

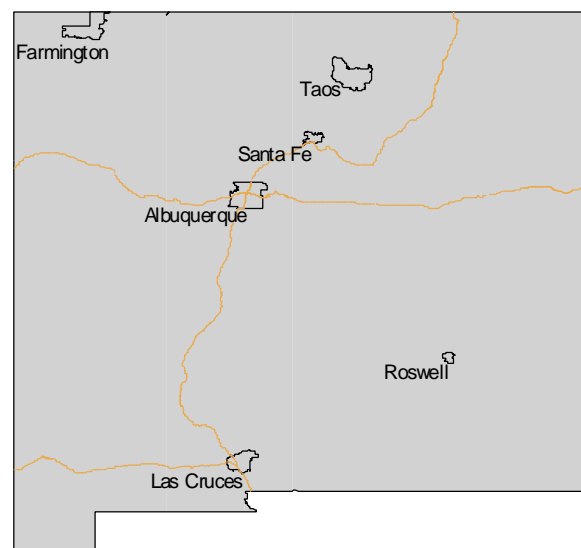
## 9

## Women's Economic Self-Sufficiency Team (WESST corp)

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### INTRODUCTION

The Women's Economic Self-Sufficiency Team (WESST corp) primarily serves women and minorities in the state of New Mexico. One of the poorest states in the nation, New Mexico has a long history of self-employment by rural residents trying to support their families. By providing training and lending, WESST corp hopes to better educate its clients in formal business activities and help them achieve self-sufficiency through self-employment.



**Figure 9.1** Location of WESST corp offices

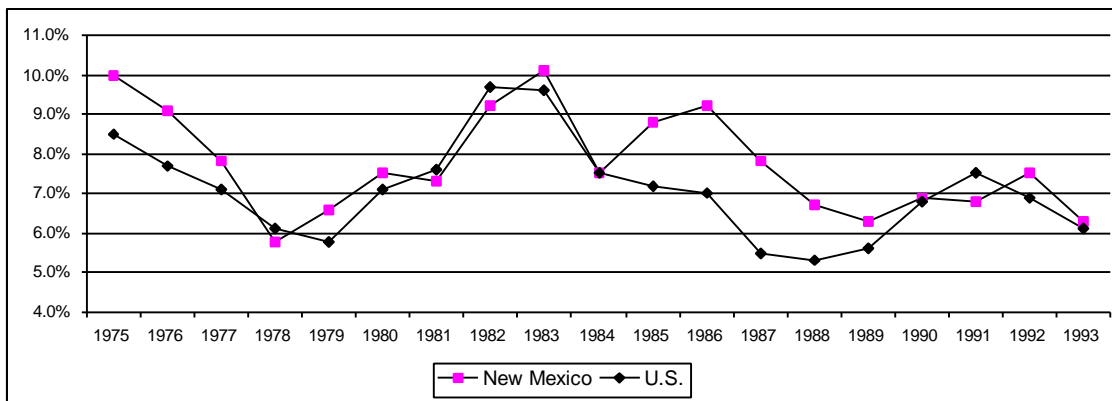
*Note:* WESST corp is headquartered in Albuquerque.

## DEMOGRAPHIC AND ECONOMIC BACKGROUND

New Mexico (Figure 9.1) is the fifth largest U.S. state in terms of size. Of its 1.7 million residents (New Mexico is 36th in population in the United States), more than 55 percent live in the metropolitan Albuquerque area. The remainder of New Mexicans live in poor, isolated, rural communities, with the exception of a few small, wealthy pockets, such as Santa Fe and Los Alamos. This section outlines some of the major social and economic indicators for the state.

New Mexico has one of the youngest populations in the country, with nearly 30 percent of residents under the age of 18 (fourth highest) and only 11 percent over the age of 65 (sixth lowest). New Mexico ranks first in the percent of population below the poverty line at 25.3 percent (1995). Only 58 percent of the labor force is employed, giving New Mexico the third-worst ranking among states. The February 1998 unemployment rate was 6.2 percent. While that is down from 7.1 percent in February 1997, it is still significantly higher than the national rate of 4.6 percent. Figure 9.2 shows historical unemployment trends in New Mexico from 1975 to 1993. Note the significant difference during the 1980s between a national trend of lower unemployment and rising unemployment in New Mexico.

Historically, the major employers in New Mexico have been the national laboratories—the largest being those at Los Alamos and Sandia. According to Markusen et al. (1995), Los Alamos, Sandia, and related Department of Energy activities directly account for 19,000 jobs and \$1.75 billion of annual spending in the state of New Mexico as of 1995. Including multiplier effects, they generated nearly \$7.2 billion in regional economic activity and account for 60,000 of the region's jobs, or 15.4 percent at that time. More recent economic impact statistics reflecting the downsizing at the labs have not been computed.



