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### About SBA New Jersey

SBA New Jersey is a quarterly newsletter written and distributed by the U.S. Small Business Administration's New Jersey District Office.

In order to receive future copies of SBA New Jersey, please subscribe by visiting the following Web site: <http://web.sba.gov/list>

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Helping small businesses **start, grow and succeed.**



Your Small Business Resource

## SIX WAYS HEALTH REFORM WILL HELP SMALL BUSINESSES

### 1. Establishes a Small Business Health Care Tax Credit to Help Small Businesses Afford the Cost of Covering Their Workers.

**Status Quo:** Small businesses face high costs in providing health insurance to their employees and small businesses face higher costs and few incentives to offer health insurance coverage to employees.

**Solution:** A new tax credit takes effect immediately to help cover premiums small businesses pay. The Small Business Health Care Tax Credit can cover up to 35 percent of the premiums a small business pays to cover its workers. In 2014, the rate will increase to 50 percent. See the IRS postcard for more info.



### 2. Creates Health Insurance Exchanges to Increase Bargaining Power & Reduce Administrative Costs

**Status Quo:** Small businesses have little bargaining power, face high administrative costs. Currently, small businesses face not only premiums that are 18 percent higher than large businesses pay, but also face higher administrative costs to set up and maintain a health plan. The premiums they pay have three to four times as much administrative cost built into them as plans in the large group market. They are also at a disadvantage in negotiating with insurance companies because they lack bargaining power.

**Solution:** Health Insurance Exchanges will provide more choice, lower prices, and greater bargaining power for firms with up to 100 employees. Health reform will change this dynamic. Starting by 2014, firms with 100 or fewer workers will be able pool their buying power and reduce administrative costs by purchasing insurance through an exchange. According to CBO, coverage that small businesses purchased through an exchange "would have lower administrative costs, on average, than the policies those



**The recently enacted Patient Protection and Affordable Care Act could earn you a new tax credit this year for providing health insurance for your employees**

If your small business or tax-exempt organization pays employee health insurance premiums in 2010, you may be eligible to claim a new credit on your 2010 tax return. Employers with fewer than 25 employees (more if you have part-time employees), and less than \$50,000 in average wages, may be eligible.

<b>How much you may receive</b>	<b>Find out if you're eligible</b>
Eligible small employers could qualify for a credit worth up to 35% of premiums paid in 2010 (for businesses) or 25% of premiums paid (for tax-exempt groups).	Visit <a href="http://www.irs.gov">www.irs.gov</a> or consult your tax professional to learn more about whether your small business qualifies for this valuable incentive to provide health coverage for your employees.

**Visit [www.irs.gov](http://www.irs.gov) for more information**

Notice 1307-10-2010 Catalog Number 549HY Department of the Treasury, Internal Revenue Service [www.irs.gov](http://www.irs.gov)

firms would buy under current law, particularly for very small firms."

### 3. Ends Price Discrimination against Small Businesses with Sick Workers

**Status Quo:** Small businesses with sick worker face higher prices, sudden price increases. Currently, small businesses with just one sick worker can face significantly higher premiums, and having a worker fall ill can lead to a precipitous price increase -- raising premiums just when insurance is needed most.

**Solution:** Ending price discrimination based on illness. Health reform will end this price discrimination. Starting in 2014, "community rating" rules will

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## Entrepreneurs Hit Homerun with Their Field of Dreams

If you build it, they will come. That's what Pat Douglas, Steve Naylor and Stephanie Passaro are discovering. The three partners are owners of Big League Dreams, a Medford-based family entertainment center that features three indoor ball fields modeled after major league parks where kids and adults participate in Wiffle® Ball parties, summer camp, leagues, tournaments, fundraisers and more.

It all started when Douglas asked his son what he wanted to do for his eighth birthday. After trying bowling, flag football, go-carts and soccer parties, his son told him he wished there was an indoor facility for a Wiffle® Ball game with "real turf" and "real fences".

Douglas loved the idea so much that he shared it with his co-worker, Steve Naylor.



Pat Douglas and his partners took an SBA loan and built their field of dreams.

lor. "Steve and I talked about it and I told him this is what I want to do," said Douglas. "I even drew it up on a napkin on how it should look. Steve told

me not to wait and encouraged me to start right away."

So they went to work. They found the perfect spot in Medford, a former ice hockey rink complete with locker rooms, party rooms, and areas for an arcade, merchandise and concession stands. But in order to set things in motion, they needed a major infusion of capital to transform the abandoned hockey rink into their field of dreams. That's when they learned about the U.S. Small Business Administration's (SBA) Guaranty Loan Program. It was through Susquehanna Bank that they secured an SBA-backed loan for \$995,000 in January of 2009.

