

2012 California Micro Industry Census



C·A·M·E·O·

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1 Definitions

Business: An individual or organization that has made sales or taken steps to formalize their business, including receiving a business license or filing a Schedule C, Schedule C-EZ, 1065, LLC or LLC Hybrid, or a corporate return.

Business Development Services (BDS): Non-financial resources which include: training and technical assistance; access to markets services; technology services; and, a wide array of other resources designed to help entrepreneurs start and grow their businesses.

Community Development Financial Institution (CDFI): An organization that provides credit technical assistance and financial services to underserved markets and populations; is certified by US Treasury.

Client: Someone who received a significant level of service (more than five hours) from a micro-enterprise development organization.

Existing Business: A business in operation for more than 12 months at time of intake.

Individual: Someone who received any level of service from a respondent.

Lender: An organization that makes loans, which may or may not include microloans, small business loans, or any other type of loan.

Loan Packager: An organization which prepares loan applications and refers them to a bank or CDFI to review for a loan.

Low-income Family: A family whose income does not exceed 80 percent of the median family income for the area, as defined by the U.S. Department of Housing and Urban Development (HUD).

Micro-business: A company with five or fewer employees, including the owner. Micro-businesses make up an estimated 88 percent of all businesses in California.

Micro-business field: All organizations that supply microloans or provide business development services in support of micro-businesses.

Micro-enterprise Development Organization (MDO): A nonprofit organization that provides business development services or microloans to small or micro-businesses.

Microlender: An organization that makes microloans to businesses.

Microloan: A business loan from \$5,000 to \$50,000.

MMS: Microloan Management System, a partially automated loan management and assessment tool developed by Accion Texas.

Rural: All territory, population, and housing units located outside of urbanized areas and urban clusters.

Small Business Development Center (SBDC): A program run by the Small Business Administration, often in cooperation with a college or university and state or local

governments. SBDCs provide free business development services and operate in all fifty states.

Small Business Loan: A loan greater than \$50,000 made to a business. Usually made to more established businesses.

Start-up Business: A business in operation for less than twelve months at time of intake.

Technical Assistance: Individual business development services.

Training: Group business development services, without or without a graduation requirement.

Urban: Urbanized areas include populations of at least 50,000, and urban clusters include populations between 2,500 and 50,000.

CAMEO

As advocates for low-income women in the early 1990's, Mimi Van Sickle, Sheilah Rogers, Debi Clifford and Forescee Hogan-Rowles quickly realized that public policy was inadequate for the needs of their clients. What was born as an advocacy organization to change the rules for the benefit of their clients quickly grew into a voice for all Californians seeking to change their lives and communities through entrepreneurship; CAMEO was born.

Mission

To grow a healthy, vibrant, thriving environment for *all* entrepreneurs and start-up businesses by advancing the work of our statewide member network.

Vision

To create economic opportunity for all entrepreneurs, to build wealth and strong California communities.

2 Executive Summary

CAMEO has 66 micro-enterprise development organization (MDO) members that we invite to participate in the survey. Fifty-seven provided at least some response to our annual survey – a response rate of 85 percent.

Lending remains relatively stable, both in number and volume of loans, with CAMEO members making 1,571 loans in 2012 for a total volume of \$16,923,517. These numbers are expected to continue to rise, as lenders continue to increase the efficiency of their microlending programs and as the economy continues to improve.

Many CAMEO members reported a continuing decline in the number of clients served in 2012. Altogether, members provided a significant level of service to 13,121 clients in 2012, a 46 percent decline from 2011, and the lowest figure reported since 2009. This drop comes from a few key programs, with three organizations accounting for almost half the decline from 2011 to 2012.

Performance has declined across other key metrics, with fewer businesses or clients served and fewer jobs created or retained. This comes even as the wider Californian economy improves, and may be tied to declining funding.

Volume of Loans	\$16,923,517
<i>Number of Loans</i>	<i>1,571</i>
<i>Average Loan Size</i>	<i>\$10,722</i>
Employees Supported	26,543
<i>Businesses Served</i>	<i>16,470</i>
<i>Jobs Created</i>	<i>5,274</i>
<i>Jobs Retained</i>	<i>4,799</i>
Clients Served	13,121
<i>People of Color Served</i>	<i>62%</i>
<i>Women Served</i>	<i>59%</i>
<i>Low-Income Households Served</i>	<i>75%</i>
<i>Veterans Served¹</i>	<i>2%</i>
<i>Clients with a Disability Served¹</i>	<i>2%</i>

¹ Most CAMEO members did not collect data on the veteran or disability status of their clients; half to two-thirds of all clients have an unknown status.

3 Materials and Methods

The 2013 Survey was conducted in partnership with the Aspen Institute's FIELD program, and utilized their microTracker online software, a national survey of the microenterprise industry. All information submitted by survey respondents is publically available on their site, www.microtracker.org, and aggregate data is available at both the national and state levels on a variety of topics, including client demographics and loan volume.

The survey consisted of 75 questions (see Section 0) grouped into 15 sections:

1. Program Profile
2. Microfinance Products and Services
3. Business Development Services
4. Demographic Information
5. Low-Income Measures
6. Business Development Service Performance
7. Microfinance Volume
8. Microfinance Performance
9. Organizational Information
10. IDA Volume
11. Small Business Volume
12. Leveraged, Packaged and Guaranteed Loans
13. Time Spent on Lending vs. Training/TA
14. Client Outcomes
15. Wrap-Up

Questions were displayed or hidden depending on respondents' answers, so not all survey takers were required to answer all questions. For example, an organization that provides no microfinancing would not be asked questions about microloan volume. We identified 31 key questions on the survey, and focused our outreach and analysis accordingly. Microlenders were asked 24 questions, while business development service providers were asked 23; organizations that provided both services were asked the full set of 31.

The survey was distributed to 66 member organizations, 57 of which provided at least some data, a response rate of 85 percent. See Appendix 1: Respondents for a full list of participating organizations.

Respondents for this survey include both MDOs and government agencies, and do not include the individual consultants or corporate and government partners who make up the wider CAMEO network.

ESTIMATION METHOD

We computed the estimated value of nonresponding CAMEO members by multiplying the median value of each question by the number of non-responders; using the median instead of the mean to account for outliers. This amount was then added to the original total to obtain the adjusted industry figures cited in this report.

Example – How many clients did you serve in FY2012?

49 CAMEO members responded to the question, and served a total of 20,057 clients. The median organization served 164 clients. There were 25 nonrespondents (74 - 49), serving an estimated 4,100 clients (25 x 164). The adjusted number of clients served is therefore 24,157 (20,057 + 4,100).

ADJUSTING DOLLAR FIGURES

All dollar values were adjusted for inflation and set to 2012 values.

CLIENTS VERSUS INDIVIDUALS

We were able to separate out demographic information on clients and individuals this year; information on the two categories had previously been combined together. The effect on the data was not substantial – most likely because individuals who engage with the program enough to provide demographic information are already or nearly clients.

4 Discussion

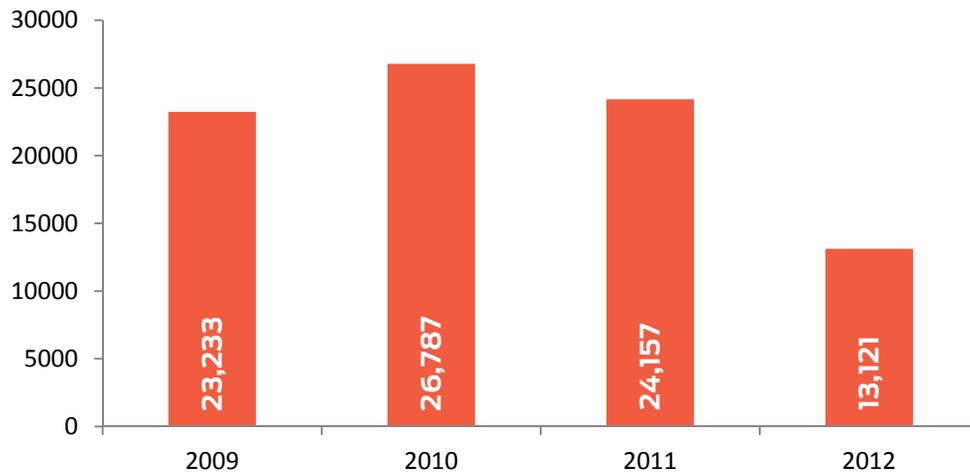
POPULATIONS SERVED

Clients Served

CAMEO members reported a decline in the number of clients served in 2012. Altogether, members provided a significant level of service to 13,121 clients in 2012, a 46 percent decline from 2011, and the lowest number reported since 2009.

Many organizations reported a decline from the previous year. However, three organizations accounted for 46 percent of the decline. Eleven organizations reported declines in clients served of more than 25 percent; 23 organizations saw growth or minimal changes over 2011.

