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# Business News

## Focus on the Economy

450 Exton Square Parkway, Exton, PA 19341

Fall 2009

*"I place economy among the first and important virtues, and public debt as the greatest dangers."*

~ Thomas Jefferson

For two days in September the eyes of the world were on Pittsburgh, PA, as the city hosted the G-20 summit. Leaders of 19 leading developed and developing economies, along with the European Union, met on September 24 and 25 with the goal of improving financial reforms and avoiding another economic crisis.

The G-20, or the Group of 20, was established in 1999 to bring together countries to discuss key issues in the global economy. Member countries include Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom and the United States. Collectively, the G-20 economies comprise 85% of global gross national product.

According to the White House the key accomplishments of the Pittsburgh G-20 Summit are as follows:

**Strengthen Recovery:** Since the G-20 London Summit, stresses in financial markets have eased markedly, the decline in output has been arrested and G-20 recovery actions will have saved or created at least 7-11 million jobs by the end of this year.

**Launch Framework for Strong, Sustainable and Balanced Growth:** The G-20 adopted President Obama's proposed *Framework for Strong, Sustainable and Balanced Growth*. This is the first time

such a large number of countries have adopted policies to support the necessary rebalancing of global demand to ensure strong growth for all.

**Advance Tough New Financial Market Regulations:** The G-20 agreed to strong international standards for bank capital and also agreed to strong international standards for compensation aimed at ending practices that lead to excessive risk-taking.

**Phase Out Inefficient Fossil Fuel Subsidies and Increase Energy Market Transparency:** The G-20 leaders are committed to phase out fossil fuel subsidies over the medium-term while providing targeted support to help the poorest. Energy and Finance Ministers will report on their implementation strategies and timelines at the next meeting of the G-20.

**Modernize the Infrastructure of Global Economic Cooperation:** The G-20 will work together to reform the international financial system. An agreement was made to shift at least 5% in International Monetary Fund (IMF) quota share from over-represented countries to under-represented countries.

**Support the World's Most Vulnerable Citizens:** A new World Bank Trust Fund was established to finance investments in food security, a commitment to fund programs that expand access to renewable energy and a call to identify new ideas to strengthen the poor's access to the financial system.

**Delivering on Previous Commitments:** The G-20 took stock of the London Summit (April 2009) which acted forcefully to halt the decline in the global economy, resulting in the largest and most coordinated

fiscal and monetary stimulus ever undertaken. The actions of the G-20 are projected to save or create at least 7-11 million jobs across their economies by the end of this year, including over 1 million jobs saved or created as a result of the American Recovery and Reinvestment Act (ARRA). For more information on this act go to: [www.recovery.gov](http://www.recovery.gov).

The G-20 Summit in Pittsburgh was a gathering place of world leaders, capitalists, economists, anticapitalists, animal-rights activists and anarchists. Reporters and police were there also. Did I mention anarchists? The two-day affair was quite tranquil, civilized and without much disturbance. Thank goodness we live in a country where these diverse groups of people can come together in one really cool city. If Pittsburghers seemed a bit blasé about the protesters, maybe it's because they experienced 17 consecutive losing seasons with the Pirates. **Now that's anarchy.** (*Wall Street Journal, Saturday-Sunday, September 26-27, 2009, p. A-13*)

*"Blessed are the young, for they will inherit the national debt."*

~ Herbert Hoover

*Business News*, a quarterly publication, is aimed at informing the business community and library customers about the Library's business resources and services. *Business News*, along with other pertinent information for the business community, is also available at [http://www.ccls.org/cwo/Find\\_a\\_Resource/Business](http://www.ccls.org/cwo/Find_a_Resource/Business).

