



# California Association for Micro Enterprise Opportunity

## 2009 CAMEO Member Survey Report on Member Program Outcomes

### SUMMARY:

According to a recent report by the Senate Office of Research (SOR) and The Association for Enterprise Opportunity analysis of census data, there were 3.2 million Micro Enterprises in California in 2008 and they employed 3,992,327 people; 19% of the state's employment<sup>1</sup>. The 12.3% unemployment rate however, shows that there is need for more economic development in CA<sup>2</sup>.

At an average cost of \$2,943.88 per clients CAMEO members have managed to help create 12,135 new jobs and support 41,543 employees in California. Our lenders gave out \$18 million in loan capital, some of which went to assisting the 23,233 clients and 21,309 businesses served by all our members in California. Micro Enterprise development organizations are clearly contributing to the economy and now more than ever should be regarded as vital player in California's economic growth.

### INTRODUCTION:

CAMEO is a member-led statewide Association that serves Micro Enterprise organizations throughout California. CAMEO's mission is to promote economic opportunity and community well-being through Micro Enterprise development. CAMEO expands resources and builds capacity for local Micro Enterprise development organizations throughout the state that provide entrepreneurs with small business financing, technical assistance and business management training. These member organizations range from governmental organizations, policy makers, non-profit and for profit lenders, trainers and technical assistance providers, and individual consultants.

The CAMEO Annual Survey sent out in March 2010, received 54 responses out of our 79 Micro Enterprise provider members. This gave us a strong 68% response rate. Each question however received a different number of responses as not all organizations answered all the questions (see Appendix).

### METHODOLOGY:

The CAMEO Annual survey was sent out electronically to all our member organizations. Responses were collected via the web survey tool 'survey gizmo'. To encourage a higher response rate, CAMEO sent out follow up individual e-mails and also made personal calls.

The formulas below were used to infer on all our California members. We used the formula below to calculate total budget size, clients served, businesses served, employees supported, and jobs created. The formula used to calculate loans and total gross sales is also shown below. In most cases, we used the median instead of the mean due to the high variance in responses. See Appendix for summary statistics on each section as well as definitions of various terms used throughout this report.

$(\text{Mean/Median} * (79 - \text{Number of Responses}) + \text{Sum of all responses})$

For loans the formula used is shown below

$(\text{Median/Median}) * (9 - \text{Number of Micro Lenders who did not respond to the survey}) + \text{Sum of all Responses}$

Total gross sales for all our members clients businesses = Average sales \* number of businesses.

1. Rounds, Daniel. "Micro Enterprise in the Economy". Senate Office of Research. California Association for Micro Enterprise Opportunity. June 23, 2010. Web. July 2010. [http://microbiz.org/SOR\\_2010\\_MicroEnterpriseReport.pdf](http://microbiz.org/SOR_2010_MicroEnterpriseReport.pdf); Micro enterprise Employment Statistics in the United States" Association For Enterprise Opportunity. Web. July 2010. [http://aeoworks.org/images/uploads/pages/US-MEES-2008\(1\).pdf](http://aeoworks.org/images/uploads/pages/US-MEES-2008(1).pdf)

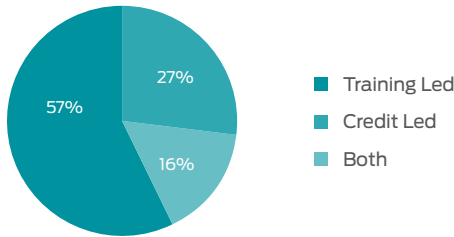
2. "State and territory figures from the Table 3, Regional and State Employment and Unemployment: October 2010, and Unemployment rates by State, seasonally adjusted": Bureau of Labor Statistics October 2009 and 2010. Web. July 2010. <http://www.bls.gov/news.release/laus.t03.htm>



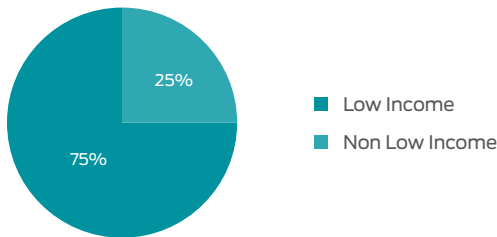
# California Association for Micro Enterprise Opportunity

## Results and Outcomes

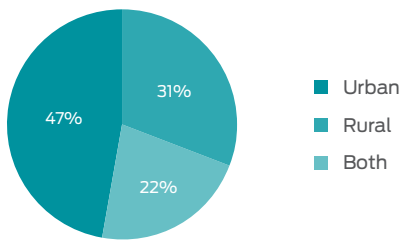
Member Distribution (Figure 1)



