

C·A·M·E·O·

CELEBRATING



YEARS

1994 - 2014



# TWO DECADES OF MICRO

## Building Wealth in our Communities

2013 Annual Report

# CORE PURPOSE:

CAMEO's mission is to grow a healthy, vibrant, thriving environment for *all* entrepreneurs and start-up businesses by advancing the work of our statewide member network.

## LETTER FROM THE CEO



The past year brought some disappointment, some breakthroughs, and some conundrums — the result of our leadership and willingness to address difficult issues in the Micro sector. CAMEO mirrors the entrepreneurial mindset: we learn from our failures and we keep on keepin' on, promoting microbusiness as the best approach to a thriving local economy.

Our bill AB 152 — would have allowed unemployed to seek self-employment while keeping their benefits — did not make it through the Assembly Appropriations Committee. But we made new friends and successfully built public awareness of the growing self-employment trend and the necessity of integrating this labor market reality into the Workforce system. Four county Workforce Investment Boards (WIBs) and One-Stop

staff attended CAMEO's "Understanding Entrepreneurship" training. We plan to offer this training to more WIBs in 2014— definitely a breakthrough!

Another breakthrough was that our members on the MMS underwriting platform are showing significant increases in lending. We see technology as enhancing the high-touch, culturally appropriate business assistance that is the hallmark of our community-based nonprofit lenders.

The conundrum is that despite the growing numbers of self-employed, members have served fewer clients and businesses each year since 2010. Members' median revenues show a similar pattern - as the money goes so do the outcomes. This is true across the country. Aspen's Field Institute reports a drop of 17% in clients served nationwide. Our sector does not anticipate significant increases in funding.

What does this mean for the future of our work and the Micro sector? We need to strengthen how we communicate our value to local economic development vis-à-vis the fact that most new jobs come from self-employment and microbusinesses, and we know what they need to succeed. Given current funding constraints, we need to consider new opportunities to increase efficiencies in order to increase services. We need to refocus our marketing to reach new entrepreneurs.

The rapidly changing world brings many challenges. We're excited to be introducing and adopting new online platforms, promoting the self-employment labor market trend and DIY economy and challenging long-held assumptions. As we celebrate 20 years of our entrepreneurial spirit, we look forward to a promising 2014!

*Claudie Viet*

## 2013 FUNDERS

### \$100,000 +

Wells Fargo Foundation

### \$40–99,999

Bank of America Rabobank  
Comerica U.S. Bank

### \$25–39,999

AHEAD-FHLBank HSBC  
East West Union Bank

### \$5–24,999

Bank of the West  
Capital One  
Cathay Bank  
Citi  
CFED  
Charles Schwab Bank  
Friedman Family Foundation  
McGurk Foundation  
USDA Rural Development  
U.S. SBA-PRIME

## 2013 FINANCIAL STATEMENTS\*

Profit and Loss		Balance Sheet	
<b>Revenues</b>		<b>Assets</b>	
Contributed	653,599	Total Cash	836,002
Member dues	26,950	Accounts Receivable	93,406
Earned Income	11,349	Other Current	7,629
		Fixed	8,872
<b>Total</b>	<b>691,898</b>	<b>Total Assets</b>	<b>945,909</b>
<b>Expenses</b>		<b>Liabilities and Equity</b>	
Personnel	340,742	Accounts Payable	18,987
Operations	308,011	Other Current	5,011
<b>Total</b>	<b>648,753</b>	<b>Total Liabilities</b>	<b>23,998</b>
<b>NET</b>	<b>43,145</b>	<b>Equity</b>	
		Opening Balance	10,154
		Retained Earnings	868,612
		Net Income	43,145
		<b>Total Equity</b>	<b>921,911</b>
		<b>TOTAL LIABILITIES AND EQUITY</b>	<b>945,909</b>

\*Not audited

# CELEBRATING 20 YEARS!

CAMEO grew from an idea around a kitchen table to a statewide membership of 170+ organizations that support California's microbusinesses. Here's to another 20!

