

## Reversing Rural 'Economic Erosion'

### Microloan Program Gives Budding Entrepreneurs A Chance And A Peer Group

BY LYNN CARLSON

I want to start my own business." For every American dream-come-true borne of those seven hopeful words, there must have been a thousand nightmares.

Lots of great cooks have failed spectacularly in the restaurant business. A love of reading is not enough to make you a successful bookstore owner. And many a "people person" has nearly been turned against the human race in the course of trying to serve the public.

At least they got a chance to try. The days of starting with nothing and lovingly building a small hometown business or successful cottage industry are virtually over. It's not a coincidence that they ended about the same time it became impossible to stroll into your local bank and borrow a couple thousand bucks on a handshake and your good name. For many women and minorities, that was never an option anyway.

The N.C. Rural Economic Development Center's "microloan" program attempts to turn the clock back to the days when capital was easier to come by, and to make business lending more gender-neutral and color-blind. Perhaps most importantly, it provides a support system for would-be entrepreneurs to learn the nuts and bolts of business operation before they have a chance to risk anyone's venture capital.

Anetta Fulwood—"Cookie"—to her friends and family—is a seamstress, and a good one. Her past experience as a sales manager for a major department store gave her more than a chance to work with clothing. It taught her that she had a lot to learn before she would be ready to embark on her quest to start her own personal seamstress business—perhaps culminating someday in her own line of clothing.

With her work experience and degree in fashion merchandising from Wilmington's Miller-Motte Fashion Institute, Fulwood knew there would be more to it than simply setting up shop in her mother's home near Bolivia and waiting for the customers to beat a path to her door.

She turned to Velva Jenkins at the Brunswick Community College Small Business Center for advice on business strategy and possible funding sources. Jenkins suggested Fulwood join the fledgling Brunswick County Microenterprise Loan Group.

Fulwood became the first member judged by her own group to qualify for a loan—\$1,500 which went toward a larger sewing machine, some lamps and a steam-er. If she repays the money within a year—according to



MICROENTERPRISE LOAN GROUP members and program leaders are (from left, front row) Janice Simms, site director; David Pickett, interim enterprise agent; Sybil Simmons, group member; Velva Jenkins, Brunswick Community College business and industry director; Mary Legg, group member; (back row) Floyd Shorter, enterprise agent; Annetta Fullwood, group member; and Harold Reeder, group member.

a monthly amortization schedule at 16 percent interest—she'll be eligible for three more loans, graduated in maximum amounts of \$3,000, \$5,000 and \$8,000.

Funded by the N.C. Rural Economic Development Center in an attempt to reverse rural "economic erosion," the Microenterprise Loan Program prepares business owners to apply for loans in the traditional ways as their businesses grow. The program is funded by the N.C. General Assembly and private foundations.

Each of the five members of the Brunswick County group seeks to start or expand a small business. The program offers them technical assistance as well as allowing them to help each other solve problems. The group operates not unlike a traditional bank board, reviewing each others' business plans and capital needs and deciding who is ready to be invested in.

Group members work together to help each other devise business plans, cash flow statements and cost-of-living budgets to determine whether the participants are capable of paying back the microloans they seek. If any group member defaults on a loan, everyone is penalized.

"You come before the group with your presentation,

and they operate basically as a loan committee," Fulwood explained. "The difference is that you're made to feel from the beginning that they are family. If anything goes wrong, we've all had a hand in it."

Enterprise agent David Pickett of Shallotte works with 35 microloan groups members in Bladen, Columbus and Brunswick Counties. Participants have dreams as diverse as owning a clock repair shop to a Christian bookstore to a home grocery delivery service. Pickett works out the local program's administration site at Southeastern Community College.

The local group receives additional help from Brunswick Community College and meet regularly there to hear guest speakers, consider applications and help each other make plans and solve problems.

"These are mostly people who have no experience in operating their own business or who have tried in the past and made mistakes because they lacked an adequate technical background," Pickett explained. "Some are there knowing that they aren't ready to jump into business; they're just there to learn about it."

Still others, like Fulwood, participate in the program as just another logical step toward fulfilling a single lifelong entrepreneurial dream.

"I've always been determined to start my own business," said Fulwood, who learned her craft under the tutelage of her mother Bertha, who had to sew to clothe 14 children.

Fulwood's stint with the Hess department store chain in Hampton, Va., taught her to see the "pitfalls and paperwork" that are an inevitable part of any business experience. She also learned to be cautious about pricing.

"In personal seamstress work, I know you can never get out of it quite what you put in, because of the time you have involved," she said. But she is committed to the belief that she can make a decent living doing what she loves and does best.

On a recent summer Friday, Fulwood was working in the tiny cinderblock room off her mother's house, furiously trying to make a deadline on some bridesmaids' dresses. She was alone except for a sewing machine, a portable radio and several racks of garments in various stages of completion. She had been up until 1 the night before, and was back at the machine by 6 a.m.

While she is not intimidated by crunch deadlines and long hours, she is aware of the danger of burn-out from working at home and never really being off duty. "You have to really discipline yourself and be good with time management. You have to get up every day and get dressed just like you were going out to work. Sometimes you have to avoid the tendency to work until 4 in the morning and start back at 6 or 7."

But working at home is what Cookie Fullwood wants. "It's easy for my customers to get up with me, even outside of traditional business hours. It's safer for me than keeping the kind of hours I do now if I were in a storefront in downtown Wilmington. There is much less overhead here. And I can rely on my mother to help me if I need it to make a deadline."

Fulwood's first loan payment was due last month. She'll have a year to pay it back, and in six months can apply for a second phase loan. If she gets it, she may use it to expand into a larger room in her home.

"If it hadn't been for the Microenterprise Loan Group, I'd have been turned down flat trying to borrow the money I needed to buy the equipment I needed. To banks, that's usually too small an amount of money to even fool with, but it's just what I needed."

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