

## Start her up

### A local business-training course helps low-income women start their own businesses

By Laurie Koh

**IF YOU'VE EVER** scraped by on a thankless, low-paying job or scrambled to make ends meet, you may have felt the special cranial creaking that can only mean your overworked, underused brain is ruminating over all but the task at hand. You start working out new designs for your homemade bags, or recipes for the gourmet vegan food that even your meaty friends enjoy. Then the question follows: How hard could it be to do this for a living? Yep, we've all dwelled in that fantasyland called "I'm my own boss." And in the Bay Area, more than 1,900 kick-ass, motivated women have actually made the leap to small-business ownership (or further developed their business) thanks to the Women's Initiative for Self Employment.

A couple of years ago, my roommate and I harbored some dreams about a café, store, cooking school, or some amalgamation of the three (we never could decide), and we went to a free Initiative info session on a word-of-mouth tip from Diane Vargas, owner of the now sadly defunct Mimi Barr boutique. As we learned in the organization's San Francisco classroom (there are also training facilities in Oakland), the nonprofit's 10-week intensive business-training program covers all the basics, including marketing, building a business plan, and tracking cash flow. It also provides emotional support. One must qualify as low-income (my roommate and I easily made it under the moderate cutoff), and there is a nominal fee of \$100, mostly for materials (scholarships are available). The 17-year-old Initiative also has its own loan fund, a crucial element in enabling those whom banks see as poor financial investments (in other words, low-income women) to get their businesses off the ground. The first step, however, is attending the orientation.

After a facilitator gave an introduction, we all had to confess why we were there. One by one, an extremely diverse array of women, both in age and in race, shyly spoke about their ideas, which ranged from selling homemade shampoo to launching a consulting business, and I was struck by how many highly creative ideas were simmering in this one room. Yet the group shared a surprisingly similar trepidation just voicing their hidden desires, even those who were trying to hone business ventures they had already started. Many of their descriptions started with, "Well now that my kids are in school ...," or "Several years ago I started thinking about ...," followed by "... but I'm not sure where to start."

In the end, launching a business was not in the stars for my roommate and me, but I continue to run into women-owned businesses that have a history with the Initiative. It turns out that graduates of the program dot nearly every region of the Bay Area landscape. They include Adrian Razo, who owns an English-Spanish bilingual preschool in South San Francisco, and Bakesale Betty (a.k.a. Alison Barakat), who sells baked goods in a blue wig at farmers markets and has recently opened a shop in Oakland, on Telegraph Avenue. When I interviewed Aisha Pew and Breonna Cole, of Chocolate Baby Designs and the Studed clothing line for butches and F'TMs, about their phenomenally successful ventures for a previous article (Neighborhood Business, 5/11/05), little did I know they had picked up their business know-how by going through the program for an earlier clothing idea – the Snapsie removable bib outfit for toddlers.

### Taking initiative

After Bobbi Williams, 31, graduated from the program, she and her business partner, Pilar Schiabo, got their mobile maternity consignment business, Maternity Xchange, up and running in a matter of months. "I first came up with the idea while I was the manager and buyer for a children's boutique in Noe Valley," Williams says. "New moms would

often ask for recommendations of places they could sell their unneeded maternity clothing, and expectant moms were wondering where they could find quality garments at affordable prices." After doing some research, she realized that while the Bay Area has a large and thriving resale industry, there was a lack, especially in San Francisco, of resale stores that specialize in maternity clothing.

Indeed, the key to a successful business is often simply recognizing a need, or in some cases, just noticing when people have the urge to do something creative and have nowhere to do it. The Bay Area is full of crafty people like Melissa Alvarado, 29, and Hope Meng, 28, Initiative graduates who co-own the Stitch Lounge in Hayes Valley with another friend, Melissa Roeters. The three childhood friends love thrift store shopping and sewing with friends, and they thought it would be fun to have a place where other crafters could buy secondhand clothing and alter or embellish it right on the spot. "I knew of pottery studios where you could go in and make a mess and walk out with something crafty, never having to actually own the equipment, but I couldn't find a place like it with sewing machines and clothes," Alvarado says. "I got a book about starting your own business and realized that I had no idea what I was doing." After a friend turned her on to the Initiative, she and Meng went through the program. "I would have never opened the business if they hadn't taught me everything I needed to know," she concludes.

The whole concept for the Stitch Lounge hinges on the motivating thrill of making stuff in a group setting, which creates an important relationship between a business owner and the community she serves. Initiative executive director Julie Abrams says, "It just creates vibrancy in the community when you have small businesses that are locally owned, because people care a lot about them. They're often creative and interesting. And if I make money in my store, I go down the street and buy my groceries. You know it all stays in the community."

Quela Mikell, 49, points to her own newly opened boutique, Royal Jewelz, as an example. Co-owned with good friend Earnestine Calvin, who makes gorgeous jewelry, the store also features Mikell's handmade, African-inspired loungewear and clothing. She feels her small, elegant shop perfectly fits in among the eclectic merchants lining the sunny, tree-lined block of Oakland's 17th Street between Franklin and Webster, an area experiencing revitalization through small businesses such as hers, like Unique, a shoe store across the street.

