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For Many Entrepreneurs, There's No Place Like Home

When Jennifer Beaver's son, Jamie, reacted fussily to his first round of immunizations at three months of age, she tucked him into a carrier strapped across her chest and kept him close to her all day.

"He got the nurturing he needed and I finished the project I was working on," said Beaver, a writer and public relations consultant who works out of her Long Beach, Calif., home.

With her fax machine, portable personal computer, two telephone lines and an answering machine, Beaver easily keeps in touch with her clients, who include some very large corporations. "Working at home makes me more productive," Beaver said. "I don't waste three hours every day dressing formally and commuting."

Beaver is one of the 34 million Americans now working at home. The number of home-based workers is exploding, mainly as a result of corporate layoffs and a growing entrepreneurial spirit.

Last year, 600,000 Americans opened home-based businesses, according to Santa Monica, Calif., author and home-based business consultant Paul Edwards.

"There has been phenomenal growth in the number of people working at home," Edwards said. "In April alone, about 283,000 people became self-employed due to layoffs."

This burgeoning group of business owners also spends billions of dollars on equipment and office supplies that enable even the tiniest company to appear big.

In 1986, home-based business owners bought \$15 billion in office equipment and supplies. By 1990, the amount doubled to \$30 billion, said Jeffrey P. Davidson, author of "Marketing to Home-Based Businesses."

Just what are these millions of people doing at home? Davidson's list begins with actuarial services and ends with woodworking. In between, you'll find glass blowers, software developers, organic farmers, publishers, researchers and reunion planners all working from home.

According to Davidson's book, about half of the nation's home-based businesses provide goods and services to other small-business owners.

Although the notion of working at home seems attractive, there are problems facing these entrepreneurs, said Edwards, who has coauthored four books on home-based businesses with his wife, Sarah Edwards.

One of the most troubling problems is a maze of outdated and punitive zoning ordinances prohibiting home-based businesses from operating in many communities.

"I recently found out about a \$5-million-a-year publishing company operating out of a garage," Paul Edwards said. "Local officials told them to empty out their garage and put their cars inside. Instead, they packed up and moved the company to Las Vegas."

Many home-based business owners also have a difficult, if not impossible, time finding affordable health insurance.

A third problem, which affects the growth and financial stability of home-based business owners, is the reluctance of most banks to issue merchant accounts and credit card services for home-based companies.

"It seems to be a blanket policy and it's discriminatory," said Edwards, who has pressed many bankers to explain why they won't establish these accounts for home-based businesses.

Harry Lee, senior vice president at Wells Fargo Bank in San Francisco, said bankers are leery of setting up merchant accounts for

home-based mail-order businesses because many of them are fraudulent.

"We prefer dealing with businesses that deal directly with customers," Lee said. He said anyone applying for a merchant account, which permits you to accept credit cards, must have a valid business permit and agree to meet with a banking representative at his or her place of business.

Meanwhile, Jennifer Beaver doesn't plan to give up her home-based profession because it allows her to spend more time with Jamie, who is now 10 months old. She spends most mornings with him. Three to four afternoons a week, he is cared for by a college student who comes to the house to baby-sit.

In addition to suiting her personal needs, Beaver thinks her business suits her client's needs. "Because of my low overhead, I can charge less than agencies that have layers of bureaucracy and fancy offices to support," Beaver said. "However, you really have to hustle to prove that a one-person, timely products." ■

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