

Self-employment IS Job Creation The Potential Workforce Investment Board and Micro Enterprise Partnerships

Job Creation: The Workforce Imperative in California

It is time for Californians to embrace new job creation strategies that build on our cultural advantage of entrepreneurship and utilize the untapped entrepreneurial capacity in our diverse communities. We are poised to rely on America's historical enthusiasm and support for our entrepreneurial spirit that is generating and expanding small businesses to create jobs and grow the economy.

- 64% of new jobs are created by very small (micro) businesses, most of them without employees.
- Homegrown, locally owned businesses hire locally.
- Self-employment grew 28% over past 5 years (new labor trend).

Background

The [Workforce Investment Act](#) (WIA) of 1998 created a system that encouraged local businesses to participate in the delivery of workforce development services. The principal vehicle for the delivery of services is the local Workforce Investment Boards (WIBs) which are required, under the WIA, to be chaired by members of the local community working in the private sector and/or representing business interests.

In 2010, the Department of Labor (DOL) released directives encouraging WIBs to integrate entrepreneurial training as a vital workforce development strategy:

- [TEGL-12-10](#): Supporting Entrepreneurship and Self-Employment Training through the Workforce Investment System
- DOL Study: [Think Entrepreneurs: A Call to Action; Integrating Entrepreneurship into the Public Workforce System throughout America](#)

WIA Discretionary Funds for California

In 2010-11 the WIA base funding for California decreased to \$460 million, of which about *\$73 million is available for state discretionary purposes.*

Each year the Governor lays out a plan for the expenditure of the discretionary funds, taking into consideration the greatest workforce development needs in the



state. In the past, the specific initiatives have included funding for nurses, parolees, and veterans. For 2010, California's greatest needs are the creation of new jobs through the development of new businesses and the expansion of existing small businesses. *If just 10% or \$7.3 million was directed to business skills training for Self-employment and Entrepreneurship, these funds would stimulate start up or growth of 2,400 businesses that over 3-5 years would create an estimated total 5,800 jobs, including the owners.*

Rationale for Funding Micro Enterprise Development

It is estimated by the Employment Development Department that 5% of the unemployed have entrepreneurial potential, meaning there are an estimated 120,000 people in CA who could benefit from self-employment training offered through the 100 Micro Enterprise Development and Small Business Development Corporations throughout the state. If only half of those unemployed entrepreneurs obtained help in starting a business (60,000), they would create a total of 144,000 jobs over 3-5 years (the owner plus two employees).

CAMEO and WIB Partnerships

CAMEO is your premiere California resource to introduce entrepreneurial training in a WIB/One Stop.

- 1) CAMEO member organizations are poised to contract with local WIBs to provide vital training, technical assistance and access to small business loan programs.
- 2) CAMEO can put you in touch with its member providers and lenders who are leaders in training and promoting self-employment as a workforce strategy. To find a local provider near you, visit [CAMEO's website](#).
- 3) CAMEO is funding limited consulting and technical assistance as part of a WIB Demonstration Initiative throughout California. CAMEO assists local/regional WIBs to meet and partner with CAMEO providers, provide performance measures and collect outcomes/job creation data across the project, demonstrating the efficacy of self-employment training as a workforce development resource. These projects will set the stage for successful self-employment outcomes to influence workforce strategies and regulations.