

## Home-Based Businesses – The Good News

By Chuck Curtiss, President of My Financial Team, Inc.

What do you envision when you hear the words "home-based business"? Do you see someone balancing a baby on one knee, and a laptop on the other? Or 'Mike Brady' busily drafting building plans, occasionally pausing to answer profound questions from one of his six children? Or a workaholic unwilling to lose any amount of a sixteen hour work day on a commute?

What size company do you see: a local salesperson representing a much larger organization; someone with a second job; a team of two to four part-timers; or determined professionals providing top-notch service for their clients?

Any of the above could be true, just as most could be true of someone renting office space. Whether you are a painter, lawyer, publisher, bookkeeper, consultant, day care provider, cosmetics or nutrition distributor, or in many other lines of work, you could successfully work out of your home.

In August 2003 the U.S Small Business Administration reported that there are 27 million people working from home -- 13 million part-time and 14 million full-time. "Home-based businesses represent 52 percent of all firms and provide 11 percent (\$314 billion) of the total receipts of the economy", reports the SBA. Notably, home-based businesses have a significantly higher survival rate than businesses as a whole. The National Foundation of Women Business Owners (NFWBO) finds that home-

based women business owners are no more likely to have children at home than non home-based women business owners. They also found that age distribution is the same between these two groups, though home-based entrepreneurs have a somewhat higher education level.

The NFWBO also reports that "63 percent of home-based women-owned businesses employ people in addition to the owner". Some home-based businesses will remain small. Others, such as Apple Computer find themselves, over time, moving out of the garage as they develop their product and employee base.

Like their compatriots housed in commercial properties, home-based entrepreneurs often get help from outside vendors offering services such as tax preparation, bookkeeping, marketing, business planning, shipping, answering services, legal services and training. As with all other companies, these services can be purchased at varying levels as needed, from a few hours a year, to several hours a day.

There are some barriers to home-based businesses. Business owners and employees must deal with zoning ordinances, neighbors' expectations and demands, technology and other equipment needs, workers compensation and other employment law, utility demands, home-related distractions, and self-motivation levels. Butchers, bakers, and candlestick makers may need to think twice before

choosing home-based businesses. But the availability of additional telephone lines, computers, faxes, photocopiers, cell phones, and even broadband internet access have made success for home-based businesses much more likely.

The Traverse City Area Chamber of Commerce stands behind their members who are home-based entrepreneurs. Chamber Vice President, Laura Oblinger reports that 53% of our member base has 0-4 employees, though the number of home-based businesses among Chamber members has not been separately calculated. The Chamber's support includes the creation and development of HomeWorks!, the Home Based Entrepreneurs group. The Chamber also created the Haworth Small Business Station on the third floor for home-based entrepreneurs to schedule downtown space for client meetings. This office station is currently free of charge to chamber members, though advance scheduling through the Chamber is required by phone or at [info@tchamber.org](mailto:info@tchamber.org).

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