years of running her business helped her meet the pandemic's challenges. In March and April, large-scale events were getting canceled, and she worked with her clients to return their deposits.



She did what she could to convert planned events to virtual events. Shakira received grants from the New Jersey Economic Development Authority, the County of Union, and a Facebook Small Business Grant for Black-Owned Businesses to offset her financial losses. She also recently obtained a PPP loan. In June, Shakira pivoted her business to address social justice issues. She started helping clients old and new with social impact, strategic communications, and social justice initiatives, which remains a primary focus for Johnson PR and Events today.

GARDEN STATE STRENGTH AND FITNESS

When asked if he always knew he wanted to be an entrepreneur Mike Kelly, owner of Garden State Strength and Fitness, says, "I always knew I wanted to do this. I've been doing this for 20 years now. My first real full-time job was in a gym just like this in Short Hills. I lasted there two years, and then I knew that I had to work for myself. Since then, I haven't worked for anyone else." Initially, he opened a studio with a business partner and ran that for 13 years before making the move to open Garden State Strength and Fitness in Springfield, New Jersey, on his own.

Like so many business owners, things were going well for Mike until the pandemic hit. He had to close shop, and when he reopened, everything was completely different. Before COVID-19, the objective was to fill the space with as many clients and trainers as possible. Mike was shut down for nearly five months, which forced him to reevaluate how to manage the business with new restrictions. Since reopening, Mike and his trainers only allow for one client at a time. Mike is also reconsidering how to redefine the space to accommodate more people in the safest possible way.

Mike first came to UCEDC in search of a Microloan to make improvements to the 3,800 square foot commercial building he owns. One section of the building remained unfinished, and he planned to make it usable space. After receiving the loan to complete the building improvements, Mike also received a Crisis Relief Loan from UCEDC to help with working capital needs. He is currently working with our lending team to refinance his commercial property.

Mike has had such a good experience working with the team at UCEDC that he has referred other clients to our services as well. According to Mike, he refers people to UCEDC because small business owners often don't know about us and the resources available to them. He says, "the help I've received has been tremendous. Everyone has been so nice and helpful. Anytime I've had a question, everyone gets back to me right away."





CAROLINA ROSA ARTS ACADEMY

Carolina Rosa always knew she wanted to try running her own business. She remembers being inspired by her old boss, who came to the U.S. from the Dominican Republic. He started out washing dishes before going on to own several successful restaurants. Carolina hadn't intended on becoming a dance instructor, but after dancing her way to a win at a talent show competition in college, she earned herself a part-time job teaching dance and making \$25 an hour. She learned that she didn't need a degree to earn a good living while doing what she loved. Still, it was a while before the seeds of entrepreneurship fully took root.

While Carolina got her B.A. in Mathematics from Kean University and followed that up with her secondary education teaching certification, she continued to teach dance on the side. She eventually decided to take the leap and invest in a dance studio. Her first location was only 600 square feet, and she stayed in that space for about five years

before deciding to move to her current 2,400 square foot location on Central Avenue in Jersey City, which she also uses to host events.

Things were going well until the pandemic hit. Her students dropped from 120 in person to 30 students virtually. In her words, she was "freaking out." So she started taking weekly seminars to figure out how to stay afloat. Somewhere along the way, she heard about UCEDC's Crisis Relief Loan program. She qualified for the \$15,000 loan, which helped her to cover the rent of her current space.

Unfortunately, the challenges haven't ended for Carolina. Though she's created a healthy dance community in a location that needs her, new development is underway. Carolina Rosa Arts Academy will need to relocate within the next two years. But Carolina's positivity and determination can't be understated, she's already started looking for a new place, and it's clear she won't let anything get in the way of her success.



Resources & Solutions
for Small Business

UCEDC

A Non-Profit Economic Development Corporation

2020 IMPACT STATISTICS

LENDING

235

Number of loans

\$7.4

Million approved

39%

Minority-owned

1464

Jobs created/
retained

\$14.3

Million total
project costs

40%

Woman-owned

GOVERNMENT CONTRACTING

1518

Contracts
awarded

\$154

Million awarded

3857

Jobs created/
retained

22%

Disadvantaged-
owned

45

Thousand
bid matches

TRAINING

147

Workshops

2407

Attendees

36%

Start-ups

1971

Clients mentored

5350

Mentoring hours

NOTABLE SOFTWARE

According to her Wikipedia page, "Dr. Rebecca Mercuri is a computer scientist specializing in computer security and computer forensics. She is considered a leading expert on electronic voting systems." While that is a succinct and accurate summary, it barely scratches the surface of her impressive career or journey along the way.