Clients Served, 2009 - 2012

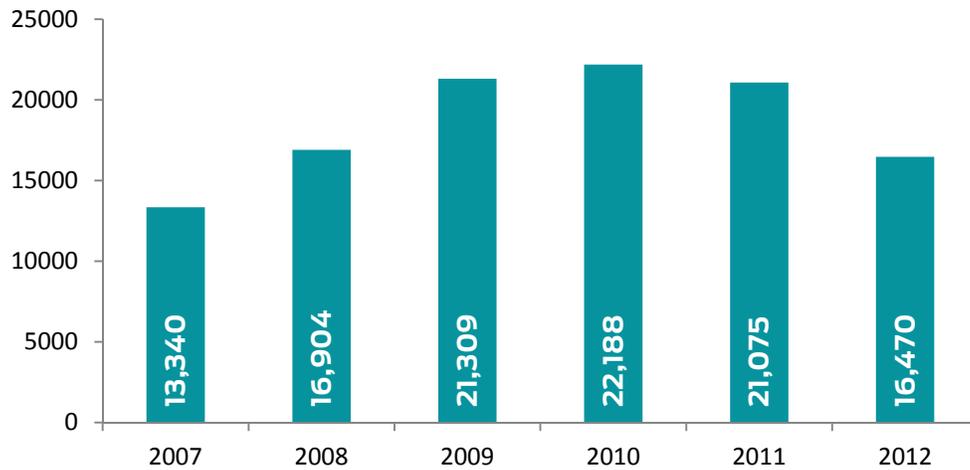


	2009	2010	2011	2012
Clients Served	23,233	26,787	24,157	13,121
Growth over previous year	--	15%	-10%	-46%

Businesses Served

CAMEO members served a total of 16,470 businesses in 2012, including established businesses and ones formed during the year. This is a 22 percent decrease from 2011, and the lowest number reported since 2008. The median number of businesses served was 139.

Businesses Served, 2007 - 2012



	2007	2008	2009	2010	2011	2012
Businesses Served	13,340	16,904	21,309	22,188	21,075	16,470
Growth over previous year	--	27%	26%	4%	-9%	-22%

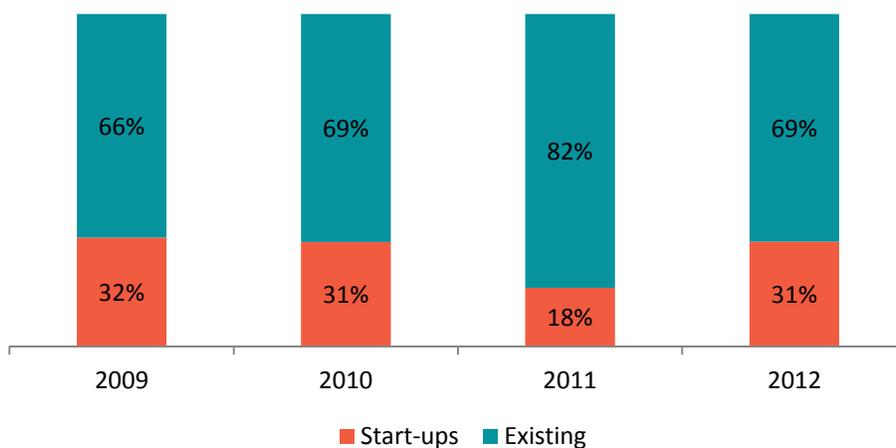
OUTCOMES

New Businesses Started

Thirty-one percent of the businesses served by CAMEO members were either started as a result of member support or were within the first year of operation (5,187 out of 16,470 businesses). This percentage has remained relatively stable since 2009, but dropped to 18 percent last year.

We arrived at this figure by combining two data points. Respondents were asked how many of their business-operating clients were running a business less than a year old, and then how many started a business as a result of their participation in the program.

Start-up Businesses

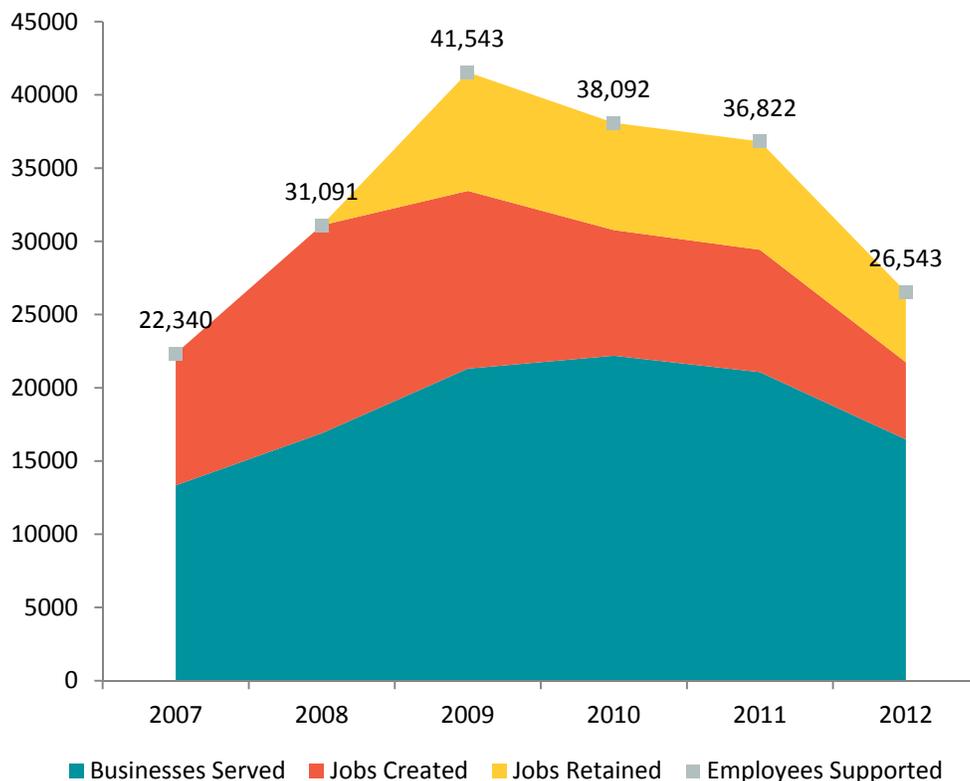


	2009	2010	2011	2012
Businesses less than 12 months old			1,347	3,199
Businesses started			2,360	1,988
Total Start-up Businesses	6,873	6,959	3,707	5,187
Total Businesses Served	21,309	22,188	21,075	16,470

Employees Supported

CAMEO members reported their clients supported 26,543 employees in 2012, a 28 percent decline from 2011. CAMEO members helped create 5,274 jobs, and retained 4,799 jobs, a decline of about 36 percent in both categories. The median member supported 256 employees.

Employees Supported



	2007	2008	2009	2010	2011	2012
Total Employees Served²	22,340	31,091	41,543	38,092	36,822	26,543
<i>Businesses Served</i>	13,340	16,904	21,309	22,188	19,722	16,470
<i>Jobs Created</i>	9,000	14,148 ³	12,135	8,585	8,350	5,274
<i>Jobs Retained</i>			8,099	7,319	7,397	4,799

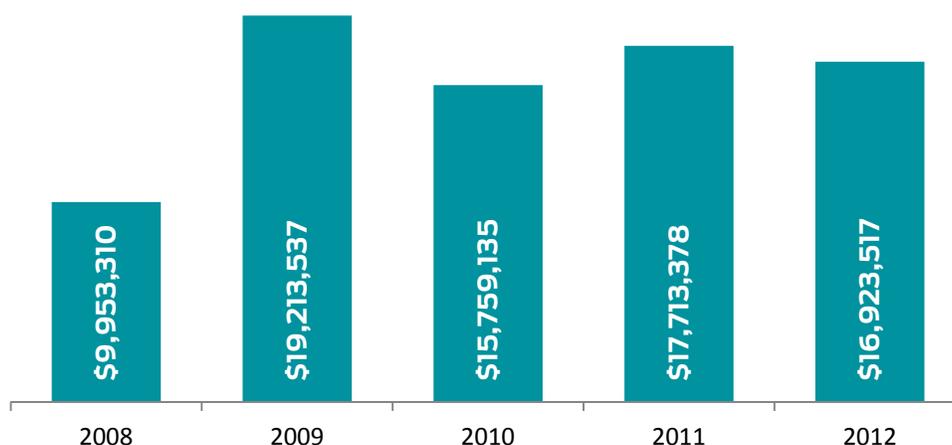
² The number of employees supported was calculated by totaling three metrics: the number of businesses served (as each business represents at least one owner); the number of paid jobs created by businesses served, including full-time, part-time and seasonal employees; and, the number of paid jobs retained by businesses served, including full-time, part-time and seasonal employees.