**Figure 9.2** Unemployment trends in New Mexico and the United States, 1975–1993  
*Source:* U.S. Bureau of Labor Statistics

Markusen also finds that the labs have contributed to the formation of a dual economy in New Mexico:

Their large contingents of well-paid scientists and engineers, recruited in the main from other states and nations, do not mix well with the traditional populations of New Mexico: Hispanics and Native Americans. The latter communities occupy few of the better-paid jobs at the labs. Education and employment opportunities remain very poor despite proximity to the labs.

Although the manufacturing sectors have been able to absorb some of the recent cutbacks at the labs that were the result of the end of the Cold War, there has still been an adverse effect on the economy.

The other major component of the economy historically has been the mining and extraction industries. However, those sectors have been in a long period of decline after some strong years in the late 1970s. Increases in retail and services follows national trends, but are also due to the state's increasing emphasis on promoting tourism as an economic development strategy. According to the New Mexico Economic Development Department as of February 1998, the manufacturing sector was up 2 percent over the previous year—a total of 900 jobs. However, a downsizing at Intel and the closing of two Levi-Strauss plants in Albuquerque and Roswell will have a significant impact on future manufacturing growth. Additionally, Phillips Semiconductor and Motorola have recently announced layoffs in Albuquerque.

## **DESCRIPTION OF CASE PROGRAM**

### **History, Mission, and Philosophy**

The Women's Economic Self-Sufficiency Team (WESST corp) was established in 1988. "It was really started by three key women who looked around the state and saw that there was nothing targeted to women, in terms of business assistance," recalled executive director Agnes Noonan. That first year, WESST corp was included in a funding proposal submitted to the SBA's Office of Women's Business Ownership (OWBO) by another microenterprise organization; WESST corp would be "kind of like a satellite office." After six months of that association, WESST corp split off and applied for funding on its own.

WESST corp stayed focused in Albuquerque until 1991, when it received a grant to open branch offices in Taos and Santa Fe. Today, while still based in Albuquerque, WESST corp operates regional offices in Farmington, Las Cruces, Roswell, Santa Fe, and Taos (Figure 9.1). WESST corp is one of only a few microenterprise programs in the state, and the only one specifically focused on the needs of women.

The mission of WESST corp is to "facilitate the start-up and growth of women- and minority-owned businesses" throughout the state of New Mexico. Because of this orientation toward serving women, WESST corp has identified three key issues that impact the ability of women to succeed in business, and has incorporated these issues into its programs: self-esteem, financial literacy, and balance.

Executive Director Noonan describes WESST corp's philosophy as one of self-motivation and self-initiative. "We work with lots of clients who are dealing with lots of life

issues, more than just getting a business started. And we can help them with all of that, but the passion and commitment have to come from them.” Our field research sheds some light on those problems: several clients we interviewed were engaged in divorce proceedings, and one was trying to move out of a shelter and rebuild her life by starting her own business. “We do a lot of hand holding,” Noonan noted. “It’s interwoven into everything we do. But if you’re willing to do what it takes, we’re willing to help you 110 percent.”

## **Methodology**

### **Application and Screening Process**

Telephone or walk-in contact generally initiates a client’s relationship with WESST corp. At that point, according to Noonan, “we gauge where they are in the business process, whether they are just thinking about starting a business, or if they have a well-thought-out business idea, or if they are serious about writing a business plan and working on those kinds of details.”

Clients at the first stage—thinking about starting a business—are encouraged to attend WESST corp’s Making the Transition workshop. This three-part, six-hour workshop covers personal development and general business-planning topics, and allows the client to determine “whether this may be for them,” according to Noonan.

Noonan notes that existing businesses usually come to WESST corp with specific needs. In those cases, consulting appointments or referrals are made. WESST corp also has a consulting program staffed by volunteers—local individuals or firms that offer their services to WESST corp clients. Often volunteers are lawyers, accountants, or other such professionals.

### **Target Population**

As stated above, WESST corp’s target population is women and minorities throughout the state of New Mexico. It should be noted, however, that WESST corp has a mission to serve all New Mexico residents, and that includes men as well.

More than one staff member noted that WESST corp historically had an “Anglo face” in the communities it served. In response, WESST corp has taken positive steps to encourage more minority participation in its programs. It offers an entrepreneurial training curriculum entirely in Spanish, and is currently under contract with the City of Albuquerque to provide such training in targeted neighborhoods. Attempts have also been made to diversify the program’s staff.

The Taos regional manager, Dawn Redpath, worked toward this goal in seeking participant entrepreneurs for the Access to Markets demonstration, funded by the Mott Foundation. “The population here [Taos] is 65 percent Hispanic, 15 percent Native, and 20 percent Anglo, so I made sure that we came close to those numbers with the firms for the Mott project,” she noted.

