

THE ECONOMY

Entrepreneurs squeezed out of loans

*LOANS, FROM 1A

mom and pops?"

Banks that once generated thousands of SBA loans are now doing just a few hundred.

"To be honest with you, the numbers are horrible, atrocious, catastrophic," SBA South Florida District Director Francisco "Pancho" Marrero said.

"I believe virtually all of this is directly related to the real estate collapse," Marrero said. "The woes in the mortgage area have moved over to commercial lending."

The agency's flagship 7(a) program, which entrepreneurs use as a source of growth capital, saw lending

fall 33 percent in volume and 12.4 percent in dollar terms to 3,044 loans worth \$448.9 million.

The 504 program, typically used to buy office space and machinery, saw 299 loans worth \$178 million through the third quarter. That's down 14 percent in volume and flat in dollar terms.

Locally, the figures also were grim.

Miami-Dade and Broward counties saw loan volume drop 29 percent and 36 percent, respectively; while loans in Palm Beach and Monroe counties were down 36 percent and 35 percent compared to last year.

"I'm losing sales because I

don't have the capital to expand," said Luz "Lucero" Leon, the owner of Existenze Christian Distributors, a Miami book and music wholesaler.

In business for five years and with sales of \$270,000 annually, Leon said that, because she recently reincorporated her business, she cannot even get a corporate credit card, much less a loan.

'FINDING THE MONEY'

Leon said she has stayed afloat thanks to strong relationships with suppliers who, collectively, have extended her a \$60,000 line of credit.

"My obstacle here has never been finding the clients but finding the money to

grow," she said.

Agudelo, of Del Sur Trading, said he did not qualify for an SBA loan and instead took a \$5,000 loan at 15 percent interest from micro-lender Accion USA.

"I am very grateful for the loan because it has helped me get off the ground, but it's hard to run a business with those kind of interest rates," he said.

South Florida is awash in small companies. Of the 480,000 companies in Miami-Dade and Broward counties, 78 percent are like Del Sur, owner-run and with no employees, according to the U.S. Census.

If there is a bright spot in the lending landscape, it's

that the 504 program — used for real estate and capital purchases — hasn't been tracking the downward spiral of 7(a) loans. While the volume of the 504 loans was down by double digits, the dollar value of those loans was actually up — albeit, a tenth of 1 percent.

STABLE NICHE

"There will always be business owners who want to move into their own place and keep the equity in their business," said Manny Manos, the president of Florida Business Development Corp. — the state's largest 504 lender and the third largest in the nation.

"In that sense, regardless

of what is going on in the economy, our niche is relatively stable."

While that niche may be stable, the commercial real estate market isn't. Sales of industrial, office and retail space in Florida plunged 75 percent in the second quarter to \$1.1 billion, according to Real Capital Analytics.

With the real estate market in the doldrums, consumer confidence at historical lows and gas prices at all-time highs, the outlook for small business can seem bleak, said the SBA's Marrero.

"The optimist in me says this too shall pass," he said. "But at the same time it's not around the corner."

MEXICO

Migrants in U.S. fuel Maya city's tech boom

*CHIAPAS, FROM 1A

Along with the building explosion, Chamula and other remote indigenous communities where Mayan is spoken are experiencing a technological awakening.

Cybercafes sprout in villages with primitive plumbing and unpaved roads. Mayas in traditional attire chat on cellphones and send text messages to kinfolk in the United States. Here, many now photograph and videotape their festivals and religious ceremonies, a syncretism of ancient beliefs with Catholicism. Until recently, recording such images could land one in jail.

