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Vast Majority of Business Owners Do Not Believe Tax Increases Should Be Part of the Federal Government's Plan to Reduce the Deficit

July 2011 SB Authority's Market Sentiment Survey Results

NEW YORK, July 27, 2011 /PRNewswire/ -- Newtek Business Services, NASDAQ: NEWT, [The Small Business Authority](#) with a portfolio of over 100,000 business accounts, announced today the findings of its SB Authority Market Sentiment Survey, a monthly window into the concerns of independent business owners. Based on a poll of approximately 1,100 respondents, one of the key findings from July's survey was 64 percent of small business owners do not believe tax increases should be part of the Federal Government's plan to reduce the deficit. In addition, 58 percent felt that lower taxes would not stimulate hiring for their businesses. The full July 2011 results showed the following:

<u>Poll Question</u>	<u>Poll Answer</u>	<u>Percentage</u>
If your cash flow were increased due to lower taxes, would you consider hiring more staff?	Yes	41.6%
	No	58.4%
Do you plan on expanding your business or hiring in the next 12 months?	Yes	39.6%
	No	60.4%
Do you view the Federally mandated health care act helpful or harmful to your business?	Helpful	38.9%
	Harmful	61.1%
Should tax increases be part of the Federal Government's plan to reduce the deficit?	Yes	35.7%
	No	64.3%

Barry Sloane, President and CEO of [The Small Business Authority](#) commented, "Small independent business owners that we interviewed clearly favor smaller government and lower taxes. It was clear that business owners believe deficit reduction should be achieved through less spending by the government. Business owners also believe that the federally mandated health care act will be harmful to their business and even prefer the current system which clearly has its limitations.

When you expand American sentiment to a recent poll done by CNN, which includes consumers as well as business owners, it is clear that 66% of Americans prefer a balanced budget amendment and spending caps. Both houses of Congress in the current Reed proposal and current Boehner proposal at the moment have abandoned tax increases. It does appear that simplification of our tax code and removing tax favors and subsidies for our reduced corporate rate is well thought of by most."

We strongly recommend that professionals and business owners listen live at <http://www.wabcradio.com> or on 770AM,

Saturday August 6th at 4:00 p.m. EDT to hear The Small Business Authority's broad discussion with independent owners about tax issues for their businesses."

About Newtek Business Services, Inc.

Newtek Business Services, [The Small Business Authority](#), provides the following products and services:

- | **Electronic Payment Processing**: eCommerce, electronic solutions to accept non-cash payments, including credit and debit cards, check conversion, remote deposit capture, ACH processing, and electronic gift and loyalty card programs.
- | **Managed Technology Solutions (Cloud Computing)**: Full-service web host, which offers eCommerce solutions, shared and dedicated web hosting and related services including domain registration and online shopping cart tools.
- | **eCommerce**: A suite of services that enable small businesses to get up and running on-line quickly and cost effectively, with integrated web design, payment processing and shopping cart services.
- | **Business Lending**: Broad array of lending products including SBA 7(a) and SBA 504 loans.
- | **Insurance Services**: Commercial and personal lines of insurance, including health and employee benefits in all 50 states, working with over 40 insurance carriers.
- | **Web Services**: Customized web design and development services.
- | **Data Backup, Storage and Retrieval**: Fast, secure, off-site data backup, storage and retrieval designed to meet the specific regulatory and compliance needs of any business.
- | **Accounts Receivable Financing**: Receivable purchasing and financing services.
- | **Payroll**: Complete payroll management and processing services.

Newtek Business Services, Inc., [The Small Business Authority](#), is a direct distributor of a wide range of business services and financial products to the small- and medium-sized business market under the Newtek™ brand. Since 1999, Newtek has helped small- and medium-sized business owners realize their potential by providing them with the essential tools needed to manage and grow their businesses and to compete effectively in today's marketplace. Newtek provides its services to over 100,000 business accounts and has positioned the Newtek™ brand as a one-stop-shop provider of such business services. According to the U.S. Small Business Administration, there are over 27.5 million small businesses in the United States, which in total represent 99.7% of all employer firms.

Note Regarding Forward Looking Statements

Statements in this press release including statements regarding Newtek's beliefs, expectations, intentions or strategies for the future, may be "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. All forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from the plans, intentions and expectations reflected in or suggested by the forward-looking statements. Such risks and uncertainties include, among others, intensified competition, operating problems and their impact on revenues and profit margins, anticipated future business strategies and financial performance, anticipated future number of customers, business prospects, legislative developments and similar matters. Risk factors, cautionary statements and other conditions, which could cause Newtek's actual results to differ from management's current expectations, are contained in Newtek's filings with the Securities and Exchange Commission and available through <http://www.sec.gov>.

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