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## POLICY AND ADVOCACY

**C**AMEO continued to fulfill our role as the voice of Micro Enterprise and micro-lending in California. Unfortunately, we were not heard by the Schwarzenegger Administration in Sacramento and no funding for self-employment and TA was forthcoming from the governor's WIB discretionary funds, despite our constant lobbying. We immediately met with the Brown administration and hope for better outcomes in 2011.

On the federal level, we enjoyed some success in advocating for stimulus programs to support self-employment and to provide more capital and TA for small businesses within DOL, USDA, SBA, HUD and EDA. We pushed for a greater share of dollars for California based on high unemployment rates and regions distressed by home foreclosures and loss of home equity. CAMEO's CEO and several members contributed to the Federal Reserve's Capstone Forum in Washington, D.C. to promote using more TA

dollars to deploy stimulus capital. The results of our D.C. advocacy: \$8.8 million in new capital and \$1.7 million in new grants.

After many months of work, a big breakthrough occurred within the DOL. In December, it issued a guidance letter to encourage the use of WIA funds for self-employment and entrepreneurship as a strategy for fulfilling the Obama Administration's call for job creation. This opens the door for CAMEO and AEO to push for real implementation by WIBs at the state and local levels. CAMEO is facilitating this process through our WIB Demonstration Project.

While new capital and some new funding for TA is beginning to flow, the continuing issues for microlenders were with troubled portfolios and the time required to work out problems. Yet the volume of loans doubled in 2009 and amounts over \$25,000 grew, as more Main Street businesses turned to nonprofit lenders.

Nonprofit microfinance in California is growing in the niche of under \$50,000 loans, because of increased capital and new enhancements to standardize and streamline. Thus nonprofit, mission driven lenders are positioned better than ever to sustain their role in serving very small businesses in markets where traditional financial institutions have pulled back.

CAMEO worked with corporations and banks to leverage the capital and grants. Bank of America established a \$10 million loan loss grant fund with significant CAMEO input; \$1 million is already granted to California microlenders. Wells Fargo Bank, Rabobank, Genentech, and San Francisco Foundation made significant new investments and grants to microlenders; AT&T created a new TA grant program to benefit disabled veterans – the results: \$2.6 million in new investments; \$1.93 million in new grants.

## MEMBERSHIP

### 160 Total Members:

94 Micro Enterprise Development Organizations (MDO's), 3 government agencies and 17 consulting practitioners - all operate in 7 regions: Central Coast (9), Central Valley (12), Rural North (13), Sacramento/Sierra (6), San Diego (6), San Francisco/Bay Area (44), Southern California/LA Basin (24)  
25 Reciprocal Associations  
21 Corporate and Government Partners

### 2009 Impacts from Annual MDO Member Survey:

- 21,309 businesses served
- 12,135 new jobs created
- 41,543 employees supported
- Combined annual gross sales of \$1.3 billion
- 1,793 loans under \$50,000 totaling \$18 million; average loan size of \$10,000

## WE MOVED!

Please update your address books.

### 2011 BOARD

**Sherry Beamer**  
Disability Advocate

**Luis Granados**  
Executive Director, Mission Economic Development Agency

**Judy Hawkins, Secretary**  
Consultant

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

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

**Salam M. Nalia**  
Interim CEO, Fresno EOC

**Pamela Patterson**  
CEO, West Company

**Mark J. Robertson, Treasurer**  
CEO, Pacific Coast Regional Corporation

**Stacey Sanchez**  
Senior Community Loan Officer  
SoCal Reinvestment CDFI/CDC Small Business Finance

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

**Thomas Tenorio, Treasurer**  
Executive Director, Community Action Agency, Butte County

**Claudia Viek**  
CEO, CAMEO

**Lorrie Williams**  
Executive Director, Silicon Valley Women's Initiative for Self Employment

### STAFF

**Claudia Viek**  
CEO

**Shufina English**  
Director Member Programs and Operations

**Christine Mahihu**  
Office Manager and Special Projects

**Heidi Pickman**  
Communications Manager

### KEY CONSULTANTS

**Susan Brown**  
Rural Initiatives

**Jennifer Thompson**  
Public Policy – Sacramento

**Cathy Townsend**  
Public Policy – Washington, D.C.



California Association for  
Micro Enterprise Opportunity

# WE MIGHTY #MICRO

CAMEO MEMBERS CREATING THE JOBS AND MOVING CAPITAL IN OUR COMMUNITIES

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Micro Enterprise Opportunity

