



WESTERN WASHINGTON UNIVERSITY
SMALL BUSINESS
DEVELOPMENT CENTER

Q1 2026

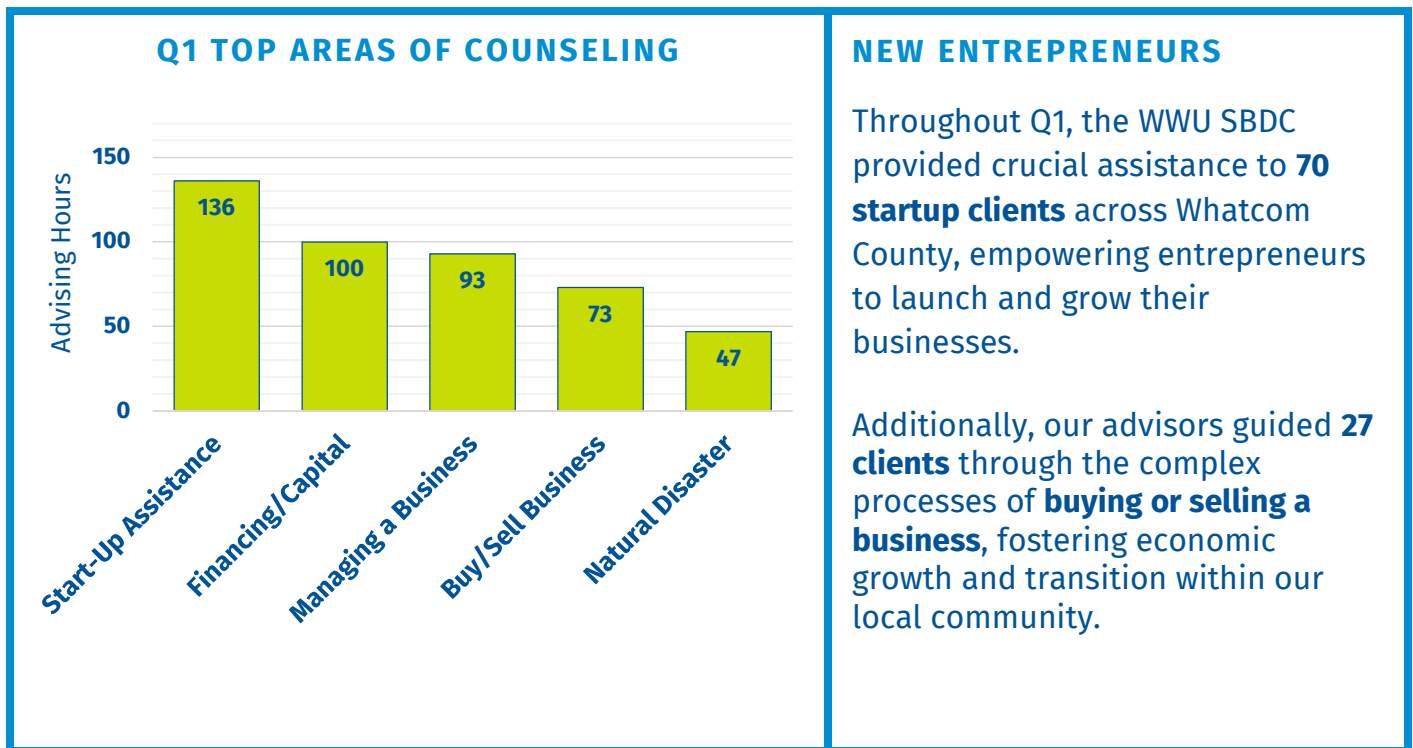
QUARTERLY REPORT

WWU SBDC
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CONTRACT DELIVERABLES

TECHNICAL ASSISTANCE	Q1 2026	Q1 2025	YTD 2026
Number of Businesses Advised	193	200	193
SBDC Sponsored Training Participants	17	25	17
Research and Student Projects	1	7	1
Information/Resources Provided	64	55	64

