

World of Pain?

California's budget, now being debated by Gov. Arnold Schwarzenegger and the Legislature, may require steep cuts and added fees to address an enormous deficit. So the Business Journal acts:

How badly do you think local businesses will be hurt by the state's budget problems?

► **WILLIAM D. ESENSTEN**

Partner
NSBN LLP

I believe that part of the resolution of these problems will be an increase in the sales tax – a direct hit to many businesses. And, should the state reach the point of issuing tax refunds as IOUs, the result will be a decrease in available cash for expenditures. In addition, there are less obvious repercussions to the budget crisis. There are non-profit construction projects that have been put on hold.



Esensten

► **IRWIN MILLER**

Principal
Gensler

I think many of us saw this coming over the past year. Luckily, Los Angeles is still full of unique and creative minds that produce entertainment, design and ideas that the state, country and world look to for inspiration. Thank goodness we don't make cars.

► **SHANNON A. KELLEY**

Director
Resources Global Professionals

The most obvious affect of the budget crisis is the lack of funding to organizations servicing the Los Angeles community. This in turn affects other L.A. businesses because these providers are shutting their doors. So not only are their services no longer available, additional jobs are lost, creating further strain on the local economy. Clearly those dependent on state funding are hardest hit, such as hospitals and educational facilities, but also hurt are small business owners who rely upon the disposable income of working individuals.

► **JOSEPH BENOIT**

Small Business Banking Executive
Union Bank

Depending on individual businesses' dependence on the state budget they will have to review their expenses and perhaps look to alternative financial sources.

► **KEVIN J. BRODY**

Partner
Hunt Ortmann Palffy Nieves Lubka Darling & Mah Inc.

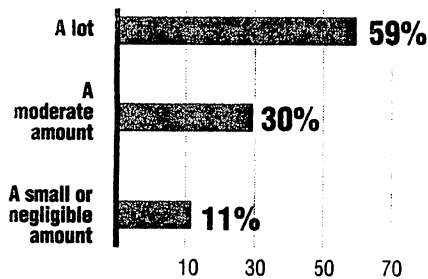
Because of the size of the California budget and the number of people whose livelihood is affected by state spending there's a huge potential for significant damage. Our law firm specializes in construction law and we have seen a number of government projects halted or put into the slow lane as a result of the current fiscal uncertainty. Obviously, this affects not only the construction industry, but also people in the service industry whose livelihood is tied to construction.



Brody

Los Angeles Business Journal Poll

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Online results for week ended Jan. 14

