



Ohio

Small Business  
Development Centers  
Cleveland State University



**STATEMENT OF Katie Van Dyke, Director, Ohio Small Business Development Center at Cleveland State University, BEFORE THE U.S. HOUSE OF REPRESENTATIVES SMALL BUSINESS COMMITTEE, “Now Hiring: How the Opioid Epidemic Affects Small Businesses.” Thursday September 13, 2018 at 11:00 a.m. CDT**

**Introduction:**

Thank you Mr. Chairman Chabot, Ranking Member Velázquez, and members of the committee. It is an honor to be here to speak with you today about how the opioid epidemic affects small businesses.

I am Katie Van Dyke, Director of the Ohio Small Business Development Center at Cleveland State University. I have held this position for nearly five years, but have worked with entrepreneurs for over 10 years now. I am a Cleveland Ohio native, and have been working here nearly all of my adult years. I am proud of the work that we at the Small Business Development Centers do to support our local small businesses, who are the critical components and major contributors to the strength of our local economies .

**About the Ohio SBDC and Results of Last Year’s Work:**

The Small Business Development Center (SBDC) program provides assistance to small businesses and aspiring entrepreneurs to help them realize the dream of business ownership and remain competitive in today’s complex and ever-changing global marketplace. This assistance comes in the form of no-cost business counseling and no- to low-cost training services that cover topics such as business plan development, financial packaging, lending assistance, exporting and market research. The SBDC Program is made possible in the United States, and U.S. territories, through a collaborative partnership between our Congressional champions, the Small Business Administration (SBA) and state hosts, including leading universities, state economic development agencies and a national network of nearly 1,000 service centers such as mine, at Cleveland State University.

The Ohio SBDC program delivers high quality support to Ohio’s small businesses, startups and entrepreneurs. Individual centers offer both general business services - such as planning and financial analysis - and targeted, innovative programming based on the needs of the local business community. Ohio’s SBDC programs and services provide direct and measurable economic benefits to the communities we serve. We proudly demonstrate a significant return on investment that results in job growth, business creation and increased sales.

Last year, alone, the Ohio SBDC Program:

- Helped 722 entrepreneurs start their business

- Worked with existing business owner to access \$230 million in capital
- Created or retained nearly 14,000 jobs
- Worked with more than 500 companies to increase export sales by \$99 million

A significant challenge to Ohio's current business operations – in both the urban or rural communities – is Ohio's opioid crisis. From small businesses struggling to fill needed positions to Ohioans unable to fulfill their working potential, opioids are a plague on Ohio's economy. From an SBDC perspective, we used to hear about issues pertaining to access to capital and cash flow. Now, what we hear about far too much from our clients is, "I need help finding employees - I can't find anyone who can pass a drug test."

We've overcome challenges in our program's 33-year history, but this is opioid crisis is larger than any of us.

### **The Opioid Crisis:**

In Ohio, from 2016-2017, overdose deaths due to opioids increased 39% and Ohio was the 3rd largest increase among the states. 14 people die a day from opioid addiction. These deaths aren't the stereotypical "junkie" on the street- they are people involved in the community - quite probably a young and vibrant 22 year old college grad just starting out in the workforce, or a 62 year old grandmother who just had back surgery. Yes, they are your average American, workforce age, possibly a well educated employee, possibly a neighbor of yours. 68% of Ohio's injured workers were prescribed narcotics in 2016. Half of Ohio businesses reported suffering consequences due to substance abuse including absenteeism and decreased productivity of their employees, and a shortage of workers who can pass drug tests. Unintentional drug overdoses that may have started as a prescription for a surgery or injury, cost an average of \$5.4 million each day in medical and work loss costs in Ohio. Over 2,500 people of employment age (25-64) in Ohio died of an opioid overdose in 2017 alone.

Here are some more staggering statistics according to the Alcohol Drug and Mental Health Services Board: 2/3rds of those abusing prescription medications are doing so on their company's payroll at the time of abuse. 9% of FT employees are abusing drugs, while nearly 14% of PT employees are abusing drugs. 44% sold drugs to other employees. 64% admitted that drugs affected their performance, and 18% stole from co-workers to support their habits.