## Training

In terms of training, WESST corp offers three distinct services. Its first role is in its business consulting, which consists primarily of one-on-one technical assistance to start-up or existing business owners. In the more rural sections of the state, one-on-one technical assistance comprises most of the training provided by WESST corp.

The second component is WESST corp's Training for Business Series. Clients are directed to the appropriate training series according to their specific needs. The three week "Making the Transition to Self-Employment" series is targeted to those individuals in the "idea stage" focusing on personal assessments, strengths & weaknesses, and goal setting. A critical component of the training series is the five week "Business Plan Work Group" which offers a hands-on opportunity to clearly develop a business plan. This series is utilized by start-up businesses who may need funding as well as existing businesses who need assistance interpreting the current status of their business. In general, training topics include financial literacy, sales and marketing, communication skills, and choosing accounting, legal, and insurance services.

The third component is a series of ongoing business workshops. WESST corp has developed a network of volunteer trainers who offer their services to WESST corp clients. As mentioned previously, this may take the form of a referral for specialized services. In addition to such consulting, these volunteers offer their time and expertise to teach seminars. Recent session titles included Organizing Yourself & Your Business, Marketing on a Shoestring Budget, The Secrets of Powerful Networking, and Basics of Bookkeeping.

One WESST corp client interviewed for this project also facilitates a workshop. When she began her bookkeeping business, she needed loans for a computer and other start-up expenses. She went to WESST corp for technical assistance and these loans. Now, she shares her knowledge as a bookkeeper with other WESST corp clients.

## Lending

WESST corp operates a loan fund that makes small loans to those unable to access traditional credit markets. The maximum loan size is \$5,000, and the funding is generally available only to those who cannot obtain other financing. WESST corp notes that the ultimate goal is for loan-fund recipients to become bankable through traditional credit institutions.

In the past five years, WESST corp has made 101 loans, as shown in Table 9.1. The average loan size was \$2,640.

**TABLE 9.1**  
**Number and Size of Loans, 1993–1997**

<i>Year</i>	<i>Number of Loans</i>	<i>Total Amount for the Year</i>	<i>Average Loan Size</i>
1993	23	\$54,226	\$2,358
1994	17	\$38,760	\$2,280

1995	13	\$44,861	\$3,451
1996	20	\$58,743	\$2,937
1997	28	\$70,054	\$2,502

*Source:* Program data

For WESST corp clients with larger loan needs, the New Mexico Community Development Loan Fund provides loans of up to \$50,000. (The relationship between the Loan Fund and WESST corp is discussed in more detail in the next section.)

According to Vangie Gabaldon, executive director of the New Mexico Community Development Loan Fund, the Loan Fund was started to provide additional sources of credit to rural New Mexicans:

The reason that a loan fund was chosen was that the research showed that poor people, people of color, didn't have access to capital—especially in the rural areas of the state.

The Loan Fund, started with a \$50,000 loan from a women's religious order, was originally a housing lender. It was quickly realized that the fund could be more effective as a lender to businesses. As Gabaldon notes, they saw the gap between the financing provided by WESST corp and by the SBA:

At the time, we saw a gap between what the microlending like WESST will do, and the SBA loans of \$50,000. So we decided to concentrate our efforts to this niche. And we targeted things like arts and crafts, farming, some retail—really any innovative projects that supported the community as a whole.

Currently, the Loan Fund has a total of \$6.8 million available, and is now revisiting the idea of affordable housing—but in innovative forms; a current proposal is to build straw housing in southern New Mexico. The Loan Fund also acts as an intermediary funder to community nonprofits, and was certified as a community development financial institution (CDFI) by the U.S. Department of Treasury last year.

## Relationships with Other Organizations and Institutions

As just discussed, the New Mexico Community Development Loan Fund is a resource for WESST corp clients with larger capital needs. In terms of formal collaboration between the two organizations, the first such project was a joint field office opened in Roswell. Speaking about the Roswell office, Gabaldon noted:

We do some joint training, and we've provided TA [technical assistance] for each other's clients. And when someone comes to us and needs to write a

business plan, we'll send them to WESST. When they have someone who needs work on financials, they send them to us, and draw on our strengths. I'd say that there have been three or four clients in Roswell that had larger capital needs, and were referred to us by WESST.

Another of WESST corp's major collaborative efforts is with the City of Albuquerque. The City utilizes repayment proceeds from UDAG funds for housing and economic development programs in the previously designated "pocket of poverty" in the city. Microenterprise was included as part of the first two-year plan for those funds.