Reference Department  
610.280.2620/21

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[www.ccls.org/cwo/Find\\_a\\_Resource/Business](http://www.ccls.org/cwo/Find_a_Resource/Business)

Business E-Mail  
[business@ccls.org](mailto:business@ccls.org)

## Business Q & A

### What are Industry/Financial Ratios?

Industry ratios can help you determine how well a company is performing compared to its peers. Financial ratios are generally calculated using numbers from a company's financial statements. Depending on which numbers you are dividing, you can get a quick look at a company's financial stability, its overall efficiency, its profits and some future indicators of growth. When you average out these numbers across companies in the same industry, you can derive industry ratios. Below are sources that provide industry ratios so that you can do the comparisons.

The Chester County Library has two business databases that can help in researching Industry/Financial Ratios. Also listed are two websites that may be beneficial as well. To access these databases:

- Go to the Library System's website, [www.ccls.org](http://www.ccls.org).
- Select, **Find a Resource**, select **Research Resources**.
- Click on **Business Databases**. **Business Source Premier (BSP)**

BSP contains over 3500 full-text general business magazines, industry reports and scholarly journals covering business topics, industries and companies. Look for articles on benchmarking and "best practice" or similar terms for your industry.

### Business and Company Resource Center (BCRC)

BCRC is a source for detailed company and industry information. Look up a company and click on the rankings tab.

#### Websites

### Gray's Price's List of Lists [www.specialissues.com/lo/](http://www.specialissues.com/lo/)

Special issues of trade journals will also have information on how a company is performing within an industry.

### [www.bizstats.com](http://www.bizstats.com)

This site offers a quick way to pick a particular industry, input a ballpark revenue number and then see a commonsize analysis chart. Bizstats.com compiles raw statistical data from numerous sources, performs computations and edits the information for the most meaningful statistics.

## Internet Corner

The following business sites are recommended by Chester County business people, business publications and information professionals.

### Pennsylvania Open for Business [www.paopen4business.state.pa.us](http://www.paopen4business.state.pa.us)

This website gives entrepreneurs "one stop" access to business information. Entrepreneurs can explore financial options, download many of the important forms necessary to start and expand a business, and electronically register a business with the Pennsylvania Department of Labor and Industry, Revenue and State.

### BNET • [www.bnet.com](http://www.bnet.com)

The go-to place for managers/supervisors with advice on formulating competitive business strategy and increasing personal productivity. The various business articles also discuss ways to build a successful and satisfying career.

### Business Owners Idea Cafe

#### [www.businessownersideacafe.com](http://www.businessownersideacafe.com)

Praised by the *Wall Street Journal*, *Business Week* and *Washington Business Times*, you can read hundreds of wonderful comments from small business owners and future entrepreneurs saying what they like about **Idea Cafe** and how it helps them achieve their goals.

### Entrepreneur.Com:

#### The Online Small Business Authority

#### [www.entrepreneur.com/bizstartups/index.html](http://www.entrepreneur.com/bizstartups/index.html)

Maintained by *Entrepreneur Magazine* to support new business ideas and growing companies, it contains selected articles from the publication and resources for business developers. **EntrepreneurAssist** is a free tool for new business owners to use to save articles, download forms and more.

### Glassdoor • [www.glassdoor.com](http://www.glassdoor.com)

**Glassdoor** is a free inside look at more than 28,000 companies. Salary details, company reviews and interview questions – all posted anonymously by employees and job seekers. A useful site, as long as you don't rely on it as your only source.

### Kauffman Foundation

#### [www.kauffman.org](http://www.kauffman.org)

This website is dedicated to furthering our understanding of the phenomenon of entrepreneurship and to advancing entrepreneurship education and training. Check out the Resource Center for getting started information on business operations,

sales and marketing, human resources, finance and accounting, and the like.

### MANTA • [www.manta.com](http://www.manta.com)

**Manta.com** offers free company information on more than 60 million firms around the world, with an emphasis on small-and medium-size businesses. A nice feature of this site is that registered users can access the **Company Q&A** feature to post questions about any private company in the United States. The questions are answered by people associated with the company, those who have done business with the company, etc.

### SBTV Small Business Television Network [www.sbtv.com](http://www.sbtv.com)

**Television Network** is devoted to small businesses, with content provided by noted business journalists and professionals.

