



SUMMARY OF FINDINGS:

ATTITUDES TOWARD LITIGATION CLIMATE IN NEW JERSEY

*A Representative Survey among Business
in New Jersey*

December 2007

EXECUTIVE SUMMARY

Employers are concerned about New Jersey's business and litigation climate.

- Nearly 8 in 10 employers believe New Jersey is on the wrong track.
- Eight in 10 rate New Jersey's business climate as only "fair" or "poor."
- Lawsuits and the threat of lawsuits are pervasive concerns for businesses.
 - More than half of businesses think the number of lawsuits in New Jersey has increased in the past five years.
 - 62% of employers are concerned that they will be sued in the next few years with 28% "very concerned" that they will be sued.
 - One-third of New Jersey employers interviewed have been sued in the past five years.
 - Nearly 4 in 10 employers have been threatened with a lawsuit in the past five years.

Lawsuits and the threat of lawsuits raise costs, affect business operations and have wide-ranging impacts on employers and consumers.

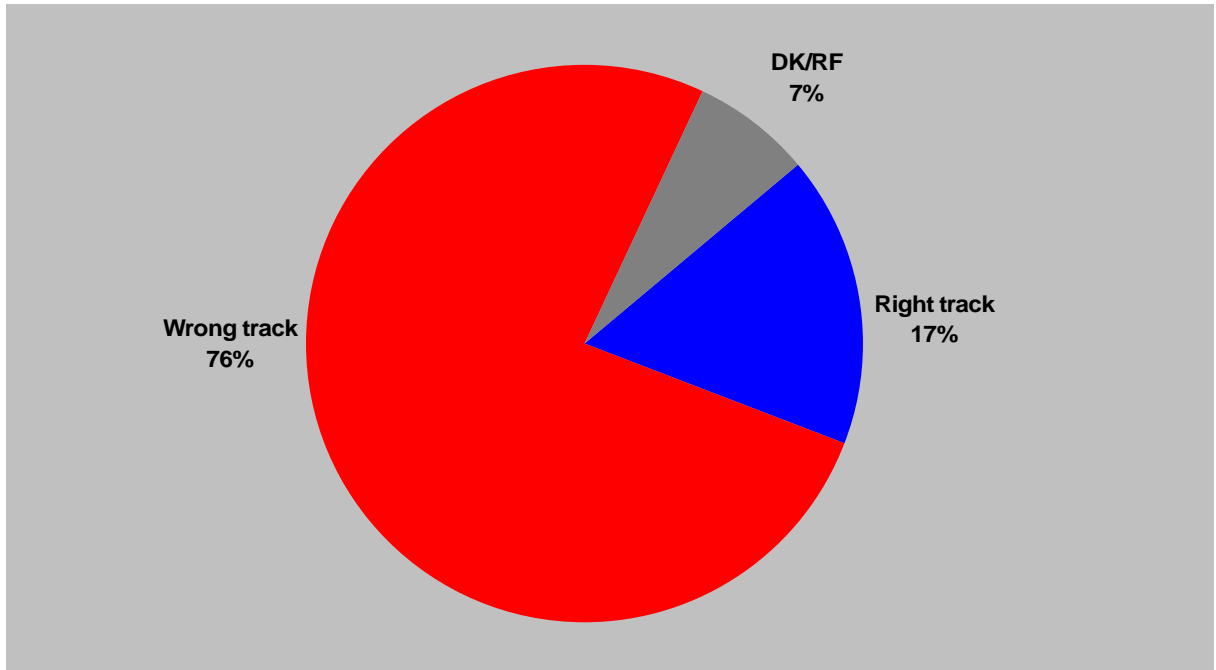
- Lawsuits and the threat of lawsuits influence business decisions and affect business operations.
 - More than half of employers, 55%, have had to change their operations, products or services to limit their exposure to lawsuits.
- Virtually all employers believe lawsuits are driving up the cost of doing business in New Jersey; more than half already have had their costs increase.
- Nine in ten employers agree that lawsuits are raising the prices consumers pay for products and services in New Jersey; more than 4 out of 5 employers report their products and services are more expensive.
- Nearly one quarter of employers have thought about relocating their business outside of New Jersey.

Current laws are viewed as insufficient and unbalanced and there is widespread support for reform.