According to Sylvia Fetes, program specialist for the Department of Family and Community Services in Albuquerque, WESST corp was given a \$300,000 grant for a revolving loan fund to be used in this neighborhood. They also received a \$75,000 contract for two years of entrepreneurial training.

Albuquerque is probably not unique in the national experience, but we have a large number of immigrants who seem more predisposed to entrepreneurial activities. WESST corp was able to develop and present a curriculum entirely in Spanish, which was a good benefit, making training available for this group of citizens who would not normally have access to it.

In addition to the above program, the City of Albuquerque has contracted with both WESST corp and the New Mexico Community Development Loan Fund to work together in two particular neighborhoods. With \$258,400 in South Valley and \$400,000 in La Mesa/Trumbull, the City has arranged with WESST corp to provide entrepreneurial training, and with the Loan Fund to manage the loans.

Fetes notes the importance of what the programs provide to the city:

We really see a gap between what small business sometimes needs, and what the traditional capital market provides. \$50,000 is their definition of a small business loan. It fills an important gap. WESST corp and the Loan Fund have been able to leverage traditional and private funds to capitalize these loan funds.

Seeing this gap, the City at one time had engaged in direct lending to businesses. However, as Fetes noted, this program was ended in 1995. "A political entity engaging in direct lending is not always the wisest. It's much better for the City not to be involved with that."

WESST corp also receives a fair amount of federal legislative support for microenterprise and other small business activities in the state. One example is the recently introduced Program for Investment in Microentrepreneurs Act of 1998 (S.2190). This legislation would make additional funds available for technical assistance for microentrepreneurs. It was cosponsored by both of New Mexico's senators—Domenici and Bigaman. Senator Domenici has also demonstrated his direct support for WESST corp. Last year, he met with WESST corp clients and staff in Taos to discuss their work on rural entrepreneurship.

## Changes in Mission and Methodology Since Inception

According to Agnes Noonan, the mission of WESST corp has not changed since its inception. However, she does note that fulfilling that mission has taken on added importance since she became executive director.

Most significantly, that means outreach to minority residents. "WESST corp said it was targeting low-income women and minorities," notes Noonan, but it had a white-Anglo face internally, and that was its reputation, also." As mentioned above, WESST corp has taken steps to diversify its staff, as well as reach minority communities. Noonan noted:

We really had to start and continue an evaluation of whether we are serving who we are targeting. As a service provider, we could be busy all the time being reactive, instead of proactive. So that needed to change. . . . Our latest stats are that we have 50 percent minority clients, a significant improvement over the 20 percent it was five years ago.

## Funding

Like most microenterprise programs, WESST corp relies on a mix of public and private sources for funding. Table 9.2 shows this distribution for 1997; Table 9.3 highlights some major funding sources for 1998.

**TABLE 9.2**  
**Types of Funding, 1997**

<i>Type of Funding</i>	<i>Percent of Budget</i>
Private	34%
Federal	42
State	12
Fund-raising/other	18
Fee for service income	4

*Source:* Program data

**TABLE 9.3**  
**Major Funding Sources, 1998**

<i>Source</i>	<i>Amount</i>
<i>Private</i>	
C.S. Mott Foundation	\$70,000 (\$150,000/3 yr.)
Levi-Strauss	\$35,000
NationsBank Foundation	<i>Pending</i>
McCune Foundation	<i>Pending</i>
BankAmerica Foundation	\$25,000
American Express Foundation	<i>Pending</i>
<i>Public</i>	
City of Albuquerque	\$130,000

SBA-OWBO	\$180,000
SBA-OFA	\$40,000
Other NM State	\$50,000
<i>Other sources</i>	
NM Women's Business Conference	\$75,000 to \$100,000
NM Community Foundation	\$15,000
Interest (loan activity)	\$30,000
Earned income (consulting, training)	\$7,500

*Source:* Program data

At the federal level, the U.S. Small Business Administration's Office of Women's Business Ownership (OWBO) provides funding for WESST corp. Other public money includes the contract mentioned above with the City of Albuquerque.

In terms of private support, WESST corp is a participant in the Mott Foundation's Access to Markets program. The Levi-Strauss Foundation has been a major supporter of WESST corp in the past, but that support is in jeopardy as the company has closed both its factories in the state. Both BankAmerica and NationsBank have also supported WESST corp

Noonan expressed the difficulty in accessing private sources of funding:

There aren't many corporate headquarters in New Mexico. It's real hard to raise money at the corporate level here—and that's something you take for granted in a place like New York. So what the local folks have to give us at all is a trickle.

WESST corp is also trying to generate income through some revenue-producing activities. For the past three years, they have hosted the New Mexico Women's Business Conference. Noonan stated:

While the conference has a programming objective, there's a fund-raising one as well. We're looking for some corporate support for it—corporations are comfortable supporting conferences, and they seem to be more willing to buy into it. This year, we're hoping to generate \$50,000 in proceeds.