### Startup Nation [www.startupnation.com](http://www.startupnation.com)

A great site for entrepreneurs and would-be business owners, this site has it all; community space, articles, podcasts, online seminars and other information on all things small business.

### Survey of Current Business [www.bea.gov/scb/index.htm](http://www.bea.gov/scb/index.htm)

Includes monthly and quarterly cyclical indicator statistics. Tables of economic indicators cover such statistics as personal income, industrial productivity, business sales and inventories, commodity prices, producer prices, labor force and earnings. Statistical series usually give monthly statistics for the last year and annual statistics for the previous two years.

Researching a company? Writing a business plan? Conducting market research? The Chester County Library can help. E-mail us to see how the Library can help you in your business research: [business@ccls.org](mailto:business@ccls.org).

## New Books

### The 86 Biggest Lies on Wall Street, John Talbot (332.6097 T).

Former Goldman Sachs investment banker, Talbot delivers a tightly written analysis of the financial crisis. After launching a tirade against prevalent myths conveniently categorized as *Stock Investing Lies* and *Lies About the Global Economy*, he summarily attacks the U.S. government, lobbyists, the media, Alan Greenspan and Henry Paulson, and

pronounces the entire global banking system insolvent. Talbot then exposes us to the truth of what it will take to rebuild our economy.

**\$700 Billion Bailout: The Emergency Economic Stabilization Act and What It Means to You, Your Money, Your Mortgage, and Your Taxes,**  
Paul Muolo (343.034 M).

The book is an analysis of the controversial Emergency Economic Stabilization Act and explains in easy-to-understand language what the bailout bill means for individuals. It answers questions such as:

- What does the bill say exactly?
- Who is making decisions about how the \$700 billion will be spent, and what does it mean now that the government is investing directly in our banks?
- Who's footing the bill?
- What is the impact on homeowners, businesses, retirement and taxes?
- Where do I put my money in the meantime?

**The 21st Century Economy: A Beginner's Guide: With 101 Easy-to-Learn Tools for Surviving and Thriving in the New Global Marketplace,**

Randy Charles Epping (330.9 E).

The economic upheaval of 2008 has left many investors and ordinary citizens stunned and confused, as it seems like none of the normal rules apply in this fast-paced world of electronic trading and instant information. We hear many terms thrown at us, but few understand their meaning or why they have any relevance to our own financial health. Epping has created this beginner's guide to fundamental economic terms and concepts to help the average person understand and navigate the rapidly changing 21st century economy. Oft-heard but confusing terms such as "credit default swap and collateralized debt obligation" are defined in concise, easy-to-understand language to help readers make sense of the information overload coming via media sources like CNBC and the Internet.

**Create Your Own Economy: The Path to Prosperity in a Disordered World,**  
Tyler Cowen (330.19 C).

One of the most respected behavioral economists in the world and coauthor of

the "best economics blog in the universe," Cowen offers an essential guide to success in a radically new hyper-networked age. He boldly shows in this book the way we think now is changing more rapidly than it has in a very long time. Not since the Industrial Revolution has man-made creation – in this case, the World Wide Web – so greatly influenced in the way our minds work and our human potential. The book also explains why the coming world of Web 3.0 is good for us; why social networking sites such as Facebook are so necessary; what's so great about "Tweeting" and texting; and how education will get better.

**Crisis Investing and Entrepreneuring: 10 Innovative Strategies to Help You Achieve Financial Success and Solvency in a Down Economy,**

William L. Seavey (332.024 S).

What middle class Americans with threatened investments can do about the financial mess. Up to the minute (last revisions May 2009) commentary on the trends in real estate, banking, etc. Chapters cover distressed real estate, collectibles, socially responsible investing, gold/silver/precious metals, mortgage debt elimination and the stock market.