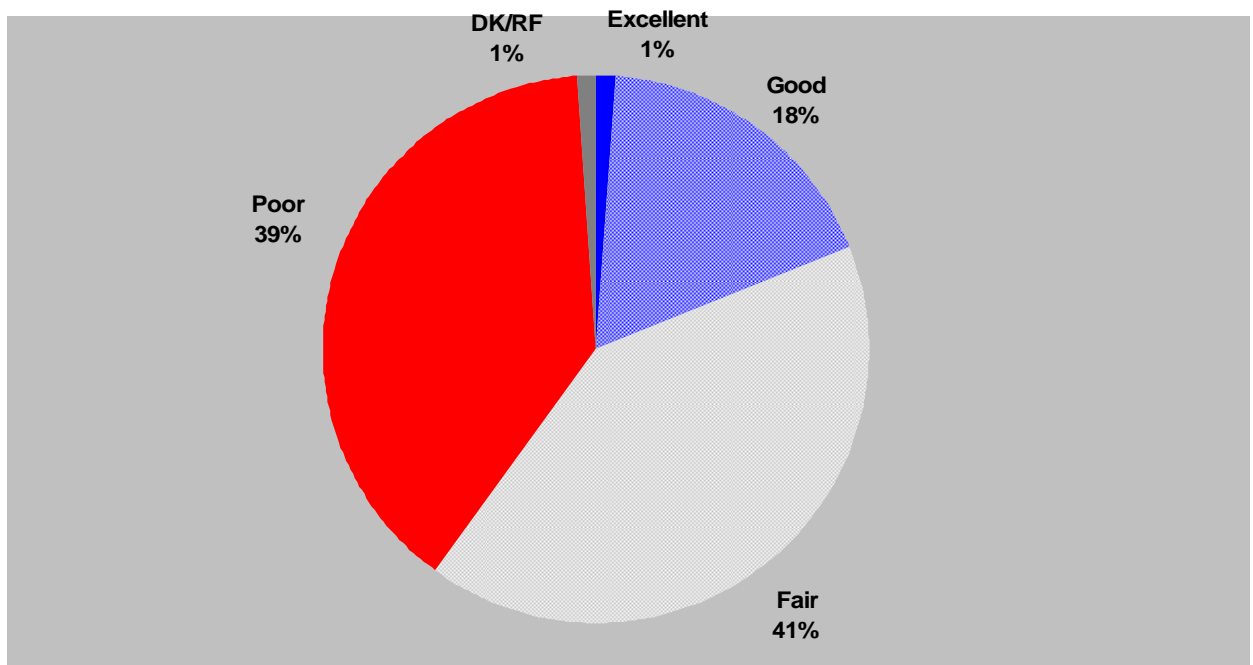
- Nearly 6 in 10 employers believe current laws do not balance the interests of plaintiffs and defendants. Among those who believe this, the vast majority believe the current laws favor those who sue.
- Two-thirds of employers think new laws need to be passed to protect businesses from frivolous lawsuits.
- A strong majority, more than 8 in 10, of employers support the passage of tort reform legislation.
- Additionally, 3 out of 4 employers agree or strongly agree that legal reforms will make it easier for New Jersey to keep businesses in the state, and a comparable percentage (71%) agree or strongly agree that legal reforms will make it easier to attract new businesses to the state.