Noonan sees this conference possibly expanding into a regional (Southwest) event, if they can line up some national sponsorship. The idea of looking beyond traditional financing mechanisms has been new to WESST corp in the past few years.

## Outputs

### Number of People Trained

WESST corp defines a client as an individual who receives six hours or more of services, be that training or one-on-one technical assistance. Over the past five years, WESST corp reports having served 1,500 clients. An additional 4,000 individuals received some training, but not

enough to be considered clients. Most often, these are women who attend a workshop, but receive no other service from WESST corp.

Eighty-two percent of clients who start working with WESST corp “graduate”—that is, they complete the basic training and technical assistance programs offered. Sixty-nine percent of clients complete a business plan.

### Number of Hours Spent on One-on-One Technical Assistance (TA)

When asked to estimate the number of hours spent on one-on-one TA, WESST corp staff stated that it was almost impossible to give an accurate answer. However, they estimate that between ten and 12 staff hours are expended per client.

### Number of Referrals Made and to What Organizations

The exact number of referrals was also unknown. As discussed more completely above, clients with larger financing needs are often referred to the New Mexico Community Development Loan Fund. Noonan also noted that there is a network of Small Business Development Centers (SBDCs) in the state.

The relations are better in some places than others. We do some joint work, and make some referrals, but again, that depends on the area. It’s a collaborative relationship usually. Some SBDCs see us as a competitor, but we’re serving different clients. We’ve identified our niche, and we’re happy with it.

That niche is women and minorities who have poor access to traditional business training and resources. The SBDCs in New Mexico tend to serve individuals who have fewer of these obstacles.

## Outcomes

### Business Start-ups, Stabilizations, and Expansions

For 1997, WESST corp reports that there were 51 business start-ups, of which 14 utilized the program’s loan fund. Information on the number of business stabilizations was not available, but the program notes that an additional 179 businesses were served by WESST corp during the same year.

### Job Creation

WESST corp reports that 28 percent of the businesses in the loan portfolio and 20 percent of the general client database have employees—meaning that the business employs someone in addition to the microentrepreneur. The program also reports that 70 percent of the businesses in the loan portfolio provide the primary income for families.

## Types of Businesses Started

As shown in Table 9.4, the majority of businesses served by WESST corp are in the service sector. There are also a large number of artists and craftspeople served. This seems to be the case particularly in the smaller towns and rural areas served by WESST corp. Our field research in Taos and Las Cruces revealed a large number of such businesses. One artist noted, however, that “there are way too many artists in Taos for anyone here to support them.”

**TABLE 9.4**  
**Breakdown by Business Type, 1997**

<i>Type of Business</i>	<i>Loan Portfolio</i>	<i>Client Database</i>
Retail	32	57
Service	49	96
Wholesale	5	7
Manufacturing	3	8
Arts/Crafts	12	21

*Source:* Program data.

The average gross sales for businesses served by WESST corp is \$13,704, with a range of \$150 to \$68,400. Profits per business average \$7,267, with a range of \$100 to \$59,157. Such wide ranges are due to the various types of businesses engaged in by WESST corp clients—from small crafts sold in addition to other waged employment to full-time manufacturing operations. Table 9.5 lists the 51 businesses started in 1997 by WESST corp clients.

**TABLE 9.5**  
**Businesses Started in 1997**

Adult education	Coordinating weddings	Housewares made from natural materials
Alterations	Correspondence course	Import home furnishings
Artist and art galleries (2)	Consultant, facilitator, international mediator	Incense, oils, lotions
Astrologer, psychic line	Consultant, management	Insulation
Crafts (4)	Corporate training videos	Jewelry (3)
Beauty products and salons (3)	Dried floral wreaths	Legal nurse consultants
Business products and services (2)	Educational publishing	Office organizer
Cabinetmaking	Environmental consulting, training	Oil paintings
Catering	Food, manufacturing salsa	Secretarial service
Clay storytellers	Gas, heating, plumbing	Sports equipment (used) and recreation information center
Cleaning service	Gift gallery	T-shirt design
Clothing, hand-painted children's	Healing touch, psychotherapy	Tattoo artist
Commercial construction	Health care/training	Vending (ice cream)
Computer training, installation		Web and print design, corporate identity, and direct mail
Consignment, clothes		

*Source:* Program data.

## Findings from Client Side

### Typical Client

As discussed in detail above, WESST corp's target populations are women and minorities throughout the state of New Mexico. In recent years, the program has made efforts to diversify its client base, as well as its program staff. Currently, approximately 48 percent of WESST's clients are minorities, and 90 percent are women. Table 9.6 shows the racial breakdown of clients.

