

# Accessing Capital Is Not Easy For Many Small Businesses

by Christine Stuart | Jan 5, 2010 5:30am

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Ishababies

CHRISTINE STUART PHOTO

One is opening up a bookstore and café, another sells Major League Baseball coloring books, and yet another sells plush dolls.

Their small business ventures are all different, but they were all gathered for the same purpose Monday. To ask U.S. Sen. Chris Dodd if there's federal legislation that will help them get access to more capital.

Harold and Bernicestine Bailey of [Aisha & Co.](#) want to take their plush Ishababies to the next level by transitioning the plush multicultural, multiracial dolls from the gift and specialty toy market to the mass market.

Mr. Bailey said the \$35,000 micro loan they received from the [Connecticut Community Investment Corporation](#), also known as CT CIC, was great in helping them produce more of the Ishababies, but it wasn't enough to help them advertise and market their product to a larger audience.

"Thirty-five thousand is great, but it just isn't enough," Bailey said. "A \$100,000 loan would help bridge the gap."

The maximum amount the Connecticut Community Investment Corporation can lend is \$35,000.



Red Sox coloring and activity book

CHRISTINE STUART PHOTO

Peg Connery-Boyd of [Hawk's Nest Publishing LLC](#) said sales of her Major League Baseball coloring and activity books were up 25 percent this year at Barnes and Noble bookstores, but she would like to expand the line to include the National Football League and possibly minor league baseball teams like the Rock Cats of New Britain.

Rebecca Stearns, who will be opening up [The Book Bar](#) in Columbia, said when she took her business plan to a bank and asked for a loan they refused to even meet with her. But thanks to a micro loan from the Connecticut Community Investment Corporation Stearns will be opening in two weeks.

Now her only worry is keeping up with the demand and finding health insurance for her four employees.

Carolyn Welch, vice president of Connecticut Community Investment Corporation, said many of these businesses become victims of their own success if they don't have the capital to meet demand.

Trevor Drummond, owner of Cater 2 You LLC, said he won a state contract to open up a café in the Rockville Courthouse and still was unable to secure a \$15,000 bank loan. He said he was told since he wasn't an established company the bank couldn't help, even though the amount of money was relatively small. The bank told him it would give him a personal loan for \$5,000, but not a business loan.

Drummond said he's close to up and running thanks to the loan he received from the Connecticut Community Investment Corporation, a non-profit economic development lender.

"They were a god send to me," Drummond said. "They made it easy to begin this new venture of mine."



U.S. Sen. Chris Dodd

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Charlie Bogoian, CEO of [Sail \(Proud\) Apparel LLC](#), said he's been in business for two years now and has been focusing the past three to six months on transitioning to a more "green" environmentally conscious apparel line. He said the \$35,000 loan help the company get started, but now it wants to expand and start doing business outside the United States in places like Croatia and Europe.

Once Bogoian talked about his interest in exporting goods, Dodd anxiously jumped into the conversation to tout the Export-Import Bank of the United States. The smallest of all federal agencies, Dodd said the little known bank will guarantee 100 percent of any local bank loan for companies exporting goods outside of the United States.

As for the rest of the business owners Dodd said he was working on establishing a temporary Small Business Lending Facility with \$40 to \$50 billion of unspent or repaid TARP funds. TARP is the program created in 2008 by the government to purchase assets and equity from financial institutions in an effort to correct the subprime mortgage crisis.

Dodd said 80 percent of jobs are created by small businesses. He said the job creation issue is tied directly to the availability of credit.

Dodd said the stories the small business owners shared with him Monday will help him make his case in February for creating the Small Business Lending Facility.

The remaining \$50 to \$70 billion in unspent TARP funds will help cover the deficit, he said.