SUMMARY OF KEY FINDINGS

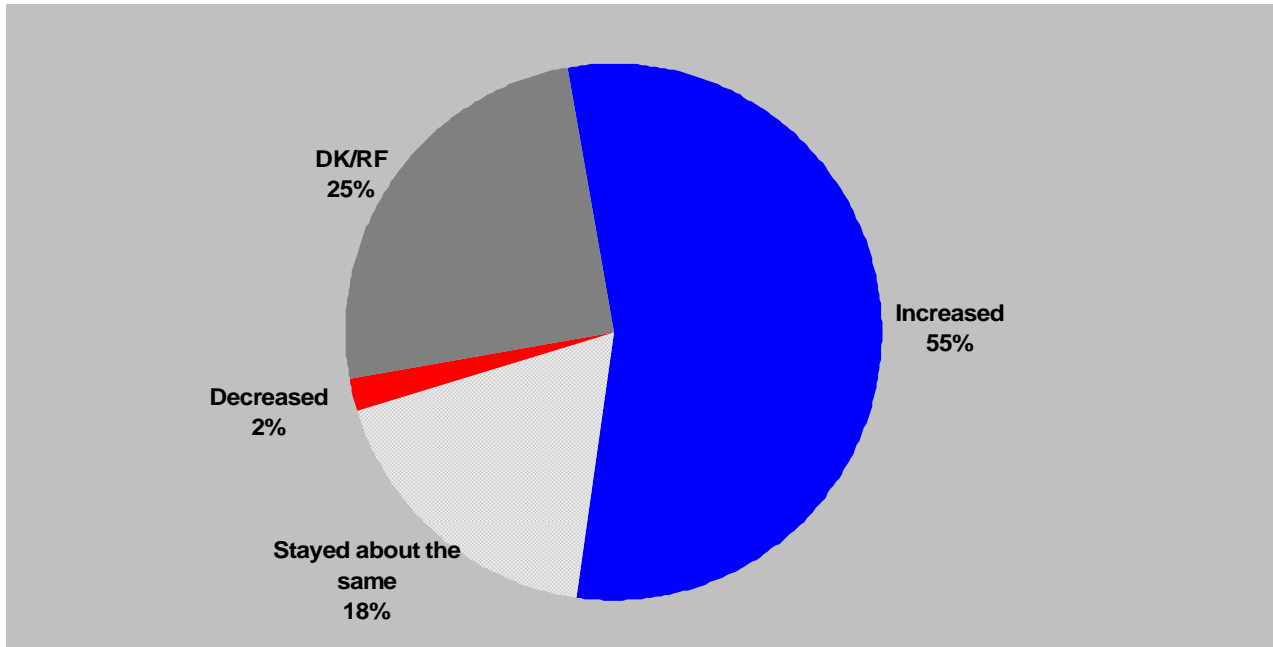
Q1. In general, do you feel things in New Jersey are generally going in the right direction or have things gotten off on the wrong track?



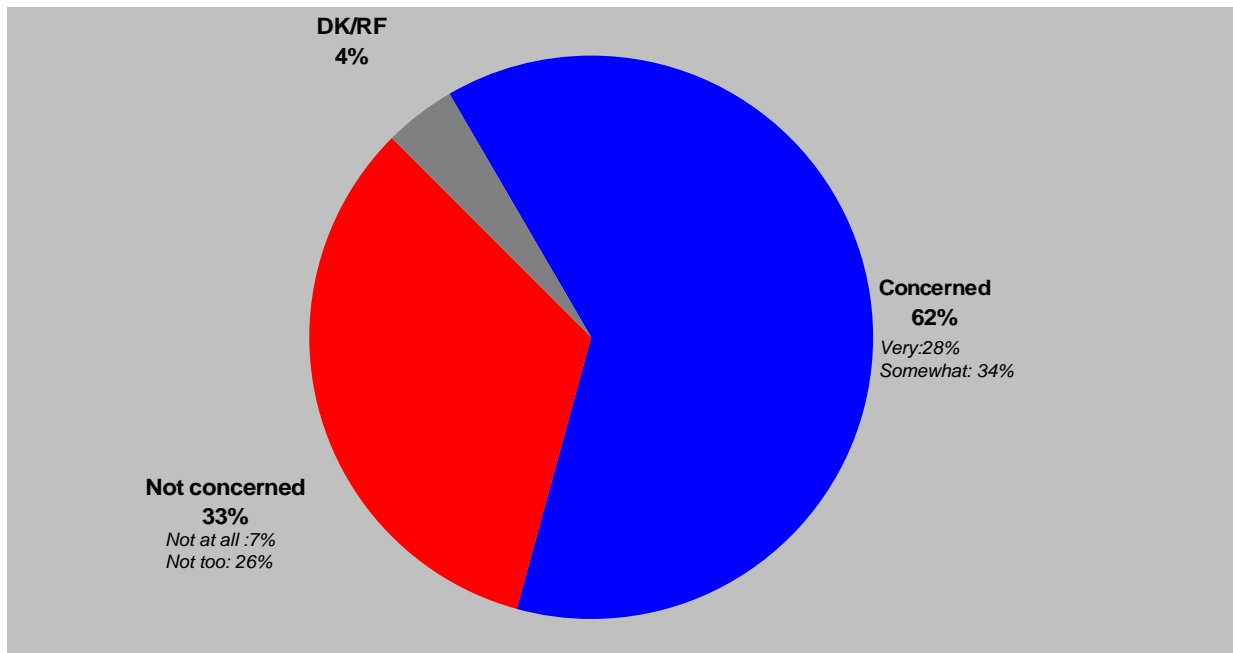
Q2. How would you rate the business climate in New Jersey – excellent, good, only fair or poor?



