

Micro-business and Self-employment – Job Creators

Small business is the key job generating strategy. Self-employment is THE labor market trend.

- Businesses are not in business to create jobs, but to create a profit; government is downsizing. Who will create the jobs of the future?
- The DIYers who are creating their own jobs and starting their own businesses. Businesses are starting and staying smaller, according to the U.S. Bureau of Labor Statistics, the average firm size is now below 5 employees. And self-employment is growing exponentially, expecting to grow at 7% per year over the next five years.
- To create jobs we need to create businesses, lots of them.
- 3.25 million micro-business owners in California make up 88% of our businesses. It's these very small, micro-businesses that are the face of the new economy.

CAMEO is the statewide association of nonprofit entrepreneurial training programs and microlenders. In 2011, CAMEO members served 21,000 businesses with training, technical assistance and loans, supported/created 37,000 new jobs into California's economy and generated \$1.5 billion in economic activity.

From our experience we have found that

Technical assistance is the key to success. And AB 285's goal is to encourage more entrepreneurial training.

- Microentrepreneurs that have gone through our members' training programs and receive business assistance from 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.