Rebecca's company, Notable Software, based out of Hamilton, New Jersey, was born out of a desire to continue the work she had done while working for RCA. When RCA canceled the project she had been working on, Rebecca asked them to release the rights on the cutting-edge software products she had helped create. For a while, she kept her job at RCA and worked on Notable Software after hours. It wasn't until several years later that she tried to make it her full-time business after earning two Master's degrees and a Ph.D. in Computer and Information Science.



Photo by Gale Zucker #galezuckerphotography

She says, "I had enough money to exist for a year running Notable Software out of my house. At the end of twelve months if I was broke, I would have to get a job. If I was doing well, then I would continue on."

When asked if she always knew she wanted to be an entrepreneur, Dr. Mercuri says it was in her blood. Both of her grandfathers were entrepreneurs, and her parents were teachers, so she's become a culmination of both, part entrepreneur and part academic. In fact, she's leveraged her academic brilliance and unique experience into her business by becoming an expert witness in digital forensics and electronic voting.

Once the pandemic hit, the courtrooms closed, and that facet of her business was put on hold. Rebecca started taking UCEDC's Mercer County Business Survival Series workshops to look for assistance to keep her business afloat. When she was done with those, true to her academic nature, she took a Government Contracting workshop offered by UCEDC. Dr. Mercuri provided the following feedback regarding UCEDC's training programs:

"Inspired by the many forward-thinking topics and information provided by the UCEDC, we took this opportunity to improve our advertising outreach to the legal community, which has started to pay off in increased leads and new contracts. As well, I also used the "down time" to re-apply for approval on the State bidding list for work with the NJ Public Defenders. We had been on this bid list some years ago, but had let our registration lapse, due to the considerable paperwork and documentation that this required. After much effort, we were again approved and have already received new contracts through the NJOPD. Being on the bid list also increases our visibility to Attorneys who are doing work outside of the Public Defender's Office, so this has been helpful as well.

In summary, I would like to say that UCEDC provided many positive ideas and suggestions that were helpful to me and enabled me to reposition my business, in a way that has aided recovery even while COVID-19 continues to pose restrictions. Thank you!"



THE PRESIDENTS CLUB BARBER SHOP

When Catherine La Vecchia (Katie) decided to become a hairstylist, she never intended to work for herself. She says, "I thought the easier option was to work for someone else." For several years, she did just that. While managing other people's salons offered her the flexibility and experience she desired, she realized she couldn't bring her vision to fruition while working for somebody else.

At 26 years old, she started working on the idea for an exclusive barbershop targeting men. She did a great deal of research on membership-based services to build her business model. One year later, she opened the doors to the Presidents Club Barber Shop, in Millburn, New Jersey. Inspired by her stepfather, who was a jack of all trades, Katie took comfort in her youth. She gave herself five years to make her business a success and figured if she gave it her all and failed, she would at least know she'd tried her best, and she'd still be young enough to reinvent herself if needed.

With Katie's drive and determination, it's no surprise that her business has been thriving.

Last year with the help of UCEDC, Katie took out a microloan to update her space and hire new employees. As she put it, she was a small business, and we were a small business, and after a positive discussion with UCEDC's Loan Officer, Mark Leichtling, working together was a no-brainer.

When asked about the pandemic, Katie says, "The shutdown definitely took me for a ride. I never imagined my business being forced to close for 14 weeks." She also notes that it took two months before she could get any small business assistance and that she remained stressed and anxious throughout the experience. She attributes their survival to staying on a tight budget, having money in savings, and keeping up with all of the programs available to small businesses through the government, state and SBA.

While the pandemic may have changed her immediate growth trajectory, there is no doubt that Katie has made the Presidents Club Barber Shop a success well before her five-year make-it-or-break-it deadline.



159 Total SBA
Microloans

144 Crisis Relief
Loans

\$2,375,000

Microloan Dollars Lent

\$14,937

Average Loan Amount

UCEDC Named New Jersey's #1 Microlender of the Year for 2020

In October of 2020, the U.S. Small Business Administration (SBA) district office announced that UCEDC was the #1 SBA Microlender in New Jersey for the 2nd year in a row.

Confronted with a year like no other, we are proud that we have been able to serve so many small businesses who found themselves in crisis. Of our 159 SBA microloans in 2020, 144 were for COVID-19 cash-flow support.

