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Small Business Owners Can't Look to Washington or Wall Street for Help

No Wonder – Look at the Administration's Small Business Team

Behind the current dialogue on the smoldering mortgage crises and subsequent credit crunch, from economists, politicians and countless other talking heads, one burning question remains. Where were these same experts and would-be advocates when this whole mess began?

Look at our leaders in the federal government who supposedly care about the 23 million small business owners. Federal Reserve Chairman Ben Bernanke has no small business experience. Secretary of the Treasury Henry Paulson has made millions of dollars on Wall Street but has no small business experience. President George Bush's only small business experiences are his failed oil deals in Texas. Steve Preston, the head of the Small Business Administration (SBA) has no small business experience, while leading a federal agency that is supposed to help out and be the eyes and ears of small businesses communities all around the country. Preston has never started a small business himself or owned a small business. Yet, he is running an agency devoted to entrepreneurs. How does a leader of a federal agency, who came from a Fortune 500 company, understand and work on the issues that the average small business owner faces on a day to day basis?

Something doesn't make sense here? Why **has** the SBA budget been cut 40 percent since 2000? Instead of having of having a small business owner run a federal agency that is supposed to be helping small business owners, all we have is another creature of big business and Wall Street running an agency that is supposed to be helping the little guy.

Even the National Federation of Small Business Owners, which calls themselves the voice of small business, supported the decision of Preston to run the SBA. NFIB president Todd Stottlemeyer in 2006 said, "Preston has had invaluable experience in the credit and financing areas, especially as he had worked to meet the needs of his small-business customers." I'm sorry if they think that Preston is doing a



great job for small business owners then maybe the NFIB is also on SBA'S payroll.

It's time for things to change. Washington should support small – business programs because entrepreneurs constitute a vital and underserved sector of the economy.

The same lack of foresight and inaction from Washington which allowed predatory lending to infiltrate our communities is the same force currently allowing the financial industry to unabashedly tighten its purse strings – this is BAD for small business.

The sub-prime market collapse and the current prime market cutbacks have the propensity to cripple small business if Washington refuses to mandate change!

As a former small business owner and current advocate, this entire after-the-fact finger pointing and grandstanding charade which has dominated the news cycle and the campaign trail alike is frankly too little, too late.

As an emerging small business owner one of your greatest tools is the ability to leverage capital for everything from improvements and above-the-line expenses to the inevitable unforeseen costs. Since the housing boom began, home equity loans had increasingly become the go-to line of credit. But now, with housing prices falling and financial institutions more unwilling than ever to lend, this presents a major roadblock for the everyday entrepreneur.

Another tried and true ally of the small business owner has been the corporate credit card. However, the backlash has financial institutions rolling back limits, cutting small business purchasing power as much as 40%. With private lending virtually unreliable Washington must throw small business a life-preserver.

We need a special program to the tune of \$25 billion for industries hardest hit. Washington needs to start demanding that everyday people have access to capital. We can't stop there and proven small business consultants need to lead.

George Cloutier is founder, Chairman and CEO of American Management Services and Co-Chairman of Partner America™. American Management Services specializes in the implementation of turnaround and profit improvement programs for small and mid-sized companies. For more information, please contact American Management Services at 800.743.0402 or visit the website at www.amserv.com.

Currently, Cloutier also serves as the Co-Chairman of PartnerAmerica™, a public/private partnership between the United States Conference of Mayors (USCM) and American Management Services, Inc. PartnerAmerica™ is dedicated to helping small and medium-sized businesses in cities nationwide by focusing on improving profits and sales, utilizing local and federal governmental resources and programs in conjunction with management and technical expertise provided by private enterprise. American Management Services and USCM recently signed an unprecedented 20 year extension to this strategic initiative.

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