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AN ENVIRONMENTAL AND ENERGY LAW PRACTICE

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## ***Chamber of Commerce Southern New Jersey*** **Green Business Survey Results**

As our country faces new challenges related to climate change, natural resource depletion and energy independence, the business community is increasingly turning its attention to how it can thrive, not just survive, under this changing set of environmental and energy resource conditions. This is beginning to lead businesses to adopt “green” or “sustainable” practices. These terms have many connotations, however, they commonly mean acting in an environmentally responsible manner or doing business in a manner which meets the needs of the present without compromising the ability of future generations to meet their needs.

While these concepts have roots in social responsibility, it also makes good business sense to ensure that we will have a healthy environment and the resources to prosper in the future. Green business practices can lead to cost savings and competitive advantages for businesses who adopt them while at the same time reducing environmental impacts and achieving external environmental benefits that reduce societal cost. And, equally important, they can lead to new business opportunities and create jobs in industries, both existing and new, which service the needs of businesses choosing to be “green”.

As a point of departure for looking at green business and job opportunities, Manko, Gold, Katcher and Fox, LLP, an environmental and energy law firm that advises many South Jersey businesses regarding the legal aspects of reducing their environmental and energy impacts, developed a “Green Business” survey in partnership with the Chamber. To this end, we surveyed a broad range of South Jersey businesses, including those in manufacturing, construction, utilities, a wide variety of service industries, educational institutions and health care providers. The survey addressed a variety of topics designed to get a sense of current green business attitudes and current and planned green business practices in several areas, including general office operations, energy and water conservation, materials recycling and reuse, use of renewable energy, green building and transportation.

In looking at the results, several general conclusions emerge:

- Both social responsibility and economics are the most important considerations influencing businesses to implement green or sustainable business practices. Specifically, a “sense of responsibility”, followed by increasing profits or

reducing costs, particularly energy costs, and reputation in the community are the reasons most frequently cited by the surveyed companies. Further, more than 80 percent of respondents indicated that they would or might undertake a green project even if it did not meet their ordinary return on investment requirements.

- Legal requirements, tax and regulatory incentives were relatively low on the list of reasons for implementing green business strategies (aside from pollution control requirements, which the respondents apparently view as falling in a different category). This may be either due to a lack of familiarity with the existing incentives and requirements or because there are still relatively few green or sustainable business government incentives and requirements. With the implementation of both incentives and requirements through the federal stimulus package and New Jersey's Energy Master Plan and the Global Warming Response Act Recommendations Report, this may soon change in a significant way.
- Energy efficiency, recycling and reuse are far and away the chief means by which businesses perceive that they can be green or sustainable. While there was an interest in reducing water use and investing in green building, these activities did not garner the same amount of interest as energy efficiency and recycling, even though green building incorporates many elements of energy conservation and use of recycled materials. This may be a public education issue.
- When asked whether state financial incentives would influence them to invest in green or sustainable business activities, nearly 100% of respondents indicated that they would be influenced to reduce their energy use. A lesser, though still high percentage responded in the affirmative with respect to reducing water use or investing in green building. Given that the level of interest in energy efficiency is already high, financial incentives for water conservation may help generate interest and jobs in this activity.
- There was not a significant preference expressed for using green vendors, purchasing green energy or paying a premium to rent in or buy a green building. This could be due to a perception that these are all more costly than conventional alternatives, although when it comes to green buildings, this seems to represent a short term perspective, given the expected rise in future energy costs and potential savings associated with green building.
- Although social responsibility cannot be ignored as a motivating factor in "going green", if a broader variety of green business activities are to thrive and generate job growth, it will be critical to demonstrate and promote their potential for long as well as short term cost savings and profitability. Governmental incentives for purchasing green may also help, particularly when it comes to energy. Buying energy generated by renewable sources is not cost competitive with fossil fuel-based energy under current economic conditions; however, it may be strategically advantageous in the future given global politics and the inevitable increase in petroleum prices.

Following is a more detailed summary of the survey results.

## Green Business Survey Results

### Attitudes

When asked what prompted their organization to make a formal decision to implement specific green or sustainability strategies, policies, or goals, individuals responded as follows:

- Sense of responsibility 75.4%
- Energy costs 58.0%
- To improve our reputation in the community 53.6%
- Increasing profits/reducing costs 40.6%
- Local environmental issues 26.1%
- Required by law 14.5%
- Employee pressure 14.5%
- Tax Incentives 13.0%
- Customer pressure 11.6%
- Other 8.7%
- Regulatory incentives 7.2%

Just over half of those responding (54.1 percent) indicated that their organization had tasked a specific individual to address green or sustainability issues. 41.9 percent do not, while 4.1 percent said they did not know.

