Bouncing back
Laid-off NYers get fresh start with home businesses

BY FRAN GOLDEN

When Sabina Les was laid off from her job as a graphic designer, a result of corporate downsizing during the recent recession, she decided to take employment matters into her own hands. Using her savings and money borrowed from her parents, she started a home-based business—a scarf designer.

The dining room table of her lower Manhattan studio apartment became her workstation, design and development center. Her kitchen cabinets were transformed into her self-named company’s warehouse and storage spaces. A mannequin took up residence in her closet along with her clothes.

Now, a little over two years later—and following trunk shows at Bendel’s and Bloomingdale’s featuring her silk scarf creations that sell from $180 to $220—a Lim is hoping to turn a profit for the first time. “In current economic conditions, running a business from my home allows me to continue with my dream in building my fashion brand,” Les said.

So what advice would she give a friend starting a home business? “Once you think you can do something you have to be ready for it,” she said. “I have a drive of positivity.”

While hiring seems to be picking up again, as seen by the teetle in January of the national unemployment rate to 8.3%, the financial meltdown that began in 2008 resulted in a surge of home-based businesses as millions of laid-off workers scrambled to find a way to pay their bills. In 2009, 18.4 million Americans worked at home, an increase from 16.5 million the previous year. A little over half of all small U.S. businesses are based out of people’s homes, according to the latest Census Bureau data available.

But before would-be self-employed moguls get started, they need to look realistically at what they’re hoping to accomplish, said Bruce Bachenheimer, a professor of management and director of Entrepreneurship at Pace University. “Do you have a real strategy? A lot of people in this bad economy see home-based as a way to employed, fill a gap on the resume or whatever,” he said. “But it’s not as easy as it appears.”

Starting a home-based business after losing a job “is a big step with an enormous amount of risk,” said Katie Hellmuth Martin, a serial entrepreneur who initially struggled to fit paid after starting three home-based businesses—the last one being PROKUR, a company that advises small businesses. It’s good to have a backup plan to pay the rent,” she said.

Continued on page 31