"While it's nice to say UCEDC was the #1 microlender, I believe the real accomplishment is reflected in the 1,000+ individuals who remained employed and the hundreds of families that continued to financially survive due to our combined efforts. This is what having a positive impact looks like. I am thankful to all of those who contributed to easing the anxiety of our small business clients and their families," said Adam Farrah, UCEDC president.

UCEDC's Crisis Relief Loan Program

We are proud to report that UCEDC was the first in the state to offer small businesses financial relief amid the COVID-19 pandemic. Our Crisis Relief Loan Program went live on Friday, March 20th, and by Monday, March 23rd, we had exhausted our first round of funding. With the help of Investors Bank, the NJEDA, and the Tory Burch Foundation Capital Program powered by Bank of America, we were able to re-open the program and bring interest rates down to 0 %.

Through this program, we have provided loans to 144 small businesses. We administered over two million dollars in loans. With so many people affected by the COVID-19 crisis, we understand the significance of helping every business we can and the impact it has on local economies. We are grateful for the opportunity to be of service to our communities during these challenging times, and we hope to do all we can to continue supporting small businesses.



UCEDC's Virtual Incubator Program (VIP)

In 2020 UCEDC announced its Virtual Incubator Program (VIP). Developed in collaboration with UCEDC's Diversity Advisory Committee, this program offers diverse business owners mentorship, training, and funds to help their small businesses meet the challenges of this moment.

Diverse business owners have historically encountered many obstacles to success. To battle these injustices, UCEDC's Board of Trustees created the Virtual Incubator Program. The VIP allows businesses with ownership from underserved populations the opportunity to sustain themselves through these trying economic times by offering education and access to capital.

The VIP offers the benefits businesses would get from a traditional business incubator in a virtual setting and provides capital to these entrepreneurs upon completion of the program. While businesses have struggled to find resources in the current economic climate, our goal is to give them the support they need. The program includes virtual training sessions, group, and one-on-one mentoring. Upon completion of the incubator program, participants will receive forgivable loans of up to \$10,000 at 0% interest.

UCEDC Awarded \$500,000 Grant from Wells Fargo

We are proud to announce that UCEDC has received a \$500,000 grant from Wells Fargo through its Open for Business Fund. These funds will specifically contribute to UCEDC's Entrepreneurship as a Second Chance (ESC) initiative, which offers formerly incarcerated individuals the opportunity to explore re-entry into society through business ownership. It will also help with UCEDC's Virtual Incubator Program (VIP) as described above, and it will aid in our efforts to offer specialized training for businesses affected by the pandemic. UCEDC is grateful for the commitment Wells Fargo has made to preserve the fabric of New Jersey's local economy and for the opportunity to serve New Jersey's small businesses.

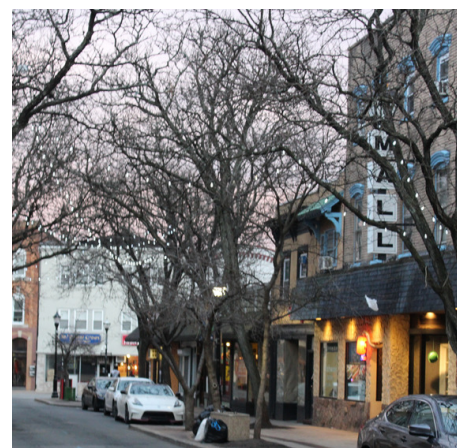


UCEDC Partners with Municipalities to Administer Grants and Forgivable Loans in Response to the Covid Crisis

In April of 2020, UCEDC partnered with Mayor Giacobbe, Rahway City Council, and Rahway Arts and Business Partnership to create the City of Rahway CARES (Coronavirus Aid, Relief, and Economic Security) Forgivable Loan Program. Through this program, small businesses located in Rahway's Special Improvement District could apply for forgivable loans up to \$5,000.

In July of 2020, UCEDC also partnered with the Princeton Mercer Regional Chamber of Commerce Foundation and the Municipality of Princeton to create the Princeton Resiliency fund. A program designed "to provide emergency assistance in the form of grants for independently owned small businesses located in the Municipality of Princeton in response to the COVID-19 outbreak. In addition, support a robust, vibrant local economy by providing assistance for businesses seeking to adapt, survive and thrive in the changing business environment."

UCEDC is proud of these partnerships. We are glad to see that local municipalities and organizations have recognized the financial needs of the small business community. In the fallout of the COVID-19 crisis, safeguarding our local businesses is one of the first steps to ensuring economic stability.



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