Then the fun began as contractors went to work transforming the 40,000 square foot facility, complete with three professionally turfed fields. The first field is modeled after Citizen's Bank

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## New Health Reforms will Start Helping Small Businesses

*(Continued from Page 1)*

prohibit insurers from charging more to cover small businesses with sicker workers or raising rates when someone gets sick.

#### 4. Increases Health Care Security to Unlock Entrepreneurship

**Status Quo:** Health insurance insecurity creates "job lock," which inhibits entrepreneurship. Our current health care system inhibits entrepreneurship and small business formation by locking workers – especially those with families or with any sort of health problem – into jobs at large firms that offer family coverage and have a big enough risk pool to absorb the cost of covering pre-existing conditions. This "job lock" causes many workers to stay at large firms even if they would be more productive working at a small business or becoming an entrepreneur.

**Solution:** Health security empowers entrepreneurship. By providing

health security for every American and eliminating exclusions for pre-existing conditions and price discrimination against those who are sick, health reform will make it easier for small businesses to attract the best workers and easier for entrepreneurs to strike out on their own.

#### 5. Reduces the Hidden Tax on Small Business Employees with Health Insurance

**Status Quo:** Hidden tax adds \$1,000 to every Premium. Currently, the cost of treating the uninsured adds a "hidden tax" of over \$1,000 to every health care premium.

**Solution:** Reduce hidden tax by dramatically expanding coverage. Health reform will significantly reduce this tax by covering an additional 32 million, for additional Americans by 2019.

#### 6. Reduces Premiums in the Small Group Market.

**Status Quo:** Higher premiums mean coverage is unaffordable for small

businesses. In a recent national survey, nearly three-quarters of small businesses that did not offer benefits cited high premiums as the reason.

**Solution:** Health reform will lower costs, making coverage more affordable. Taken together, the measures described above will significantly reduce premiums for small businesses. According to CBO, health reform will reduce the cost of a given plan in the small group market by 1/4 percent by 2016.

For more information on how health care reform can help small businesses, visit [www.sba.gov](http://www.sba.gov)



# Top SBA Lenders

(Fiscal Year 2010 - Oct. 1, 2009 through June 30, 2010)

Lender	# of Loans	\$ Amount
1) TD Bank	122	\$33.6 million
2) JPMorgan Chase Bank	66	\$ 9.8 million
3) BNB Bank	58	\$33.1 million
4) Superior Financial Group	46	\$ 502,500
5) PNC Bank	44	\$21.2 million
6) New Jersey Business Finance Corp.	43	\$37.7 million
7) Wells Fargo Bank	36	\$17.0 million
8) Metro Bank	35	\$33.9 million
9) Sovereign Bank	34	\$ 1.4 million
10) Indus American Bank	31	\$17.6 million

## Entrepreneurs Hit Homerun

(Continued from Page 2)

Park in Philadelphia complete with city skyline and the glowing Liberty Bell. The second field is a replica of Fenway Park up in Boston, which includes a 12 foot tall Green Monster. The final field is called the NY Field and is modeled after the old Yankee Stadium. In addition to the three playing fields, there is a spacious bleacher section where parents can sit and watch their children play Wiffle® Ball. There is also a Big League Superbox with television, couches and a toddler area.

A staff member of Big League Dreams gets the party started by gathering the birthday guests in the locker room to explain rules, set-up teams and pumps-them-up before they take the field. After the game, guests are ushered into private party rooms for a celebration with pizza, soda and a birthday cake. Then depending on the party package, selected, guests are taken to the arcade for a free speed pitch throw and then given tokens to play games. Basic party packages range from \$350 to \$395 for their two-hour event. Since opening in May of 2009, Big League Dreams has hosted over 1,000 birthday parties. "We have

been averaging about 20 parties a week," said Douglas. "Our staff goes all out to make a memorable and fun day for the birthday guest."

Today, Big League Dreams has 30 part-time employees and has doubled its sales in just one year. "We are open seven days a week and are trying to develop new ideas to attract more customers," said Douglas.

"It never ceases to amaze me how entrepreneurs take an idea and turn it into a thriving business," said SBA's New Jersey District Director, James A. Kocsi. "The SBA is pleased to team up with Susquehanna Bank in providing the necessary capital that helped launch Big League Dreams."

At the end of the day it is all about providing children with a fun atmosphere and a memorable day," said Douglas.

In the meantime, he and his partners know that they have it a homerun with Big League Dreams. They have built it and they are coming.

## Export Matchmaker Slated for Sept. 20th

Manufacturers, distributors and suppliers from the Tri-State area are invited to participate in Export Matchmaker.

The one-day trade fair & conference is sponsored by the U.S. Small Business Administration and is scheduled to be held on Monday, September 20, 2010 in Jersey City, New Jersey.

"This is a low-cost opportunity for manufacturers, distributors and suppliers to meet with export management companies and export trading companies, who can help facilitate export sales for small business owners," said SBA's New Jersey District Director, James A. Kocsi.

