



Article 1

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## **Investment Capital Gives New Mexico Businesses a Boost**

*By Diane Denish, Lieutenant Governor, State of New Mexico*

**As New Mexico's lieutenant governor, one of my highest priorities has been to support small businesses throughout the state. I've owned a small business and know the challenges that confront people like me – particularly in finding the money and getting well-founded advice on how to start and maintain a business. The largest chunk of the business community is businesses that have fewer than 25 workers. While major employers like state, federal and local government, the military, financial service industry and health care providers provide a large number of jobs, small businesses are the ones creating new jobs and providing stability to smaller communities around the state.**

**In addition to an improved business environment and tax structure, providing investment capital has been a priority of our administration. Investments in large projects like Eclipse Aviation capture the headlines, but they're not the only ones. Statewide, money to small businesses has been increasing. Private equity capital has been flowing into New Mexico at an accelerated pace, much of it aimed at the vast pool of technology developed at the national research labs and universities.**

**The State Investment Council has played a leading role in attracting venture capital funds. Since 1996, it has given money to funds that agree to set up shop in the state and invest in New Mexico companies. Those investments have increased over the past few years as nearly 20 funds have helped New Mexico businesses. One of them, Mesa Capital Partners, helped Aridien, Inc., a Belen company that makes the desiccant products you find in packaging. Aridien, which had four workers when it began searching for money to grow, will likely employ 30 people by year's end, thanks to Mesa's investment.**

**The SIC also helped establish a fund managed by local investment professionals who put money into New Mexico businesses. Several funds are now headquartered in New Mexico, and Flywheel Ventures and Verge Fund both raised in excess of \$20 million from investors including the SIC. Two other funds, New Mexico Community Capital and New Mexico Growth Fund, were created to invest in traditional businesses like manufacturing, service and distribution.**

**To aid even smaller businesses, legislators in 2000 created the New Mexico Small Business Investment Corp. With initial funding of \$10 million, the SBIC has developed a series of partnerships with financial professionals to make loans and smaller equity investments. The SBIC has been an active partner in the Small Business Forums that I have conducted**

**in 25 communities over the past four years. I am pleased to see that loans have been made to more than 1,300 small businesses in almost every community. These are loans that traditional lending sources probably wouldn't have made. One went from ACCION to Jerky by Art, a one-man beef-jerky manufacturer who went from feeding only his friends to shipping his 20 flavors all over the country.**

**Based on these successes and the growing need for help, legislators increased the SBIC's funding to more than \$45 million. Gov. Bill Richardson and I have actively supported these increases with the hope that more New Mexico businesses can qualify for investments or loans. To help expand the investment program, I am pleased to announce that the SBIC and its partners have formed an initiative called Finance New Mexico to teach small businesses how to get money. Training and resource providers, including the Small Business Development Centers, Empowering Business Spirit, ACCION NM, The Loan Fund, WESST Corp and others, are partnering with the SBIC and its financial partners to make it a bit easier to get loans or investors. With these weekly articles, electronic broadcasts and a Web site, Finance New Mexico will give business owners critical information about strengthening this backbone of our economy.**

*Finance New Mexico is an initiative of the New Mexico Small Business Investment Corporation and its partners, to assist individuals and businesses in obtaining the resources and knowledge to start or grow a business in New Mexico. To learn more about available resources, go to [www.FinanceNewMexico.org](http://www.FinanceNewMexico.org)*