IMPACTS	Q1 2026	Q1 2025	YTD 2026
Capital Formation	\$2.4M	\$2.3M	\$2.4M
Business Starts	10	13	10
Jobs Created	51	97	51



Q1 BUSINESSES SERVED BY LOCATION

LOCATION	BUSINESSES ASSISTED	% OF TOTAL HOURS
Bellingham	134	69%
Blaine	10	6%
Deming	3	1%
Everson/Nooksack	8	4%
Ferndale	11	6%
Lummi Island	2	1%
Lynden	14	8%
Sumas	7	4%
Other	4	1%
Q1 TOTAL Total Hours: 593.5	193	100%

ROLLING 12-MONTH DATA

From 4/1/25 - 3/31/26



Did you know? Client economic impacts are only reported if the client signs an agreement that their outcomes are attributable to the assistance of their advisor. We carefully document our efforts and our clients' progress so that we can accurately gauge our impact.

HIGHLIGHTS & UPDATES

Flood Response: Lessons Learned

As Whatcom County and the greater northwest Washington region recovers from the December 2025 flood disaster, the WWU SBDC continues to assist recovery at both the individual and community level. In late January, Washington State Microenterprise Association invited our team to present lessons learned from the 2021 floods to other support organizations across the state. Certified Business Advisor Asche Rider shared her experience providing trauma-informed assistance to flood victims, describing how to effectively help these business owners navigate the complicated process of recovery. Executive Director CJ Seitz and Whatcom Community Foundation President/CEO Mauri Ingram discussed the complexities of coordinating response efforts and advocating for meaningful financial assistance at the state level. This webinar set the groundwork to help build a more resilient network of support to combat future disasters. *(Read more about our flood recovery efforts on page 5.)*

WWU College of Business and Economics DECA Entrepreneurship Leadership Conference

In early February, WWU SBDC business advisors Wade Stringfield and Melissa Tanno served as judges for the Mock Competition for the WWU College of Business and Economics DECA Entrepreneurship Leadership Conference. This event brought DECA members from area high schools to WWU's campus to grow their experience in entrepreneurship. For the pitch competition, each student was given a business scenario and had 30 minutes to create and pitch a solution for their mock business case.

2026 Microlending Workshop Series

In late March, Dr. Liliana Deck led the first of a series of microlending workshops at our Barkley office. In collaboration with Katie Pencke from the Whatcom Conservation District, this bilingual workshop was specifically designed with rural businesses in mind. Seating for these workshops is kept small to encourage participation and to enable tailored assistance.

APEX Accelerator Workshops

The WWU SBDC co-hosted two government contracting workshops with APEX Accelerator in Q1. The first focused on navigating the government marketplace and the second guided participants through successful market research strategies. Our continued partnership helps clients that want to tap into contracting opportunities but aren't sure how to find their place. More workshops are planned for 2026 and will be announced through our newsletter and social media.

CLIENT PROJECT SPOTLIGHT

What does a Certified Business Advisor (CBA) *actually do*? The following descriptions of ongoing projects illustrate some of the many ways that our advisors assist clients.

Online Retail | Business Growth & First Hire: 11 hours

CBA Sherri Daymon is working with a new entrepreneur to grow and manage their specialty online retail business. This involves an in-depth analysis of retail versus wholesale pricing strategies, review of distribution contracts, and development of a job description for the business's first employee.

Healthcare | Business Expansion: 9.75 hours

A local physical therapy practice is hoping to relocate to a larger facility. CBA Sherri Daymon assisted in this process by reviewing the lease agreement and preparing operational and financial projections that account for increased overhead. Daymon is also helping the client evaluate patient-visit trends and the cash flow constraints that accompany insurance billing.

Construction | Start-Up: 6.75 hours

CBA Asche Rider is helping a first-time entrepreneur launch a construction services business. Rider started by alerting the owner to L&I requirements and specialty contracting license registrations they were previously unaware of. Rider also provided guidance on insurance, bonding, licensing, pricing, quote preparation, and tax obligations.