In addition to the meetings and networking opportunities, there are scheduled workshops like *How to Work with EMC's & ETCs; Sources of Export Financing; and International Compliance Standards*.

For additional information, owners of New Jersey companies should e-mail [harry.menta@sba.gov](mailto:harry.menta@sba.gov). Companies from other states e-mail [john.miller@sba.gov](mailto:john.miller@sba.gov).

## Upcoming Events

**Building and Financing Your Business with SBA**  
 Thursday, Aug. 12, 2010  
 9:00 a.m. - 11:30 a.m.  
 Township of North Brunswick  
 710 Hermann Road North  
 North Brunswick, NJ  
 Fee: None  
 For Information:  
 (609) 771-2947

**One-on-One Credit Counseling**  
 Thursday, Aug. 26, 2010  
 10:00 a.m. 3:00 p.m.  
 Rutgers University Small  
 Business Dev. Center  
 43 Bleeker Street  
 Newark, NJ 07102  
 Appointment Only  
 Fee: None  
 For Information:  
 (973) 353-5950

**Starting and Managing Your Own Business**  
 Tuesday, Sept. 21, 2010  
 9:00 a.m.— 2:30 p.m.  
 SCORE at the SBA  
 Two Gateway Center—15th Fl.  
 Newark, NJ 07102  
 Fee: \$35 Includes book  
 For Info: (973) 645-3982

**Doing Business with the State of New Jersey**  
 Friday, Oct. 15, 2010  
 9:00 a.m.—Noon  
 Waterfront Technology Center  
 200 Federal Street  
 Camden, NJ 08103  
 Fee: None  
 For Info: (856) 225-6621

**Building & Financing Your Business with the SBA**  
 Thursday, October 28, 2010  
 3:30 p.m.— 7:00 p.m.  
 Bergen Community College  
 Small Business Dev. Center  
 355 Main Street  
 Hackensack, NJ 07601  
 Fee: None  
 For Information:  
 (201) 489-8670

## Recovery Act Programs to be the Topic of Sept. 29th Conference in Vineland

**T**he programs of the American Recovery and Reinvestment Act will be offered to New Jersey small business owners looking to start or grow their businesses at a free conference hosted by the U.S. Small Business Administration and the Small Business Development Center at Richard Stockton College.

The conference is scheduled for Wednesday, September 29th at the Ramada Inn located at 2216 West Landis Avenue in Vineland.

“The American Recovery and Reinvestment Act is a national effort to grow the U.S. economy by stimulating job creation, freeing credit markets, and investing in small business, said SBA’s New Jersey District Director, James A. Kocsi.

The conference will consist of a morning session from 9:00 a.m. to 12:00 p.m. That same session will be repeated in the afternoon from 1:00 p.m. to 4:00 p.m.

“Each session will consist of lenders discussing what goes into a good loan proposal and how to increase your chances of receiving a loan from the SBA,” said Kocsi. “We will also have counselors available from the Small Business Development Center and SCORE—Counselors to



**Getting the Word Out--** SBA’s NJ District Director James A. Kocsi (center) and Congressman Bill Pascrell (right) discuss Recovery Act and SBA programs with John Tsigounis, owner of Pappy’s Diner in Totowa. The visit was part of a recent walking tour of Totowa’s business district conducted by the congressman.

America’s Small Business on hand to provide no-cost technical assistance.”

The SBA is also planning to have representatives from federal buying activities to discuss contract opportunities with participants.

To register for the upcoming conference, call (609) 347-2174.

## Lender and Small Business Matchmaker Conference Set for August 18th in Westampton

U.S. Small Business Administration



**Where:**  
 Burlington County One -Stop  
 Career Center  
 795 Woodlane Road  
 Westampton, NJ 07083

**When:** August 18, 2010

**Time:** 9:30 a.m.- 12:30 p.m.

**Info:** (973) 645-6160

The U.S. Small Business Administration New Jersey District Office will be hosting a Lender and Small Business Matchmaker Conference, Wednesday, August 18, 2010 from 9:30 a.m. to 12:30 p.m. at the Burlington County One Stop Career Center located at 795 Woodlane Road in Westampton.

SBA lenders will be available to meet individually with small business owners to discuss their financial needs and how they can gain access to SBA loans. In addition to the lenders, representatives from the SBA, Rutgers-Camden Small Business Development Center, and SCORE-Counselors to America’s Small Business will be on site to provide counseling to the participants.

For additional information and to RSVP, call Barbara Sturdivant at 973-645-6160 or [barbara.sturdivant@sba.gov](mailto:barbara.sturdivant@sba.gov) or Claudia Yarborough at 973-645-3572 or at [claudia.yarborough@sba.gov](mailto:claudia.yarborough@sba.gov)