



California Association for  
Micro Enterprise Opportunity

# STIMULUS ISSUES

CAMEO Members  
Creating the Jobs  
and Moving Capital  
in our Communities  
2009 Annual Report



# CORE PURPOSE:

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

## LETTER FROM THE CEO



A knowledgeable colleague who runs a national intermediary told me recently, "Micro Enterprise is in the catbird's seat". That indicated that our work developing very small businesses is becoming recognized as the best way to invest to make the Economic Stimulus effective. However, there remains a big gap between public acknowledgement and political reality, and the fact is that very little stimulus funding is trickling down to benefit businesses with less than 10 employees that make up 85% of all businesses in CA and created all the net new jobs in previous recessions.

CAMEO monitors new investments and grants for Micro Enterprise development coming to CA. In 2008-09 there was less than \$12 million in new investment, including just \$4 million from the CDFI Fund for small business lending. Since the credit gap for

small business lending in California is estimated to be close to \$3 billion, this does not even amount to "pixie dust"!!

In early 2009 CAMEO surveyed our members and learned that they had capacity to grow five-fold if we could raise the needed resources. In other words, to serve 100,000 businesses, we need to raise \$50 million in new capital and \$75 million in new grants. CAMEO focused its efforts on raising new investments and grants and influencing federal and state policies that will bring new funding to our member Micro Enterprise Developers. CAMEO's "fingerprints" were on about \$8 million in new capital and grants last year, including \$750,000 from the SBA PRIME program that comprised 15% of all funding- a bigger slice than any other state by far.

From 15 years of surveying Micro Enterprise outcomes, we have learned that over time a client small business will create 3 jobs, in-

cluding the owner. We also know that these locally owned businesses circulate their revenues twice as much in the community as larger or chain businesses. For all these reasons, it makes sense to focus investment on the very small, micro businesses.

Micro Enterprise in a 3.0 World translates to creating together, collaborating to increase the pie and using vibrant networks to serve those new and existing entrepreneurs in our community who need our support to renew our local economies.

The CAMEO staff, Board and myself are determined to make the Voice of ME heard. We are honored to share the "catbird's seat" with such a talented and committed network of organizations and individuals.

  
Claudia

## 2009 FUNDERS

### \$100,000 +

Wells Fargo Bank

### \$40-99,000

Bank of America

Citi

Comerica

H&R Block

US Bank

USDA Rural Development

US Small Business Administration

### \$25-39,000

HSBC

Rabobank

Union Bank

### \$5-24,000

Bank of the West

California Consumer

Protection Foundation

Friedman Family Foundation

National Fund for Enterprise Development

## 2009 FINANCIAL STATEMENTS

Profit & Loss		Balance Sheet	
<b>Revenues</b>		<b>Assets</b>	
Contributed	664,279	Total Cash	500,526
Member dues	12,550	Accounts Receivable	69,564
Earned Income	7,102	Other Current	100,775
		Fixed	2,110
<b>Total</b>	<b>683,930</b>	<b>Total Assets</b>	<b>578,004</b>
<b>Expenses</b>		<b>Liabilities &amp; Equity</b>	
Personnel	235,477	Accounts Payable	19,814
Operations	312,250	Other Current	11,303
<b>Total</b>	<b>547,727</b>	<b>Total Liabilities</b>	<b>31,117</b>
<b>NET</b>	<b>136,203</b>	<b>Equity</b>	
		Opening Balance	10,153
		Retained Earnings	400,531
		Net Income	136,203
		<b>Total Equity</b>	<b>546,888</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>578,004</b>	

\*Not audited

# 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.

## 2009 PROGRAMS AND INITIATIVES

**Micro Lending Action Plan:** CAMEO's 30 member Micro lenders throughout the state saw a significant uptick in demand due to the almost total withdrawal of bank credit for very small businesses during 2009. CAMEO responded by reaching out to bank investors and community foundations to increase the amount of capital and stimulate more funding for loan loss reserves and guarantees to leverage this new capital. We hosted two focus groups — one with Wells Fargo and community foundations and one with US Bank and our members- to explore new structures and CRA products.