**TABLE 9.6**  
**Racial Breakdown of Clients**

<i>Race of Client</i>	<i>Percent</i>
African American	4%
Anglo-American	52
Asian	1
Hispanic	26
Mexican American	3
Native American	8
Other	4

*Source:* Program data.

WESST corp clients also tend to be low-income. As illustrated in Table 9.7, 38 percent of clients come from households with less than \$15,000 in annual income. Only 14 percent report annual household incomes above \$30,000. While the program doesn't specifically target low-income clients, its mission to serve women and minorities in this poor state has led to that outcome.

**TABLE 9.7**  
**Household Income of Clients**

<i>Annual Household Income</i>	<i>Percent</i>
Less than \$15,000	38%
\$15,000 to \$19,999	7
\$20,000 to \$24,999	5
\$25,000 to \$29,999	12
\$30,000 to \$39,999	4
\$40,000 to \$49,999	3
\$50,000 and over	7
No answer	23

*Source:* Program data.

## Definitions of Success/Client Goals

Many of the WESST corp clients interviewed for this project expressed self-sufficiency as their primary goal. One client simply said, “When I’m able to have a working day every day and orders going out and bills paid—that is success for me.” Another man operates a fire equipment inspection business, and expressed his goals this way:

Making my business grow is all about getting enough accounts. I’m honest, so God, he gives me all my accounts. I’m really looking to make enough money to take care of my family, that’s all.

Others, especially the artists interviewed, saw self-employment as a way to fulfill their creative desires, to “do what I love.” A man who does video production said:

If I didn’t need the money, I’d still be doing this. It’s how I express myself. I want to be able to make enough money each month to pay bills, so I can go out and do the nice projects that don’t pay as much.

Another artist commented:

It may not be the most successful business, but at least we’re doing what we like. But I feel pretty successful now. We’re doing what we enjoy doing, making a living doing it, and we’re happy. For me, success would be that I was able to go fishing every other day if I wanted to.

Several of the clients interviewed expressed a strong desire to have a positive impact on their neighborhood and community—whether or not their business was an overwhelming success. This sentiment was found in all business types regardless of the economic position of the clients. One client, who operates a lunch counter with her husband, recalls how she got started with her business:

Well, I found this place, near where we live. The people who were in there before were evicted for dealing drugs. And since I live there, I was really concerned in making sure that there were some changes in the neighborhood. . . . We don’t want to be rich, we just want to make a living.

Another client in that neighborhood operates a bed-and-breakfast. She has been actively working to close down several hotels that, in her words, “are crawling with prostitutes and druggies.” She also felt a strong desire to improve her community, with financial success a secondary goal.

We have a lot of little obstacles. And I won’t let anything slide by. And sometimes my husband yells at me and says that it doesn’t have anything to do with the business. But I think that it has everything to do with the

business—getting these hotels closed, and improving this neighborhood, and all that. So we get by the best that we can.

A career bookkeeper and a woman with a Ph.D. in philosophy are partners in a garden supply shop. While they have financial goals for their business, they also place an emphasis on community service:

We both thought it was important to do what you love, and I love this. . . . For the long term, we do have this vision in our heads. We want to have profits of about \$30,000 a year we can live on. We want to be in our own building, and we want to carry more products. But more importantly, we want to make this a community center for gardeners—a really vibrant community of people who share a common interest. Maybe have some food here. Encourage all the garden clubs to have meetings here. . . . And we want to make an impact on the environment, through some education. I mean, you're living in the desert, and people are planting bluegrass. That's just not sustainable. We need to show people how to live in this climate, and do appropriate gardening. . . . We're trying to find happiness—a place where people can be stress free, a place where they will want to be. We could get other jobs, but we don't want to.

## Reasons for Pursuing Self-employment

Personal satisfaction was cited as a reason for pursuing self-employment by many interviewees. This woman owns a home-based business that specializes in housewares made with hemp:

I supported myself working as an office manager for many years in Taos. Most recently for a real estate company. But I didn't find it socially satisfying. So I started volunteering at the local recycling center office, and eventually got a job there as the office manager. I was inspired by the environmental entrepreneurs, and wanted to do something like that. I also saw the reemergence of the hemp industry, and thought that this could be a good match.

Another man was dissatisfied with what he had to do to be successful as a salesman, so he decided to start his own business. He also expressed the desire to spend more time with his family:

Well, before this, I was working in sales—for the same kinds of things. But you have to lie to make money the way it was, and I didn't want to do that. One of the reasons I started out on my own was that I wanted to be honest. I also wanted to be with my family, and take time off for them.