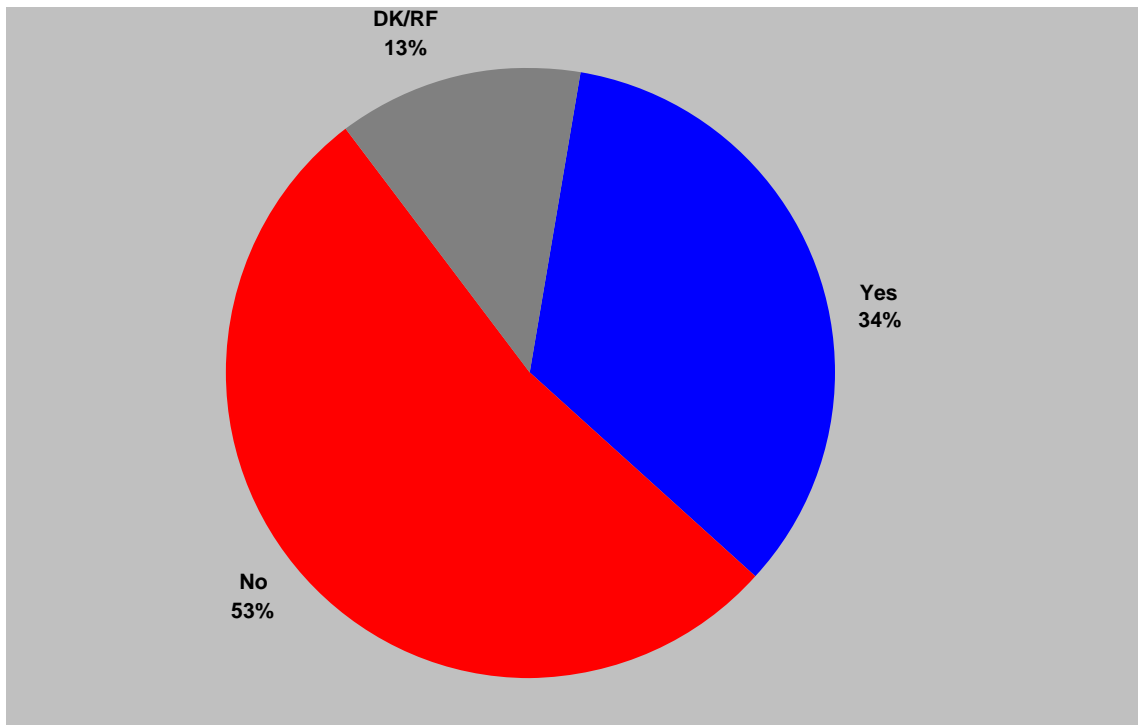
Q7. Thinking about the past five years, do you think the number of liability lawsuits in New Jersey has increased, decreased or stayed about the same?