³ Jobs created and retained were combined into one number prior to 2009

MICROLOANS

Twenty-six CAMEO members (39%) are microlenders. CAMEO lenders made 1,571 microloans in 2012, a 2 percent increase over the previous year. The median number of microloans dropped to 15 from 31; 12 out of 26 lenders reported fewer loans than previously. Loan volume has remained relatively flat: CAMEO microlenders made \$16,923,517 worth of microloans, a 4 percent decrease from 2011 once adjusted for inflation. The median microlender made 15 loans for a total of \$271,573, with an average loan size of \$18,104.

Loan Volume



	2007	2008	2009	2010	2011	2012
Number of Loans	1,000	980	1,793	1,257	1,544	1,571
Loan Volume (millions) ⁴	\$11.04	\$9.95	\$19.21	\$15.76	\$17.71	\$16.92
Average Loan Size	\$11,035	\$10,156	\$10,716	\$12,537	\$11,472	\$10,917

Of the 26 CAMEO microlenders, three (12%) made more than 75 loans in 2012. These organizations accounted for approximately 79 percent of all loans made in 2012, and 60 percent of loan volume. The average loan size from this category was \$8,272, the smallest of the three categories.

Lender	Loans	%	Volume	%
Opportunity Fund	882	55.13%	\$5,996,836	34.33%
Valley Economic Development Center, Inc.	210	13.13%	\$2,336,785	13.38%
ACCION San Diego	166	10.38%	\$2,073,027	11.87%
Total	1258	78.63%	\$10,406,648	59.58%

⁴ All dollar values have been adjusted to 2012 dollars.

Eight CAMEO microlenders (31%) made between 20 and 74 loans in 2012. These lenders made approximately 15 percent of 2012 loans, and accounted for 29 percent of loan volume. The average loan size was \$21,972, almost triple the size of the average high production loan.

Name	Loans	%	Volume	%
Santa Cruz Community Credit Union	54	3.38%	\$934,048	5.35%
TMC Development Working Solutions	32	2.00%	\$831,193	4.76%
International Rescue Committee San Diego	31	1.94%	\$116,372	0.67%
OBDC Small Business Finance	26	1.63%	\$860,229	4.93%
Valley Small Business	25	1.56%	\$639,596	3.66%
Fresno CDFI	24	1.50%	\$591,099	3.38%
California Farmlink	21	1.31%	\$402,000	2.30%
CDC Small Business Finance	21	1.31%	\$767,100	4.39%
Total	234	14.63%	\$5,141,637	29.44%

Fifteen CAMEO microlenders (58%) made fewer than 20 loans in 2012⁵. These lenders made 7 percent of all loans, accounting for 11 percent of the total loan volume, with an average loan size of \$17,761.

Name	Loans	%	Volume	%
Women's Economic Ventures	16	1.00%	\$227,650	1.30%
Opening Doors, Inc.	13	0.81%	\$144,758	0.83%
Arcata Economic Development Corporation	10	0.63%	\$315,375	1.81%
3CORE, Inc.	8	0.50%	\$375,000	2.15%
AnewAmerica Community Corporation	6	0.38%	\$6,000	0.03%
Neighborhood House	6	0.38%	\$4,849	0.03%
Women's Initiative for Self Employment	6	0.38%	\$33,600	0.19%
Economic Vitality Corp	5	0.31%	\$50,000	0.29%
Sierra Economic Development Corporation	5	0.31%	\$113,000	0.65%
Pacific Asian Consortium in Employment	3	0.19%	\$80,000	0.46%
Pacific Coast Regional SBDC	1	0.06%	\$25,000	0.14%
Glenn County Human Resource Agency	0	0.00%	\$0	0.00%
Superior California Economic Development	0	0.00%	\$0	0.00%
Total	79	5.03%	\$1,375,232	10.98%

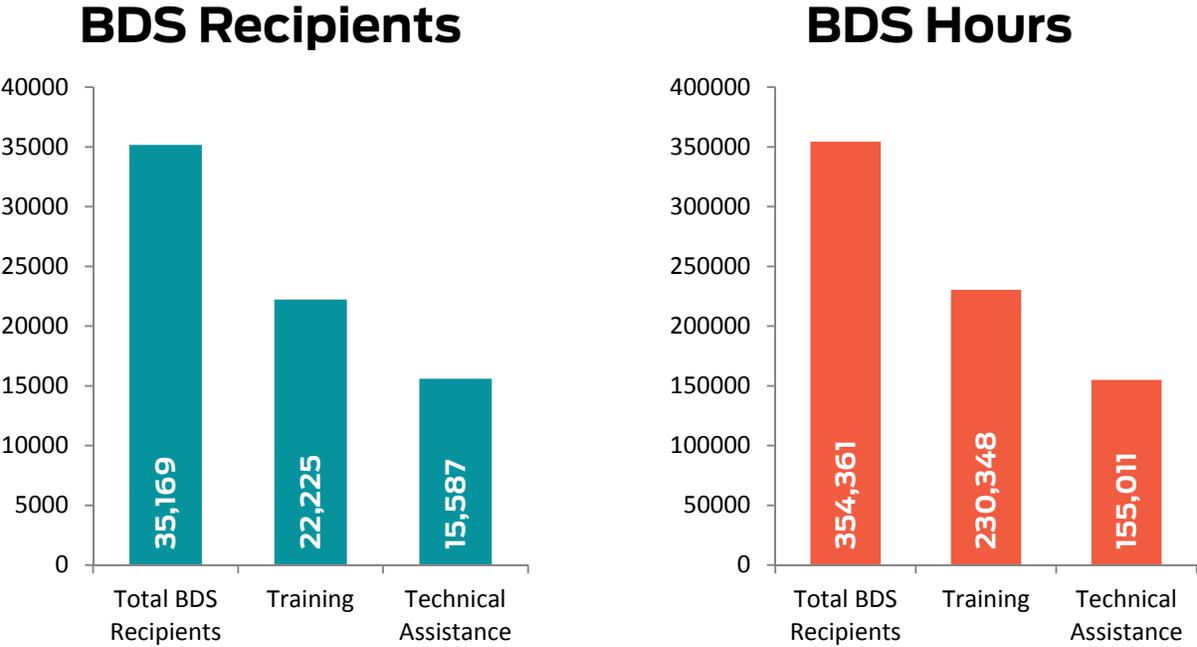
⁵ Two microlenders did not provide data regarding their loan rate or volume. Phone conversations with the organizations indicated their activity was minimal, and so they are not included in this set. The summary sheet, published prior to these conversations, includes estimated data using the median method detailed above.

BUSINESS DEVELOPMENT SERVICES

One hundred percent of CAMEO members provided business development services in 2012. Our members provided business development services to 35,169 people in 2012. 22,255 people received an estimated 230,348 hours in group training, and 15,587 Californians received 155,011 hours of one-on-one technical assistance. The median member provided 854 hours of one-on-one technical assistance in 2012, and less than ten hours of group training per person.

Training and Technical Assistance numbers may not always add up to the total figure; some organizations provide both group and one-on-one business development services to the same individuals.

Also, more people received BDS services from our members than became clients; not all people who receive training or technical assistance become clients – they may attend a short class or workshop without engaging more fully with the organization.



	Recipients	Hours
Total Business Development Services	35,169	354,361
<i>Group Training</i>	<i>22,225</i>	<i>230,348</i>
<i>One-on-One Technical Assistance</i>	<i>15,587</i>	<i>155,011</i>

Nine out of 66 CAMEO organizations provided business development services to 1,000 people or more in 2012. They offered 278,945 hours of training and technical assistance to 22,476 Californians, for an average of 12.41 hours of support per recipient.

BDS Provider	Recipients	Hours	Avg Hours
Coachella Valley Women’s Business Center	5,278	27,817	5.27
Women’s Initiative for Self Employment	3,127	105,421	33.71
TMC Development Working Solutions	2,753	818	0.30
Inland Empire SBDC	2,340	18,909	8.08
San Diego & Imperial County SBDC Network	2,170	12,849	5.92
Valley Economic Development Center, Inc.	2,154	36,807	17.09
Pacific Coast Regional Corporation	1,679	27,592	16.43
Renaissance Entrepreneurship Center	1,609	48,732	30.29
Opportunity Fund	1,366	* ⁶	
Total	22,476	278,945	12.41

Fifty-six percent of CAMEO members (37 out of 66 organizations) saw between 100 and 999 people during 2012. This total includes 16 organizations that did not supply data on their number of BDS recipients – their businesses development numbers have been estimated as discussed above.

