



California Association for
Microenterprise Opportunity

July 9 and 10, 1998

Federal Reserve Hearings on Proposed NationsBank/ BankAmerica Merger

Bank of America has made a significant investment in small business development in California. This investment has taken the form of support of the non-profits that provide technical assistance to the emerging business owners and loans to small business. A written commitment of community investment in small business development is an essential element of any merger agreement.

The California Association for Microenterprise Opportunity recommends a written commitment for the following:

- 1) Investment in the non-profit technical assistance providers who assist small business reach the level of expertise that permits them to qualify for bank credit.
- 2) A target of 75% of loans (based on dollar amount) to small business in loans of lines of credit of <\$50,000.
- 3) A target 30% of small business lending to minority and disabled-owned businesses.
- 4) A secondary review process for declined small business loan applications.

Submitted by:

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WHAT IS A MICROENTERPRISE?

Microenterprises are small businesses that have fewer than five employees. These businesses are usually started with less than \$25,000. These very small businesses are actually the greatest contributor to job generation during all business cycles. Many of them start as homebased businesses and part time occupations that contribute to a total family income.

WHAT IS MICROENTERPRISE DEVELOPMENT?

Microenterprise development is a process of providing resources to new, prospective and experienced small business owners. These resources include technical assistance in the form of business management training and one on one consulting. Small loans called microloan funds help with the start up or expansion needs of these businesses and are usually accessed because traditional financing is not available for developing businesses. Microenterprise development reduces the learning curve and increases the chances of success. These resources are usually provided by a community based or faith based non-profit in partnership with government agencies. These non-profits are usually supported with a combination of funding from government agencies, corporations and individuals.

WHO BENEFITS FROM MICROENTERPRISE DEVELOPMENT?

- *The community benefits from the increased job availability and economic vitality that successful small businesses can provide.
- *Small business owners, who are expanding their businesses, can access microenterprise development resources such as loan funds, training programs and support services.
- *New business owners get a jump start on success by learning from experts instead of the "school of hard knocks."
- *Prospective business owners gain valuable business skills while examining their business idea in a risk free environment.

HOW CAN WE MEASURE THE IMPACT OF MICROENTERPRISE DEVELOPMENT ?

For the Community

- *Reduction in welfare, unemployment and other public assistance costs.
- *Increase in the number of jobs created.
- *Increase in goods and services exchanged, space leased, etc. and associated tax revenues
- *Increase in the availability of goods and services in the community

For the Individual

- *Business start, increase in revenues, reduction in costs, increase in personal profits
- *Creation of an economic safety net with an increase in cash flow and assets
- *Increase in business skills and access to community resources and referral networks.

MICROENTERPRISE DEVELOPMENT IS AN ESSENTIAL PART OF AN OVERALL ECONOMIC DEVELOPMENT STRATEGY. TO LEARN MORE ABOUT MICROENTERPRISE DEVELOPMENT CALL CAMEO 510-238-8360.

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C•A•M•E•O

California Association for
Microenterprise Opportunity

CAMEO is a statewide association for microenterprise development organizations. Its membership is made up of nonprofit organizations, government agencies, financial institutions, foundations and individuals committed to creating self-employment opportunities for disadvantaged individuals.

The mission of CAMEO is to promote microenterprise as an effective community economic-development strategy for people and communities with limited access to economic resources.

CAMEO accomplishes its mission by:

- * Providing leadership and a voice for statewide microenterprise support*
- * Building the capacity of microenterprise practitioners*
- * Educating the public about the value of microenterprise development*

Benefits of CAMEO Membership:

- Information on funding, policy issues and practitioner education*
- Members' directory and informative newsletter*
- Representation in the advocacy efforts of the microenterprise field*
- Networking, referral and resource exchange opportunities*
- Technical assistance through regional meetings*
- Access to the VISTA volunteer program.*

Yes, I would like to join CAMEO.

- Interested Party / Consultant (\$50)
 - Nonprofit Organization with Budget under \$500,000 (\$75)
 - Nonprofit Organization with Budget over \$500,000 (\$150)
 - Sponsoring Organization (\$500)
- Please make your check payable to CAMEO.*

Name: _____
Organization: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Phone: (____) _____ Fax: (____) _____ E-mail: _____

(Please include a brief description of your organization on the back of this form. Thank you.)

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