

February 7, 2009

HONORABLE ELECTED OFFICIALS:

As a small business owner and advocate, I have watched the debate over the economic stimulus plan and cannot help but note that the measures being proposed have largely overlooked key components contributing to the recession.

I have developed the **BEST Plan - Small Business and Employment Stimulus Plan** that will stimulate economic growth by addressing three major contributors to America's current recession 1) small businesses; 2) Unemployment, and 3) Business and consumer lending

I am submitting an overview of the **BEST Plan** for your consideration and inclusion in the final Economic Stimulus Plan.

If the **BEST Plan** is funded at the \$100 Billion level, it will put at least 1 Million and up to 2-1/2 Million unemployed Americans back to work, and significantly support small business growth, starting within six months of implementation. With an average cost per job created of \$50,000, the plan is far more economically efficient than any of the current proposals.

America's Small Businesses – 27 million companies are the driving force in our economy, employing 40 percent of the workforce (US Census Bureau). Small businesses have been hard hit, both by decreased revenue and the inability to get capital that is vital for growth. These small businesses - defined as independently owned firms employing fewer than 500 people (in most cases, fewer than 20) and not dominant in their competitive area – account for half of our country's output.

Unemployed Americans – With unemployment 7.6 Percent and growing, Americans need jobs. As unemployed workers return to work, they help stimulate the US economy by resuming spending patterns, as economic stability returns to their households and their communities. Currently proposed tax cuts and short-term additions to unemployment checks will not accomplish this necessary boost to our economy.

Business and Consumer Lending – Despite a massive infusion of over \$375 Billion, the federal government has not effectively motivated banks and financial institutions to increase lending to businesses and consumers. A key provision of the BEST Plan will require that financial institutions increase lending in proportion to BEST funds on deposit, helping thaw the credit freeze and contribute to continued economic stability.

I appreciate your serious review of the **BEST Plan** and look forward to actively participating in the development and implementation of my simple and effective program. To increase chance of review of the **BEST Plan**, I am simultaneously submitting this document to your Senate colleagues and members of the President's economic recovery team.

I can be reached at 310-770-1638 or patmeans@tpurbiz at any time.

Patricia A. Means - President, URBiZ digital magazine

Business and Employment Stimulus (BEST) Plan

Economic Stimulus Program for Small Business Growth and Employment Development

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Description

The **Small Business and Employment Stimulus (BEST) Plan** stimulates economic growth by addressing three major contributors to America's current recession 1) Small businesses; 2) Unemployment, and 3) Business and consumer lending

Objective

The objective of the **BEST Plan** is to directly and positively impact America's economic recovery by increasing investment at the small business level, increasing employment and stimulating lending to businesses and consumers, starting within six months of program implementation

Strategies

- To invest in existing small businesses by funding business-building and sustainability projects that will lead to long term economic success
- To support job creation by requiring the hiring of unemployed or underemployed workers
- To increase credit availability from participating banks by requiring them increase consumer and business lending based on the liquidity and loan-to-deposit ratio provided by **BEST Plan** deposits.

Eligibility

Independently owned American firms, in business for at least one year, employing fewer than 500 people and not dominant in their competitive area

How BEST Works

- Utilizes funds from the federal government's economic stimulus initiatives
- Small businesses submit an application which includes a plan for a business expansion project that directly supports the company's long term growth. The company must demonstrate need and rationale for how **BEST Plan** funds will help them maintain/support or grow their business or mission.
- Businesses are eligible to participate in the BEST Plan for 12-24 months,
- The program requires that at least Fifty Percent (50%) of granted BEST Plan funds be used for the hiring of additional staff, on a full time or part time basis (20 hours/week minimum).

- Businesses must hire currently unemployed or underemployed people to perform legitimate work related to the accomplishment of the approved project. (E.g., no employee “placeholders” without legitimate job responsibilities).
- **BEST Plan** funds must be used for employees only - consultants or independent contractors are not eligible
- Annual BEST Plan grants will range from \$100,000 to \$1,000,000
- At least Fifty Percent (50%) of grant **MUST** be allocated to employee salaries (**SALARY ALLOCATION**).
 - At least Fifty Percent (50%) of the **SALARY ALLOCATION** must be used for new hires, with no more than Fifty Percent (50%) used for salaries of current employees.
 - No individual employee may be paid a salary of over \$75,000 annually.
- Owners, stockholders of the companies may not be counted as part of the **SALARY ALLOCATION** portion of the grant
- Once employment requirements have been met, the business owner receives the remaining **BEST Plan** grant, for use to pay for business-related expenses (**OWNER ALLOCATION**) that uphold the terms of the funding request.
- The owner/company pays all expenses, fees and taxes associated with employment
- **Best Plan** companies are required to subscribe to and prepare payroll through an approved payroll company (such as Sure Payroll or ADP). The participating small business is responsible for payroll processing fees.
- Any use of this funding for purposes other than the approved program will be considered fraud, and will be prosecuted to the full extent of the law.

Fund Disbursement

- Upon approval, the federal government deposits an amount equal to one year of the small businesses’ **BEST Plan** grant in a participating banking institution (preferably one that received TARP support).
- The business does not receive a lump sum payment at the beginning of the grant period, but rather receives a percentage of **BEST Plan** funds each payday throughout the year.
- Each payday, upon submission of payroll through the payroll processing company, the bank will transfer salary amount into the employees’ bank accounts and appropriate percentage of the **OWNER ALLOCATION** into the company’s bank account.
- Bank may not charge fees to the participating small business.

Financial Sector Impact

- Banks participating in the BEST Plan will gain increased deposits, thereby positively impacting their liquidity and loan to deposit ratio

- Banks must increase lending to small businesses and consumers as a result of participating in the program.

Monitoring and Compliance

Local, established business organizations (Chambers of Commerce, Business Associations, etc.) will be given a **BEST Plan** grant to provide ongoing monitoring, compliance and reporting duties related to the **BEST Plan** project grantees.

Example

Company A is approved for an annual BEST Plan grant of \$500,000.00

- Company A allocates its \$250,000 Salary requirement as follows:
 - 3 new employees earning average of \$50,000 each = TOTAL \$150,000
 - 1 current employee earning \$75,000 = TOTAL \$75,000
 - 2 current employees earning average of \$25,000 each = TOTAL \$50,000
 - TOTAL ANNUAL PAYROLL: \$275,000
- Owner Allocation: \$225,000
- ASSUMING 26 PAY PERIODS/YEAR – PER PAY PERIOD ALLOCATION:
 - Bank deposits SALARY ALLOCATION of approximately \$10,575.92 (less employee taxes) into accounts of 5 employees
 - Bank deposits OWNER ALLOCATION of approximately \$8,653.84 (less taxes, payroll fees, etc.) into the company's account