## 2013 PROGRAMS AND INITIATIVES

### Microlending

The bright spot in the micro sector is the growth of microlending for the third year in a row. While final 2013 figures are pending, we have initial reports of significant growth as CAMEO members expand their geographic boundaries, and increasingly take a broader role in small business lending.

CAMEO launched two pilot projects to increase access to capital in under-served communities: Kiva and ACCION Texas's MMS underwriting platform. We gained a valuable partner in Kiva and developed a strong peer cohort model which serves our members as a strong capacity building tool. Users of the MMS platform have seen increased loan production via outsourced underwriting, and greater operational efficiency. CAMEO provides strategic support at the staff and leadership level via the peer cohort model. Twenty-three out of CAMEO's 26 microlenders do an average of 15 loans a year. This is not sustainable. The advent of online lending platforms makes it a logical imperative to adopt this technology.

We feel that it's our role to bring forth these new trends and technology and to support our members to expand their capacity, skills, capital resources, and technology adoption. To that end, CAMEO developed a new program — the MicroLending Academy, which provides specialized training and support around best practices in microlending. The idea for the Academy came from our successful Microlenders Forum in January attended by 55 people from 32 organizations.

### Capacity Building

Overall 301 participants benefitted from CAMEO trainings in microlending, organizational best practices, and workforce development. We introduced

our members and colleagues to new opportunities and ideas such as Affordable Care Act, the self-employment labor market trend, and new technologies to improve program efficiencies.

CAMEO provided 15 of our members' staff with individualized training scholarships to further their professional development. CAMEO also provided substantial direct technical assistance to three member organizations to expand organizational effectiveness.

### MEMBER SERVICES 2014 HIGHLIGHTS

CAMEO Annual Meeting/20th Anniversary Celebration, June 17 in Sacramento

MicroLending Academy

MMS expansion

Central Coast Go-to-Market Program, Spring

Women's Entrepreneurship Symposium, Fall

Community-based veteran program

Scholarship fund for advanced training

In December, 60 people attended the Women's Entrepreneurship Symposium that focused on women's food businesses and included: a panel discussion on food policy in Los Angeles and California that highlight business opportunities; tools to help business owners with financials, credit, loans and business; a panel on how to incubate food businesses in urban spaces. And we secured rock star keynotes: Evan Kleiman, host of KCRW's Good Food and Liza Braude-Glidden, Co-Founder and Creative Director of Beanfields Bean and Rice Chips.

### Veterans Business Development

We believe that entrepreneurship services to returning veterans must be delivered at the community based level. In past years, CAMEO operated a facilitated peer support network for organizations that serve

veterans and an intensive community-based referral program that has the potential to become a national model. In 2013, we deepened our commitment and expanded our programming to meet the growing needs of California's veteran population — we hired Liz Perez as our Veteran Outreach Consultant.

Liz is ramping up our veterans program, driving outreach efforts and facilitating referral relationships between traditional veteran serving organizations and CAMEO member organizations that wish to effectively serve veterans. In 2013, the participating programs served 228 veterans and partnered with 6 CAMEO members.

### Self-Employment and Workforce System Integration

After years of slowly making progress to integrate self-employment into the workforce system, we presented our "Understanding Entrepreneurship" training to four county Workforce Investment Boards (WIBs) and One-Stop staff. Most of the 80 attendees raised their hands when asked if they had clients inquire about starting their own business. CAMEO's partnership with the California Workforce Association (CWA) will work to expand this training to other WIBs statewide. CAMEO will continue to work on the advocacy side to enable the ecosystem for entrepreneurship to flourish.

### THANK YOU

CAMEO is thankful to the following members for their additional contributions to our 2013 advocacy efforts:

3Core

Bay Area Development

Susan Brown

El Pajaro CDC

Women's Economic Ventures

# POLICY AND ADVOCACY

**C**AMEO's policy goals continue to focus on systems change in workforce and local economic development as well as on sustaining (and when possible increasing!) funding for the microbusiness sector.

