

## **Notes from Beacon Hill**

### **State Representative Kate Hogan**

“Jobs, jobs and jobs” is the communal mantra being heard in the halls, offices, and hearing rooms of the State House, since jobs and the economy will continue to be the most important issue on Beacon Hill this year. The business of crafting a response to the challenges and opportunities of this economy may take place in a very concentrated corner of Boston, but the effects are meant to infuse capital and send support to those who create jobs throughout the Commonwealth. The need to stay focused on and committed to job creation and economic development will be a constant.

Walk up a flight of stairs in the State House and you will find that the first bill to arrive on the 2012 legislative agenda protects business and jobs in Massachusetts by avoiding a 40% unemployment insurance rate increase. Cross the street to One Ashburton Place and you will hear the Secretary of State’s office describing a significant increase in new business filings with the Commonwealth. These both speak to a continuing focus on our state economy. For the recovery to take hold and expand, however, we must see hiring: we must see jobs.

With Massachusetts businesses facing impending quarterly “assessments” on unemployment insurance, the Senate passed legislation that will avoid increases of 40% per employee; the House is expected to vote on it later this week. As the first bill of the 2012 legislative session, its message is clear: support the business community and protect jobs in this economy.

A promising sign of early recovery was the Secretary of State’s announcement of a spike in corporation filings. Figures released showed there were 14,747 new incorporation filings in the last six months, a four percent (plus) increase over the same six-month period last year. This is, as Secretary Galvin noted: “an encouraging sign of economic recovery.”

Small business constitutes 85% of all businesses and is responsible for 2/3rds of all new jobs created in the Commonwealth. A strong small business sector is therefore critical to our state’s continuing economic recovery. The legislature will be reviewing all aspects of the state’s policy infrastructure--from tax credits to business development incentives and initiatives--in order to create a favorable atmosphere for those creating jobs and those seeking employment.

A tight credit market in the wake of the 2008 financial crisis, which hit larger commercial banks, made it incredibly difficult for small businesses seeking loans. During this economic downturn, however, a number of financial institutions--primarily smaller local and regional banks--continued to maintain or expand its small business loan portfolios. As a follow-up to this, the Treasurer’s Office recently announced its “Small Banks Initiative” designed to increase lending opportunities to small business. Under the initiative, the Treasurer’s office will look to invest in those who invest in the state.

My first meeting with candidate Steve Grossman included discussions of his commitment to the small business community. This month, Treasurer Grossman will make good on his campaign promise of depositing Massachusetts tax receipts into local and regional banks that invest in our state. The “Small Banks Initiative” commits to using state deposited funds to increase capital availability to small businesses in our state. The local banks will all participate in a roll out promoting the program to businesses that need capital to grow.

All good efforts to be sure--and there will be more to come--but the proof of the pudding will be in how successful we all are in attaining the goal embedded in the mantra: “Jobs, jobs and jobs.”

***Kate Hogan serves the 3rd Middlesex District of Bolton, Hudson, Maynard, and Stow at the Massachusetts House of Representatives. Call 617/ 722-2637 or send your comments to [Kate.Hogan@mahouse.gov](mailto:Kate.Hogan@mahouse.gov)***