Often, artists will look to waged employment to supplement their self-employment activities. One artist said that she considered teaching Spanish and art her “job,” while her art was her “career.” Another artist interviewed, however, did not have such options. For her, self-employment was the only choice, due to life conditions:

Teaching is a way a lot of artists get by. Personally, I’m not a good teacher. It’s too stressful for me. Besides, I’ve got this kid with Down’s. And I have to be here when he’s home from school, and all summer, and the other vacations, and when he’s sick. So what kind of job can I get that’s this flexible. I can work this around my personal situation.

### Advantages/Drawbacks of Self-Employment vs. Mainstream Work

As indicated previously, self-employment activities are a regular part of the New Mexico economy, although WESST corp clients tend to lack basic business skills. Many of those interviewed for this project had previous experience with waged employment, and some continue to patch incomes together. The advantages and drawbacks mentioned by WESST corp clients are similar to those expressed in our other cases. The man with a video production business expressed the thoughts of many interviewed:

I like being the owner, setting the hours, and picking the projects I do. Instead of one boss, I have a lot of little ones. But it’s how I’m able to do what I like to do. All of those things are on the flip side, too. It used to be that when a lightbulb blew out, I’d just say, “We need a new lightbulb,” and we’d get it. Now, I have to ask if we have the money to buy one, and if we can live without it, and if we lost one last month, why do we need another.

Many individuals expressed dissatisfaction with the “culture” of their previous employment and said they had found an increased quality of life with self-employment. One of the partners in the garden supply shop discussed her philosophy on running a business:

At my old job, it got to a point that I saw what needed to be done, but they were only interested in the bottom line, not quality. Here, we synthesized that, and decided that we should be helping people. It’s hard work, but we can go on with a clear conscience. I think that people are tired of working for people who don’t care about their employees in the same way. All businesses have to make money, but so much money? Not really. The best thing I ever did was to leave. It’s hard work here, but it’s different. There’s a certain quality of life that I never had.

Her partner continued by noting that she always had problems with waged employment:

I’ve never done well in a workplace. I’ve been labeled as a troublemaker. I worked well for people who said, “This is what I want done, now go and do

it.” It always took me a long time to be part of a team. Bosses who wanted to micromanage me thought I was difficult. I cared about quality, and they didn’t.

## Relationship with Microenterprise Program

As with other microenterprise programs, many clients have developed deep personal relationships with counselors at WESST corp One woman expressed this sentiment:

I’m personally indebted to Dawn Redpath and WESST corp I did have some debt issues that they helped me with. She answers so much, and she’s there in so many ways. Emotionally, giving me the support. Like this supplier in Romania I had some problems with, she sat down with me and we wrote business letters together. She was just there. I’m so grateful.

Another client appreciated the attention WESST corp gave his business, even when other funding sources did not.

I’ve found that they were really interested in you, and enthusiastic in what you are doing. Some of my projects—well, they don’t see this kind of stuff every day. And no bank would touch me if I walked in with some of these projects. So they were really supportive.

One of the partners in the above-mentioned garden center spoke of the support she received while writing her business plan and applying for an SBA loan:

It was nice just having that support there. We had to rewrite it, and revise the numbers, doing it again and again. I don’t think that someone could do it on their own. You need someone who knows what they really want and need. They were just very supportive.

For some clients, WESST was able to help them pull their ideas together:

I’ve struggled. I’m usually doing things all the time. But figuring out my strategy for my business, and putting it on paper, is hard. WESST helped me put it all together, and gave me the confidence to get the loan. I tried talking to SCORE, but they didn’t have any faith in me.

One client WESST corp has been working with recently is Jane. Jane was widowed when her two children were very young. She was a single parent for many years, until her most recent relationship. Her fiancé was abusive, and she’s been living in a shelter since he kicked her out of the house. WESST has been helping her on find a place to live, get professional help, and get her business going.

Others needed assistance with credit, like this artist:

I first came to WESST corp for advice on how to run my art like a business. But I got a loan—you know it takes money to make money. I learned how having money can help you with opportunities when they come up in business. I had a student loan that I just wrote off for years, and I'm working on that too. It really helps to build credit again.

And another noted the difference in service she received from WESST corp:

There need to be more places that are more well-known like WESST corp. They just don't give you the money. They help you work through it. I can call whenever I have a problem—you can't get that with a bank.

But some were critical of WESST corp because of the small size of their loans. One business owner said:

There's easier ways to get money. They [WESST] only give \$5,000. SCORE was wonderful, but I needed to get some money. Then I went to the New Mexico Community Development Loan Fund, and that didn't work out. I went to five banks, and they wouldn't do it either. I finally went to a friend, and he got it for me. And I started networking with other small business owners. They're the only ones who really know how to do it. No one who works on the clock is going to understand what it all takes. Only someone who's been through it.