BDS Provider	Recipients	Hours	Avg Hours
Women’s Economic Ventures	862	19,924	23.11
Lawyers Committee for Civil Rights	589	1,975	3.35
Central Valley Business Incubator SBDC	570	1,946	3.41
California FarmLink	523	* ⁶	
Pacific Asian Consortium in Employment	481	1,022	2.12
CSUMB Small Business Development Center	477	357	0.75
Asian Pacific Islander Small Business Program	455	2,010	4.42
Mission Economic Development Agency	390	7,550	19.36
West Company	364	2,830	7.77
El Pajaro Community Development Corp	363	5,360	14.77
Urban Solutions	358	91	0.25
ACCION San Diego	327	3,768	11.52
Jefferson Economic Development Institute	322	3,712	11.53
Community Action Agency of Butte County	295	348	1.18
Vermont Slauson EDC	280	* ⁶	
California Capital FDC	260	1,002	3.85

⁶ Member did not provide this data point.

The Business Resource Group, Inc.	249	* ⁶	
Arcata Economic Development Corporation	220	* ⁶	
International Rescue Committee San Diego	204	* ⁶	
Mission Community Services Corporation	195	886	4.54
Neighborhood House	110	* ⁶	
<i>Estimated Remainder</i> ⁷	4,072	9,748	2.39
Total	11,966	62,529	5.23

Twenty organizations saw fewer than 100 BDS recipients in 2012, and provided 8,417 hours of training or technical assistance for an average of 11.58 hours of support per recipient.

BDS Provider	Recipients	Hours	Avg Hours
Opening Doors, Inc.	93	190	2.04
Sierra Economic Development Corp	79	2,007	25.41
OBDC Small Business Finance	70	26	0.37
Agriculture & Land-Based Association	60	* ⁶	
Canal Alliance	52	175	3.37
Fresno CDFI	51	175	3.43
Community Services Employment Training	47	19	0.40
La Cocina	42	980	23.33
Superior California Economic Development	42	* ⁶	
Valley Small Business Development Corporation	42	672	16.00
San Diego Center for International Trade	40	250	6.25
Terra Green CDC ⁸	25	45	1.80
Centro Community Partners	22	1,415	64.32
CDC Small Business Finance	21	445	21.19
Community Action Partnership of Sonoma	17	18	1.06
3CORE, Inc.	12	2,000	166.67
The Cerebral Palsy Center	10	* ⁶	
Easter Seals Southern California/WorkFirst	2	* ⁶	
Glenn County Human Resource Agency	0	* ⁶	
Indian Dispute Resolution Services	0	* ⁶	
Total	727	8,417	11.58

Three organizations provided hours without providing recipients, and provided an additional 4,470 hours of support in 2012.

⁷ Some respondents provided information on BDS recipients, but not hours of service provided (or vice versa); these missing data points are included here

⁸ Not a CAMEO Member

DEMOGRAPHICS

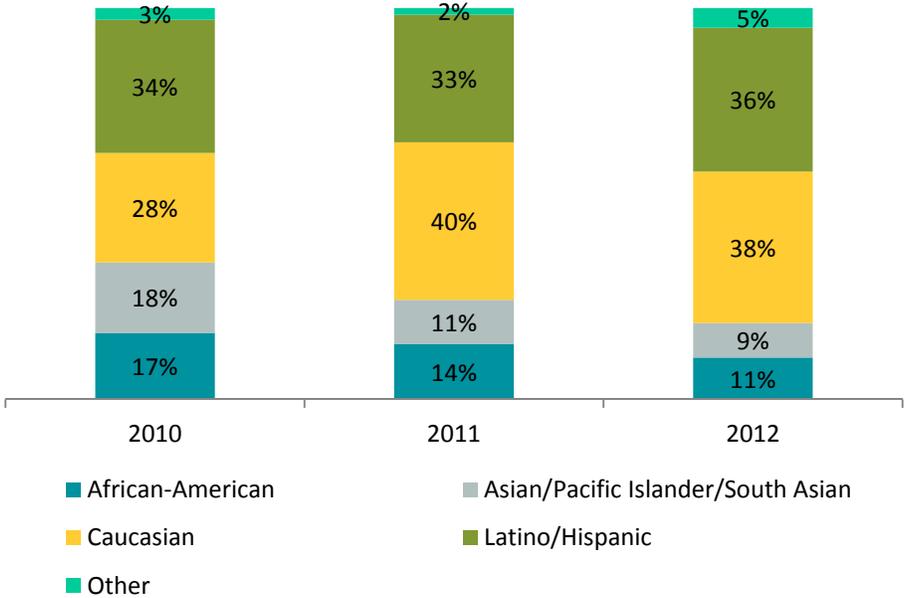
Race and Ethnicity

Respondents were asked to supply race and ethnicity information for their clients or individuals in the following categories:

- African-American/African Born
- Latino/Hispanic
- White/Caucasian
- Asian/Pacific Islander/South Asian
- Other

Caucasians continue to represent the largest single group of clients, while the majority of CAMEO member clients remain non-white. Client population mirrors demographics within the state, although CAMEO members saw disproportionately more African-Americans and disproportionately fewer Asian Americans; California is 6.6 percent African-American and 13.9 percent Asian-American, and CAMEO clients were 11 percent and 9 percent, respectively.

Ethnicity/Race, 2010-2012

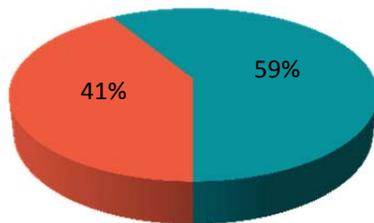


Gender

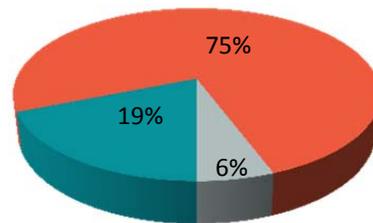
The CAMEO client base was 59 percent female in 2012, 41 percent male, continuing the roughly 60/40 ratio seen in previous years.

Low-Income Families

Seventy-five percent of clients served in 2012 were low-income; nineteen percent were moderate- or high-income, and six percent were unknown.



Men Women



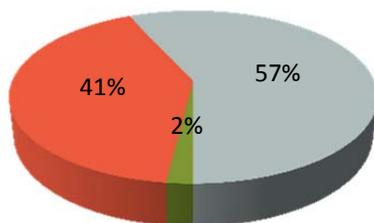
Above Low-Income Low-Income Unknown

Veterans

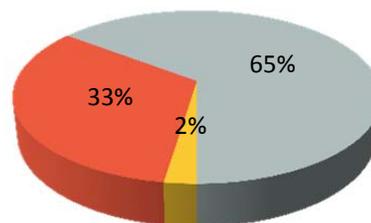
The 2013 Census included data on the veterans our members served as clients, as part of CAMEO's ongoing development of veterans programs. Only 2 percent of the clients served by our members in 2012 reported having served in the armed forces, while 41 percent reported no military service. The bulk of our members, however, did not collect information on veteran status in 2012: over half (57%) of clients lacked data on their veteran status.

Clients with a Disability

We noted a similar pattern with clients with a disability. Only 2 percent reported having some form of disability, while a third (33%) reported having no disabilities. Almost two-thirds (65%) of all clients, however, lacked data on their disability status.



Veterans Non-veterans Unknown



Disabled Non-disabled Unknown

FINANCIALS

CAMEO members were down in several key metrics in 2012 compared to 2011. Organizations saw fewer clients, served fewer businesses, and supported fewer employees than during the last two years. The changing economy could be one factor – as the Great Recession ends, many of the Californians who had been forced to start their own businesses out of economic necessity are returning to the regular workforce. Another factor could be the continued decline in micro-enterprise development funding. The median annual revenue for CAMEO members declined 30 percent from 2009 to 2012. This trend is accelerating: the median revenue for CAMEO members declined by 19 percent in 2012. While our members can improve their operational efficiency, funding is the biggest single barrier to growing services. Businesses and clients served jumped following the influx of program funding under the American Reinvestment and Recovery Act (ARRA), and have declined as funding was withdrawn.

Despite these challenges, CAMEO members strive to maintain service levels even while faced with declining funding. Members saw 23 percent more businesses in 2012 than in 2007, and supported 18 percent more employees, on only 82 percent of the revenue.



	2007	2008	2009	2010	2011	2012
Median Revenue	\$532,416	\$609,976	\$634,438	\$578,886	\$540,278	\$438,434
Employees Supported	22,340	31,091	41,543	38,092	35,469	26,543

SERVING RURAL COMMUNITIES

Of the 66 CAMEO members, 30 (45%) organizations reported working with rural populations to some extent; 13 (20%) worked solely with rural populations. Members that worked with both populations were assumed to draw 15 percent of their client base from rural areas and 85 percent from urban areas, using the population distribution of the state.

In 2012, CAMEO members...

- ...served 1,334 clients in rural areas, 2,182 rural businesses, and 2,885 rural employees.
- ...helped create 392 rural jobs and retain 311 rural jobs.
- ...made 98 microloans for a total of \$1,988,244; the average loan size was \$20,288.

