

# MAIN STREET

# POLICY PULSE

## SMALL BUSINESS VIEWS

## ON FINANCIAL REFORM

### STATE SNAPSHOT: NEW JERSEY

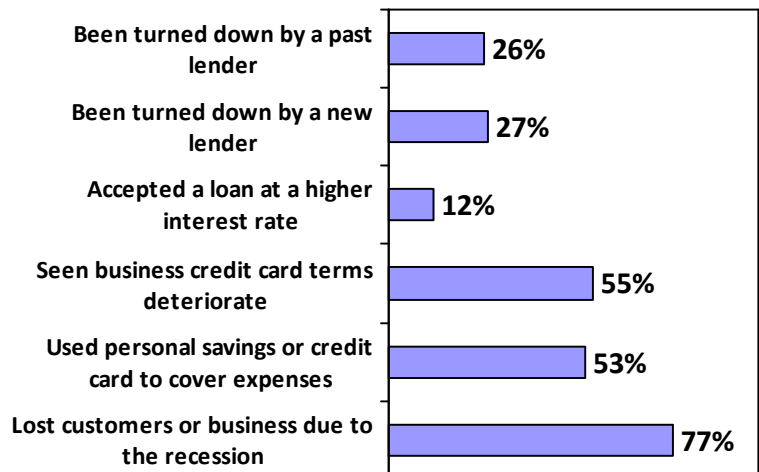
In New Jersey, 78 small business owners participated in the survey on financial issues and financial reform. Most respondents came from Jersey City, Montclair, Mt. Holly, and New Brunswick.

#### Impacts of the Recession on New Jersey Small Businesses

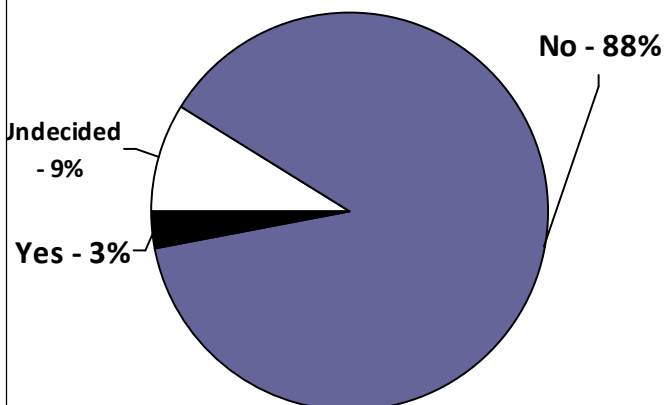
The survey asked small business owners about their experiences in the current recession.

Since June 2008, more than three quarters (77 percent) of New Jersey respondents reported losing customers or business due to the recession. More than half (53 percent) used personal savings or credit cards for expenses normally covered with external loans or business credit cards. A majority (55 percent) saw their business credit card terms deteriorate. Meanwhile, 26 percent reported being turned down by a past lender, while 27 percent reported being turned down by a new lender.

#### IMPACTS OF THE RECESSION ON NEW JERSEY SMALL BUSINESSES



#### HAVE ENOUGH STEPS BEEN TAKEN TO PROTECT SMALL BUSINESSES FROM ANOTHER WALL STREET COLLAPSE?



#### Perspectives on Protecting Small Businesses from Another Collapse

The survey next asked small business owners:

*Do you believe enough steps have been taken to ensure that small businesses and the economy as a whole are protected from another Wall Street collapse?*

