

# INNOVATING FOR MICRO

Experiments for a New Era

2016 Annual Report



C·A·M·E·O·



## LETTER FROM THE CEO



**B**y 2020, 40% of the workforce will be self-employed.

What does the reality of self-employment and independent work mean for the future of work and the future of small and microbusinesses? How does the ecosystem of support – coaching, capital, connections to markets – and the social safety net need to change to help them thrive?

CAMEO seeks to understand this sea change and create programs that test new approaches to support entrepreneurs. We have become an “innovation lab.”

Some experiments, such as the MMS underwriting platform that enables small lenders to scale, have proven successful, with several lenders doubling their volume. Our Go-to-Market specialty food training offered to rural regions has had a real

impact on small, lower income producers. Vicente Quintana, owner of El Nopalito Produce, went from selling 30 pounds of cactus paddles a week at the Watsonville Farmers Market to selling 10,000 pounds a week to Latino food markets. Eat some, they are good for you!

Some experiments take longer to prove concept. After two years, the Centro Business Plan App was integrated successfully by two out of five nonprofits in our pilot. Now that we know what works and why, Centro has adjusted their business model. Also, we continue to try new approaches for reaching women veteran entrepreneurs and engaging them in ongoing support.

Our MicroLending Academy is expanding to involve our 33 member lenders in self-assessment, peer learning and technologies to improve efficiencies and increase the number of LMI borrowers.

And (drum roll) CAMEO launched its first loans-to-lenders program, the Carrot Fund, which will provide small tranches of capital and organizational support to small nonprofit lenders to build their pipeline.

With support from many bank partners, USDA, and SBA’s PRIME program, 2016 was a year of innovation and expansion. We are thrilled to have all the SBDC centers become CAMEO members this year, as we work together to increase public awareness and funding support for small and microbusinesses in our state.

We are now in a strong position to meet the needs of the New Era workforce of self-employed entrepreneurs, to innovate with our members, and to advocate for supportive policies. In challenging times, we need to up our game—this will be CAMEO in the New Era.

*Claudie Viet*

### 2016 FUNDERS

#### \$100,000 +

U.S. SBA – PRIME  
Wells Fargo Foundation

#### \$40–99,999

Bank of America    Union Bank  
Comerica            U.S. Bank  
OneWest Bank      USDA Rural Develop.

#### \$25–39,999

Capital One          First Republic  
Charles Schwab      FHLB AHEAD Grant  
Citi

#### \$5–24,999

Bank of the West    Mechanics Bank  
Cathay Bank          Pacific Western Bank  
City National        Rabobank  
Friedman Family    Western Conservation  
Foundation          Fund

#### <\$5,000

Tri Counties Bank

### 2016 FINANCIAL STATEMENTS DRAFT\*

#### Profit and Loss

##### Revenues

Contributed	738,853
Member dues	17,466
Earned Income	50,881

**Total** 807,200

##### Expenses

Personnel	317,608
Operations	446,146

**Total** 763,754

**NET** 43,446

#### Balance Sheet

##### Assets

Total Cash	879,469
Accounts Receivable	105,101
Other Current	11,991
Fixed	1,994

**Total Assets** 998,555

##### Liabilities and Equity

Accounts Payable	57,558
Other Current	28,457

**Total Liabilities** 86,015

##### Equity

Opening Balance	10,154
Retained Earnings	858,941
Net Income	43,446
Total Equity	912,540

**TOTAL LIABILITIES AND EQUITY** 998,555

\*Not audited

# CAMEO, THE INNOVATOR

CAMEO has become an “innovation lab.” We’ve launched experiments such as MMS, WOVEN, and the Centro Business Planning App project. We are excited to bring you new programs, new ideas, and new ways of thinking.

## 2016 PROGRAMS AND INITIATIVES

### MicroLending

MicroLending in California is in its sixth year of growth with a 254% increase since 2010.

The LiftFund MMS program, now in its fourth year, is a real success. In 2016, 7 members participated in the cohort. They approved 186 loans in 2016, an increase of 38% over 2015. Working Solutions graduated to their own license after more than doubling the number of loans over three years. The strength of our model is that we provide strategic support at the staff and leadership level.

CAMEO’s MicroLending Academy continues to grow and serve a sector need. Susan Brown led 10 trainings with 139 attendees on topics such as building a value proposition, customer acquisition and retention, and the lending lifecycle. The newsletter moved from quarterly to bi-monthly; we held several peer calls to provide training and support around best practices in microlending and how to scale.

The Microlenders Forum in January 2017 was attended by 57 people

from 37 organizations; we presented three options to automate, and a technological solution that would close the bank referral loop; CDFI recertification was a lively discussion topic.

### Women Veterans

In 2016, we partnered with Eldonna Lewis Fernandez of *Think Like a Negotiator* and Melanie Rae of *The Guided Business Plan* to help us increase the number of women veterans that our members serve with community-based training. We developed two different courses for women veterans that were offered at RISE Financial Pathways, San Diego SBDC, and the Inland Empire WBC—63 women veterans participated. A MeetUp program was launched to meet the need for ongoing support and will continue into 2017.

### Centro Business Planning Pilot

Five member organizations in the LA region - Orange County SBDC, Bethel A&M, VEDC, West Angeles CDC, and Vermont-Slauson - integrated the Centro app into their business assistance programs with 144 clients using the app.

### Capacity Building

Overall, 370 participants benefited from CAMEO trainings in best practices, marketing and outreach, workforce development, microlending, and how to advocate at the district level. We introduced our members and colleagues to new opportunities and ideas - such as the Do-It-Yourself economy and the New Era Workforce.

