

(November 16, 2005) Lipinski Calls for Long Range Solutions to Help Small Businesses

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Small Business Index (SBI) Continues to Decline

WASHINGTON, DC - Congressman Dan Lipinski today called on Congress to address broad challenges in health care costs, energy prices, and trade policy which are continuing to hamper small businesses in America. Congressman Lipinski spoke at a press conference held by Democratic members of the House Small Business Committee to release the latest measure of the Small Business Index (SBI), which reveals serious weaknesses in business conditions.

The SBI - now at an eight-year low after dropping two more points since June - incorporates 17 key economic measures, including health care costs, energy costs, unemployment, and the trade deficit.

"In order to have a vibrant economy we need our small businesses to grow and create new jobs," Congressman Lipinski said. "But this report shows the difficulties small businesses face in the current climate of high health care and energy costs, as well as unfair foreign trade practices. Congress must look for long-term solutions to these issues in order to produce a strong and vibrant small business economy."

Noting that one bright spot in the SBI report was the uptick in manufacturing orders, Congressman Lipinski nonetheless expressed concern about the future. "This manufacturing report is good news, but it may be an aberration. At a recent roundtable discussion I held in my district, small manufacturers expressed considerable apprehension about staying competitive and maintaining jobs because of the current business climate. We have lost hundreds of thousands of manufacturing jobs in recent years and the U.S. trade deficit is on track to reach a record level for 2005."

Price increases for petroleum and natural gas are putting a strain on businesses, just as they are hurting families. "Natural gas prices are expected to jump by 50 percent this winter, increasing costs for all small businesses, from the mom-and-pop grocery store needing to heat its building, to the energy-intensive small manufacturer facing sky-rocketing production costs," Rep. Lipinski said.

"We need to produce a real energy plan, not a quick fix and giveaways to the oil industry," said Congressman Lipinski. "Our country needs to start investing in alternative and renewable sources of energy, increase energy efficiency, and move toward becoming more energy independent."

The high cost of health care is another issue facing businesses. Small business owners want to provide health care for

their employees, Congressman Lipinski said, but with five straight years of substantial cost increases, they are finding it more and more difficult.

The Small Business Index for the Third Quarter of 2005 stands at 69.99, well below its all-time high of 108.89 reached in March 2000.