

## Our Businesses

# Do something to build confidence – Keep the tax cuts



**Michael Nicastro**  
Chamber  
Chatter

Job numbers are just not getting better and in fact they are only getting worse. No amount of spin or slight of hand by the powers that be in Washington changes the fact that the so-called "stimulus" has not stimulated anything other than hype.

In reality, the current 9.5% unemployment rate is more likely 16% or 17%. The statistics just don't reflect the true situation

because the system loses track of those who have been out of work for too long.

The four-week jobless claims average is now at the highest it has been in over year. Yet Vice President Joseph Biden goes on television and says, "We're headed in the right direction." Really? Locally, federal leadership uses word play such as "jobs created or saved" to spin stats that hide the real picture.

Why is there a lack of job growth and in some cases still a tight hold on capital? In a word, confidence, or more accurately a lack of confidence. Business leaders, both large and small in this country simply have no confidence in where the country is headed and, more importantly, where this administration and Congress are headed.

As result, we are experiencing a resistance by companies to grow and hire. In fact, many are still finding ways to reduce payrolls. In addition, mergers

and acquisitions activity is ratcheting up with big names like Intel and Hewlett Packard on the prowl. Locally, New Alliance Bank is be acquired by First Niagara.

While M&A activity can be a boon for stockholders and investors as well as everyone's 401(k), it can have the opposite effect on the job market. M&A operates on the premise that 1 plus 1 equals 3. But when it comes to jobs, M&A usually results in 1 plus 1 equals 1 1/2.

The key to growth by M&A is that the acquiring company squeezes the value (and in some cases cash) out of the acquired company by leveraging efficiencies. Profits are increased and the value of the acquisition is realized by the elimination of duplicate costs and redundant positions or headcount. So with M&A on the rise, and investment by companies on hold then, our job outlook will remain bleak.

If this is true then the housing market stays flat as

well. Paraphrasing Jim Kramer of CNBC from an interview, "If we create jobs, all those who did not buy now will be wondering how they missed the bottom of the housing market."

So the administration needs to rebuild confidence. Not with hopefully spin-based job reports or another social crusade. Certainly not with more hyper-regulation such as the recently passed financial or health care bills that do nothing to fix the fundamentals on in either issue and do nothing more than shift the cost to businesses already underwater with mandates and government controls.

Confidence will be regained when the administration and this Congress acts in a way that shows that they understand that government jobs are not an innovative form of employment. Businesses create jobs and wealth and savings. Earnings on savings should be cherished and not penalized.

A step in the right

direction to regaining confidence would be for this Congress to act immediately to extend the tax cuts on capital gains and dividends. Failure to act by Dec. 31 of this year will see taxes rise for everyone and in some cases on dividends as much as 164 percent. Many people (most of them not millionaires) rely on dividends as a supplemental source of income and with an increase in the tax these fixed income taxpayers will only see further purchasing erosion. Investors will gravitate to more tax friendly investments resulting in a continued drop in capital and ultimately a continued loss of jobs.

Recognizing the need for the infusion of capital Connecticut passed its first ever Angel Tax Credit this year. The credit will encourage investors to pour capital into small start-up firms by creating a program that helps to mitigate their risk.

This economy is in a precarious position and the threat of a double-dip recession is very real.

Allowing the existing tax package to expire at the end of the year, and thus increasing taxes, could very well make the double-dip a reality. Congress needs to demonstrate that it understands what makes the economy tick and be willing to support businesses both large and small by extending the 2003 tax cuts on dividends and capital gains. The Central Connecticut Chambers of Commerce calls upon our entire federal delegation to do what is right. Failing to do so will kill any remaining confidence that business has and the poor job market we are experiencing today will look like the "good ole days" compared to where we will land.

*Michael Nicastro is president and CEO of the Central Connecticut Chambers of Commerce. He can be reached at M.Nicastro@CentralCTChambers.org*

## Nationwide Conveyor Specialists completes Bradley renovations

Nationwide Conveyor Specialists LLC of announced that it just completed renovations at Bradley International Airport's Terminal A. NCS was subcontracted by Glidepath Group LLC of Texas to install all new baggage handling systems in the make-up area. This consisted of three of the existing outbound systems and one new complete outbound system, which is now occupied by American Airlines.

This project is part of the \$200 million airport modernization that began in April 2000. The newer portion of Terminal A and

concourse totals 260,000 square feet. The lower level, or arrival area, includes a passenger baggage claim area with four baggage carousels, a ground transportation area, various aviation-related kiosks and the airline baggage makeup areas. The new terminal and concourse include state-of-the-art security and communications systems featuring a unified flight and baggage information display system.

The project started in 2005 and the Connecticut Department of Transportation originally planned a May 2007 com-

pletion date. NCS's original contract amount for this project was \$325,000 but final costs more than doubled.

"We stayed committed to this job even with some cost overruns related to some delays; our focus is always to make sure the job is done right. We are proud to be part of this major renovation," said Richard J. Bugryn, owner and director of Operations of Nationwide Conveyor.

To find out more about Nationwide Conveyor Specialists LLC, go to [www.nationwideconveyor.com](http://www.nationwideconveyor.com) or call 1-877-582-9816.

## Omar S. Ali joins AspenCross Financial

AspenCross Financial Group, a community-based financial advisory, investment management and employee benefits firm and member of the John Hancock Financial Network, has announced that Omar S. Ali has joined the firm as an Investment Advisor Representative. His office is located at 406 Farmington Ave. in Farmington.

Ali brings more than 14 years of experience in banking and financial services helping individuals, families and business owners implement personalized financial strategies and retirement and wealth management solutions. His practice focuses on serving



**Omar S. Ali**

the communities of Hartford County. Ali, a graduate of

Waterbury public schools, received a B.S. in Corporate Finance from Central Connecticut State University. He currently resides in Bristol.

"We are excited to have such a long-standing and knowledgeable professional join AspenCross Financial Group. Omar's experience in providing personalized financial guidance and exceptional customer service to his clients makes him an ideal fit for our organization," said Eric C. Jansen, CLU®, ChFC®, President and CEO, AspenCross Financial Group.



TAMMI KNAPIK

## Helping out Bristol's Challenger League

A fund-raising golf tournament was held last Thursday to help the Challenger League. At left, Pete Sassu, left, Michael Papa, Dan Parker and Mike Sassu in action. At right, Eric Schwab, Bill Greder Jr., Bill Greger Sr., and Jerry Greger pose.