CAMEO continues to provide our members’ staff with individualized training scholarships for professional

## MEMBER SERVICES 2017 HIGHLIGHTS

The Self-Employed: A New Era Workforce Symposium, January 18 in San Francisco  
CAMEO Annual Meeting and Advocacy Day, June 7 in Sacramento  
MicroLending Academy: Carrot Fund and MicroLending Essentials training  
Fresno California Go-to-Market Program, April 22  
WOVEN - Women Veteran Entrepreneurs Network, V-Wise and ongoing MeetUps  
Scholarship fund for advanced training

development. CAMEO also provides substantial direct technical assistance to member organizations to improve organizational effectiveness.

### Go-To-Market

In April 2016, 57 people attended our Go-to-Market program in Chico. We brought this top-notch training to five Rural North counties served by 3CORE, and their collaborative partners in Butte, Shasta, Siskiyou, Tehama, and Trinity Counties. We expanded the program to include a 12-hour Etsy Craft Entrepreneurship training at the SBDC in which 32 people participated. More people were put on a waitlist for the next class.

### The New Era Workforce

The importance of the growing trend of self-employed entrepreneurs will define the future of work and guide CAMEO’s future endeavors. In 2016, we partnered with Intuit to produce a symposium for 2017 that examined what is needed to ensure that these entrepreneurs succeed.

## THANK YOU

CAMEO is thankful to the following members for their additional contributions to our 2016 advocacy efforts:

Susan Brown  
CDC Small Business Finance  
El Pajaro CDC  
Jefferson Economic Dev’t Institute  
Women’s Economic Ventures

We would also like to thank two private donors for their significant contributions this year: Roger and Amy Aines and an anonymous Apple employee.

## POLICY AND ADVOCACY

Our members consistently say that one of our key roles is to give the micro sector a voice in Washington, DC and Sacramento. In 2016, our hard work advocating for increases in the micro sector's programs and promoting self-employment within the Workforce system paid off in Washington.

We are pleased to report that funding levels that we advocated for were either exceeded or met in full. The FY2016 budget saw increases in Microlending (40%), Microloan Technical Assistance (11%), Women's Business Centers (13%), and Small Business Development Centers (1.7%). The House Appropriations increased USDA rural development by \$10 million. We worked hard to increase the budget of in the FY2017 Budget, but politics got in the way and Congress passed a Continuing Resolution. Thus, FY2016 budget numbers will be in place until April 2017.

Our long-term goal to have the U.S. Department of Labor and the Workforce System fully support self-employment as a career pathway took a leap forward. At the end of the year, the DOL issued a guidance letter in which they make clear that entrepreneurship training is covered by these programs and funding and can be included in performance metrics through "supplemental wage data." The DOL will issue guidelines for performance measures and then it will be up to the states to implement. In the coming years, CAMEO will work with California to integrate self-employment into the workforce system.

Our other major advocacy effort was to promote responsible small business lending at the federal and state level. In May, we held a Congressional briefing to educate the California Congressional staff on the online lending landscape in California. And in October, we succeeded

in getting the Assembly Committee on Jobs, Economic Development, and the Economy (JEDE) to host a workshop on the growing numbers of self-employed, access to capital issues, and the pitfalls of alternative online lending. Opportunity Fund, Small Business Majority, Funding Circle, and the SBA participated. Over 20 legislative offices were represented, as well as several important agencies that work with small business.

This year we have our work cut out for us. At the federal level, we will continue our commitment to sustaining (and increasing!) funding for the microbusiness sector. On the state level, we will work on a bill that extends the EITC tax credit to the self-employed, on increased funding for SBDCs, on promoting responsible small business lending, re-instating COIN, preserving the CalCAP program, and systems change in Workforce.

## MEMBERSHIP

### 232 Total Members

144 Micro Enterprise Development

Organizations (MDO's),

2 government agencies, and

18 consulting practitioners

operate in 8 regions:

Central Coast (11)

Central Valley (13)

Inland Empire (8)

LA Basin (40)

Rural North (24)

Sacramento (10)

San Diego (10)

San Francisco Bay Area (48)

32 Reciprocal Associations

36 Corporate and Government Partners

### 2015 Impacts from Annual Survey:

- 19,145 businesses served
- 2,340 new businesses created
- 37,912 employees supported
- Combined annual gross sales of \$1.4 billion
- 3,194 loans under \$50,000 totaling \$48 million; average loan size of \$15,166

## 2017 BOARD

### Constance Anderson, Vice President

Director, Pacific Coast Regional SBDC

### Oscar Dominguez, President

Director, Contra Costa SBDC

### Emily Gasner, Treasurer

CEO, Working Solutions

### Boku Kodama, Secretary

Consultant, Renaissance Entrepreneurship Center

### Carment Herrera-Mansir

Executive Director, El Pajaro CDC

### Devin McAlpine

Director of Microlending, Opportunity Fund

### Robert Lopez

COO, VEDC

### Vincent McCoy

Executive Director, Inland Empire SBDC

### Leila Mozaffari

Director, Orange County SBDC

### Salam Nalia

CEO, Fresno CDFI

### Nancy Swift

Executive Director, Jefferson Economic Development Institute

### Claudia Viek

CEO, CAMEO

## TEAM

### Claudia Viek

CEO

### Shufina English

Director, Member Programs and Operations

### Andrew Seko

Program Coordinator

### Susan Brown

Microlending, Rural Initiatives

### Heidi Pickman

Communications and Policy

### Madison Services Group

Public Policy – Washington, D.C.