

## California Microbusiness Means Business Creating Jobs and Economic Progress

### Small business is the key job generating strategy.

- 4.2 million Californians are employed by micro-businesses in 2007 (latest census).
- 3 million micro-businesses are sole proprietors.
- The multiplier effect for a small local business on a local economy is twice that of a national chain.
- The micro-businessperson is everywhere you are - the organic tomato farmer at the Saturday market, the childcare center at work, the technology service firm who fixes your computer when it crashes, your favorite neighborhood restaurant, or the new adult ice cream truck. Yes, those are local jobs.

### Technical assistance is the key to success.

- Microentrepreneurs that have gone through training programs and receive technical assistance from CAMEO members have an 80% success rate (versus the 50-80% failure rate of small businesses that don't seek help.)
- CAMEO member clients who start their own businesses also on average create two jobs in addition to their own, over a three-five year period.
- For every \$3,000 in technical assistance provided, a company generates \$70,000 in sales.
- The CAMEO cost of creating a job is the low average cost of \$1,000 a job. That's cheap when you consider a public works infrastructure project costs \$50,000 a job.
- If half of the 4 million micro-businesses in California hired one person, we'd create 2 million jobs and solve our unemployment problem.

### CAMEO businesses create jobs and generate income.

In 2009, CAMEO members served 21,000 businesses with training, technical assistance and loans. These firms, which were largely start-ups, brought 42,000 new jobs into California's economy.

- The businesses created a total of \$1.5 billion in economic activity— raising state revenues, decreasing demand for government services and putting more money into local and state economies.
- Federal taxes paid increased 35% over a five-year period.
- We've seen \$1 invested turn into a \$30 Social Return on Investment (local multiplier effect, more tax revenue, less government assistance, etc.)
- Traditionally, CAMEO members have served the emerging majority, the underserved - women, minorities and low income – or those who have high barriers to entry into the business world.
- Because of the Great Recession, CAMEO members are serving new populations - struggling Main Street businesses and unemployed who have turned entrepreneurial.
- An estimated 120,000 unemployed (about 5% of unemployed) are potential entrepreneurs.

CAMEO's mission is to promote jobs, economic opportunity and community well-being through Micro Enterprise Development. CAMEO is California's statewide Micro Enterprise association made up of over 160 organizations, agencies and individuals dedicated to furthering Micro Enterprise development in California.