



1 Hallidie Plaza, Suite 715  
San Francisco, CA 94102  
ph 415.992.4480  
fax 415.445.9529  
[www.microbiz.org](http://www.microbiz.org)

March 8, 2017

The Honorable Tom Graves  
Subcommittee on Financial Services and General Government  
House Appropriations Committee  
U.S. House of Representatives  
Washington, DC 20515

Dear Chair Graves,

As Chair of the House Appropriations Subcommittee on Financial Services and General Government, I am writing to request your support for critical microbusiness programs as you consider appropriations for the 2018 fiscal year. Specifically, these programs include: The Small Business Administration's Microloan Program, the Program for Investment in Micro-Entrepreneurs (PRIME), Women's Business Centers (WBCs), Small Business Development Centers (SBDCs), and the Community Development Financial Institutions (CDFI) Fund at the Department of Treasury.

Today, there are 25.5 million microbusinesses in the United States, however these entrepreneurs continue to struggle when it comes to accessing the financing needed to start and grow their businesses. According to former Treasury Secretary Jacob Lew, 8,000 small business loans are declined every day. It is imperative that we continue to provide our nation's entrepreneurs with the tools they need to succeed; ensuring access to capital and business development services remains critical.

Investment in microbusiness development matter: 88 percent of small businesses that receive business development services are still in business after five years. This compares to an overall five-year business success rate of less than 50 percent. Businesses that receive training also tend to have average annual revenues that are 38 percent higher than those that do not. Business ownership is also a means with which to increase income and generate wealth. For example, a woman who operates a microbusiness on a part-time basis generated an additional \$13,000 in annual income. In low-income urban and rural communities, this additional income is substantial and contributes to wealth generation.

Therefore, we are requesting the following FY 2018 funding levels to support programs that meet the demand for microbusiness services:

Treasury CDFI Fund	\$250M
Treasury CDFI BGP	\$1B
SBA Microloan – Lending	\$44M
SBA Microloan – TA	\$31M
SBA PRIME	\$10M
SBA WBCs	\$100M
SBA SBDCs	\$120M

*The Power of One in Three*, a report released by our partner organization Association for Enterprise Opportunity, shows that if just one in three microbusinesses hired a single employee, the U.S. would be at full employment. This is a powerful statement, but it requires focusing on supporting entrepreneurs and providing them with critical capital, counseling, and business assistance. In FY16 for example, the Microloan Program supported nearly 4,500 microloans totaling \$60.8 million to small businesses. This program and others focused on access to capital for our nation’s microentrepreneurs are integral pieces of the entrepreneurial ecosystem and should be fully funded.

As California’s statewide Micro Enterprise association, CAMEO is the voice for Micro-business in California. Our members help the self-employed and entrepreneurs create their own jobs as well as jobs for others, help Main Street businesses survive and thrive, revitalize neighborhoods through business development, and provide infrastructure that strengthens families.

Thank you in advance for your consideration. If you have any questions regarding these requests, please feel free to contact Mark Lee at (202) 626-8528 or at [mlee@madisonservicesgroup.com](mailto:mlee@madisonservicesgroup.com)

Sincerely,



Claudia Viek  
President and CEO