

OPPORTUNITY FOR MICRO

Micro Magic + Technology = Future.

2015 Annual Report



C·A·M·E·O·



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



I have been thinking about microbusiness development's role as it relates to the growing trend in self-employment and the On-Demand workforce. CAMEO's proud purpose is to support economic opportunity for **all** entrepreneurs. Imagine living in a community that embraces the DIY Economy, and supports networks of local entrepreneurs. With self-employment trending upwards—18 million nationally and 7.3 million projected to work in the on-demand sector by 2020—we have a tremendous opportunity to invest in these microbusinesses, which are the workforce of the future.

We take an entrepreneurial approach by experimenting with new strategies for reaching the growing number of self-employed in California's diverse communities. We are excited to report success on a number of fronts – MMS,

Go-To-Market, WOVEN, and advocacy.

The MMS program, using LiftFund's underwriting platform, has taken off. Participants doubled their lending volume. The cohort's seven lenders are streamlining their business models, using online tools to enhance, not replace, our *micro magic*: the one-to-one coaching and community offered to borrowers.

How gratifying it was to see both our members, La Cocina and El Pajaro CDC, with booths at the Winter Fancy Food Show this year! A combined 13 producers showcased their goods for global buyers. CAMEO's Go-To-Market specialty food training contributed to this outcome and soon will be offered in other rural regions.

The various threads for a vital WOVEN program for women veteran entrepreneurs are now on the loom. Kudos to RISE-LA, the Inland Empire Women's Business Center, Southwest College in San Diego, and The Jonas Project. They recognize

the entrepreneurial potential of women veterans and are expanding the WOVEN program to include community-based learning!

The goal of our advocacy work is to bring new funding and resources into our sector. We produced a lot of wins in 2015 that include the passage of SB197. More details are in our policy recap. Also, CAMEO, Opportunity Fund, and Small Business Majority are leading the California effort to promote the Small Business Borrower Bill of Rights, which calls for transparency and fair practices from online alternative lenders.

Our sector's challenge is to blend technology with in-person engagement and community – the *micro magic* for which we're known – to create effective and sustainable business assistance. In the year to come, we will pursue new partnerships and platforms with this goal in mind.

Claudie Viet

2015 FUNDERS

\$100,000 +

U.S. SBA – PRIME
Wells Fargo Foundation

\$40–99,999

Bank of America Union Bank
CIT U.S. Bank
Comerica

\$25–39,999

Charles Schwab First Republic

\$5–24,999

AT&T McGurk Foundation
Bank of the West Mechanics Bank
Capital One Pacific Western Bank
Cathay Bank Rabobank
City National USDA Rural
Friedman Family Development
Foundation

<\$5,000

Federal Home Loan Bank

2015 FINANCIAL STATEMENTS *

Profit and Loss

Revenues

Contributed 728,854
Member dues 19,600
Earned Income 50,646

Total 799,100

Expenses

Personnel 392,658
Operations 360,848

Total 753,506

NET 45,594

Balance Sheet

Assets

Total Cash 881,409
Accounts Receivable 15,993
Other Current 12,856
Fixed 3,745

Total Assets 914,003

Liabilities and Equity

Accounts Payable 6,457
Other Current 59,948

Total Liabilities 66,405

Equity

Opening Balance 10,154
Retained Earnings 791,851
Net Income 45,594
Total Equity 847,598

TOTAL LIABILITIES AND EQUITY 914,003

*Not audited

CHANGE IS CONSTANT

CAMEO of 2015 is not the CAMEO of 1995. Today's businesses need to be entrepreneurial and CAMEO models that for our sector. We experiment and innovate, providing platforms, trying new programs, and reaching new audiences.

2015 PROGRAMS AND INITIATIVES

Microlending

Microlending in California is in its fifth year of growth; since 2010 it grew 250%. In 2014 the number of microloans increased by 53% over 2013 and the volume by 47%.

Our **LiftFund MMS program** is a tremendous success, but that didn't happen overnight. The MMS project took three years to develop and prove concept. Working Solutions graduated after more than doubling the number of loans in two years. Overall, the cohort grew from 61 loans to 130 loans (4 organizations). Three new members joined in 2015: Mission Economic Development Association (MEDA), the Economic Development & Financing Corporation of Mendocino County, and Fresno CDFI. The Jonas Project joins us in 2016. The cohort model provides strategic support at the staff and leadership level.

CAMEO's **MicroLending Academy** (MLA) continues to grow and serve a sector need. Susan Brown led 7 trainings with 129 attendees on loan capital projections, cash flow, and balance sheets. 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. Fourteen lenders completed

the second Excellence in Lending assessment. The Microlenders Forum in January 2016 was attended by 60 people from 39 organizations; we addressed sustainability in the face of the fast-growing pace of alternative lending online.

Veterans Business Development

In 2015, we partnered with The Jonas Project to help us increase the number of veterans that our members serve and build stronger relationships with veteran-serving organizations. We held our second WOVEN (Women Veteran Entrepreneurs Network) event to benefit women veteran business owners and those who want to start one. Barb Carson, Associate Administrator for the U.S. Small Business Administration, Office of Veterans Business Development, was among the 80 attendees. We also secured the resources to make a promotional video and to expand WOVEN to include community-based training in three locations in Southern California in 2016.