SBDC NETWORK

Small Business Development Centers make up a sizeable percentage of the organizations that serve micro-businesses and entrepreneurs. Because they face specific reporting requirements from the Small Business Administration, integrating them into the wider census is difficult. CAMEO's survey results include data collected from individual SBDCs who are our members. Because we value their contribution to the sector, we are highlighting their collective impacts. The following numbers were compiled by the SBDC Network of California.

2012 By The Numbers⁹

- **6,962 New Jobs Created** by small companies and specifically attributed to assistance to the California SBDC.
- **3,855 Jobs Saved** – that were specifically slated for elimination – and that were specifically attributed to SBDC turn around help for struggling firms.
- **929 New Businesses Started** with the help of the California SBDC.
- **\$382 Million in New Capital Secured** by small firms to fuel growth, invest in innovation, and grow California's workforce – all specifically attributed to "access to capital" assistance from the California SBDC.
- **\$285 Million in New Taxable Revenue** generated by SBDC clients at the peak of the recession and attributed to the help those clients received from the SBDC.

Client Demographics

- **Over 62,000 Businesses Served** in 2012
- **Over 50%** of those served were women.
- **48%** were minorities
- **12%** were veterans and service-disabled veterans

⁹ *California Small Business Development Centers: 2013 Program Snapshot*, July 1, 2013

5 Appendix

RESPONDENTS

The following 58 organizations participated in the 2013 Annual Census. Fourteen organizations responded to the Census for the first time this year.

2012 and 2013 Census Respondents

3CORE, Inc.
ACCION San Diego
Agriculture & Land-Based Training Association
AnewAmerica Community Corporation
Arcata Economic Development Corporation
Asian Pacific Islander Small Business Program
California Capital Financial Development Corporation
California FarmLink
Canal Alliance
CDC Small Business Finance
Central Valley Business Incubator SBDC
Coachella Valley Women's Business Center
Community Action Agency of Butte County, Inc.
Community Action Partnership of Sonoma County
Community Services Employment Training
Contra Costa SBDC
CSUMB SBDC
Economic Vitality Corporation
El Pajaro Community Development Corporation
Fresno CDFI
Glenn County Human Resource Agency
Indian Dispute Resolution Services, Inc.
Inland Empire SBDC
International Rescue Committee San Diego
Jefferson Economic Development Institute
La Cocina
Mission Economic Development Agency
OBDC Small Business Finance
Opening Doors, Inc.
Operation HOPE
Opportunity Fund
Pacific Asian Consortium in Employment
Renaissance Entrepreneurship Center
Santa Cruz Community Credit Union
Sierra Economic Development Corporation
Superior California Economic Development

The Cerebral Palsy Center
TMC Development Working Solutions
Urban Solutions
Valley Economic Development Center, Inc.
Valley Small Business Development Corp.
West Company
Women's Economic Ventures
Women's Initiative for Self Employment

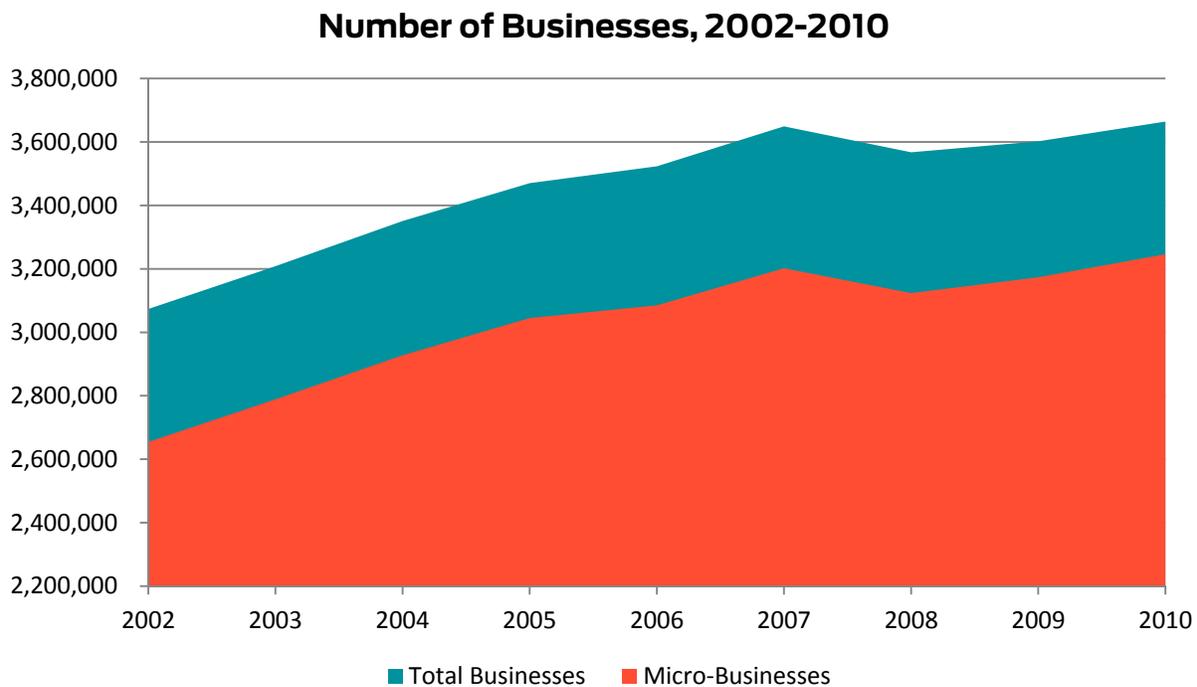
New Participants, 2013

California Resources and Training (CARAT)
Centro Community Partners
Easter Seals Southern California
Lawyers Committee for Civil Rights
Mission Community Services Corporation
Neighborhood House (California)
Pacific Coast Regional SBDC
San Diego & Imperial SBDC Network
San Diego Center for International Trade Development
San Diego SBDC
Terra Green CDC¹⁰
The Business Resource Group, Inc.
Vermont Slauson Economic Development Corporation

¹⁰ Not a CAMEO member

MICRO-BUSINESSES IN CALIFORNIA

Micro-businesses make up a significant portion of California's economy. From 2002 to 2010 (the most recent year for which data is available), micro-businesses represent 88 percent of all businesses operating out of California. This ratio is very stable; 87 percent of all businesses in 2002 were micro-businesses versus 89 percent in 2010, with new micro-businesses being created at almost exactly the same rate as larger companies.

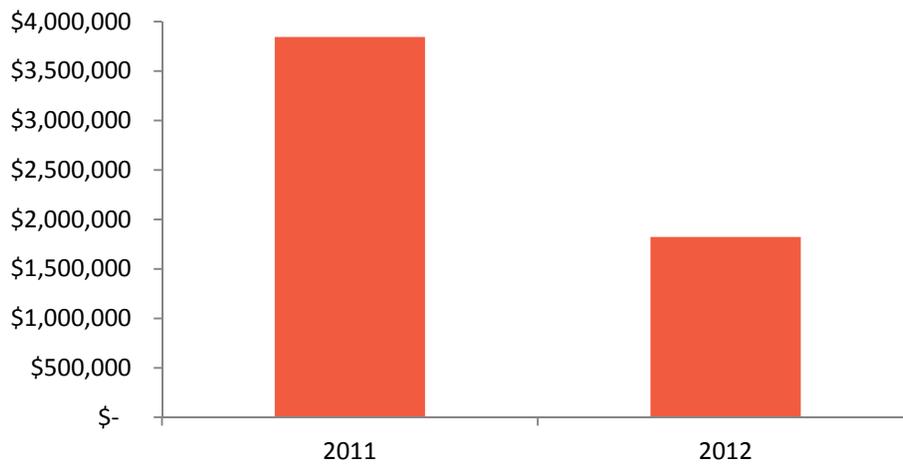


Micro-businesses are growing in importance as employers. Micro-businesses employed 19 percent of all workers in 2002, but grew to 23 percent of the workforce by 2010. Much of this is due to a growth in the sector from 2008 to 2010—micro-businesses grew significantly from 2008 to 2010, while the state economy as a whole continued to contract. Micro-businesses reported a 3 percent growth in number of employees over the three years, while the economy as a whole reported a 7 percent loss.

LOAN PACKAGERS

Twenty-eight CAMEO members provided loan packaging services in 2012. Members packaged 147 loans for a total of \$1,822,068, a decline from 2011 when 264 loans were leveraged for a total volume of \$3,844,022. The average leveraged loan amount in 2012 was \$12,395.

