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-PRESS RELEASE-

## **BYSIEWICZ: FIRST HALF OF 2009 SETS NEW RECORD HIGH FOR NUMBER OF BUSINESSES SHUTTING DOWN IN CONNECTICUT**

SECRETARY OF THE STATE SAYS GLIMMER OF HOPE SEEN AS NUMBER OF 2<sup>ND</sup>  
QUARTER SHUT-DOWNS LOWER THAN FIRST QUARTER

**HARTFORD:** Secretary of the State Susan Bysiewicz reported today that in the first half of 2009, 6,944 businesses shut down, setting a new record for the first half of any year since these figures were first recorded in 2000. This represents a 17% percent increase in the number of business failures from the first two quarters of 2008. In the second quarter of 2009, 3,467 filed papers to dissolve, just under the 3,477 to shut their doors in the first quarter of this year. Meanwhile, 6,937 new businesses incorporated between April 1<sup>st</sup> and June 30<sup>th</sup> of 2009, slightly less than the 6,941 start-ups in the first quarter. Business starts in the first half of 2009 declined 9.6% from 2008 figures.

“Obviously, this is still a difficult economic climate for our state’s entrepreneurs, but we may be starting to see the recession bottom out,” said Secretary Bysiewicz, Connecticut’s Chief Business Registrar. “While 2009 may yet set the record for most business failures, it appears the severity of both the number of closures and the decline of new business start-ups is lessening, so I see this as a glimmer of hope for our economy. Connecticut’s small businesses still need our help now to reduce costs and create a more favorable climate for profitability, particularly in areas such as health care and utilities. We also need to continue to hold down unnecessary taxes and fees, and continue to offer financial incentives to enter new areas of business such as green technologies, life sciences, and alternative energy sources.”

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](http://www.sots.ct.gov). The statistics show that in April 2009, 1,521 businesses filed paperwork to dissolve their company, followed by

another 929 in May and 1,017 in June. Connecticut experienced a 13% increase in the number of business failures in the second quarter of 2009 over 2008 data.

The number of new business starts declined in comparison to previous years. In the second quarter of 2009, 4% fewer businesses filed incorporation papers than in the second quarter of 2008, when 7,224 businesses opened their doors. These figures represent the lowest number of 2<sup>nd</sup> quarter business start-ups since 2003. They show that in April 2009, some 2,412 companies filed incorporation papers in Connecticut, followed by 2,152 in May and 2,363 in June.

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, "Connecticut is still facing the headwinds from a national recession, which I believe is in the process of bottoming. Over the near-term we've seen the continued loss of jobs, a lackluster housing market, and a risk-averse lending environment. Business attitudes have remained cautious as a result. This data on business starts and stops confirms the overall tenor of economic growth that we've been seeing. Hopefully, confidence measures, which generally lead to overall economic activity, will start to improve from here, suggesting that business formation could improve in 2010."

In her assessment of the report Secretary Bysiewicz said that, "Small businesses have created over 90% of all new jobs in Connecticut in the last 10 years and they are the engines of our economy. We owe it to the entrepreneurs of our state to make it easier for them to do business by reducing the high cost of health care and energy. This is a crucial goal we must meet if we are to reverse the economic trend we have seen over the last year."

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. Two recent health care reform bills, the Connecticut Health Care Partnership and the Sustinet plan were passed overwhelmingly by the Connecticut General Assembly but were vetoed by Governor M. Jodi Rell.

Secretary Bysiewicz has helped thousands of businesses over the last decade by:

- **Hosting annual business showcases that help Connecticut entrepreneurs network with potential clients and have access to state and federal agencies who can aid with paperwork and regulations.**
- **Leading the Latino Small Business Roundtable to connect Latino entrepreneurs with federal and state resources, business tools, and information on how to get stimulus funds.**
- **Conducting the Connecticut Exporter Forum with the U.S. Department of Commerce to assist businesses on how to expand the marketplace for their products or services overseas and answer questions on federal and international trade regulations.**
- **Leveling the playing field for Connecticut Businesses by leading the effort to pass legislation that nearly doubles fines on unregistered out of state companies to \$300/month from \$165/month.**
- **Leading a series of roundtable discussions with business leaders focusing on reducing health care and energy costs.**