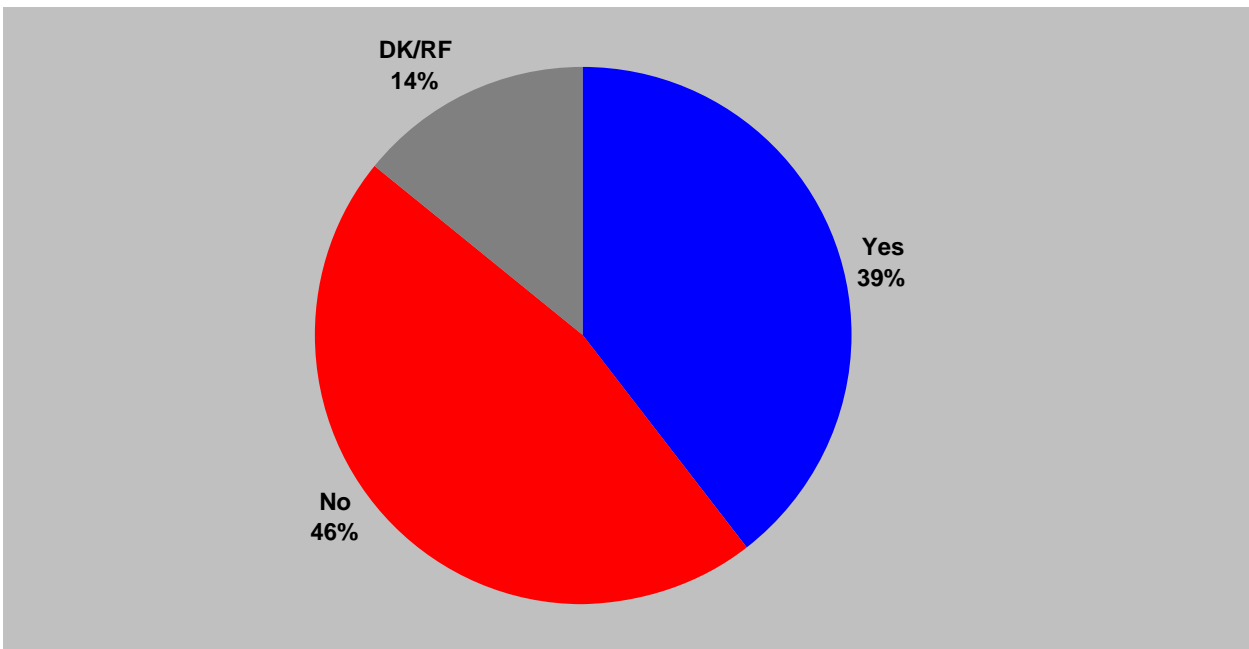
Q10. How concerned are you that in the next few years your business might be sued in a liability case?



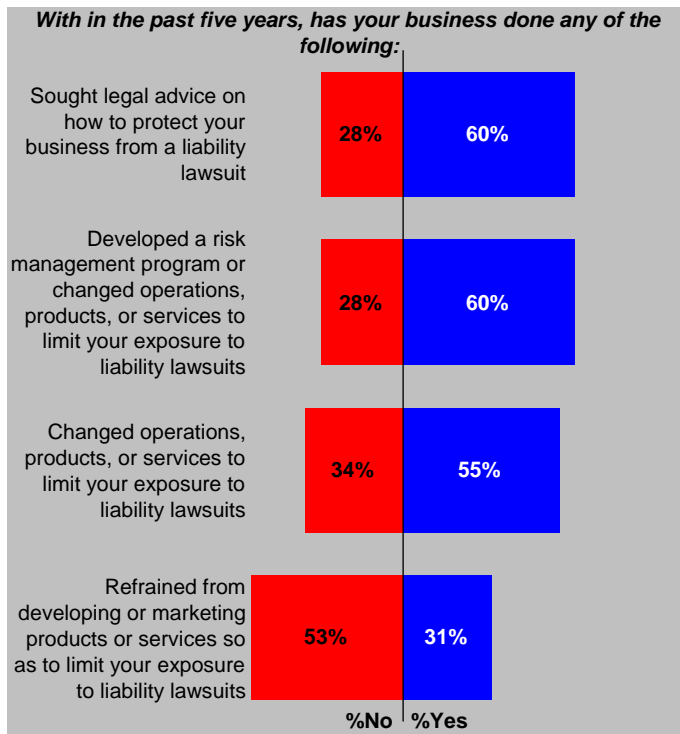
Q13. Within the past five years, has your business been sued in a liability case?



