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Going to Work by Staying at Home

By Roberta Scott, Director, New Mexico Small Business Development Center at UNM-Valencia

Frequent reports of massive nationwide layoffs and ongoing anxiety about the economy are making more people wonder if this is the year to start controlling their own financial destinies by starting a business that's compact enough to run from home, especially since cell phones, computers, the Internet and faxes make it easy to conduct business with potential clients and suppliers.

Advances in communications and office technology and the ongoing shift from a manufacturing to a service economy are among the many forces remaking Americans' assumptions about work. Many workers are weary of the congestion, road rage, weather-related dangers and time loss that make commuting such a grind. Working parents often want more time with their children than they have when employed outside the home for someone else.

And while many workers are grateful just to have a job in a time of growing unemployment, others want more from work than just a steady paycheck and benefits — especially those who have lived through past downturns and are tired of forgoing raises and watching benefits erode as their employers struggle to survive. They want work that is challenging, interesting and fulfilling, and they want control over their time, their work and their health.

The balance sheet

Working at home isn't stress free, but the stresses are different and more manageable. The savings, too, can be substantial for home-based workers when one considers the typical costs associated with keeping a conventional job: gas and upkeep for an automobile or public transit tickets, clothing or uniform costs, child care, restaurant lunches and so on. Better yet, the costs of maintaining a home office are deductible on federal income taxes.

But self-employment isn't for everyone. Home-based businesses only work if the owners are self-starters and their own best critics. They have to be ambitious enough to solicit work and perform as promised. In addition to providing a product or service, they're in charge of marketing and promotion, sales, customer service, maintenance, bookkeeping and so on. And they have to be courageous enough to work without up-front guarantees of income or outcome.

Working from home usually requires more effort, time and skills than working in a conventional job. Basic business knowledge is a must, and those who don't understand organization, decision making, time management and communication should learn these skills before striking out on

their own.

And even though the distractions encountered at home are usually more pleasant than those at an office where you have no choice of co-workers, workload or working conditions, they're still a cramp on attention and productivity. A separate office in the home is one way to limit interruptions from family members or pets and to create a professional environment.

If you go solo

Those considering a home-based business should first compose a business plan that describes the products or services to be offered and considers consumer demand and competitors. A frank appraisal of one's expertise and financial resources is essential.

A home-based freelancer must also consider what zoning regulations apply to the neighborhood in which the business is based to avoid conflict with neighbors and public officials. Separate telephone and bank accounts can prevent business expenses and revenues from mixing with family finances and making tax preparation a nightmare.

More information about home-based businesses can be found at the Web site of the New Mexico Small Business Development Center network (<http://www.nmsbdc.org/>).

Finance New Mexico is an initiative of the New Mexico Small Business Investment Corporation (NMSBIC), New Mexico Small Business Development Center (NMSBDC), Empowering Business Spirit (EBS), the New Mexico Venture Capital Association (NMVCA) and other partners to assist individuals and businesses in obtaining skills and funding resources for their business or idea. To learn more about resources available to New Mexicans, go to www.FinanceNewMexico.org.