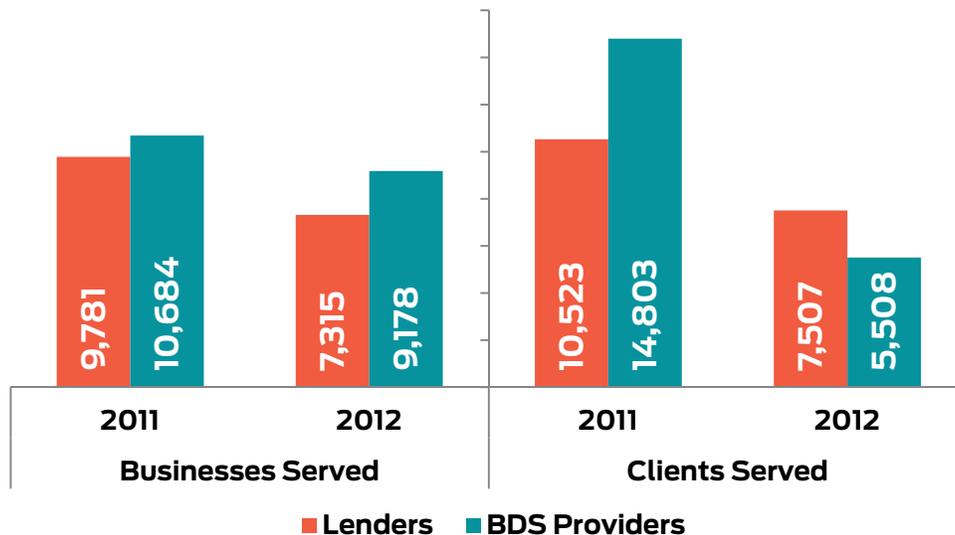
Leveraged Loans, 2011 - 2012



	2011	2012
Leveraged Loans	264	147
Leveraged Volume	\$3,844,022	\$1,822,068
Average Loan Size	\$14,560	\$12,395

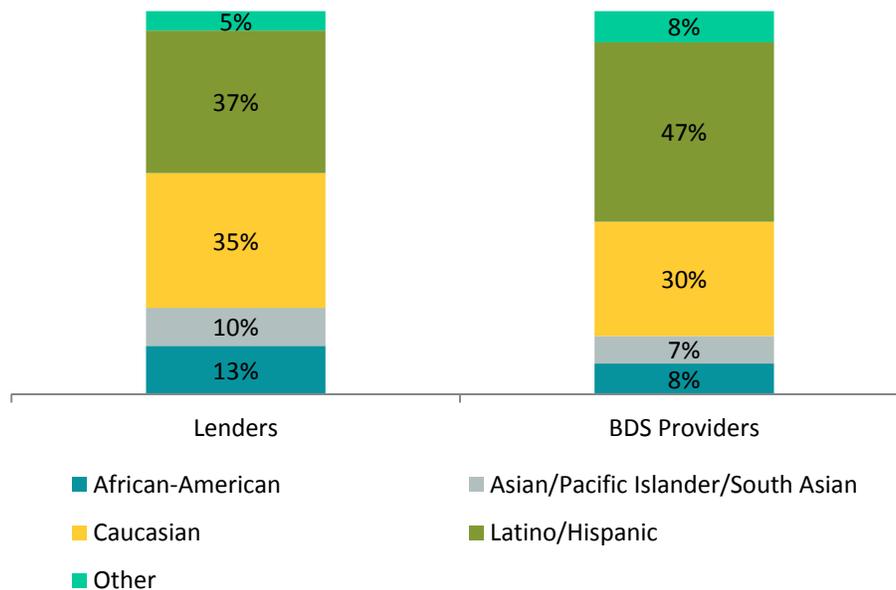
DIFFERENCES BETWEEN LENDERS AND BDS PROVIDERS

Clients and Businesses Served



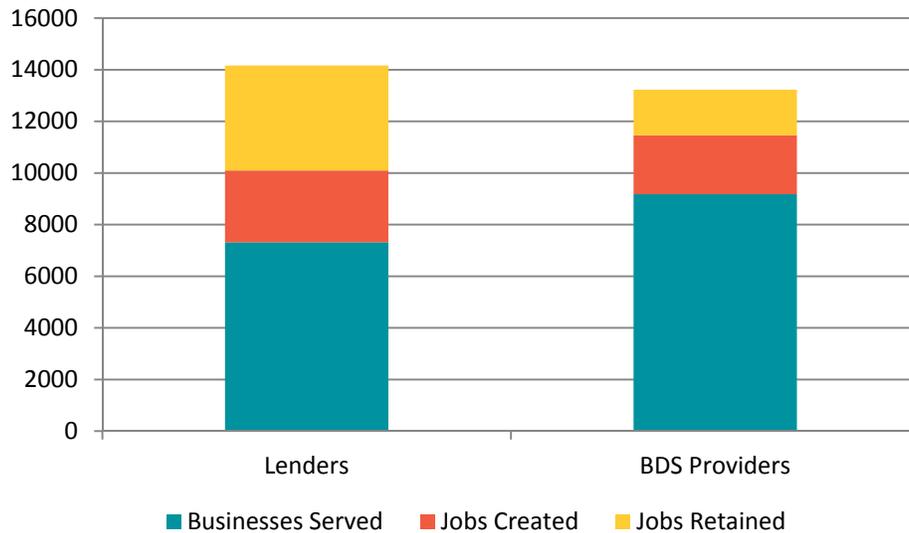
BDS providers make up 60 percent of CAMEO's membership, and have traditionally served the lion's share of businesses and clients within the micro field. In 2012, BDS organizations saw a decline in the number of clients they served from 14,803 to 5,508 – a drop of 63%.

Race/Ethnicity



Microlenders and BDS providers had roughly similar demographics among their clients. Lenders had proportionally more African- and Asian-American clients, while BDS organizations served more Latino clients.

Employees Supported

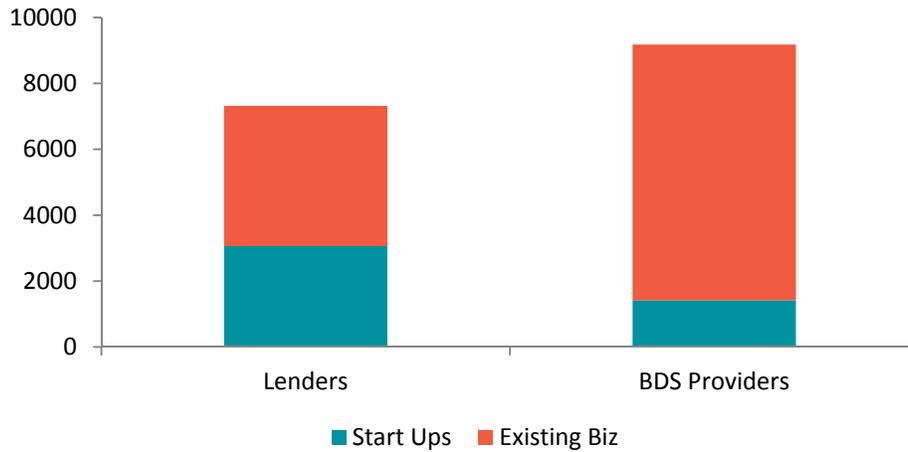


	Lenders	BDS Providers
Employees Served	14,161	13,224
<i>Businesses Served</i>	<i>7,315</i>	<i>9,178</i>
<i>Jobs Created</i>	<i>2,782</i>	<i>2,281</i>
<i>Job Creation Rate</i>	<i>38%</i>	<i>25%</i>
<i>Jobs Retained</i>	<i>4,064</i>	<i>1,765</i>
<i>Job Retention Rate</i>	<i>56%</i>	<i>19%</i>

Micro lenders and BDS providers supported roughly the same number of employees. BDS organizations supported only seven percent fewer employees in 2012 than lenders. Their clients created or retained fewer jobs.

Start-up Businesses

BDS providers were much more likely to service existing businesses than microlenders. Eighty-five percent of all businesses served by BDS providers had been in business for a year or more, compared to 58 percent of microlender businesses.



	Lenders	BDS Providers
New Businesses	3,060	1,420
Existing Businesses	4,255	7,758

Annual Revenue

Total Revenue



BDS providers had less annual revenue than microlenders. Forty BDS organizations had a combined annual revenue of \$17,584,188 for an average of \$439,604 per organization; twenty-six microlenders had a combined revenue of \$19,899,694 for an average of \$765,373 per lender.

COMPLETE SURVEY QUESTIONS

Program Profile

01. Please provide the name of your organization.

02. Please enter your microenterprise program name.

03. Please enter your program's mission statement.

04. Please provide the address of your microenterprise program as you would like it to appear in the directory.

04a. Do you have more than one office where you provide microenterprise services?

05. Please enter the contact information you would like listed for your program in the Directory of Microenterprise Programs.

