

PROFILE IN SUCCESS



Rebecca displays her current selection of jewelry



Overcoming Obstacles: Success in Houston's East End

Rebecca moved to Houston seven years ago when her husband (at the time) found a job working in the construction sector. Her husband had always had a difficult time with his temper, but he had always directed his anger towards her, and not her two sons. She had tolerated the abuse because it hadn't affected her children in a physical manner. Soon however, the abuse escalated to the point where one of her children was directly involved. After her son was struck, Rebecca decided she would no longer tolerate this type of treatment. She began saving funds from the leftover grocery money he allowed her and whatever she could confiscate from his pockets.

After saving enough funds, Rebecca left her husband with her two sons. She bought \$1,000 worth of jewelry from a wholesaler that a friend had mentioned. Armed with her new merchandise, she hit the East End lunch rush, selling what she could on weekly installment plans. The customer would purchase the goods with a

down-payment and pay the remaining balance over time.

She earned enough money to file a restraining order against her husband. She had enough income to rent an apartment and purchase a used car, which allowed her to expand the number of restaurants she could serve. However, she soon realized that she was facing cash flow difficulties from unpaid accounts and clients were buying less due to the rising price of gold. With her capital expenditures on the rise, she needed to find a way to recoup her losses while continuing to generate a profit.

In late 2006, Rebecca came to Urban Business Initiative for advice on how to collect the unpaid accounts and insulate her business from the fluctuating price of gold. She was beginning to lose clients who were not willing to pay more for the gold jewelry, even though it had become more expensive for her to purchase. Working with UBI, she decided to diversify her inventory and begin

selling less expensive items such as lingerie and perfume in addition to the jewelry. Since these less expensive items could be paid off in fewer installments, she was able to lower her default risk while still attracting clients.

Selling less expensive items also had the advantage of letting Rebecca know who was creditworthy. She was able to use small purchases to better establish who could buy the more expensive jewelry. She refused to sell new merchandise to those who still owed her money and developed guidelines for extending additional credit to reliable customers.

Rebecca was granted a divorce from her husband in 2008 with full custody of her sons. Her newfound financial stability has allowed her to give both herself and her sons a better life. She is active in their school and extracurricular activities and hopes to open a storefront business where she will be able to sell and repair jewelry.