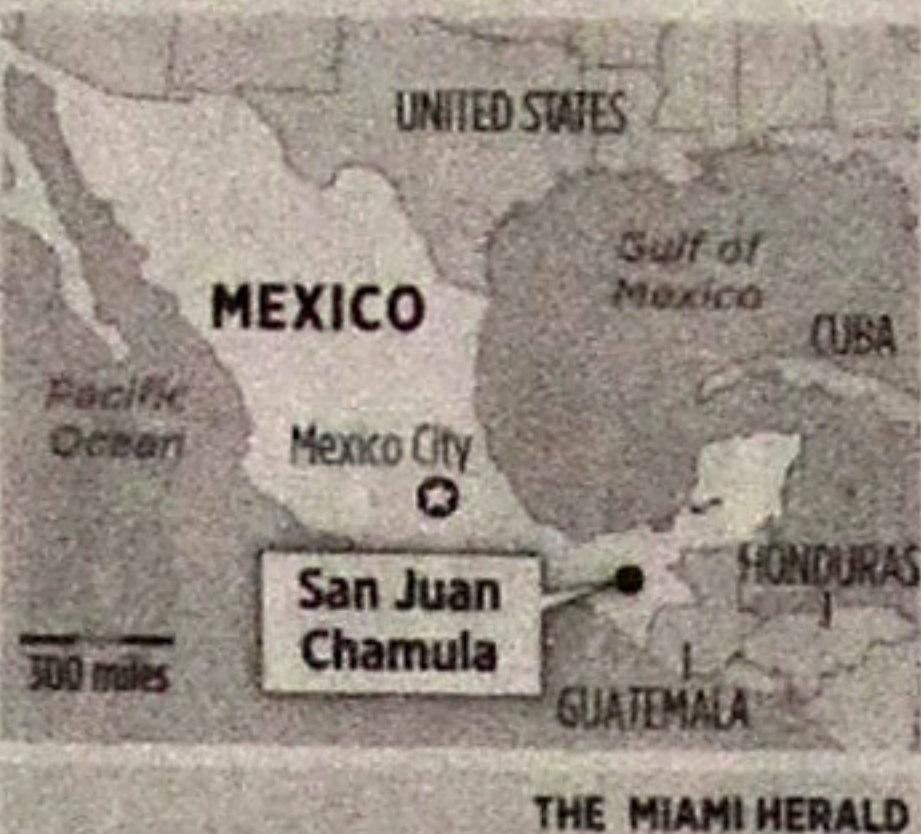
Fourteen years after the non-Indian Subcomandante Marcos and his National Zapatista Liberation Army took up arms to demand better living conditions, autonomy, schools, clinics and access to modern media technology for the Maya, a high-tech revolution is taking hold.

"After all, Chiapas was the site of the first Internet war," William "Chip" Morris Jr., author of *Living Maya*, said about the Zapatista uprising. It was timed to protest that the 1994 North American Free Trade Agreement, signed by the United States, Canada and Mexico, didn't provide favorable agricultural conditions to Mexican farmers.

It was Marcos who used the Internet from the Lacandon jungle to enlist tens of thousands of sympathizers from around the world to the cause. He ultimately forced then-President Carlos Salinas de Gortari to call a cease-fire and begin talks.

Chiapas, population four million, is still Mexico's poorest state despite some of the country's richest natural resources. Its dams provide Mexico with almost half its hydroelectric energy.

Living conditions are dire



THE MIAMI HERALD

for many, and political tensions still percolate between Zapatista communities and the government of President Felipe Calderón.

But what the government has failed to provide, tens of thousands are finding on their own. Chamula, never a Zapatista stronghold, has found a solution across the U.S. border.

"These are George Bush's dollars," Juan Gallo, a former Chamula County judge and a renowned artist, chuckled as he walked around his neighborhood.