Due to the federal budget politics in 2012 and 2013, legislative efforts in Washington, didn't go very far. CAMEO's advocacy efforts did paid off in the budget; our programs were funded at, or more than, our recommended levels. We will continue to push integration of self-employment into the Workforce System at the federal and state levels. We look forward to working with new leadership at SBA in 2014, who we feel will support small and micro business.

Despite gridlock in DC, we were active in Sacramento and sponsored two bills for the FY 2012-13 legislative cycle.

AB 152 (Yamada) would have established a Self-Employment Assistance program to allow unemployed workers to maintain their unemployment insurance benefits while they start their own small businesses. CAMEO members wrote letters and testified. Although the bill passed the Insurance Committee, our efforts weren't enough to kick it out of Appropriations.

AB 285 (Brown) would have integrated entrepreneurial training into local WIBs. CAMEO wants local WIBs to contract with their local entrepreneurship training programs, including CAMEO members. This bill made it to Governor Brown, who vetoed it, but he did sign SB 118 (Lieu), which could accomplish the same goal depending on implementation.

Our two key messages are: self-employment is a labor market trend and

the power of Do-It-Yourself Economies (investing in locally owned businesses as an effective development strategy). We published over a dozen op-eds and articles in major media, some authored by members, and worked with members on communication and messaging. CAMEO participated in a key stakeholder's meeting with Emergent Research in Washington, DC that resulted in an Emergent presentation to the Federal Reserve Board's senior staff whose mandate is to support employment. We are recognized as a thought leader with expertise in job creation, micro-business, self-employment, and alternative local economic development efforts.

Moving mountains takes time. We did not have any big wins, but we demonstrated our tenacity (like a good entrepreneur!), we made many allies, forged new connections, and raised the stature of self-employment.

## MEMBERSHIP

### 176 Total Members

110 Micro Enterprise Development Organizations (MDO's),  
5 government agencies, and  
15 consulting practitioners  
operate in 7 regions:  
Central Coast (9)  
Central Valley (14)  
Rural North (21)  
Sacramento/Sierra (9)  
San Diego (13)  
San Francisco Bay Area (36)  
Southern California/LA Basin (29)  
26 Reciprocal Associations  
20 Corporate and Government Partners

### 2012 Impacts from Annual Survey:

- 16,470 businesses served
- 5,274 new jobs created
- 26,543 employees supported
- Combined annual gross sales of \$1.26 billion
- 1,600 loans under \$50,000 totaling \$17.5 million; average loan size of \$10,917

## 2014 BOARD

**Constance Anderson**  
Director, Pacific Coast Regional Corp. SBDC

**Oscar Dominguez**  
Director, Contra Costa SBDC

**Emily Gasner**  
Executive Director, Working Solutions

**Judy Hawkins**  
Ruby Road Leadership

**Carmen Herrera-Mansir**  
Executive Director, El Pajaro Community Development Corporation

**Salam M. Nalia**  
CEO, Fresno CDFI

**Marc Nemanic**  
Executive Director, 3CORE

**Cassandra Novak-Tobey, Secretary**  
Director, The Prosperity Center

**Pamela Patterson, Treasurer**  
CEO, West Company

**Stacey Sanchez, President**  
Senior Community Loan Officer,  
CDC Small Business Finance

**Elizabeth Schott, Vice President**  
Executive Director, ACCION San Diego

**Namoch Sokhom**  
Director, Business Development Center PACE

**Claudia Viek**  
CEO, CAMEO

## STAFF

**Claudia Viek**  
CEO

**Shufina English**  
Director, Member Programs and Operations

**Heidi Pickman**  
Communications Director

**Andrew Cole**  
Program Coordinator

## KEY CONSULTANTS

**Susan Brown**  
Rural Initiatives, Microlending

**Madison Services Group**  
Public Policy – Washington, D.C.

**Liz Perez**  
Veterans Outreach.