**The Difference: How Anyone Can Prosper in Even the Toughest Times,**  
Jean Chatzky (AV 332.024 C – audiobook).

Chatzky identifies the attitudes, financial and nonfinancial behaviors, personalities and goals that separate the haves from the have-nots. The author categorizes the new economic strata into four groups (the wealthy, the financially comfortable, the paycheck-to-paychecks and the further-in-debtors) and waxes ecstatic on the virtues and natural gifts of the rich. Her practical advice is sound and well worth taking and she stresses the power of saving and investing appropriately and aggressively.

**False Economy: A Surprising Economic History of the World,**

Alan Beattie (330.9 B).

An important book for turbulent times, by a leading economic writer. Beattie has long been intrigued by the fates of different countries, economies and societies – why some fail and some succeed. Here he weaves together elements of economics, history, politics, and human stories, revealing that societies usually make concrete

choices that determine their destinies. He opens up larger questions about these choices, and why countries make them, and what those decisions can mean for the future of our global economy.

**The Great Financial Crisis: Causes and Consequences,** John Bellamy Foster & Fred Magdoff (330.9051 F).

In this timely and thorough analysis of the current financial crisis, the authors explore its roots and the radical changes that might be undertaken in response. With a foray into the Great Depression of the 1930s, they move to the present situation, born out of the housing bubble, the wider explosion of debt and the problem of financialization of capital. They survey the long-term implications to propose that the crisis raises questions that are primarily political rather than economic.

**Meltdown: A Free-Market Look at Why the Stock Market Collapsed, the Economy Tanked and Government Bailouts Will Make Things Worse,**  
Thomas E. Woods, Jr. (330.973 W).

New York Times bestselling author Thomas E. Woods, Jr., explains his take on what led up to the current economic crisis, who's really to blame (namely, the Federal Reserve System) and why government bailouts won't work. Woods's view will appeal to all concerned about how the financial crisis impacts them as well as to business leaders and investors wishing to be more enlightened about the crisis.

**Riches Among the Ruins: Adventures in the Dark Corners of the Global Economy,** Robert P. Smith (332.673 S).

Smith's memoir of a career spent brokering sales of sovereign debts (also known as government debts) makes for a gripping read. With a raconteur's gusto, he describes his flight from a conservative upbringing into a world of high-stakes wheeling and dealing. He plied his trade in developing markets, where shortages of hard currency force governments to offer promises of payment for imported goods or services. He details his travels to five continents seeking creditors looking to cut their losses and investors willing to take on the tremendous risk. Smith clearly explains the mechanics of international debt trading – now a \$1.7

trillion industry – and his yarns of successes, failures and dangerous near-misses are thrilling.

### **Save Your Retirement: What To Do if You Haven't Saved Enough or if Your Investments Were Devastated by the Market Meltdown,**

Frank Armstrong (306.36 A).

*Funding retirement is the major financial goal for most of us. The author explains how to get the most out of various investment options. He forcefully warns that most Americans are not financially prepared for retirement and present scenarios of what to do, depending on your age and level of financial preparation. Especially timely is his advice on how to recover from the 2008 stock market crash.*

### **The Upside of the Downturn: Ten Management Strategies to Prevail in the Recession and Thrive in the Aftermath,**

Geoff Colvin (658.4012 C).

*Some businesses – and some people – will emerge from this downturn stronger and more dominant than when it started. Others will weaken and fade. It all depends on critical choices they make right now. Colvin's 10 solidly grounded strategies will increase your company's competitiveness and build its long-term value. He shows examples of major companies that have applied them with inspiring results.*

A few samples:

- Reset priorities. Easy to say, harder to do. Pursuing the lofty goals set in good times can be disastrous now.
- Reevaluate people and steal some good ones. And if your competitors are dumb enough to fire their best people, grab them.

### **What to Do When the Economy Sucks: 101 Tips to Help You Hold On to Your Job, Your House, and Your Lifestyle,**

Peter Sander (332.024 S).