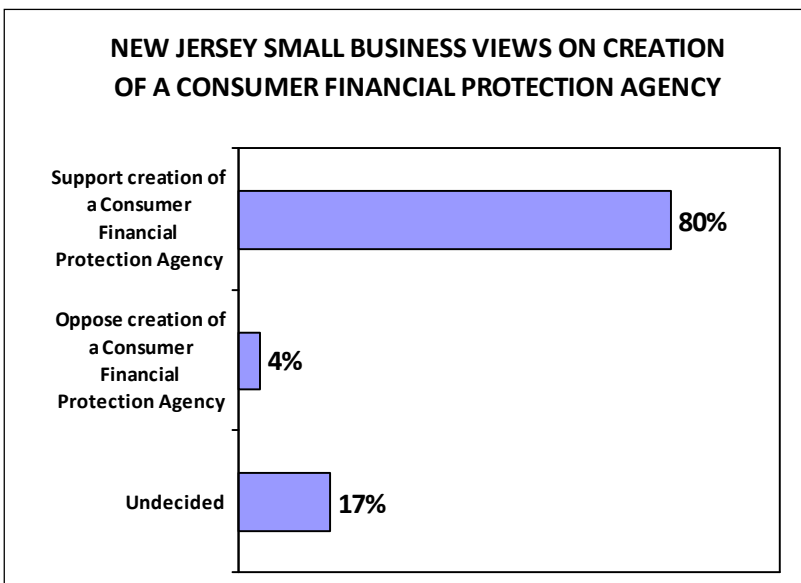
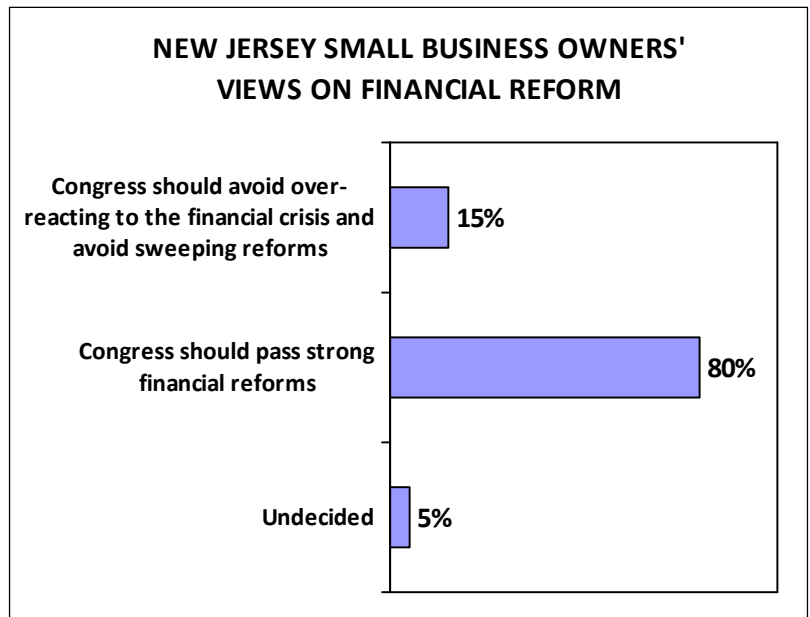
Almost nine tenths of New Jersey respondents (88 percent) do not believe enough steps have been taken, while less than one in twenty (3 percent) believe enough has been done.

## New Jersey Small Business Owners' Views on Financial Reform

The survey presented respondents with two possible ways Congress could react to the financial crisis:

- A) Congress should avoid over-reacting to the financial crisis and avoid sweeping reforms. Too many regulations would stifle business growth and threaten our recovery.  
Or,  
B) Congress should pass strong financial reforms. Strong measures are needed to ensure accountability on Wall Street, promote fair access to credit for small businesses, and prevent another collapse.

Eight tenths of responding New Jersey small business owners (80 percent) support strong financial reforms, compared to less than a fifth (15 percent) favoring less government involvement.



### New Jersey Small Business Views on Creation of a Consumer Financial Protection Agency

Small business owners were then asked whether they would support or oppose creation of a Consumer Financial Protection Agency (CFPA).

Eight tenths of New Jersey respondents (80 percent) said they would support the creation of a CFPA, with less than one in twenty (4 percent) opposing it.

Finally, respondents were asked if they believed a Consumer Financial Protection Agency would:

- A) *Help small businesses by ensuring access to credit on fair terms and making sure all lenders are playing by the same rules.*  
Or,  
B) *Hurt small businesses by limiting access to the widest array of credit options and applying a “one-size-fits-all” approach to oversight of lenders.*

More than two thirds of New Jersey respondents (71 percent) believed a Consumer Financial Protection Agency would help small businesses, while less than one tenth (9 percent) believed it would hurt small businesses.