

# A Snapshot of California Microenterprise Development

## WHO IS DOING MICROENTERPRISE DEVELOPMENT IN CALIFORNIA?

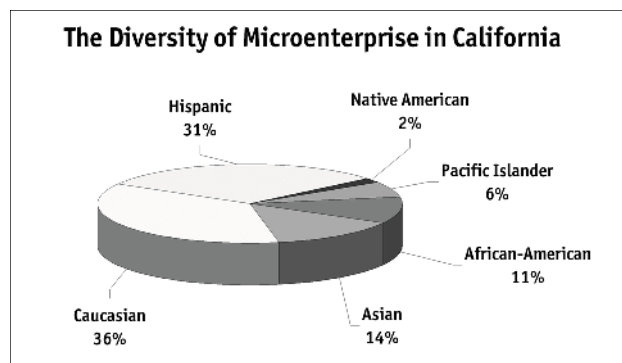
Of CAMEO's 117 members, 61% engage in some type of microenterprise development, providing at least one of the following services: entrepreneur training, small business consulting, business topic workshops, small business loans, business incubation, entrepreneur networking, or mentoring programs. In addition to CAMEO members, it is estimated that there are at least 50 additional organizations doing some kind of small business development in California. Thirty-nine percent of microenterprise programs responding to CAMEO's annual survey said they served primarily rural areas, and 70% of the programs reported that they were training and technical assistance-focused, as opposed to lending-focused.

## WHO IS ACCESSING MICROENTERPRISE DEVELOPMENT SERVICES?

California microenterprise programs are dedicated to serving low- and moderate-income individuals who are committed to starting or expanding small businesses. Of the organizations responding to our surveys, 61% of their clients are women and 83% are low-income. The following chart<sup>1</sup> demonstrates the diversity of the clients served by CAMEO's member programs.

## HOW ARE CALIFORNIA MICROENTERPRISE DEVELOPMENT PROGRAMS PERFORMING?

On average, the 22 program practitioners who responded to CAMEO's 2003 member survey served 159 clients, started 43 businesses, and funded 13 loans on a program budget of \$265,458 and three staff. Clearly, California's microenterprise development programs create tremendous impact with limited resources.



Nine California microenterprise development programs participated in MicroTest<sup>2</sup> and were able to report additional data. Each of their clients received an average of 19 training hours and 7.5 counseling hours. Eighty-one percent of their clients who began entrepreneur training completed the training program. The average microloan size for these programs was \$3,326 with an average loan loss rate of 5%.

## WHAT DO CALIFORNIA MICROENTERPRISE PROGRAMS NEED?

A 2003 survey of microenterprise practitioners, supporters, and policymakers in California<sup>3</sup> revealed that in order to increase and improve microenterprise development in California, the field needs:

- Improved access to funding.
- Better public awareness of microenterprise development.
- Increased training and technical assistance for emerging and established programs.

Join CAMEO as we continue our efforts to meet the needs of California's microenterprise development practitioners.

1. CAMEO Annual Member Survey, 2003.
2. MicroTest tracks the performance of the U.S. microenterprise industry and is a project of The Aspen Institute and FIELD (Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination), [www.fieldus.org](http://www.fieldus.org).
3. James W. Head, *California Microenterprise Financial Intermediary Project: Research Phase* (April 2003). Available on the CAMEO website: [www.microbiz.org/Financial\\_Inter\\_Project.pdf](http://www.microbiz.org/Financial_Inter_Project.pdf).