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2010 Annual Report



# CORE PURPOSE:

CAMEO's mission is to promote economic opportunity and community well-being through Micro Enterprise Development.

# AMBITIOUS GOAL:

Expand Micro Enterprise training, technical assistance and lending 5 fold in 5 years to serve 100,000 small and micro-businesses in California.

## LETTER FROM THE CEO



**W**e started beating the drum in 2009 on how micro-businesses are the job generators. The reverberations helped to move more funding and new supportive policies from the Obama stimulus plan. CAMEO's advocacy resulted in \$12 million in new capital and \$3.6 million in new grant funds for California from the federal government, banks and corporations.

Certainly these new commitments are heartening. And we were happily amazed when the Department of Labor (DOL) issued its recent 'guidance letter' urging local Workforce Investment Boards (WIB) to fund self-employment. After all our letters and pounding the pavement in D.C., the angels listened! Of course the challenge remains to implement this policy by changing the WIB culture to embrace entrepreneurship. (More angels needed!)

Our microlenders have stepped up to lend to Main Street businesses that were previously bankable, while struggling to keep their portfolios strong during this downturn. We saw significant growth among our state's microlenders. A number of banks have increased their community investments to our members in regions where traditional banks are not lending.

All this signifies a tectonic shift in how we do business and how we talk about our work. No more is Micro Enterprise or microfinance a marginal, boutique activity. All the recent research - from Public Policy Institute of California, Kaufmann Foundation, Brookings Institution - points to start-ups and very small homegrown businesses as the source of new job creation. CAMEO members reported that the 21,000 businesses they served last year - most of them start-ups - supported over 42,000 jobs. Who else can say this?

Entrepreneurship represents California's historical competitive advantage - whether we are talking about new immigrant-owned service businesses or clean tech innovations. CAMEO's members are keeping this lifeblood flowing in our communities - on small family farms in Fresno, in new retail in San Francisco's Bayview, in downtown Santa Cruz, with disabled veterans in San Diego and on grass-fed cattle ranches in Humboldt County.

CAMEO is proud to promote the Mighty Micro and build the capacity of our member organizations to harness this entrepreneurial energy to create new businesses, new jobs and new revenues for California.

Claudia

## 2010 FUNDERS

### \$100,000 +

Wells Fargo Foundation

### \$40-99,000

Bank of America

Citi

Comerica

H&R Block

U.S. Bank

USDA Rural Development

U.S. Small Business Administration

### \$25-39,000

AT&T

HSBC

Rabobank

Union Bank

### \$5-24,000

Bank of the West

Cathay Bank

Friedman Family Foundation

National Fund for Enterprise Development

## 2010 FINANCIAL STATEMENTS

Profit and Loss		Balance Sheet	
Revenues		Assets	
Contributed	888,920	Total Cash	796,754
Member dues	18,025	Accounts Receivable	148,852
Earned Income	7,290	Other Current	6,772
		Fixed	7,887
<b>Total</b>	<b>914,310</b>	<b>Total Assets</b>	<b>960,255</b>
Expenses		Liabilities and Equity	
Personnel	261,969	Accounts Payable	194,490
Operations	492,361	Other Current	32,433
<b>Total</b>	<b>754,330</b>	<b>Total Liabilities</b>	<b>226,924</b>
<b>NET</b>	<b>159,980</b>	Equity	
		Opening Balance	10,153
		Retained Earnings	563,197
		Net Income	159,980
		Total Equity	733,331
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>960,255</b>	