*This book offers readers concrete, specific strategies to: prevent foreclosure, create and stick to a family budget, repair bad credit ratings, streamline spending, save for the future and more. Elected leaders and economic theories come and go. But the author shows how to maintain financial stability, no matter who's in charge.*

## Upcoming Events

All events are held at the Chester County Library. Programs are free and open to the public. Upcoming events are also listed on the Library System's website, [www.ccls.org](http://www.ccls.org), click on **Find an Event**. For information and reservations call **610.280.2624** or e-mail [business@ccls.org](mailto:business@ccls.org).

### **Thursday, October 22 3:00-5:00 PM • Struble Room Resume Writing**

Do you need to create a resume or update an existing one? Learn how to structure a resume that accurately reflects your skills, abilities and experience in relation to your career goals. Presented by Jane Lane, Director of Student Employment Services & Co-Op, Delaware County Community College.

### **Tuesday, November 17 7:00-8:30 PM • Struble Room CareerShop**

This exciting, interactive multi-media workshop links personality assessment with careers and arms you with tools and resources to explore career options. Participants will use a PDA (electronic hand-held device) that will provide them with valuable insights into growing career areas within a variety of work environments. Presented by Carol O'Shea, Educational Advisor, DeVry University.

### **Tuesday, January 12 7:00-8:30 PM • Struble Room Seven Professional Practices to Help You Succeed in Business**

Today's business professional needs the ability to compete on the job and in the job market. This seminar teaches the seven professional practices that will get you noticed. Find out what employers really want. Learn to present yourself as an ideal candidate. Presented by Mary Vogan, CEO, One Stop LeaderShop.

## KUSBDC Classes

These classes are held at the Chester County Library.

### **How to Start and Operate a Small Business**

Sponsored by the Small Business Assistance Center (SBAC), Kutztown University Small Business Development Center (KUSBDC) and SCORE. Registration required, call **SBAC**

**610.444.1721** or register online at [www.sbacnetwork.org](http://www.sbacnetwork.org). There is a one-time **\$15** materials fee for these classes payable by check to Kutztown SBDC at the door or prepay online at [www.kutztownsbdc.org](http://www.kutztownsbdc.org).

**Tuesday, November 10 • Board Room  
Wednesday, December 9 • Struble Room  
Wednesday, January 13 • Struble Room  
6:00-8:30 PM**

### **Four Part Business Planning Workshop Series**

Attendees must register with KUSBDC before attending Business Plan I. The classes must be taken in order. A certificate will be awarded at completion of all four Business Planning classes. To register, call **KUSBDC 866.458.7232** or visit their website [www.kutztownsbdc.org/how\\_to\\_register.asp](http://www.kutztownsbdc.org/how_to_register.asp). There is a one-time **\$60** materials fee for these classes. Contact KUSBDC for payment information.

**Series starting November 12:  
All 6:00-8:30 PM • Struble Room**

**Thursday, November 12  
Business Plan I**

**Thursday, November 19  
Business Plan II**

**Thursday, December 3  
Business Plan III**

**Thursday, December 10  
Business Plan IV**

**Series starting February 22:  
All 3:30-6:00 PM • Struble Room**

**Thursday, January 7  
Business Plan I**

**Thursday, January 14  
Business Plan II**

**Thursday, January 21  
Business Plan III**

**Thursday, January 28  
Business Plan IV**

### **Chester County Library System**

Atglen Public Library 610.593.6848  
Avon Grove Library 610.869.2004  
Bayard Taylor Memorial Library 610.444.2702  
Chester County Library 610.280.2600  
Chester Springs Library 610.827.9212  
Coatesville Area Public Library 610.384.4115  
Downingtown Library 610.269.2741  
Easttown Library & Info. Center 610.644.0138  
Henrietta Hankin Branch Library 610.321.1700  
Honey Brook Community Library 610.273.3303  
Malvern Public Library 610.644.7259  
Oxford Public Library 610.932.9625  
Paoli Library 610.296.7996  
Parkesburg Free Library 610.857.5165  
Phoenixville Public Library 610.933.3013  
Spring City Free Library 610.948.4130  
Tredyffrin Public Library 610.688.7092  
West Chester Public Library 610.696.1721