



## STACEY ABRAMS AND JOB CREATION

Stacey Abrams and her business partner Lara Hodgson started a small business called Nourish that made formula-ready bottled water for babies and sippy-cups for toddlers. When a large company placed a major order for their product, Nourish needed a loan to automate their equipment to meet such a large quantity. But during the Great Recession, no one would loan them the money. They had to say no to the opportunity, and eventually they were forced to close their business.

During and after the Great Recession that started in 2008, thousands of small businesses faced a tremendous credit crunch as banks closed and others refused to make loans. In fact, Georgia had more bank closures than any other state in the country, and lots of small businesses like Nourish struggled to get financial backing that may have been more available before the crisis. Banks could not or would not take the risk. In response to the need for innovative credit and capital access, Stacey and Lara teamed up with John Hayes in 2010 to start NOWaccount, a company that provides a payment system to small businesses, improving their cash flow so they can grow and thrive.

### **What is NOWaccount?**

NOWaccount pioneered a new way for small businesses to access the money owed to them for providing a service at a time when credit for small businesses was especially difficult to find. NOWaccount buys invoices from qualified small businesses so they can get paid right away, rather than wait the sometimes 30 or 60 days it takes to get paid by a customer with an outstanding invoice. NOWaccount works like a credit card, but costs less to the business. With the NOWaccount payment system, companies invoice their customers as usual, and the full payment is deposited into the companies' bank account within 5 business days, minus a flat, one-time service fee of 3%. The small business doesn't incur any debt. You can read about how NOWaccount works here <http://nowaccount.com/>

### **Since capital access is a common problem, were other people trying to find solutions?**

Yes. President Obama understood the scope of the lack of credit and capital for small businesses. The Administration and Congress passed the Small Business Jobs Act of 2010, which included the State Small Business Credit Initiative. The program provided incentives to financial institutions and others to extend credit by promising an extra layer of security through a "credit guarantee" that worked like the FDIC promise to banks for your bank account if something went wrong.

NOWaccount applied for this federal program to help small businesses across the country get access to capital after the recession so they could stay open, grow, and create jobs. The Small Business Jobs Act had bipartisan support and support from every Georgia Democrat in Congress including Congressmen Hank Johnson, John Lewis, David Scott,

John Barrow, and Sanford Bishop. The SSBCI program attracted several participants in Georgia, including CDFIs, credit unions, banks and NOWaccount.

**How many jobs has NOWaccount helped create through this program?**

By participating in the Small Business Jobs Act program, NOWaccount helped 350 Georgia businesses create or retain more than 2,000 jobs across the state.

**How much did these jobs cost the taxpayer?**

NOWaccount's participation in this Obama Administration credit guarantee program helped more than 350 Georgia businesses create and retain over 2,000 jobs - the most jobs of all participants in the program. And NOWaccount did so at the cost of less than \$4,500 per job. These were Georgia small businesses that were able to keep employees during the recession and hire more workers as the nation recovered. By comparison, the state's [Baxter](#) deal created taxpayer \$240 million in incentives for an average cost of \$150,000 per job, while incentives to [Kia](#) also came at a cost of about \$150,000 per job.

**Did NOWaccount receive taxpayer dollars?**

No. NOWaccount itself never received taxpayer dollars. Federal funds that moved through the program were remitted to credit unions and other financial institutions who helped provide credit to participating small businesses serviced by NOWaccount.

**Did Stacey Abrams receive any taxpayer dollars?**

No. Her NOWaccount salary was not funded by taxpayer dollars and instead came from NOWaccount's investors and fees.

**Was it a conflict of interest for her to be a part of a company like this while serving as the House Democratic Leader?**

No. As a part-time legislator, Stacey Abrams - like most of her colleagues - is a small business owner. When NOWaccount sought to participate in the federal program, she understood its actions would bring legitimate scrutiny, and she worked diligently to ensure her actions followed both the letter and the spirit of the law. She and the company even confirmed through the state's Attorney General that NOW's participation in the federal program would be appropriate. To prevent any appearance of conflict, Stacey did not participate in any company business with state or federal government officials administering the program in Georgia. Instead, her partners conducted all business with the state and walled Stacey off from involvement.

**Is NOWaccount considered a success?**

Yes. Economic development is measured by job creation and retention and is most effective when done at the lowest cost. NOWaccount's partners and supporters have celebrated the company's innovation and track record. The [Georgia Chamber of Commerce has partnered with NOWaccount](#), and Intuit named the company's app as one of the [top 10 new QuickBooks Online apps globally in 2016](#). [NOWaccount won the National Association of Credit Union Service Organization's Next Big Idea competition](#) and the UTSA MBDA program listed NOWaccount as a "[Minority Business Development Champion](#)".