\*Not audited

## 2010 PROGRAMS AND INITIATIVES

**Microlending:** CAMEO convened its first Microlending Funders Fair to showcase the work of our member lenders and the community development investments from banks and community foundations. Especially noteworthy was the innovative partnership created by the Fresno Regional Foundation to channel a million dollar EQ2 investment from Wells Fargo Bank to Valley Small Business Development. This CAMEO member serves small, and largely minority, business owners in one of the most economically distressed regions of the country. CAMEO also advised Genentech which granted \$250,000 to two microlenders in Northern California. CAMEO is making the case for local investment in credit-starved, distressed communities, and will work hard to create more private sector support for micro-finance in California to stimulate more investment in our own backyard.

Six of 30 CAMEO member microlenders are scaling up significantly, and another 10 lenders increased their capital base and are poised for growth. Eighteen are certified Community Development Financial Institutions (CDFI); another five are in process of obtaining CDFI certification, which will enable them to apply for more capital.

California Resources and Training (CARAT), and 40 training sessions in best practices. The focus of all training and peer exchanges is to build a trusted community among our members while improving skills and awareness of innovations and resources to build the field.

**AT&T Disabled Veterans Microenterprise Technical Assistance Program:** CAMEO is managing a new grant program for AT&T to deliver hands-on business assistance to disabled veterans to start and grow businesses. Six micro-development organizations (MDO) received grants for programs ranging from farming to procurement assistance. The goal is to serve 130 and to achieve 60 new start-ups or significant business growth. This year-long, intensive program is the first of its kind and has the potential to become a national model.

**WIB Demonstration Project:** Workforce Investment Act (WIA) funding through DOL could be used to support self-employment and entrepreneurship, i.e. technical assistance (TA). CAMEO has organized a demonstration project to build the case. The objective is to encourage and facilitate funding for self-employment training and TA by at least three WIBs in California. Two CAMEO members - Goodwill Orange County and Hispanic Business Consultants - were funded by the Santa Ana WIB; two WIBs are considering commitments.

**Rural Initiative:** Our 28 rural members achieved two major policy successes - deployment of the U.S. Department of Agriculture's (USDA) RMAP program and removal of onerous regulations that should result in more clients receiving TA and loans. Susan Brown, our consultant, built collaborations between microlenders as well as between these lenders and TA providers to leverage lending in underserved rural markets. She launched an

## MEMBER SERVICES 2011 HIGHLIGHTS

- CAMEO Annual Meeting and Legislative Day June 23-24 in Sacramento
- Scholarship fund for advanced training
- VIVA and multicultural symposium October 12-13 in Los Angeles
- Intensive capacity building consulting (by request)
- Central Coast Region Meeting - August 2011

intensive TA service to assist members with strategic growth issues.

**iViva! las Micro Empresas 2nd Annual Symposium, Maximizing the Economic Impact of Latino Entrepreneurs:** In October CAMEO partnered with the Latino Business Chamber of Greater Los Angeles and the National Latina Business Women's Association to produce a standing room only event with 98 attendees. We offered research, policies and techniques relevant to Latino entrepreneurship in California. Presenters included: Magnus Lofstrom (PPIC) and Liz de Renzy (Women's Initiative) on improving entrepreneurial outcomes and building assets; Phil Borden (Es-sergy Consulting) showed how very small businesses are creating all the new jobs; representatives of gubernatorial candidates Jerry Brown and Meg Whitman spoke.

**CA-Self Employment Tax Initiative (CA-SETI):** This final year of a three-year demonstration project underwritten by Citi and H&R Block, showed real impact. In 2010, 834 received tax preparation assistance with Schedule C (i.e. a profit and loss statement); 241 (29%) were first time filers, thus contributing to Social Security; 432 (59%) were retained as clients by CAMEO members; 191 (23%) were returning filers who increased revenues, and 64 (8%) created jobs. This year the national SETI program (CFED) has adopted CA-SETI as a national model.