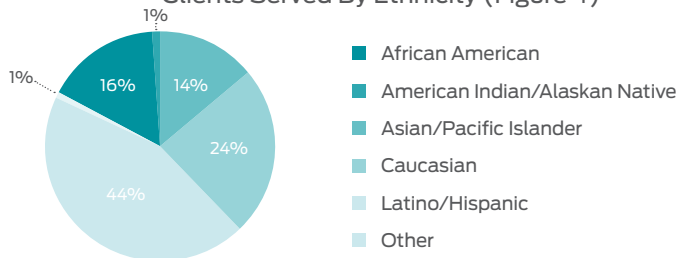
Clients Served By Income (Figure 2)



Clients Served By Location (Figure 3)



Clients Served By Ethnicity (Figure 4)



### DATA ON MEMBER ORGANIZATIONS:

Services provided by CAMEO members include but are not limited to: Micro Loans, Workshops, Bilingual Training, Business Plan Training, Counseling, Business Incubation, Loan Packaging, Peer Networks, Mentoring, and Consulting. More than half our members provide training and technical assistance, and some give out loans as well (Figure 1).

Our members strive to reach those who need their services most by reaching out to underserved communities in both rural and urban areas. This is reflected by the high amount of Low Income clients (75%) served in 2009 (Figure 2)<sup>3</sup>. Although most of our members serve urban communities, 31% serve both rural and urban areas and 22% exclusively serve rural communities (Figure 3). Clients also varied by ethnicity, and the largest groups were Latino/Hispanics who made up 44% of all clients served (Figure 4). When we compare who our members served and state demographics, our members are doing a good job meeting the needs of the diverse California population. However, when compared to poverty rates, there is clearly a higher need of service in the African American community more than any other ethnicity (Figure 5)<sup>4</sup>. On the other hand, CAMEO members are serving more African Americans than the population rate and more Latino/Hispanics than the poverty rate.

Clients within the 35-50 year age group made up 56% of all clients served (Figure 6).

The average budget size for all our members is \$470,913.75, and the total amount spent on Micro Enterprise programs and services in 2009 is \$37,202,186.44. The majority of our members received most of their funding from private institutions such as banks and foundations (Figure 7). Government funds are also another significant source of support for our members.

### CLIENTS AND BUSINESSES SERVED:

CAMEO estimates a total of 23,233 clients were served in the state of California in 2009. The median cost per client reported was \$2,943.88 a number in line with reports from national surveys<sup>5</sup>.

3. Low income defined as annual household income 80 percent or below HUD low and moderate income (LMI) for a county or municipality

4. "California: Poverty Rate by Race/Ethnicity, states (2008-2009), U.S. (2009)" StateHealthFacts.org. n.d. Web. August 2010. <http://www.statehealthfacts.org/profileind.jsp?ind=14&cat=1&rgn=6> "State & County Quick Facts." US Census. August, 16 2010. Web. August 2010 <http://quickfacts.census.gov/qfd/states/06000.html>. Caucasian population rate includes Caucasian Latino.

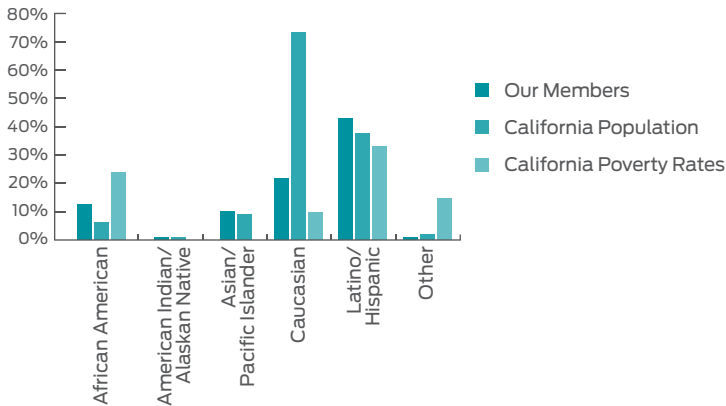
5. "2008 Performance Overview" Fieldus.org. n.d. Web. August 2101. FY2008 Program Performance Data Overview



# California Association for Micro Enterprise Opportunity

## Results and Outcomes

Poverty Rates (Figure 5)

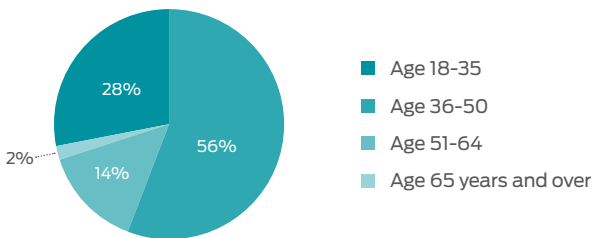


Of the organizations that responded, 62% of the businesses assisted were existing businesses and 38% were startups. CAMEO estimates a total 21,309 businesses were assisted by our member organizations in California in 2009.