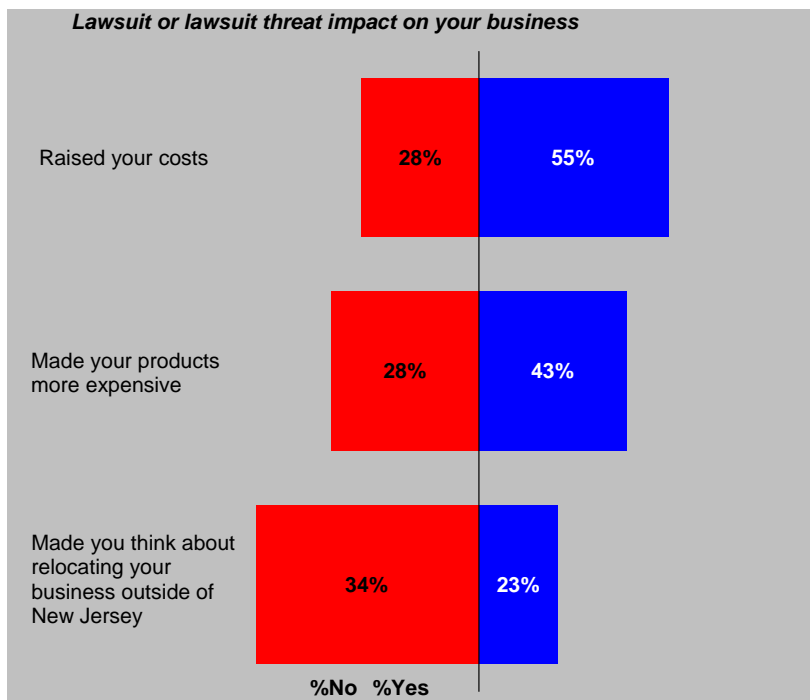
Q17. Within the past five years, has your business been threatened with a liability lawsuit?



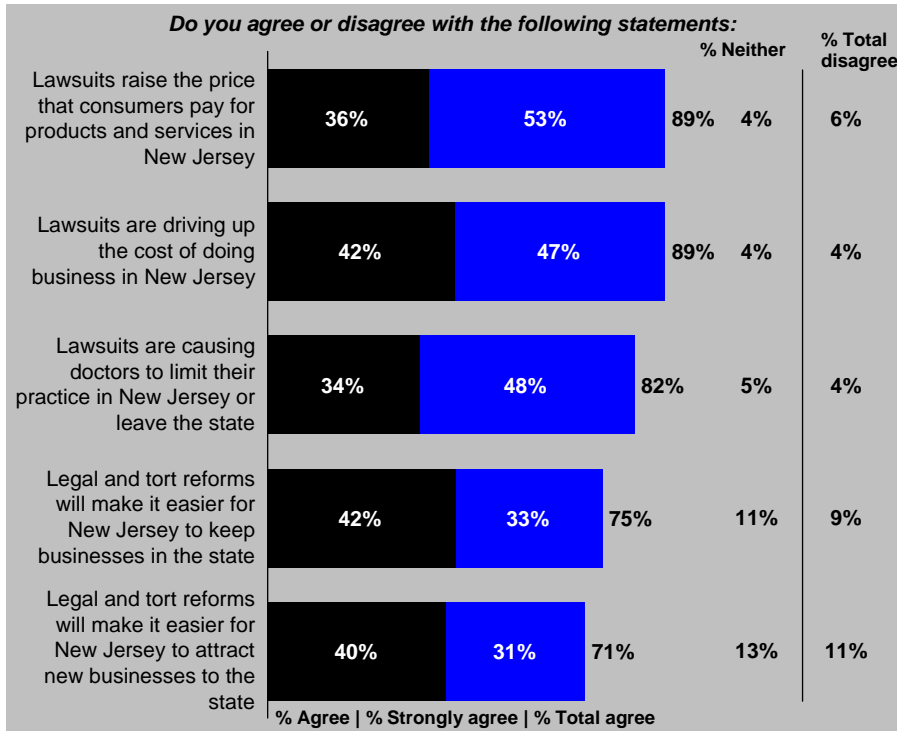
Q18. Within the last five years, has your business done any of the following: [DK/RF ranges from 16%-12%]