## **One and all**

The Women's Initiative is especially involved in women-of-color communities. Seventy-six percent of program participants are women of color, and 68 percent identify as African American or Latina. According to Abrams, the Oakland class is primarily African American, the Spanish-language ALAS (Alternativas para Latinas en Autosuficiencia) business-training classes are mostly Latina, and the San Francisco class in English is a broad mix.

An added bonus for Connie Rivera, the thirtysomething owner of Mixcoatl Arts and Crafts, was sharing the classroom with other Latinas with similar goals. This past November, she opened her store, a bright yellow shop in the Mission District, filling it with an array of handmade clothing, crafts, artwork, and jewelry – much of it made by indigenous artisans in Latin America. Rivera, who moved here from Mexico 18 years ago, is fluent in English and nearly took her class in that language, but she opted instead for the ALAS program, because it provided an extra level of "comfort" in tackling business concepts and numbers. (According to Abrams, 46 percent of current participants are in the Spanish program.)

"I felt like I was one and all, because they were seeing what I was seeing. They were looking to get the same things that I wanted. It was nice because we helped each other," Rivera says. That sense of community has continued outside the classroom. "When I see former classmates, we're so happy for each other. We say, 'Wow, you got your business going.' We say, 'Hey, let me have your business card.' "

When you start mixing dreams with money realities and the stress of learning something new, emotions are bound to run high. So the Initiative offers supplemental training called PEP (Personal Empowerment Program), which is geared specifically to help women through all of that. At first Studied designers Cole and Pew were completely skeptical

about PEP because they were both at the Initiative for the "hard skills – balance sheets, profit and loss statements, etc.," according to Cole. But they soon realized how important it was, especially as a married couple, to talk about their relationship to their money and to their business. Cole continues, "We were able to talk about money, time, discipline in a way that gave an entirely new context to running your own business. In our society all kinds of social baggage comes with these things – when you start your own company, you bring all of that to the table."

The Women's Initiative is especially considerate of the emotional difficulty in getting out of dire financial straits. Says Mikell, "The challenge is that whatever you were dealing with to get in that low-income bracket is still there. The women's initiative taught us marketing, managing your business, cash flow, et cetera, but most importantly to focus and to maintain focus on your goal."

### **Earning credit**

The Initiative's focus on low-income women is a shift that occurred in the mid-'90s, which was a time when the government began to severely restrict welfare, Abrams explains. That's why the organization started its own loan fund. It's a very important distinction between the Initiative and similar nonprofits that lend money from banks and are therefore subject to those institutions' accompanying restrictions. Such policies often leave low-income women out in the cold – especially if they have bad or no credit or have no assets to secure a loan. But the Initiative makes its loans available to women who complete the program and develop a viable business plan. Loans at as much as 10 percent interest come from its own fund or via the Mayor's Office of Community Development.

The concept of microcredit lending is not new. About 30 years ago, organizations such as the Grameen bank in Bangladesh began to experiment with giving small loans, especially to women. The reasoning was that – surprise! – women make up the majority of the world's very poorest population, and studies such as the Microcredit Summit Campaign Reports have found that women who create resources are crucial to the welfare of a community. Studies have also found that women exercise a great degree of responsibility in repaying small loans. The basic concept, which is now utilized in countries all over the globe, is that an organization gives out a small amount of money that does not require collateral and often has little to no interest. Then a woman can, for example, buy a cow to produce milk, or goods to sell, and begin to generate income and resources. Meanwhile, she pays the loan back, sometimes to a communal fund, from which her neighbor will be the next beneficiary.

Abrams says that 17 years ago, the founders of the Women's Initiative were inspired to do something similar in the States – especially because women typically do not receive equal pay. But, as she explains, "In the United States you can't just buy a cow. It's much more complicated. You've got to have licenses, the marketplace is crowded, there are all sorts of other things you need to do." They quickly realized they couldn't just start a loan/fund program – they had to train people to be successful.

Abrams also stresses that small businesses are critical to righting our sick economy. When huge company layoffs cause large-scale unemployment, the displaced workers are often absorbed by smaller businesses. "It makes sense, you know: You lose your job, and it's a hard job environment, and you go, 'Well, I've always had that creative idea. I'm going to go and start a business.' And it's also cheaper to start a business when the economy is struggling, because you can afford the rent and those kinds of things. For economic turnaround, microbusinesses are the base of our economy. They're critical."

Recently I caught a graduation ceremony for one of the Oakland classes. To the raucous cheers of friends, family members, and Women's Initiative staffers, each woman delivered a 30-second "commercial" to explain her business and why the service she provided was superior, more personal, and of a better quality than others in the marketplace. Abrams is most satisfied by seeing the way these women evolve from having a vague notion of starting a business to truly knowing how they are going to make it a reality. "It is awesome to see their confidence and how powerful they feel. There's nothing so powerful as saying, 'I am the owner.' "