### LENDING ACTIVITY:

CAMEO estimates that micro lenders throughout California gave out 1,793 loans totaling to 18 million. The average default rate was 9% but with a 83% payment rate average<sup>6</sup>. There was a 13.95% decrease in loans given out in 2009 from 2008 and a 3.9% decrease in dollar amount<sup>7</sup>. Thirteen CAMEO members, who provide training and technical assistance and also responded to the survey, were also able to get a total of 254 loans packaged and \$15.5 million funded.

Clients Served By Age (Figure 6)

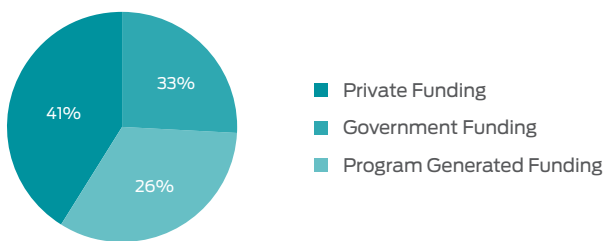


### EMPLOYMENT AND REVENUE:

From our survey results, CAMEO estimates that member organizations served businesses that supported 41,543 employees. Our member's businesses also added approximately 12,135 new jobs in 2009.

The average (median) gross sales reported for each client's business was \$73,590.50. CAMEO estimates that our member's clients businesses totaled to 1.3 billion in gross sales in 2009.

Budget Source Distribution (Figure 7)



6. Default rate and repayment rate do not add up to 100% because these numbers are averages and do not reflect delinquent, deferred, modified, and liquidation rates that were included in the survey. This is because there were not enough responses to include them in the report.

7. Comparisons made using data from 13 member organizations that filled out survey in 2008 and 2009

## Conclusion

Micro Enterprise development in California has contributed positively to the economy by facilitating the creation of new jobs as a result of providing assistance to individuals that start their own businesses. This in turn creates jobs for large numbers of unemployed in California. These services are also vital as they also reach rural areas and underserved populations that have traditionally been left out of the main financial system. Not only do these services provide technical and financial assistance, but they also help build sustainable communities and thriving local economies.



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## Appendix

### LIST OF RESPONDERS:

Micro Lenders who responded to the survey highlighted in red.

1. **3CORE, Inc.**
2. **ACCION San Diego**
3. AnewAmerica
4. **Arcata Economic Development Corporation**
5. Asian Pacific Islander Small Business Program
6. C.E.O. Women
7. **California Capital Financial Development Corporation**
8. Canal Alliance
9. **CDC Small Business Finance**
10. Central California SBDC
11. Central Coast Small Business Development Center
12. CHARO Community Development Corporation
13. **City of Oroville**
14. Coachella Valley Women's Business Center
15. Community Action Agency of Butte County, Inc.
16. **Community Financial Resource Center**
17. **Community Investment Corporation**
18. Community Service Employment Training
19. CSUMB Small Business Development Center
20. Easter Seals Southern California
21. **Foundation for Women**
22. **Fresno Community Development Financial Institution**
23. Glenn County Human Resource Agency
24. Goodwill of Orange County
25. Hispanic Business Consultants
26. Inland Empire Women's Business Center
27. Jefferson Economic Development Institute
28. La Cocina
29. Latino Business Chamber of Greater Los Angeles
30. **Mabuhay Alliance**
31. Mission Community Services Corp.
32. Mission Economic Development Agency
33. North Coast SBDC
34. **OBDC Small Business Finance**
35. **Opportunity Fund**
36. **Pacific Asian Consortium in Employment**
37. **Pacific Coast Regional SBDC**
38. Quantum CDC
39. **Relational Culture Institute**
40. Renaissance Entrepreneurship Center
41. SEED Microenterprise
42. **Sierra Economic Development Corporation**
43. SBDC and CITD
44. **SoCal Reinvestment CDFI**
45. Superior California economic development
46. **TMC Working Solutions**
47. Urban Solutions
48. Urban VOICE, Inc.
49. **Valley Economic Development Council**
50. **Valley Small Business Development Corp.**
51. West Company
52. Women's Economic Ventures
53. Women's Initiative for Self Employment