Other criticisms were leveled at the workshops. One woman commented that it was always difficult for her to make the classes, due to a child-care constraint:

I did not finish one of the sessions. If you have an ongoing business, it's hard to take time out to do a workshop. I mean, they had the classes at night and all, but for me, having the boys, no time is good. We both can't be down there working, because someone has to take care of the boys.

Some of the artists complained that the course materials were not always appropriate for their businesses. This artist captured the general sentiment:

It was a whole lot of stuff [the workshops], but not all of it applied to me personally, and what I did. A lot of the details did not apply. Like marketing. I think I know more about marketing art than they do. I didn't feel like there was a slot for me. But there really isn't a whole lot of advice for people in my kind of work.

## What Makes This Program Unique

What makes WESST corp a unique program is not necessarily anything the program has direct control over. The existing high level of self-employment by New Mexicans—as a result of regional economic factors—means that WESST corp’s role is in providing limited business education and credit.

The bed-and-breakfast operator mentioned above is also fairly involved with community redevelopment groups. She observed that:

There are a huge number of small businesses here in Albuquerque, and a number of women-owned businesses. I think it has to do with the low overhead, low rent, and that there are neighborhoods and communities here, and it’s easy to get started. Communities support businesses. A lot of people here know people. A lot of people here have that pioneering spirit. It’s always been boom and bust in these western towns. So you have to be able to make something. Everyone around here has a goofy idea, and friends who are going to support them.

Local economic development officials interviewed for this project noted the entrepreneurial nature of the local economy. Sylvia Fetes, program specialist with the Department of Family and Community Services for Albuquerque, sees the important role of small businesses in the local economy, saying “Microenterprise provides an opportunity for our people.”

Dawn Redpath, the WESST corp regional manager in Taos, explained the poverty in the rural parts of the state. “Having three or four jobs, that’s how most people survive around here.” Another client, who works as a bookkeeper, also commented on the large number of self-employed individuals:

We’re a border state. There are little businesses all over. And a lot of family businesses that deal in cash, and a lot of labor intensive industries. There’s not much in manufacturing, since capital is not available. And there’s a lot of immigrants, and a basic mistrust of the government.

Agnes Noonan, executive director of WESST corp, notes the high incidence of entrepreneurship in New Mexico. She believes that residents have an innate propensity toward entrepreneurship. When asked to explain why she thought this was so, she said:

Well, first, there’s no real tradition of big manufacturing here at all. So people often worked for themselves, or in other small businesses. And salary scales are off the wall. Unless you work for a national lab or Intel, the salaries are really low. Self-employment in many cases is the only alternative, since there aren’t the same kinds of opportunities here. I see our roles as playing the educator, and grounding people in reality if and when they start a business.

Vangie Gabaldon of the New Mexico Community Development Loan Fund notes that such businesses are more sustainable:

We are creating jobs in the lending we do. And we're creating sustainable jobs that will be around. The difference with something like Intel is that they create a thousand jobs—but we don't know how long they'll be there. We take longer, but if we make a loan that makes a real difference in a community, it will be sustainable. We're working now to help start a day-care center in a rural community. Right now, there are no day-care centers there. If we can help that center open, we've helped that entrepreneur. And they'll probably hire three people to work there. But more importantly, we've created a business that fills a real need for that community. That will be a sustainable business, as well as an improvement to the entire community.

### Program Challenges/New Directions

The first challenge identified by Noonan was in the area of long-term tracking of individual loans and clients. She said that while a loan is considered “good” if it's repaid on time, that doesn't mean that in three or five years the person is still in business:

On the face, they may be successful loans. But our goal is self-sufficiency for the individual. Can I make that claim? Tracking—that's the biggest gap in our program right now. There's that intense period when we're working with a client. After that, it falls out. I can't say that of the 100 or so businesses we helped start in 1992, *x* are around today. I just can't say that. Forget what the funders want. How can I say we're fulfilling our mission? How are we assessing if people are achieving long-term economic self-sufficiency?

Another major challenge is geographic. New Mexico is a very large state, and WESST corp often has difficulty in meeting client demand, especially in rural areas. Noonan and other staff noted that a lot of time is spent *traveling*—but funders often overlook this part of the job.

A third issue for Noonan is welfare reform. She has worked hard to ensure that self-employment is considered a viable work activity. However, the state supreme court recently overturned the legislation, and the process will have to start again. Noonan notes a strong role for microenterprise in welfare reform:

Nationally, there's all this focus on training. But I have to ask, “Training for what?” Where are all these jobs going to come from that we're training everyone for. Our governor said that people might just have to move to find jobs. In that sense, microenterprise offers some real hope and promise. My thought is that it becomes more crucial to look at a microenterprise strategy for these communities.