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-PRESS RELEASE-

BYSIEWICZ: 3RD QUARTER OF 2009 SETS NEW RECORD HIGH FOR NUMBER OF BUSINESSES SHUTTING DOWN IN CONNECTICUT

SECRETARY OF THE STATE SAYS ECONOMY SLOWLY RECOVERING AS NEW
BUSINESS START-UPS INCREASE SLIGHTLY FROM 3RD QUARTER OF 2008

HARTFORD: Secretary of the State Susan Bysiewicz reported today that in the 3rd quarter of 2009 another 2,601 Connecticut Businesses filed papers to dissolve, a record high for third quarter shut-downs. The number of business closings from July 1st through September 30th brings this year's total to 9,545 and sets a new record for the first nine months of any year since such statistics were first recorded in 2000. The third quarter of 2009 saw a 24.9% decrease in the number of business failures from the 2nd quarter of 2009. Meanwhile, 6,624 new businesses incorporated between July 1st and September 30th of 2009, an increase of 2.4% over new business start-ups from the 3rd quarter of 2008. Overall, Connecticut has seen 20,494 new business starts for the first nine months of this year, a decrease of 5.8% from 2008 figures.

"I see some reason for optimism in the fact that we had more new businesses starting up in Connecticut last quarter than we did a year ago and the number of business shut downs dropped sharply from the 2nd quarter to the 3rd quarter of this year," said Secretary Bysiewicz, Connecticut's Chief Business Registrar. "Our economy is recovering slowly but this is obviously still a very challenging climate for any business trying to succeed. Unfortunately we are still on pace to have a record year for business shut downs in Connecticut. What these figures and our unemployment numbers tell me is that we must embark on an aggressive agenda to attract new businesses to Connecticut, make our business climate as hospitable as possible, and train our workforce for the new economy. There is no time to waste."

The monthly figures contained in the Business Starts Index released by the Secretary of the State's Office are available online at www.sots.ct.gov. The statistics show that in

July 2009, 815 businesses filed paperwork to dissolve their company, followed by another 794 in August and 987 in September. Connecticut experienced a 6.9% increase in the number of business failures in the third quarter of 2009 as compared to the same period in 2008.

The number of new business starts grew slightly in comparison to last year. In the third quarter of 2009, 2.4% more businesses filed incorporation papers than in the third quarter of 2008, when 6,468 businesses opened their doors. A month-by-month look at new business starts shows that in July 2009, some 2,161 companies filed incorporation papers in Connecticut, followed by 2,159 in August and 2,304 in September.

After reviewing Secretary of the State Bysiewicz's report, Don Klepper-Smith, Chief Economist and Director of Research for DataCore Partners LLC and Chairman of the Governor's Council of Economic Advisors said, "The 3Q data on business starts and failures underscores the dynamic nature of this recession. Although business failures have hit record levels for the first nine months of 2009, there are indications that the bulk of these closings may be behind us and that future losses are apt to be smaller. Moreover, when looking at business starts, I see some encouraging signs! The CT job losses of roughly 80,000 thus far represent embryonic business growth elsewhere as some dislocated workers start new businesses and opt for self-employment. Net, the effects from this recession have been profound, but I think better days lie ahead with the pending economic recovery."

In her assessment of the report Secretary Bysiewicz said, "we must strengthen the growth areas of our economy, particularly for small businesses which drive the economic engine in Connecticut. This includes expanding exports, green technologies, life sciences, and alternative energy sources. We must also reduce costs such as health care and energy that continually represent a significant drag on profitability."

Secretary Bysiewicz has been a strong advocate for opening up the state employee health care plan to small businesses and non-profit organizations, an effort which would save millions for businesses. Secretary Bysiewicz has also lead a series of roundtable discussions with business leaders statewide focusing on reducing health care and energy costs. A recent health care reform bill, the Connecticut Health Care Partnership was passed overwhelmingly by the Connecticut General Assembly but vetoed by Governor M. Jodi Rell.

In addition, Secretary Bysiewicz has assisted thousands of businesses over the last decade by hosting annual business showcases that help Connecticut entrepreneurs network with potential clients and gain access to state and federal agencies who can aid with paperwork and regulations. In addition, Bysiewicz has led the Latino Small Business Roundtable to connect Latino entrepreneurs with federal and state resources, business tools, and information on how to get stimulus funds. Secretary Bysiewicz has also been working with the U.S. Department of Commerce to conduct the Connecticut Exporter Forum to assist businesses expand the marketplace for their products or services overseas and answer questions on federal and international trade regulations. To help level the playing field for Connecticut businesses, Bysiewicz led a successful drive in 2009 to enact tougher fines on unregistered out of state companies to \$300/month from \$165/month.