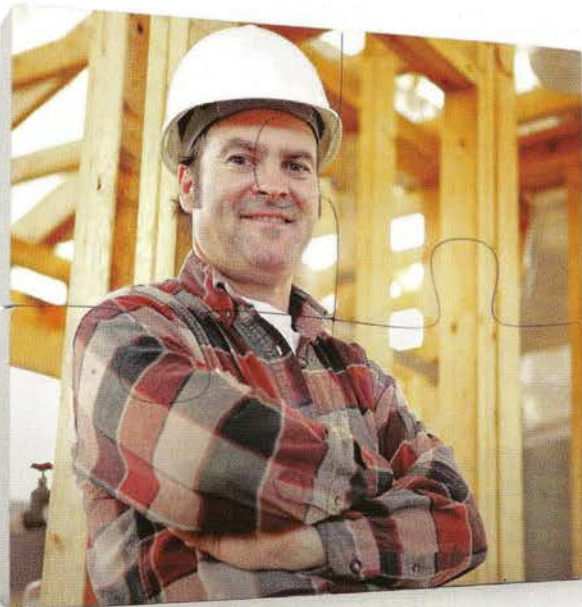


who have been laid off and decided to start their own business as opposed to looking for new work," explains Keith. "We started seeing this phenomenon in the Burlington County incubators over the summer."

He adds that these individuals are typically coming out of large organizations such as IBM, Johnson & Johnson, Cushman & Wakefield, Lockheed Martin and the like, people "who may have recognized a market need when employed but, for various reasons, their former employer had elected not to pursue that need. So they form a new company focused on that market need."



Challenges from Sandy

SMALL BUSINESS OWNERS HAVE ALWAYS SAID that New Jersey is a difficult place to do business because of high taxes. But another major issue that's also affecting New Jersey business this year is Superstorm Sandy. Neumann calls the aftermath and recovery from Sandy a "challenge that is still coming into play for business. ... That's a pretty significant issue. Of course, it's a regional macroeconomic issue but it's still something that needs to be dealt with."

The latest estimates put New Jersey property and business losses from the hurricane at a staggering \$36-plus billion.

Massaro agrees. "Superstorm Sandy is still an issue to be considered," he says. "Unemployment claims upticked after many lost

their jobs following the storm. However, on the flipside, we may see the construction field adding workers as rebuilding ramps up. As we look forward, there are issues to consider. Do we need to address utility infrastructure or building codes for Shore towns? These are questions that will only become apparent over time."



Hope for a brighter future

WHILE THINGS HAVEN'T TURNED AROUND as much as many business owners might have hoped, there are still many reasons to be optimistic about 2013. Although most agree that businesses are still being cautious about making big decisions, there are some area businesses that are gaining momentum. "With a more optimistic view for the future, I do think that employment will ultimately increase, even if not right away," says Neumann. "By now, everyone knows that we're not going to get back to the way things were in 2007; so, going forward, people need to decide how they want to proceed. Some are stepping up and wanting to sell their business. Everyone is finding what will be best for their own business in this new market."

As we look ahead into what many are calling the "new norm," businesses are learning to adapt to the way things are now. "You can't do what you did in the past," adds Molotsky. "Business owners just have to accept that times have changed and the financial and business decisions you made in the past might not work for you anymore. Everyone is adapting and that's good because there are still opportunities out there."

Molotsky says it's not all doom and gloom—there are still businesses doing exceptionally well, even in this new marketplace, such as eds and meds. And though the unemployment numbers still exist and many business owners will never get back to "the way things were" pre-recession, the truth is that many are still doing well.

"If you look at the numbers, 90 percent of people are still working," says Molotsky, though acknowledging 10 percent is significant. "Yes, we'd all like to see that number get even higher, but we should remember that the large majority is still employed. And if you go out on a Saturday night, you still find it difficult to get a reservation at your favorite restaurant if you don't call well ahead. The malls are still crowded and people are still spending money. To me, that shows that things aren't as depressing as some may think and there's definitely room to be optimistic about the future." ▸

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Achim Neumann, president of A. Neumann & Associates