

# Postal cuts worry at-home entrepreneurs

By Karen E. Klein, Bloomberg Businessweek

When he hears about planned U.S. Postal Service cutbacks and closings in 2012, Michael Weiss doesn't think they're going to affect his business.

Like many service providers, Weiss' digital strategy consulting firm, Figure 18 in Westlake Village (Los Angeles/Ventura counties), operates almost entirely with electronic tools and increasingly conducts business over the Internet.

"I take payments and do all my financial transactions online," said Weiss, 42. "I just negotiated a six-month contract that went back and forth online, and we both signed it digitally. We never even printed it out."

The shift away from first-class mail is one of the reasons the Postal Service has been pressed to come up with a series of cost-cutting measures, including possibly eliminating Saturday mail delivery. A legal requirement that the service must prefund health care retirement benefits for future retirees is another burden – one that many post office employees and supporters protest as unfair.

Business owners who will perhaps be hurt most if the cutbacks planned for May actually take place are the 21 million-plus "nonemployer firms." That's the term the Census Bureau uses to define the self-employed, sole proprietors who account for nearly three-quarters of all U.S. businesses and about \$972.7 billion in annual business revenue, roughly 3 percent of total U.S. business activity.

Kristy Wiggins-Gilbraith, who was laid off from her job as a

pharmaceutical consultant in 2010, relies on income from the natural bath and body products company she founded to stay off unemployment. Others become eBay sellers or run small enterprises from their kitchen tables to contribute extra income to households struggling to stay in the middle class.

Postal cutbacks could be devastating to businesses like Wiggins-Gilbraith's venture, Green Beetle Bath, which she said brought in about \$50,000 this year. "I rely 99 percent of the time on the Postal Service to ship my products, unless the customer requests next-day service," said Wiggins-Gilbraith, 36.

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