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## **Future Improving for New Mexico Businesses in 2012**

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While national indicators show unemployment beginning to ease and consumer confidence rebounding, the depth and duration of the recession that began four years ago exacted a heavy toll on businesses as sales revenue plummeted and cash flow dropped to a trickle.

Traditional bank lending dropped by \$1 billion annually in New Mexico since 2008, and companies have seen their lines of credit reduced or eliminated during the banking crisis – just when they needed them most.

But 2011 was not all gloom and doom in New Mexico – especially relative to other states. While real estate prices are depressed and bankruptcy filings and foreclosures continue, local economies have been more resilient due largely to the number of state and federal government jobs, the service sector, technology development from the national labs and universities and the number and diversity of small businesses. Bureau of Labor monthly statistics indicate that New Mexico's unemployment rate was consistently lower than the national average throughout the year.

New Mexico weathered the doldrums better than many other states because of job-creation measures taken long before the recession began. Set up as capital delivery systems that invested in and made loans to businesses, the measures were designed to build businesses that would create jobs and hire people.

In 2001, state legislators established the New Mexico Small Business Investment Corp. (NMSBIC) to help businesses access capital. The organization recently reported to Gov. Susana Martinez that its capital has been used to make loans to nearly 2,200 businesses statewide via its relationship with alternative lenders, such as the New Mexico Community Development Loan Fund, ACCION New Mexico and WESST. These funds purposely target businesses with loans of \$2,500 to \$200,000.

An aspiring entrepreneur who hopes to use these resources to capitalize on the improving economy should know the landscape has changed. Lenders and investors today are more conservative and want proof that a business owner knows his destination from the start. They want to see a realistic, honest business plan so they can determine the venture's viability. They want to know about assets and liabilities, sources of revenue, the credit history and financial

solvency of the principals and the prospects for success. The savvy entrepreneur views this disclosure as an opportunity to gauge his survival possibilities before getting in too deep.

WESST and ACCION also help entrepreneurs develop a solid business plan and connect with customers, as do local chambers of commerce, industry associations, and Small Business Development Centers, many of which sponsor frequent workshops and classes. The statewide business calendar ([edcalendar.org](http://edcalendar.org)) helps entrepreneurs find workshops and networking opportunities. And Finance New Mexico delivers information about state, local and federal business resources through articles printed in newspapers throughout the state – more that 220 in the past five years.

With all these advocates in the business's corner, New Mexico is doing what it can to promote even stronger growth in 2012.

*Finance New Mexico is a public service initiative to assist individuals and businesses with obtaining skills and funding resources for their business or idea. To learn more, go to [www.FinanceNewMexico.org](http://www.FinanceNewMexico.org). Sponsored by:*