When asked if their organization would undertake a green project even if it did not meet ordinary requirements for return on investment, 47.3 percent said maybe and 35.1 percent said yes. Only 13.5 percent of those responding indicated that their organization would not undertake such a project. 4.1 percent of those responding did not know what their organization would do.

Asked whether state financial incentives would influence their organization to do any of the following, respondents answered as follows:

- Take steps to reduce energy use 94.2%
- Take steps to reduce environmental impact 89.9%
- Take steps to reduce water use 68.1%
- Invest in green building 59.4%
- Invest in creating green collar jobs 39.1%
- Other 5.8%

### Employment/Job Training

55.4 percent of those responding indicated that their organizations do not consider the green or sustainability qualifications (for example, LEED accreditation or other special training or experience with respect to energy and water conservation, recycling, etc.) of potential employees when making hiring decisions. 29.7 percent indicated that they do. 14.9 percent did not know about the impact of green or sustainability qualifications on organizational hiring practices.

Organizations of those responding provide the following types of green or sustainability training to their employees:

- In house training 41.1%
- None 37.0%
- Seminars or conferences 31.5%
- Webinars or teleconferences 21.9%
- Other 11.0%
- Don't know 1.4%

Organizations of those responding employ or contract with individuals or businesses in the following "green collar" enterprises:

- Materials recycling, reconditioning, or reuse 74.5%
- Hauling and reuse of construction and demolition materials and debris 39.2%
- Energy audits or retrofits 37.3%
- Sustainable landscaping 33.3%
- Solar installation and maintenance 31.4%
- Production or supply of alternative fuels 15.7%
- Wind turbine installation and maintenance 13.7%
- Other 11.8%

## Green Initiatives

64.4 percent of those responding indicated that their organizations have yet to conduct a comprehensive audit of their environmental impact while 21.9 percent of respondents' organizations have done so. 13.7 percent did not know whether their organization had undertaken to audit its environmental impact.

Respondents indicated that their organizations had either implemented or plan to implement the following in order to address their environmental impact:

- Lighting and other energy efficiency 79.0%
- Green office practices 69.4%
- Heating and cooling efficiency 64.5%
- Water efficiency 46.8%
- Sustainable landscaping 35.5%
- Transportation efficiency 35.5%
- Other 8.1%

A majority of respondents (68.5 percent) indicated that their organizations do not use or purchase any energy from renewable sources (e.g., solar, wind, biofuel, etc.). 17.8 percent of respondents' organizations do use or purchase renewable energy. 13.7 percent did not know enough to report the source of their organization's energy.

Green vendors of equipment and supplies are not given a preference at 44.6 percent of respondents' organizations. A further 20.3 percent of respondents reported not knowing about an organizational preference for green vendors. On the other hand, 35.1 percent of those responding indicated that their organization does prefer green vendors.

Most respondents (76.7 percent) do not work in a green building or office space, while 15.1 percent reported that they do. Another 8.2 percent of those responding did not know whether or not their workspace is “green.”

47.9 percent of those responding indicated that their organization would not pay a premium price to occupy or operate space in a green building. 43.8 percent of respondents were uncertain. 8.2 percent of respondents indicated they would pay a premium purchase price or higher rent for green building space. 1.4 percent indicated higher operating costs would be an acceptable tradeoff for green building space.

## **Background Information**

Most responses were from businesses employing over 100 people (32.9 percent), followed by those employing between 1 and 10 people (27.4 percent).

Most responses were from individuals classifying their businesses as “other” (18.9 percent), followed by those classifying their businesses as “construction,” “manufacturing,” or “services” (each 10.8 percent).

## **Acknowledgement**

This survey and the summary of results was developed by Bruce S. Katcher and Meredith DuBarry Huston, attorneys at Manko, Gold, Katcher & Fox, LLP. Questions related to this survey may be directed to [bkatcher@mgkflaw.com](mailto:bkatcher@mgkflaw.com); (484) 430-2320 or [mhuston@mgkflaw.com](mailto:mhuston@mgkflaw.com); (484) 430-2347.

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*Manko, Gold, Katcher & Fox, LLP is an environmental and energy law firm with offices in New Jersey and Pennsylvania. We represent clients ranging from Fortune 100 corporations to small, privately held enterprises, both in the mid-Atlantic region and on a national basis.*

*Our firm has developed an extensive regulatory counseling practice providing advice to clients on the myriad of current and emerging environmental and energy requirements. A substantial portion of the firm’s practice involves environmental litigation. We have established an in-house technical staff to provide clients with an independent, multi-disciplinary perspective concerning relevant legal issues and the merits and strategy of litigating or negotiating toward a successful resolution of environmental and energy cases.*

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