NEW WEALTH

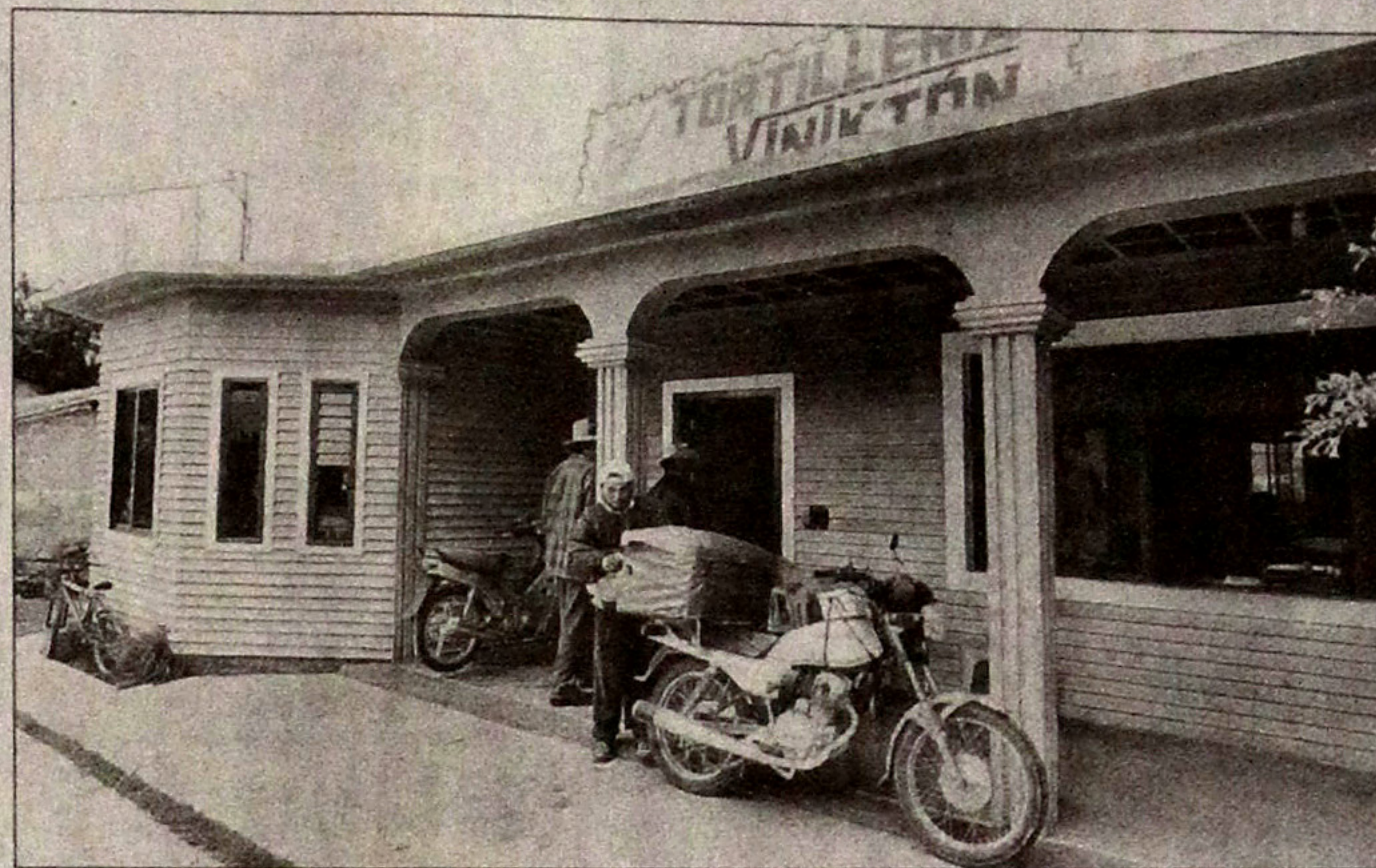
Rising in their wake of abandoned mud thatch huts are modern-day pyramids testifying to new wealth — concrete homes with columns, bay windows and white-picket fences, many painted in the sunny pastels favored by Floridians.

Gallo said his son Julio César, 24, went to Tampa four years ago and makes a good living in construction, living in a community with hundreds of other Chamulans.

With his son's funds, Gallo built a successful mini-tortilla factory that churns out the corn staple with the latest modern machinery. Workers use four newly purchased motorcycles to make home deliveries.

"The kids here go the states for three or four years," said Gallo, 51. "It's like going to college."

Mexican migration statistics show that up to half a



JANET SCHWARTZ/FOR THE MIAMI HERALD-MCT

SUCCESS STORY: Julio César, who works in Tampa, helped his father Juan Gallo build this mini-tortilla factory.

million Chiapanecans, mostly indigenous peasants, are working in the United States. They labor in construction or gardening in Florida, Texas, North Carolina and California and range in age from 15 to 18. While most are men, young women are also joining them.

"I worked in Tampa for two years," said Manuel Hernández, 24, who crossed the Arizona desert two years ago, made his way to Tampa and is now back home. "I went to make money and learn other ways of construction. I may go back to Tampa, but now I'm too busy building homes in Chamula."

With only an elementary school education, Hernández and an apprentice were rapidly building a two-story home with skylights, probably better suited for the tropics than the cloudy cool climate of Chamula. He had designed it for a city elder, based on building styles that resembled those of Florida or California.

"The exodus of the Chiapas population is a recent

phenomenon without precedent in the modern history of our region," said Jorge Alberto López Arévalo, an economist with the Chiapas Autonomous University.

Arévalo has been documenting the migration of workers to the United States since the late 1990s, when it erupted, as well as the social changes it has brought. He points to NAFTA, the government war of attrition against the Zapatistas and recent natural disasters such as hurricanes Stan and Wilma, which wiped out tens of thousands of homes and farmland, to explain the exodus of Maya farmers.

"We're becoming importers of food and exporters of workers," he said.

In 2005, workers sent \$655.3 million to Chiapas, jumping to \$824.5 million in 2006. In 2007, they sent \$796 million, ebbing with the U.S. mortgage crisis and increased clampdown on illegal immigration in the United States.

The Bank of Mexico estimates U.S. workers from Chi-

apas now send more money home than those from traditional migrant states such as Zacatecas, Colima, Durango, San Luis Potosí and Nayarit.

Annual total remittances to Mexico from abroad are estimated at about \$25 billion a year, second only to the country's oil earnings. Most of it goes toward family consumption and only about 1.5 percent toward productive investment, the Bank of Mexico estimates.

LURE OF CYBERSPACE

In Chamula, a line now forms early each day at the new Western Union office that recently opened up across the market plaza, where peasants sell beans, corn, fruit and arts and crafts. Next to it, the first cybercafe, with 10 computers, opened in April.