06. Please tell us the year your microenterprise program started.

07. Please provide contact information for the person completing this survey.

08. Is your program a member of any of the following State Microenterprise Associations (SMAs)?

- Alabama Microenterprise Network, AL
- California Association for Microenterprise Opportunity, CA
- Georgia Micro Enterprise Network, GA
- Nebraska Enterprise Fund, NE
- Oregon Microenterprise Network, OR
- Partners for Entrepreneurial Advancement in Kentucky, KY
- Pennsylvania Microenterprise Coalition, PA
- Virginia Microenterprise Network, VA
- Washington State Microenterprise Association, WA
- Not a member of a SMA
- Don't know

09. Please describe the geographic areas your microenterprise program serves.

10. Which of the following best describes your overall organization?

- Community Development Corporation or Entity, CDC
- Community Development Financial Institution, CDFI
- Stand-Alone Microenterprise Organization
- Community Action Agency, CAA
- Network of Multiple Microenterprise Programs
- Credit Union
- Other

11. Where did your program provide services?

- Rural
- Urban
- Statewide

- Multistate
- Don't Know

12. Would you indicate the mission of your program is primarily around providing access to financing or training/technical assistance (if forced to choose one)?

13. What is your program's fiscal year?

14. Are you running a social enterprise? Do not count your microloan fund.

14a. Please describe your social enterprise:

Microfinance Products and Services

15. Do you directly provide microenterprise loans up to \$50,000?

16. Please check the other types of microfinancing you offer.

- NA, we did not offer any other microfinancing
- Credit-builder Loans
- Individual Development Accounts (IDAs)
- Microgrants
- Microequity
- Don't Know
- Other saving services or microfinancing products

17. What type of microenterprise lending does your program do?

- Individual/Business Lending
- Group/Peer Lending
- Don't Know
- Other

18. Which of the following types of Individual Development Accounts (IDAs) does your program offer?

- Business IDAs
- Housing IDAs
- Education IDAs
- Don't Know

19. Does your program offer Business Loans greater than \$50,000?

19a. What is your maximum business loan amount?

20. Do you document or track applicants' credit scores?

20a. Do you report borrowers' credit performance to credit bureaus directly or through another organization?

21. Do you leverage, package or guarantee micro or small business loans through another financial provider?

Business Development Services

22. Do you provide Business Training or Technical Assistance?

- Business Technical Assistance (one-on-one assistance)
- Business Training (group based instruction)
- NA, we did not offer any training or technical assistance.
- Don't Know

22a. What other business development services does your organization provide?

- NA, we did not offer any other business development services.
- Coaching/Mentoring
- Access to Market Services
- Financial Literacy
- Credit Counseling
- Tax Preparation
- Case Management Services
- Business Incubation
- Technology Services
- Don't Know
- Other training or technical assistance services

Demographic Information

23. How many individuals did you serve through your microenterprise program in FY2011?

24. How many clients did you serve in FY2011?

25. How many businesses were served during FY2011? (including existing businesses and those started during FY2011)

26. Would you like to report demographics and income data on individuals or clients?

27. What was the gender of the *[Q23 or Q24]* people you served in FY2011?

- # of Women
- # of Men
- # of Unknown

28. What was the ethnicity and race of the *[Q23 or Q24]* people served in FY2011?

- Mixed-Race
- African American/African-Born
- Latino / Hispanic
- Native American/Alaska Native
- White / Caucasian
- Asian / Pacific Islander
- South Asian
- Other
- Unknown

29. How many of the *[Q23 or Q24]* people served in FY2011 had a disability?

- # reporting a disability
- # that report NOT having a disability
- # of Unknown

30. Indicate the business status of the *[Q23 or Q24]* people served in FY2011:

- # that were NOT operating a business at intake (were at idea or feasibility stage)
- # that WERE operating a business at intake (made sales or took steps towards formalizing)
- # of Unknown

30a. Of the people operating a business (*[Q30]*), indicate the age of the business at intake:

- # with businesses operating less than 1 year
- # with businesses operating 1 year or more
- # of Unknown

Low-Income Measures

31. Which poverty measures do you track?

- HHS Poverty Guidelines
- HUD Median Income Limits
- TANF Status

31a. Do you have a detailed breakdown for 100% of 2011 HHS Poverty Guidelines?

Of the people you served in FY2011, indicate how many were above, and how many were below the 100% of HHS Poverty threshold for each household size in the table below. The totals will automatically transfer to question 30b.

Size of Family Unit	48 States	Alaska	Hawaii	Below	Above
1	\$15,600	\$19,500	\$19,500		
2	\$21,000	\$26,250	\$25,710		
3	\$26,400	\$33,000	\$31,920		
4	\$31,800	\$39,750	\$38,130		
5	\$37,200	\$46,500	\$44,340		
6	\$42,600	\$53,250	\$50,550		
7	\$48,000	\$60,000	\$56,760		
8	\$53,400	\$66,750	\$62,970		
more	Add \$5,400	Add \$6,750	Add \$6,210		

31b. What was the low-income status at intake of the people you served in FY2011, using the measure of 100% of HHS poverty?

- # at or below 100% HHS Poverty
- # above 100% HHS Poverty
- # Unknown

31c. Do you have a detailed breakdown for 150% of 2011 HHS Poverty Guidelines

Of the people you served in FY2011, indicate how many were above, and how many were below the 150% of HHS Poverty threshold for each household size in the table below. The totals will automatically transfer to question 30d.

Size of Family Unit	48 States	Alaska	Hawaii	Below	Above
1	\$23,400	\$29,250	\$29,250		
2	\$31,500	\$39,375	\$38,565		
3	\$39,600	\$49,500	\$47,880		
4	\$47,700	\$59,625	\$57,195		
5	\$55,800	\$69,750	\$66,510		
6	\$63,900	\$79,875	\$75,825		
7	\$72,000	\$90,000	\$85,140		
8	\$80,100	\$100,125	\$94,455		
more	Add \$5,400	Add \$6,750	Add \$6,210		

31d. What was the low-income status at intake of the people you served in FY2011, using the measure of 150% HHS poverty?

- # at or below 150% HHS Poverty
- # above 150% HHS Poverty
- # Unknown

31e. Do you have a detailed breakdown for 80% of 2011 HUD Local Median Income?

Number of People in Household	Maximum Income Level 80% of 2010 HUD Local Median Income	Number of Clients at or below 80% of 2011 HUD Local Median Income	Number of Clients Above 80% of 2011 HUD Local Median Income

31f. What was the low to moderate income status of the people at intake you served during FY2011 using HUD guidelines (80% of local median)?

- # at or below 80% HUD Median
- # above 80% HUD Median
- # Unknown

31g. At intake, what was the TANF status of the people you served during FY2011?

- # receiving TANF at intake
- # NOT receiving TANF at intake
- # Unknown

Business Development Service Performance

32. How many of the [Q23] individuals served received business development services in FY2011?

32a. Do you know the number of individuals receiving training, the number receiving TA and the number of hours you provided in training and TA?

32b. Average number of hours of business development services per individual.

33. How many of the [Q30] BDS individuals participated in group trainings with a graduation or completion requirement in FY2011?

34. How many total hours of training did you provide to individuals in FY2011?

35. How many people completed the group-based training they were enrolled in?

36. How many of the [Q30] BDS individuals received one-one-one technical assistance (TA) in FY2011?

37. How many total hours of TA did you provide to individuals in FY2011?

38. Do you help individuals complete business plans?

- Yes, formal business plans
- Yes, informal business plans
- No, we don't work on or track business plans with our entrepreneurs

38a. How many individuals did you work with on formal business plans in FY2011?

38b. How many individuals completed formal business plans FY2011?

38c. How many individuals did you work with on informal business plans FY2011?

38d. How many individuals completed informal business plans FY2011?

Microfinance Volume

39. Please tell us the number of business microloans (up to \$50,000) disbursed in FY2011.

39a. Please tell us the dollar value of business microloans (up to \$50,000) disbursed in FY2011.

40. Please tell us the number of business microloans (up to \$50,000) outstanding on the last day of FY2011.

40a. Please tell us the dollar value of business microloans (up to \$50,000) outstanding on the last day of FY2011.

41. Do you make microloans (\$50,000 or less) for purposes other than business?

41a. Please tell us the number of other microloans (up to \$50,000) disbursed in FY2011.

41b. Please tell us the dollar value of other microloans (up to \$50,000) disbursed in FY2011.

41c. Please describe your other microloans.

42. Please tell us the number of other microloans (up to \$50,000) outstanding on the last day of FY2011.

42a. Please tell us the dollar value of other microloans (up to \$50,000) outstanding on the last day of FY2011.

43. Total Capital for microlending as of the end of FY2011.

44. Please indicate the range of interest rates you charge for your microloans.

- Min
- Max
- Don't Know

45. Please indicate your average interest rate.

46. What fees do you charge?

Microfinance Performance

47. How many full-time equivalent loan officers did you have in FY2011?

48. Indicate the dollar amount outstanding in microloans on the last day of FY2011 to businesses less than a year old when the loan was disbursed.

49. Indicate the dollar amount outstanding in restructured microloans on the last day of FY2011.

50. What was the total amount declared non-recoverable (net of any recoveries) in microloans in FY2011?

51. What was the total dollar amount outstanding for your microloan program on the last day of **FY2010**?

52. Please indicate the following data on past-due loans in your microloan portfolio on the last day of FY2011:

Days Past Due	# of Loans	\$ of Loans
31-60		
61-90		
91-120		
120+		
Grand Total		

Organizational Information

53. Please enter the number of paid full-time equivalent staff (FTEs) dedicated to the microenterprise program in FY2011.