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## Appendix

### NUMBER OF RESPONSES TO EACH QUESTION:

Question Type	Member Distribution	Member by Location	Low Income	Ethnicity	Age	Budget
Number of Responses:	49	51	40	43	24	44
Response Rate:	62%	65%	51%	54%	30%	56%

Question Type	Individuals Served	Clients Served	Businesses Served	Lending*	Default Rate*	Employees Supported
Number of Responses:	48	49	41	19	24	17
Response Rate:	61%	62%	52%	63%	80%	57%

\*These calculations were done using the 30 Micro lenders and 49 Trainers that comprise CAMEO membership

### SUMMARY STATISTICS ON CLIENTS, BUSINESSES, JOBS, EMPLOYEES, AND LOANS:

Clients	
Mean	375.5714
Standard Error	86.85961
Median	161
Mode	500
Standard Deviation	608.0173
Sample Variance	369685
Kurtosis	8.254267
Skewness	2.806145
Range	2998
Minimum	2
Maximum	3000
Sum	18403
Count	49
Confidence Level(95.0%)	174.643

Businesses Served	
Mean	348.3171
Standard Error	124.6608
Median	106
Mode	4
Standard Deviation	798.2183
Sample Variance	637152.5
Kurtosis	30.32945
Skewness	5.216831
Range	4997
Minimum	3
Maximum	5000
Sum	14281
Count	41
Confidence Level(95.0%)	251.9488



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## Appendix

### SUMMARY STATISTICS ON CLIENTS, BUSINESSES, JOBS, EMPLOYEES, AND LOANS:

Total Jobs(full time ):+ part time/4	
Mean	262.5666667
Standard Error	104.1650767
Median	94.625
Mode	6.75
Standard Deviation	570.5356223
Sample Variance	325510.8963
Kurtosis	14.78640382
Skewness	3.710940178
Range	2813.25
Minimum	1
Maximum	2814.25
Sum	7877
Count	30
Confidence Level(95.0%)	213.0414994

Employees Supported in FY 2009	
Mean	938.92857
Standard Error	292.38954
Median	217
Mode	9
Standard Deviation	1729.7998
Sample Variance	2992207.5
Kurtosis	7.7288659
Skewness	2.6526209
Range	7996.5
Minimum	3.5
Maximum	8000
Sum	32862.5
Count	35
Confidence Level(95.0%)	594.20703

Loan Distributed in 2009	
Mean	83.47368421
Standard Error	36.87836561
Median	23
Mode	10
Standard Deviation	160.7490689
Sample Variance	25840.26316
Kurtosis	13.282814
Skewness	3.467361421
Range	699
Minimum	1
Maximum	700
Sum	1586
Count	19
Confidence Level(95.0%)	77.478571



# California Association for Micro Enterprise Opportunity

## Definitions<sup>8</sup>

### **Clients**

Defined as those who received significant services and who you expect to experience your intended Mission-driven results or benefits (outcomes). Clients are generally defined as someone with:

- Active, outstanding micro loan or other micro financing product and/or
- Five or more hours of services total during fiscal year.

### **Individuals (Also referred to as program participants)**

Participants who received any amount of service on the topic of starting, growing, or improving their business from your Micro Enterprise program in the fiscal year.

### **Businesses Assisted**

The number of businesses assisted by your program during the fiscal year.

### **Start up Business**

This is the number of clients assisted by the program in the fiscal year that had a business in operation fewer than twelve months at the time of their intake into your program.

### **Existing Business**

This is the number of clients assisted by your program in the fiscal year with businesses that were in operation twelve months or more at the time of their intake into your program.

### **Low Income**

This is the number of clients your program served in a given fiscal year who at intake had a household income level at or below 150% of the national poverty line as set by HHS for that year.

### **Loan Portfolio**

- Current Payment Rate: Payments within 30 days.
- Default Rate: No payments for over 60 days.

## Acknowledgements

This project was managed by Christine Mahihu; CAMEO staff member and CSU East Bay Applied Statistics Program candidate.

This report represents the efforts of many, including several colleagues within CAMEO. Marian Doub from Friedman Associates provided guidance throughout the project. We offer sincere thanks to 2010 CAMEO Board of Directors, and specifically Sharon Miller (Vice-Chair and CEO Renaissance Entrepreneurship Center), Karuna Jaggar (Chair, Policy Committee and Micro Enterprise Consultant), Judy Hawkins (Micro Enterprise Consultant), and Elizabeth Makee (Executive Director, ACCION San Diego) whose critical reviews and insightful comments were invaluable to this final project.

8. "Microtest Measures and Definitions." Fieldus.org. January 2010. Web. November 2010. <http://www.fieldus.org/microtest/performance.html>