Retail | Business Management: 6.5 hours

A newer retail business is working with CBA Asche Rider to navigate employee regulations and review concerning bookkeeping records that may be affecting the accuracy of their books. Rider is also helping them develop strategies to improve sales, navigate owner compensation, and manage cash flow.

Multiple Industries | Employee Ownership Transitions: 20+ hours

Three SBDC clients are exploring employee ownership transitions with guidance from the CBA team. Advisors have worked with each business to assess the viability of employee ownership and weigh their options. Though we routinely assist business sales to individual employees, employee ownership models are far more complicated. This work is part of a broader collaboration with the newly launched Washington Center for Employee Ownership and Director Patricia Kwan.

SMALL BUSINESS TRENDS AND OBSERVATIONS

Small businesses in Whatcom County faced an array of challenges in the new year, especially those continuing to recover from damages or downstream effects of the 2025 floods. In an environment of rising costs and diminishing sales, we helped many clients facing limited options and difficult decisions. At the same time, we continue to see new entrepreneurs with enthusiasm to pursue their dreams and new ideas. Business purchases and sales are on the rise as one generation of business owners plans retirement and another is ready to take their place.

FLOOD AFTERMATH

Throughout Q1, our team worked to support small business recovery from the December 2025 floods. We continue to serve as a communication hub for business recovery information and to provide one-on-one assistance to businesses.

Our Certified Business Advisors are helping clients evaluate their options for recovery, including projections for continued viability in flood-prone areas. While some were more prepared with flood insurance and mitigation efforts, many were impacted by more severe damages than in 2021.

External support for flood damaged businesses is limited. We helped six clients apply for Whatcom Small Business Disaster Recovery Fund grants (administered by the Whatcom Community Foundation and Whatcom Long Term Recovery Group), with three receiving a combined total of \$22,000 (and three pending at the end of Q1).

The Small Business Administration made an agency disaster declaration on February 26, making disaster loans available to homeowners, renters, nonprofits, and businesses. Business Loans are available for repair, replacement, and mitigation to protect against future disasters.

Economic Injury Disaster Loans are available to help businesses with cash flow issues resulting from the flood, including downstream effects (such as supply chain interruption or revenue loss due to damaged roads). Interest rates for both start at 4%. Our team partnered with the SBA to spread the word and to help clients evaluate whether these loans are a good fit for their situation and needs.

ECONOMIC PRESSURE

Rising costs continue to squeeze our clients' margins, with some considering whether it is feasible or worth the extensive effort needed to run a business.

Our clients completed a biannual survey in December 2025, with results tallied in Q1 2026. **Nearly a third of the clients that provided revenue data reported a reduction in sales**, and several reported cutting staff.

While businesses across industries face pressure, some patterns emerged. Compared to our overall portfolio, clients reporting revenue reductions were disproportionately in Retail, Arts, or Recreation industries while clients reporting revenue increases were disproportionately in Construction or Professional, Scientific, or Technical Services.

Though a very limited sample, this may be partially due to the substantial reduction in Canadian traffic across 2025. Clients often do not know where their customers come from, but these findings are consistent with anecdotal reports from clients over the past year. *(Overall response rate 25% of 667 surveyed, with 60 providing revenue data).*

How are businesses adapting?

Our advisors help clients consider a variety of options to adapt their businesses for survival in this environment.

At the milder end of the spectrum, some have found that introducing **discount sales and specials** helped them to rebound when revenue started to decline significantly (10%+), though this may not be sustainable in the long term. Rising costs and overall inflationary pressures have forced many to raise prices, but risk losing customers to larger competitors that can afford to offer lower prices.

Several clients are considering the more dramatic strategy of **switching to a nonprofit model**. After investing money and time into building a business, they are looking for ways to continue doing what they love while possibly reducing their financial burden. However, there are pros and cons to the nonprofit/not-for-profit model and a variety of factors to consider. Our advisors help clients considering this transition evaluate their options, as each situation is unique.

