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Being own boss is upside to getting downsized, say new biz owners

BY LORE CROGHAN
DAILY NEWS STAFF WRITER



Vilma Villatoro shows off Chila's, her startup store in Bronx offering selection of shoes at fantastic prices.

When the brass warned layoffs were coming, Vilma Villatoro thought she'd be spared. She was wrong.

"We're downsizing," the accountant at the United Bank branch at Rockefeller Center was told. "Pack up your things and leave today."

Her only job prospect paid beginning bookkeeper's wages, so last spring she took charge of her employment. She opened a shop called Chila's Department Store near her Crotona Park East, Bronx, home that sells bargain-priced, brand-name shoes.

"Every woman wants to have many pairs of shoes - like Imelda Marcos," said Villatoro, 53. "If they come to me, they don't have to pay a fortune for them."

As job losses mount citywide - Controller William Thompson predicts 170,000 by late 2010 - more and more New Yorkers will launch their own businesses. The trend is starting to pick up momentum, experts said.

A third of the 150 students in Prof. Bruce Niswander's entrepreneurship classes at Polytechnic University in downtown Brooklyn have lost their jobs or fear they will.

Calls are pouring in to Kathrine Gregory's office at a new business incubator called Mi Kitchen Es Su Kitchen from jobless or soon-to-be jobless New Yorkers seeking advice about starting food businesses.

She tells them they don't have to spend \$100,000 to lease and equip commercial kitchens when they can use hers one day at a time. She runs three facilities where new business owners on tight budgets can cook.

Even in a recession, help is available for New Yorkers who decide to create their own jobs.

Incubators like Gregory's offer low-cost workspace to people who are short on rent money. Microlenders dish out funds when banks won't. Colleges and government agencies provide free counseling.

"Starting your own business is going to be very scary if you're used to getting a paycheck, but it's liberating to be your own boss," Gregory said.

Villatoro recently got counseling at the Small Business Development Center at Lehman College and applied for a \$50,000 microloan for Chila's.

She opened her shop with money from the \$96,000 she got in severance, her 401(k) and personal savings but still needs more cash.

She wants the money to fund a move to a storefront at a new apartment complex on Louis Nine Blvd. built by the Women's Housing and Economic Development Corp.

Villatoro gets her goods dirt cheap from liquidators, so the pricing's enticing at Chila's: \$69 Steve Madden flats and \$85 Jessica Simpson patent-leather pumps go for \$29, and the "deal of the day" shoes by the front door are \$5 a pair. But her shop is tucked away on a side street, and it generates less revenue than her online sales.

"If I didn't sell on eBay, I would be losing money," she said.

Laura Paterson got laid off last month from the Museum of the Moving Image in Astoria, Queens. She knew the economy was bad, but it was still a shock.

Paterson, 33, was hoping to keep her job as marketing director for at least a couple of more months. She had already launched a startup, Hot Blondies Bakery, with a former co-worker who had left the museum last spring. They wanted at least one of them to have a paying job for a while longer.

Now Paterson, a Nolita resident, is baking and filling orders for brownies with business partner Lorin Rokoff, 30. The two women bake at Kitchen for Hire, a Prospect Heights, Brooklyn, incubator, and pack shipping boxes in Rokoff's East Village apartment. They're just breaking even, but Paterson said owning a business has an upside.

"Before, we had to report to someone," she said. "This is all us."