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**NEW JERSEY SMALL BUSINESS DEVELOPMENT CENTERS
RECOMMENDS BLUEPRINT
FOR IMPROVING BLEAK BUSINESS OUTLOOK IN THE GARDEN STATE**

Newark, N.J., Nov. 29, 2006 - The pessimistic outlook of businesses in New Jersey reported by the New Jersey Business and Industry Association's survey released Nov. 28 further illustrates the need for major reforms to reinvigorate confidence in the state's economy.

"Making small business Strategic Priority No. 1 in the governor's economic growth strategy would be a strong start to reversing the downward perception of New Jersey's businesses on the state's economy," said Brenda Hopper, state director for the New Jersey Small Business Development Centers based in Newark, N.J.

NJBIA's findings echo the results of a recent report issued by the New Jersey Small Business Development Centers (NJSBDC), titled "A Strategic Blueprint for Small Business Growth: Strengthening Business Opportunities in New Jersey."

According to Deborah Smarth, NJSBDC's deputy state director who authored the report, "The majority of 4,000 small business respondents expressed their no. 1 concern as the rising costs of operating a business in New Jersey, from health insurance to taxes."

NJSBDC's recommendations on state policy reforms include:

- establishing a statewide affordable health care policy;
- eliminating or substantially reducing corporate business tax minimum payments;
- developing a procurement process that makes government contracts more accessible to small business;
- increasing educational youth entrepreneurship offerings at grade and high school level;
- offering business ownership degrees at higher education institutions;
- providing specialized assistance to science-tech firms outside the state-sponsored incubator network for product commercialization;
- revitalizing manufacturing through various reforms; and
- piloting a corporate incubator for small businesses to tackle high commercial property rentals and help further develop supplier diversity relationships.

Currently, less than 1 percent of the state's \$30.8 billion-budget is allocated to small business assistance programs. The state of Pennsylvania invests a total of \$8 million, ten times the amount being invested in New Jersey's small business sector, despite the fact that Pennsylvania's budget is \$4.7 billion less than New Jersey's.

The latest Small Business Administration data for 2005 in New Jersey states that small business creates 1.8 million jobs or 50.5 percent of the non-farm private sector workforce; represents 98.5 percent of the State's employer businesses; contributes more than \$31.8 billion to New Jersey's economy – a 7.1 percent increase over the prior year. Of the 812,200 small businesses based in New Jersey, 259,273 have employees; more than two-thirds of all small business are sole-proprietorships or non-employer businesses.

"Small business innovates and creates new jobs at a faster rate than their larger competitors. Who better than small business enterprises, owners and operators, to tell state government what changes are needed to reinvigorate the state's business climate," said Smarth.

"Under Gov. Corzine's leadership, we believe the tide can turn as long as the voices of small business are heard," Hopper said. "State policies must also support small business needs if they are to gain confidence in the Garden State."

"Before New Jersey can create opportunities for new business to move to the state, it must first remove the obstacles that prevent existing businesses from growing and remaining here," Hopper added.

About NJSBDC

NJSBDC (www.njsbdc.com) is the premier provider of comprehensive services and programs for small business in New Jersey, helping businesses expand their operations, manage their growth or start new ventures. The NJSBDC network consists of 11 service centers with a presence in every county.

In 2005, NJSBDC provided assistance to 23,000 small business owners with more than 7,000 receiving one-to-one personalized management consulting; facilitated \$105.5 million in financing through loans, procurement contracts and grants; and helped create and retain 10,000 jobs. The network is a federal-state-educational partnership funded by the U.S. Small Business Administration, the N.J. Commerce, Economic Growth and Tourism Commission, the Rutgers Business School and other educational institutions.

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