

Small Businesses Having Problems Getting Capital

By Chase Vance
Post Staff Writer
Bobby Lowery's Better Cleaning Maintenance operation has been in service for 18 years. But everything is not pleasure and bliss.

"Yes, all small businesses are having problems getting enough capital," Lowery remarked. "You can't get money unless it's there and now a days there is not much money available."

Lowery, like other small minority businesses operators in the area could use more capital to expand his business.

Many feel that the Small Business Administration is not the answer. The limited funds in this era of Reaganomics and the fact that what is available has to be distributed throughout the state are major drawbacks.

"We have been in operation for 20 years," said James Grier Sr. of Grier's Alter House. "We really haven't tried to get additional capital that we need because I know what percentage of the dollar, the lenders are expecting in return. We just can't afford it. I have not talked to anybody at the Small Business Administration, but I understand from people that they have helped that everything is not peaches and cream."

One of the understandings that Grier has is that the guidelines of the Small Business Administration are so rigid and demanding that the businesses "become theirs until the loan is paid off."

"I would rather make it on my own," Grier said. "There is a lot of red tape involved."

One reason, some businessmen expect to have problems securing loans, is that corporate America does not want to see minority businesses succeed. Corporate America is making money and does not want to give up any part of it, said an anonymous businessman who was contacted.

"The door has been opened," the anonymous businessman said. "The chief executive has said that you must let minority contractors and businessmen in to talk about their Black Merchants



Bobby Lowery
...Business leader



James Grier Sr.
...City's top tailor



Henderson Reid
...Owns supermarket

wares. The problem is staying in. They are out to get you. They make every effort to prove that you can't do the job once you are in. Then they don't have to deal with you. You have to be a super company to meet their demands."

Henderson Reid of Reid's Supermarket has been in operation for 17 years. He is having problems securing the capital that he needs to expand his operation again. Not too long ago, he moved into a shopping center complex on West Boulevard between Morning Drive and Ridge Avenue.

"They don't want to loan you money," said Mr. Reid in referring to banks and other lending institutions.

"The interest rate is too high," he continued. "When we moved into our shopping center the lending rate was nine percent. Now it is 15 to 18 percent. That is a lot of money when you are talking about big dollars."

The facility that he is in now was made available by a government guaranteed loan through the Small Business Administration and Mechanics and Farmers Bank.

"Small black businesses have a hard time," he said. "They don't give you money. (Small Business Administration). Lending institutions give others more of a break. When I got my present loan, I was still begging and some people had gotten their loans on their first try. It looks like things are getting worse with the recession."

By law, the Small Business Administration cannot

guarantee a loan if a business can obtain funds on reasonable terms from a bank or other private source. A borrower must therefore first seek private financing before applying to the SBA. This means that a person must apply to a bank or other lending institution for a loan. In a city over 200,000 like Charlotte, a person must be turned down by two banks before applying for an SBA loan.

A company must be independently owned and operated, not dominant in its field and must meet certain standards of size in terms of employees or annual receipts. Loans cannot be made to speculative businesses, newspapers or businesses engaged in gambling.

According to Don White-

Discount Brokers

May Not Be For You

CHICAGO - If you're making money fast, and are super busy doing it, you need more rather than less help investing it, John W. Rogers Jr., a broker with William Blair & Company here, tells successful clients.

This advice is aimed particularly at young black professionals—doctors, lawyers, entrepreneurs or ones on the way up the corporate ladder—according to broker Rogers.

He especially cautions prudence and care in the choice of brokers.

"Sure you may be charged a lower commission on a stock purchase if you go to a discount

man, official with the Charlotte office of the SBA, the SBA guaranteed \$52 million last year. This year, they are experiencing a 25 percent cut.

The SBA can guarantee up to 90 percent of a loan made by a bank or other private lender.

Loan applicants must be of good character, show ability to operate a business successfully, have enough capital in an existing firm so that with an SBA loan, the business can operate on a second financial basis, show the proposed loan is of such sound value or so secured as

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reasonably to assure payment, show that the past earnings record and future prospects of the firm indicate ability to repay the loan and other fixed debts out of profits, and be able to offer collateral.

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Public Hearing Scheduled For Citizen Input On Community Development

The Mayor and City Council will hold a public hearing on Charlotte's Community Development Program to receive comments and suggestions on the proposed use of program income and unencumbered funds of the Community Development Program. This hearing is held prior to the appropriation of these funds.

Residents from Community Development Neighborhood Strategy Areas and agencies or others concerned with the Community Development Block Grant or Housing Assistance Plan the encouraged to attend.

If you wish to speak at the hearing, please notify the Office of the City Clerk, City Hall, telephone 374-2247, by noon the day of the hearing. Please put your concerns in writing so that they can be carefully considered. If you cannot make it to the hearing, send your comments to the Director, Community Development Department, Cameron Brown Building, 301 S. McDowell Street, Suite 510, Charlotte, North Carolina 28204, telephone number 374-2016.

DATE: Monday, December 14, 1981

TIME: 3:00 P.M.

PLACE: Council Chamber
City Hall, 600 East Trade Street



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Extremely Concerned

Continued from Page 1

Hailstock is concerned that the courts are not harsh enough when it comes to punishment. "I will go to court and spend a lot of time and most of the time all the judge does is give a suspended sentence. Only once has somebody had a fine imposed. But most of the time nothing is done," he pointed out.

Down the road at Mini Pantry at 2305 LaSalle St. operator Richard Hopkins has been in business 10 years and has a unique theory concerning the crime problem.

"It's someone who's passing through that might rob me. The usual crooks who rob in other places live over here and don't want to waste me," he remarked.

"I have had four or five break-ins and usually find out who did it. Somebody in the neighborhood usually knows who did it. And they just steal petty things like cigarettes," he added.

Hopkins does not feel that the problem is lack of police protection. "We get enough police protection. They do what they can. I think the police do a fine job," he stated.

He believes that the problem and the solution to crime lie with the people. "People over here don't want to get involved with the police unless they're in trouble. People need to be more observant. They shouldn't be afraid to meddle," he advised.

His other theory is that unity offers an answer. "In neighborhoods where people are together you can control the unusual. But where people are always coming and going you don't know what's unusual," he pointed out.

Advise offered by all merchants was that the black community needs to stick together and help each other out in the effort to reduce crime.

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