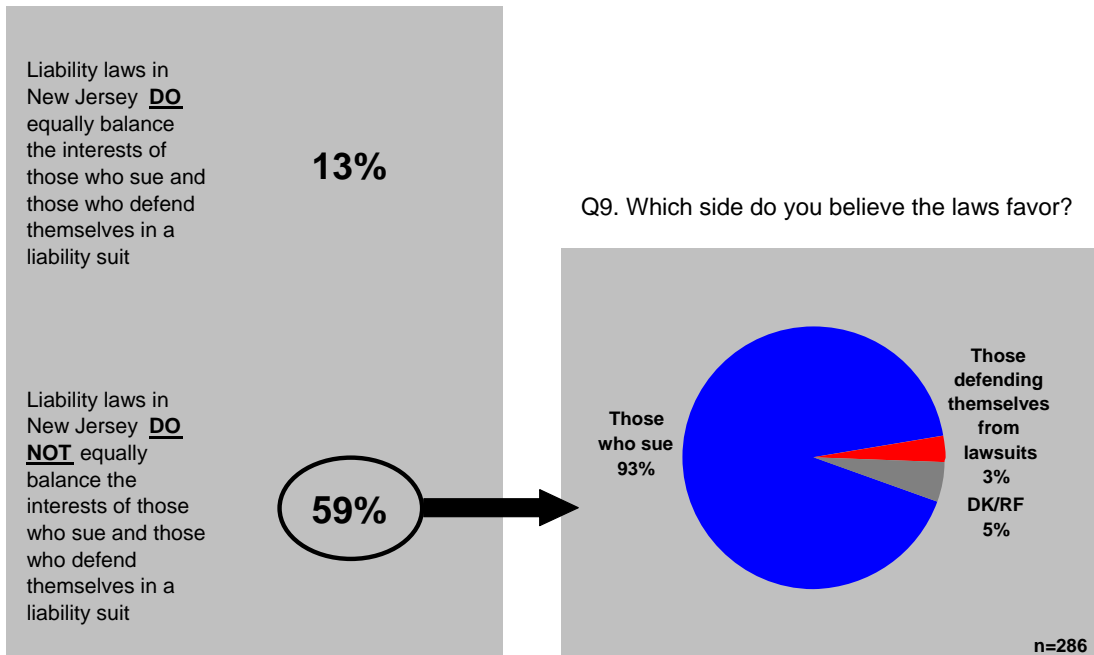
Q19. Has a liability lawsuit or the threat of a liability lawsuit had the following impact on your business? [DK/RF ranges from 10%-13%]



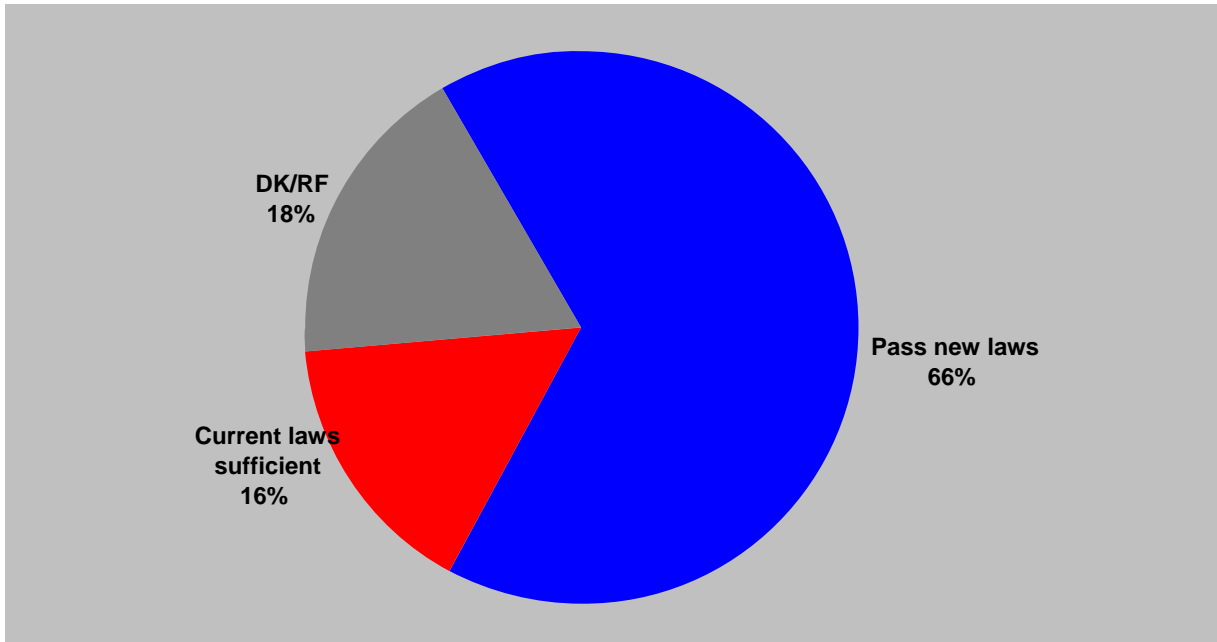
Q21. Do you agree or disagree with the following statements? [DK/RF ranges from 7% -3%]



