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Sixty-Nine Percent of Business Owners Do Not Plan on Hiring Within the Next Year

August 2011 SB Authority's Market Sentiment Survey Results

NEW YORK, Aug. 31, 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 the August survey was that 69 percent of small business owners do not plan on hiring. Two other questions in our survey support the findings of business pessimism. Most business owners, looking out on the horizon, are either pessimistic or neutral at best, regarding the overall business environment. Several business owners during the last 12 months have raised their prices or maintained them to fight off the effects of inflationary pressures eroding their margins. Business owners in an economy described as stagnant, need to improve their cash flows and bottom lines while continuing to look towards the only segment of their business where the market enables them to improve their cash flows.

Barry Sloane, President and CEO of [The Small Business Authority](#) commented, "Technology utilization needs to be embraced by small to medium sized business owners over the next several years. It is the only area where internal costs to run one's business can be reduced as well as produce efficiencies in performance and production of one's labor pool.

There is no denying the trend of utilizing the cloud environment for computing and operating one's business is far superior in costs, security and efficiency than what business owners are typically using today. The recent effects of Hurricane Irene would have had a diminished affect on business owners up and down the east coast if all of their business operations were administered and functioned in the cloud in a geography that was unaffected due to the coastal storm. The data would be secure, the businesses would be up and running, and commerce could continue. Businesses that had their server on premise with a local IT provider (not in a data center) have suffered the consequences of neglecting the positive gifts that the market offers it today."

The full August 2011 results showed the following:

Poll Question	Poll Answer	Percentage
During the last 12 months, have you raised, lowered or maintained your prices for your products or services?	Raised	30%
	Lowered	17%
	Maintained	53%
Do you plan on hiring in the next 6 to 12 months?	Yes	31%
	No	69%
Regarding the business environment going forward, are you optimistic, pessimistic or neutral?	Optimistic	32.5%
	Pessimistic	50%
	Neutral	17.5%
Do you plan on utilizing cloud computing in the next 12 to 24 months?	Yes	28%
	No	72%

About Newtek Business Services, Inc.

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

- 1 **[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.
- 1 **[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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