54. Please indicate what your microenterprise expenses according to following categories:

- I can't break my expenses out but can provide a total operating expense figure.
- Salaries and Benefits
- Other Operating Expenses
- Interest on Borrowed Funds
- Change in Loan Loss Provision

54a. Total Operating Expenses for FY2011

55. Please indicate your microenterprise program operating income. I know my operating income sources by:

- dollar amount
- percent
- I can't break out my operating income but can provide a total operating income figure

55a. Please indicate the breakout of your FY2011 microenterprise operating income according to the following sources.

Private funding
Foundation funding
Individual contributions

Federal funding (Community Development Block Grant Money should be considered Federal for microTracker.)
Contract
Grant

State funding
Contract
Grant

Local funding
Contract
Grant

Earned Income (includes interest and fees from microloans, client fees for training and technical assistance, sales of training materials, etc.)
interest payments on portfolio fees on loans
Includes all fees charged for originating

and managing microloans, and includes any late fees.
Interest on bank deposits Revenue generated on microloan funds that are invested while not needed for client loans.
Client Fees Revenue generated from client payments for workshops, seminars, consulting services and other technical assistance.
Income from Training Materials sales Revenue generated from the sale of materials either directly to clients (if this fee is charged separately from workshop registrations) as well as to others.
Other BDS Income Revenue generated from business development services such as: membership fees to participate in a network, revenue from a crafts shop or other marketing ventures.
Other earned income This includes any other income that does not fit under BDS or loan income.
Net income from non-program services This includes the profit generated from services such as consulting, conferences, training to other non-profits, and special events that are not directly related to your program, but which provide income that supports your microenterprise program. Only include the net income (income minus the expenses incurred to offer these services.)

Other Income
Other investment income Income generated from investments of idle cash not related to the loan fund.
Other income

55b. Please provide your total microenterprise program operating income for FY2011.

IDA Volume

56. Please tell us the number of individual development accounts intended for businesses open during FY2011.

57. Please tell us the dollar amount in individual development accounts intended for businesses during FY2011.

Small Business Volume

58. Please tell us the number of small business loans (>\$50,000) disbursed throughout FY2011.

59. Please tell us the dollar value of all small business loans (> \$50,000) disbursed throughout FY2011.

60. Please tell us the dollar value of all small business loans (> \$50,000) outstanding on the last day of FY2011.

61. Total Capital for Small Business loans as of the end of FY2011

Leveraged, Packaged and Guaranteed Loans

62. Please tell us the number of microloans (\$50,000 or less) leveraged, packaged, or guaranteed throughout FY2011.

63. Please tell us the dollar value of all microloans (\$50,000 or less) leveraged, packaged, or guaranteed throughout FY2011.

64. Please tell us the number of small business loans (> \$50,000) leveraged, packaged, or guaranteed throughout FY2011.

65. Please tell us the dollar amount of all small business loans (> \$50,000) leveraged, packaged, or guaranteed throughout FY2011.

Time Spent on Lending vs. Training

66. Are your training classes and individual technical assistance offered only within the context of:

- a financing product (helping people apply for a loan, IDA, or other financial product, offering feedback to improve loan readiness, offering specific assistance to support positive loan performance)
- a broader array of business development goals (helping individuals start, sustain and grow businesses)
- both

67. Of your *[Q61]* microenterprise FTEs, how many are “direct service staff?”

68. For these *[Q67]* direct-service staff, can you provide “typical” hours per month spent on tasks for each person?

- Hours Worked Per Month
- Total Work Time on Microenterprise Program
- Vacations, Holidays, Sick Leave etc.
- Credit functions
- Credit-related Technical Assistance
- Business Development Training
- Business Development Technical Assistance
- Other Program Services and Program Management

- Other

Client Outcomes

69. We collect MicroTest Client Outcomes data and would like those results entered in our profile by FIELD Staff.

70. How many new businesses were started by individuals you served in FY2011?

70a. How do you know how many businesses were started?

- Based on projections in loan applications
- We track people that voluntarily report this data
- We survey a sample of individuals served
- We survey all individuals served
- Other

71. Do you know how many paid jobs were created by the businesses you worked with in FY2011? (not including the owner)

71a. Of those paid jobs created in FY2011, how many were:

- Full-time jobs (on average 35 hours or more per week throughout the year)
- Part-time jobs (on average less than 35 hours per week throughout the year)
- Seasonal jobs (full-time or part-time, but for only a portion of the year)
- Unknown full-time/part-time status

72. Do you know how many paid jobs were retained, by the businesses you worked with in FY2011? (not including the owner)

72a. Of those paid jobs retained in FY2011, how many were:

- Full-time jobs (on average 35 hours or more per week throughout the year)
- Part-time jobs (on average less than 35 hours per week throughout the year)
- Seasonal jobs (full-time or part-time, but for only a portion of the year)
- Unknown full-time/part-time status

73. How do you know how many jobs were created and/or retained?

- Based on projections in loan applications
- We track people that voluntarily report this data
- We survey a sample of individuals served
- We survey all individuals served
- Don't Know
- Other

Wrap-Up

74. Is there anything you'd like to explain about your data?

CAMEO REQUIRED MICRTRACKER QUESTIONS:

General Questions

Program Profile

- Where does your organization provide services?
 - Rural
 - Urban
 - Statewide
 - Multistate
 - Don't Know
- Is your program primarily training/technical assistance-led or financing/credit-led (if forced to choose only one)?
 - Training/Technical Assistance-Led
 - Financing/Credit-Led
 - Don't Know

Microfinance Products and Services

- Do you directly provide micro enterprise loans up to \$50,000?
- Do you leverage, package or guarantee micro or small business loans made by another financial provider?

Business Development Services

- Do you provide Business Training or Technical Assistance?
 - Business Technical Assistance (one-on-one assistance)
 - Business Training (group-based instruction)
 - NA, we did not offer any training or technical assistance
 - Don't Know

Demographic Information

- How many *individuals* did you serve through your microenterprise program in FY2012?
- How many businesses did you serve in FY2012?
- How many of the individuals/clients served in FY2012 were veterans?
- Indicate the business status of the individuals/clients served in FY2012:
 - Number that were NOT operating a business at intake (were at idea or feasibility stage)
 - Number that WERE operating a business at intake (made sales or took steps toward formalizing)
 - Number of unknown
- Of the people operating a business, indicate the age of the business at intake:
 - Number with businesses operating less than one year
 - Number with businesses operating one year or more
 - Number of unknown

Organizational Information

- Total operating expenses for FY2012

- Please provide your total microenterprise program operating income for FY2012

Client Outcomes

- How many new businesses were started by individuals you served in FY 2012?
- Do you know how many paid jobs were created by the businesses you worked with in FY2012?
- Of those paid jobs created in FY2012, how many were:
 - Full-time jobs (on average 35 hours or more per week throughout the year)
 - Part-time jobs (on average less than 35 hours per week throughout the year)
 - Seasonal jobs (full-time or part-time, but for only a portion of the year)
 - Unknown full-time/part-time status
- Do you know how many paid jobs were retained by the businesses you worked with in FY2012?
- Of those paid jobs retained in FY2012, how many were:
 - Full-time jobs (on average 35 hours or more per week throughout the year)
 - Part-time jobs (on average less than 35 hours per week throughout the year)
 - Seasonal jobs (full-time or part-time, but for only a portion of the year)
 - Unknown full-time/part-time status

Lender Questions

Microfinance Products and Services

- Does your program offer Business Loans greater than \$50,000?

Microfinance Volume

- Please tell us the number of business microloans (up to \$50,000) disbursed in FY2012.
- Please tell us the dollar value of business microloans (up to \$50,000) disbursed in FY2012.
- Total Capital for microlending as of the end of FY2012.
- Please indicate your average interest rate.

Small Business Volume

- Please tell us the number of small business loans (> \$50,000) disbursed throughout FY2012.
- Please tell us the dollar value of all small business loans (> \$50,000) disbursed through FY2012.

BDS Provider Questions

Business Development Service Performance

- How many individuals received business development services in FY2012?
- How many of the individuals who received business development services participated in group trainings in FY2012?

- Please tell us, on average, how many hours of training you provide per individual?
- How many of the individuals who received business development services received one-on-one technical assistance (TA) in FY2012?
- How many total hours to TA did you provide to individuals in FY2012?

Leveraged, Packaged and Guaranteed Loans

- Please tell us the number of microloans (\$50,000 or less) leveraged, packaged, or guaranteed throughout FY2012.
- Please tell us the dollar value of all microloans (\$50,000 or less) leveraged, packaged or guaranteed throughout FY2012.