Centro Business Planning Pilot

We developed a demonstration project with Centro Community Partners (Centro) to study the integration of mobile technology as a viable teaching platform to deliver business and credit technical assistance to underserved entrepreneurs. The mobile application is the Centro Business Planning Tool (BPT) that directs the user through 25 teaching activities that will result in a basic business plan.

Four organizations are adopting the BPT (Orange County SBDC, Bethel A&M. VEDC, and West Angeles CDC. Vermont-Slauson will join them in 2016.

MEMBER SERVICES 2016 HIGHLIGHTS

MicroLenders Forum, January 26

Annual Meeting, June 7, Sacramento

MicroLending Academy

MMS expansion

Centro Business Planning tool in Southern California, Spring

Northern Cal Go-To-Market Program, April
WOVEN, Women Veteran Entrepreneurship

Network, expansion

Scholarship fund for advanced training (e.g. AEO conference in May)

Capacity Building

Overall 509 participants benefitted from CAMEO trainings in microlending, best practices, and workforce development. We introduced our members and colleagues to new opportunities and ideas for their businesses such as the Thumbtack platform and Square's analysis tools, trends in alternative online lending, and business incubation models.

CAMEO continues to provide our members' staff with individualized training scholarships for professional development. CAMEO also provided substantial direct technical assistance to three member organizations to expand organizational effectiveness.

Go-To-Market

A proud outcome of our 2014 Go-To-Market program is that El Pajaro CDC and La Cocina each had a booth at the Winter Fancy Food Festival. A total of 13 clients were vendors and connected to new markets. Again, this demonstrates that success happens over time.

THANK YOU

CAMEO is thankful to the following members for their additional contributions to our 2014 advocacy efforts:

Susan Brown

El Pajaro CDC

Judy Hawkins

Jefferson Economic Dev't Institute

VEDC

Women's Economic Ventures

POLICY AND ADVOCACY

CAMEO flexed our muscle in Sacramento this year. With the passage of SB 197 (Block-D-SD), co-sponsored by Opportunity Fund and CAMEO, we brought the issue of fair lending practices to the banking committees and the Department of Business Oversight. SB 197 allows lenders to pay referral fees to non-brokers under circumstances that will coincide with good lending practices. Our work on SB 197 also strengthened our relationships with other statewide small business groups. In this coming year, we will educate our leaders about the Small Business Borrower's Bill of Rights to promote transparency and non-predatory practices.

We actively supported AB 184 (Garcia, D-Riverside), a bill that recognized the federal business assistance programs and included Women's Business Centers (WBCs) for the first time. While the bill

didn't pass, the state budget included \$2 million for SBDCs to leverage capital. CAMEO will continue to push for state support of business assistance. We also continue to represent California's 12 WBCs in Sacramento.

On a federal level, we strengthened our relationships with the SBA and the Small Business Committees in both houses. Our efforts paid off in the federal budget process. The FY2016 budget saw increases in MicroLending - 50%, Microloan TA - 12%, Women Business Centers (WBC) - 13%, and Small Business Development Centers (SBDC) - 1.7%.

Our long-term goal to have the U.S. Department of Labor and the Workforce System fully support self-employment as a career pathway was put on hold. DOL will issue new WIOA regulations in 2016. Stay tuned!

We continue to promote the DIY Economy, the importance of the self-employment trend, and microbusiness economic impacts to new audiences that included the California League of Cities and two national economic development organizations. We're especially excited to bring the message to the economic development community through a partnership with CALED, holding webinars and publishing DIY Economy series in their journal.

CAMEO's advocacy efforts are vital to your work. We provide a voice for the micro sector because strategically, strength in numbers is more effective. CAMEO's policy goals focus on improving the climate for microlending, locally grown development, systems change in Workforce, and of course, sustaining (and increasing!) funding for the microbusiness sector.

MEMBERSHIP

192 Total Members

115 Micro Enterprise Development Organizations (MDO's),

3 government agencies, and

20 consulting practitioners

operate in 8 regions:

Central Coast (9)

Central Valley (12)

Inland Empire (6)

LA Basin (29)

Rural North (19)

Sacramento (11)

San Diego (10)

San Francisco Bay Area (42)

31 Reciprocal Associations

23 Corporate and Government Partners

2014 Impacts from Annual Survey:

- 17,411 businesses served
- 1,728 new businesses created
- 29,407 employees supported
- Combined annual gross sales of \$1.3 billion
- 3,134 loans under \$50,000 totaling \$39 million; average loan size of \$12,478

2016 BOARD

Constance Anderson, Secretary
Director, Pacific Coast Regional SBDC

Oscar Dominguez, Treasurer
Director, Contra Costa SBDC

Emily Gasner
CEO, Working Solutions

Boku Kodama
Consultant, Renaissance Entrepreneurship Center

Devin McAlpine
Director of Microlending, Opportunity Fund

Vincent McCoy
Executive Director, Inland Empire SBDC

Salam Nalia
CEO, Fresno CDFI

Marc Nemanic
Executive Director, 3CORE

Pamela Patterson, President
CEO, West Company

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

Claudia Viek
CEO, CAMEO

TEAM

Claudia Viek
CEO

Shufina English
Director, Member Programs and Operations

Andrew Cole
Program Coordinator

Susan Brown
Microlending, Rural Initiatives

Heidi Pickman
Communications and Policy

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

The Jonas Project
Veteran Affairs