### **SBDC Client Example (Names were changed to protect identities):**

Don took over his dad's Northeast Ohio manufacturing business about 10 years ago. The business is a part of his legacy, and has been a part of his entire life. He proudly plans to leave his business to his children when they get older. Don hired Sam, a young and smart graduate of the local technical training center. Sam was injured while operating a forklift one day, but Don made sure that Sam went to the Dr. to be treated, and as far as he knows, Sam is back to work and healed. After a few weeks, though, Don started hearing the employee gossip - Sam was late for his shifts, and taking longer than usual breaks. One afternoon Sam was falling asleep while operating a forklift and slammed into a stack of pallets that nearly fell on another employee. "What was wrong with Sam?" Don wondered. What rights did Don

have to ask Sam about his behavior - would he cross a line when asking about personal issues? What if the other employee could have been badly injured - or killed? Don was upset and confused about the situation and didn't know who he should talk to or where he could get help. If he was doing something wrong, or found negligent for some reason, he could get into trouble - would he have to pay fines? Would he lose his entire business? And if he were to fire Sam on the spot, he had to make sure it was all documented - but the other employees didn't want their names involved. Plus, Sam just had a new baby and was the sole breadwinner of his family. Where should Don turn? What should Don do?

This isn't a scenario, this is a client. And there are many more examples of clients who are wondering just how to deal with the opioid crisis. It goes beyond the addicted employee - or the shortage of applicants that can pass a drug test. It also affects the business that employs the highly successful employee that gives her all, until she has to raise her grandchildren due to her daughter's overdose, and her new situation will make it difficult to work full time; or the outgoing employee that never missed a meeting and was volunteering for everything -but now is sleep deprived, withdrawn and nervous because his son started stealing from him to support his addiction to painkillers. He won't talk about it to his supervisor - it feels too embarrassing to him.

This is happening everywhere. This is a problem all small businesses are facing, or will face, in the near future at the rate that we are going in Ohio.

#### **What the Ohio SBDC and Partners are Doing to Help the Situation:**

Thankfully, there are many great resources that are on the ground working to educate employers and employees alike. But, there is a lot of work to do. Getting the information out quickly and reaching the small business owner is a challenge. Efforts by policymakers, resources, and the medical community are reducing the availability of opioid prescriptions and educating the communities and small businesses within the state is finally starting to happen.

The Ohio SBDC at Lakeland Community College created a workshop called "The Opioid Crisis in the Workplace: The Proactive Role Employers Can Take". This workshop was built to be easily replicable for each SBDC in the different counties to offer and customize with local subject matter experts.

My center, The Ohio SBDC at Cleveland State, is partnering with our local chamber to hold this workshop in Cuyahoga County in October, and we can even offer continuing education credit to the HR and Law Professionals that attend. We are also working to share the resources from partners that are available to small businesses when we advise them - taking more time to understand their employee needs, and to probe a little more deeply when issues with employees arise. We base our educational workshops and advising on the needs of our clients, and we would be amiss to ignore this growing epidemic. With further training and continuous conversation among resources that offer help to our small businesses, we as small business advisors are learning to support our small business clients in this area.

Ohio SBDC at Lakeland Community College Opioid Workshop:

<https://www.youtube.com/watch?v=vXA59XCxPxA>

The Ohio Bureau of Worker's Compensation offers a free Drug Free Workplace Training - a premium rebate to eligible employers for implementing a loss-prevention strategy addressing workplace use and misuse of alcohol and other drugs, especially illegal drugs. The Drug Free Workplace Training is made of five components that cover policy and operations, employee education, supervisor training, testing for drug use, and responding to an employee's harmful use of drugs - for second chance or termination.

<https://www.bwc.ohio.gov/employer/programs/dfspinfo/dfspdescription.asp>

The Ohio Chamber of Commerce has partnered with Working Partners and Anthem to offer a free Opioid Toolkit that contains a five module online course for employers, a free online course for employees, and additional customizable printable resources for use at the workplace.

<http://ohiochamber.com/opioid-toolkit/>

There are many other resources that are providing education and training around the opioid crisis in Ohio that are not included here, but are valuable and add to the positive effort. The most important thing we as a community can do is to get everyone to talk about the facts, the staggering statistics, and break down the stigma that this is someone else's problem - it affects us all, whether directly or indirectly. If we can face this problem with as much knowledge as possible, we will be better armed for changing the statistics and creating a healthier workforce.