Until recently, Chamulans traveled south seven miles to San Cristobal de las Casas, a colonial tourism haven of 250,000, for daily errands. Now, Chamula is becoming self-sufficient and more tech-savvy.

"Indigenous communities want more cellphone coverage," said Rafael Najera, supervisor for cellphone company Telcel in San Cristobal. "They buy a lot of prepaid cellphone cards to call the United States. We're now studying logistics to install more cellphone towers."

CULTURAL CONCERNS

Many anthropologists worry that the digital age may further endanger Maya culture, but others here say it will better enable them to record and preserve their culture.

At the Universidad Intercultural de Chiapas, in San Cristobal, 900 students pay about \$60 a semester to study everything from Mexican history, anthropology, political science and communications for undergraduate and postgraduate degrees.

Gallo, the Chamulan artist, recently inaugurated a mural for the university auditorium. It shows the evolution of the Maya with familiar depictions of farmers, festivals, the Virgin of Guadalupe. And it continues to modern times, with scenes of tourists taking photos, a Maya woman writing on a computer, modern dancing and even the now-accepted spectacle of public kissing.

Its final scene is of Mayas climbing stairs made of books.

"Their traditions come from the 16th century," said Luis Morales, an anthropologist at the university.

"With globalization, the changes are accelerated, but Maya culture doesn't allow outside imposition," Morales said. "Instead, they adopt aspects of Western life, what they like. But they maintain their tight community organizations without changing their profound cultural, religious base."

Photographer Janet Schwartz contributed to this report.

FLORIDA

Disney, gun-rights advocates head toward showdown

*GUNS, FROM 1A

That exemption isn't the only questionable part of the state law, which a federal judge in Tallahassee called "stupid" because it didn't clearly define which employers it applied to. The judge plans to issue a ruling in a few days at the behest of business groups that are suing on the grounds that the gun-rights law violates their private-property rights.

Disney's legal interpretation has put it squarely in the sights of gun-rights advocates who have led the charge in writing and calling the Florida Attorney General's Office to force the company to comply with the intent of the law.

"Disney is not above the law," said Fiore, a 12-year Disney employee who oversees the animal-character

cast members at Animal Kingdom. She was among those who lodged a complaint with the Attorney General's Office, leaving the e-mail address akchipndale@yahoo.com.

WORRIED

"Disney's the safest place on Earth. It's awesome," said Fiore, of St. Cloud. "But late at night in the parking lot, and driving the 35 miles to and from home, I don't always feel safe armed with just a cellphone."

But theme-park guests might not feel safe knowing that some of the 62,000 Disney employees have weapons in their cars, said company spokeswoman Zoraya Suarez. She said that having armed people on the property violates the company's zero-tolerance policy concerning workplace violence.



MiamiHerald.com
Should Disney be able to stop employees from bringing guns to work? Vote online

Disney has its own security force as well as 50 Orange County Sheriff's Office employees.

The law applies to gun owners with a concealed-weapons permit who safely lock their weapons in a car. It doesn't give gun owners the right to bring the weapon into the office.

Clearly exempt from the law: schools, correctional institutions, nuclear-power facilities, defense and homeland-security firms and employers whose "primary business" concerns explosives and combustibles.

But within the section concerning those who deal with explosives is an exemp-

tion for an "employer who has obtained a permit required under 18 U.S.C. s. 842 to engage in the business of importing, manufacturing, or dealing in explosive materials on such property."

Said Suarez: "We have the permit. We deal in explosives every day."

'PRIME OFFENDER'

But the NRA's chief state lobbyist, Marion Hammer, said the exemption should be read in the context of those employers whose "primary business is explosives."

"Disney is a prime offender in denying people their rights under the Second Amendment and the laws of

Florida," said Hammer, adding that the law was drafted in response to Disney firing an employee for having a gun in his car.

Now Attorney General Bill McCollum, whose office is tasked with enforcement, must interpret what it all means. Spokeswoman Sandi Copes said the office is still reviewing the case and the legislation.

Until and unless McCollum sides with Fiore or someone successfully sues to stop Disney, employees are being told to keep the firearms at home.

Disney security guard Edwin Sotomayor protested his employer's policy by announcing to the news media last week that he would lawfully bring his weapon in his car to work. He was promptly fired. Sotomayor, 36, said it was worth

it to "prove a point" and pave the way for the numerous other employees who keep their mouths shut about the guns they have in their cars.

He said the Orlando area's crime rate makes pistol-packing a must for many.

"If you're going to let the Mouse rule the world, it's not worth it," he said. "There are two worlds: the world of Disney, and the real world. This was for the real world. It can be scary."