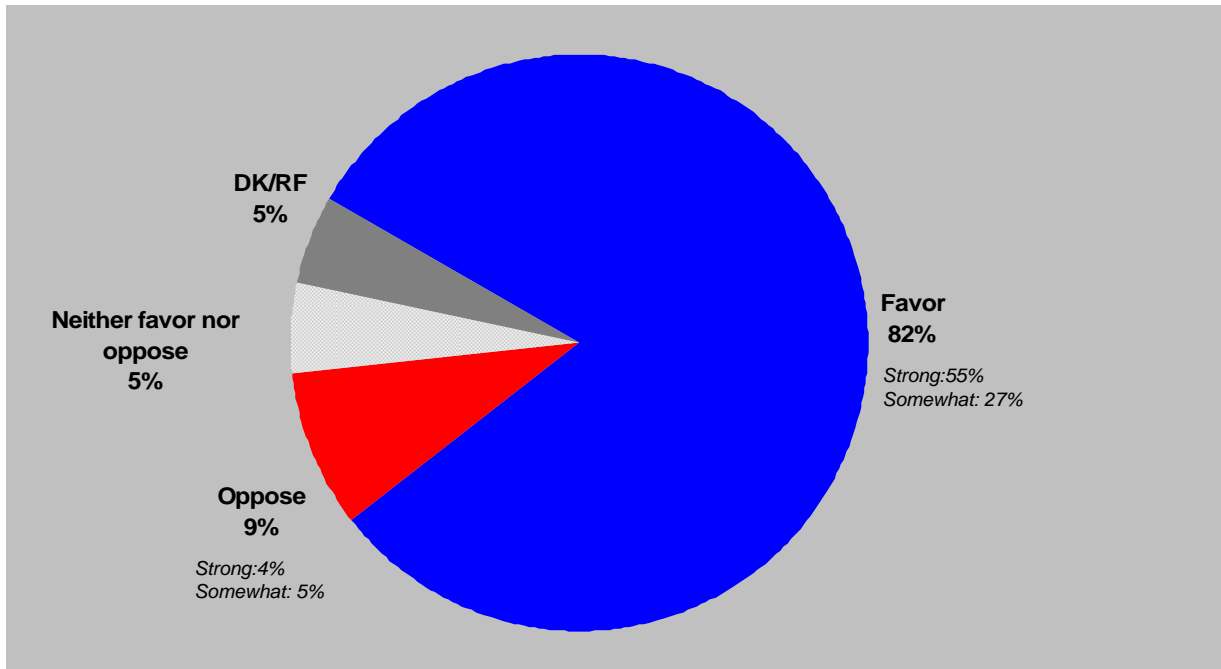
Q8. Do you believe that the liability laws in New Jersey properly balance the interests of those who sue others and those who defend themselves in a liability lawsuit? [DK/RF = 29%]



Q6. Do you think New Jersey needs to pass new laws to protect business in the state from frivolous or unfair lawsuits or do you think the current laws in New Jersey are sufficient?



Q5. In general, do you favor or oppose the New Jersey State Legislature passing tort reform?



RESEARCH METHODOLOGY

The sample for this study was drawn from a list of business executives, managers and professionals who are members of the New Jersey Chamber of Commerce or the Commerce and Industry Association of New Jersey. The primary data collection method was an online survey. Respondents with e-mail addresses received two e-mail invitations to complete the survey at a password-protected Website. Non-responders were subsequently contacted by telephone and phone interviews were conducted with these individuals. Response patterns varied somewhat by the mode of the survey.

The survey generated 487 completed interviews, with 299 respondents taking the survey on the Web and 188 respondents completing the survey by telephone.

A sample of 487 respondents has a margin of sampling error of plus or minus 4 percentage points at a 95 percent confidence interval. In practical terms, that means there is an eight-point spread surrounding each category of responses. For example, 55 percent of respondents strongly favor tort reform. If we were to sample this population an infinite number of times, the percentage favoring tort reform would be between 51 and 59 percent 95 times out of 100.

Further questions about the methodology should be addressed to Dr. Tim Vercellotti at Rutgers' Eagleton Institute of Politics at 723-932-9384, extension 285.