Unfortunately, more clients are turning to **merchant cash advance loans** when faced with crushing cash flow problems. Often these predatory loans have significant fees, high interest rates, and deceptive practices.

In essence, these loans provide short-term cash in exchange for a percentage of future sales, often based on a factor rate rather than annual percentage rate.

Persuasive marketing and fast cash can make these loans seem tempting, especially for business owners with limited access to traditional commercial lending options. However, these loans are rarely the best option and can rapidly worsen existing cash flow problems.

LABOR COST INCREASE

While labor costs and availability continue to present major challenges for clients across the county, those within Bellingham city limits are struggling with the additional \$2/hour minimum wage that began on Jan 1, 2026.

These clients have found that the current \$19.13/hour minimum wage not only erodes profit margins but also presents challenges for labor management. As owners try to maintain adequate staffing levels with a limited capacity for labor costs, they can afford less variation in wages across different roles. As a result, they have less latitude to attract higher-skilled employees or reward high performers.

As previously detailed in 2025, the increased minimum wage has led to wage compression, as higher-paid employees tend to receive raises in line with minimum-wage coworkers. With overtime-exempt salary limits projected to increase in coming years, clients are considering whether it is more sustainable to increase salaries or risk regularly paying overtime wages.

COMMUNITY ENGAGEMENT

PRESENTATIONS

- 2026 WWU SBDC Microloan Presentation
- Flood Recovery Webinar: Whatcom Business Recovery Task Force: Lessons Learned

Whatcom Job Training and Education Center Presentation

In January, Dr. Liliana Deck presented to participants of the Job Training courses at Whatcom Job Training and Education Center Evergreen Goodwill of Northwest Washington. This presentation is one example of the ongoing outreach strategy to connect the local community with the services offered by the WWU SBDC opening doors to entrepreneurship pathways.

PROFESSIONAL DEVELOPMENT

- Claude AI: Beyond ChatGPT
- SBA Disaster Loans
- Zolidar / Business succession planning

Congratulations to CJ Seitz!

In January, Executive Director CJ Seitz became the first SBDC advisor in Washington state to fully credential as a Crowdfund Better® Certified Advisor. She trained as part of the WA State Microenterprise Association - WSMA 2025 cohort.

OUTREACH EVENTS

- APEX Roadmap to Success
- Bellingham Regional Chamber of Commerce January Networking Breakfast
- Bellingham Regional Chamber of Commerce March Happy Hour
- Blaine Chamber of Commerce - March Meeting
- Small Business Requirements & Resources
- Sustainable Connections - Eat Local First Trade Meeting
- Washington Economic Development Association - Winter Conference
- What is Market Research? - APEX Government Contracting Workshop
- Whatcom Business Alliance - Small Business Awards

Small Business Requirements & Resources Event

On March 12, WWU SBDC Marketing Coordinator Allijah Motika presented as part of the Small Business Requirements & Resources event in downtown Bellingham. We joined other business support organizations to help local business owners discover valuable resources and connect with experts in Washington. As part of this event, hosted by the Small Business Liaison Team and the Port of Bellingham, entrepreneurs gained valuable insights from presentations by Washington State Department of Commerce, Secretary of State, Labor & Industries, and more.

COMMUNITY CONNECTIONS

- APEX Accelerator
- Brad Johnson, WWU
- Business Recovery Task Force
- Dr. Laurie Trautman, WWU Border Policy Research Institute
- Elizabeth Boyle & Jessica Reinstra, Whatcom County Council
- Katie Pencke, Whatcom Conservation District
- Latino Advocacy & Leadership Association
- Marissa Cahill, Northwest Workforce Council
- Patricia Kwan, Washington Center for Employee Ownership
- Port of Bellingham
- SBA Disaster Loan Outreach Center
- Team Whatcom
- WaFd Bank
- Washington State Emergency Operations Center
- Whatcom Artist Studio Tour
- Whatcom Community Foundation
- Whatcom County CEDS Review Committee