We began exploring new web-based platforms, such as those offered by ACCION Texas and our member, Valley Small Business Development. These services would exponentially increase the amount of lending in underserved communities.

**Rural Initiative:** Thanks to CAMEO's Rural Advisory Committee: Sheilah Rogers, Chair, Emil Milevoj, Pamela Patterson, Carmen Herrera-Mansir and Nancy Swift, for leading the rural action plan which includes: addressing systemic government funding issues and facilitating cross region networks to foster collaboration and create access to new markets. Susan Brown from Mt. Shasta has continued her work as Rural Initiatives Consultant to carry out this agenda. In August, CAMEO organized a hearing at the State Assembly with the goal to bring together Rural Caucus members, staff, rural communities and organizations to evaluate how federal stimulus money can benefit small business development.

**iViva! Las Micro Empresas:** October 2009 CAMEO produced the first annual iViva! Symposium "Harnessing the Potential of Latino Entrepreneurs" in partnership with the Latino Business Chamber of Greater Los Angeles. 65 people participated in this informative sym-

posium on pertinent topics such as *Self Employment as a Tool for Wealth Creation, Tools that Work for Supporting Successful Business Development, and What Public Policies are Needed to Advance Latino Entrepreneurship.* Maria Contreras Sweet, Chairwoman and CEO of Promerica Bank was keynote speaker for the event which was underwritten by Comerica Bank and Citi.

**CA-Self Employment Tax Initiative:** This 3 year demonstration project is designed to link MDOs with new clients during the tax filing season. In CA-SETI's third year CAMEO member participation has grown from six sites to over 50 sites throughout the state. Some MDOs work out of VITA sites providing trained coaches for self employed filers; others are marketing their training and technical assistance programs to customers of H&R Block tax preparation offices. This program is made available with the support of Citi and H&R Block.

## POLICY AND ADVOCACY

**D**ue to the dismal State budget situation, CAMEO was only able to pass one bill, AB15 State Tax Credit for Small Businesses which allows small business owners to deduct up to \$3,000 for new employees. This credit may be claimed for up to 7 years or until the \$400 million is exhausted.

We worked to support the re-instatement of the State Loan Guarantee Program which succeeded, although, unfortunately without operating funds.

We ramped up our support from Townsend Public Affairs in Washington DC, and happily achieved success in opening up SBA PRIME funding for California. Nine organizations, including CAMEO, received 15% of the \$5 million allocation, more than any other state. We met for the first time with Donna Gambrell, Director of the CDFI Fund to urge her to direct more funding to small business lending in California.

We are working closely with our sister organization, AEO, to change the performance measures within the Workforce Investment Act to allow funds to be spent on Self Employment training and to increase all of the program budgets in SBA that affect Micro Enterprise development.

Our rural members were aggressive in submitting comments to USDA on the new Rural Microentrepreneur Assistance Program urging them to de-couple funds for Technical Assistance from Lending. It appears that this program is delaying its NOFA to rewrite the regulations...one can only hope!

Investment in advocacy requires patience and persistence and it is often difficult to quantify the results. Our members have made it clear that CAMEO needs to represent their interests at the federal level and communicate the fact that Micro Enterprise development nonprofits

are helping the unemployed start businesses and moving capital onto "Main Street". We need to take that message to Washington to capture opportunities from the Recovery Act.

## MEMBER SERVICES 2010 HIGHLIGHTS

CAMEO Annual Meeting and Legislative Day, June 23-24 in Sacramento

Scholarship Fund for Advanced Training

iViva! Symposium: Maximizing Economic Impact of Latino Entrepreneurs, October 7 in LA

Micro Lending Funders Forum, April 1 in SF

Capacity building consultations provided at member request.

Partnership with CARAT to offer highly relevant and targeted training opportunities via webinar.

Networking opportunities via Regional Member Meetings and National Conferences (AEO, OFN, Micro Finance USA, etc.)

## MEMBERSHIP

### 141 Total Members:

88 Non profit Micro Enterprise Development Organizations (MDO's) and 14 consulting practitioners in 7 regions: Central Coast (9), Central Valley (13), Rural North (14), Sacramento / Sierra (5), San Diego (5), San Francisco / Bay Area (30), Southern California / LA Basin (26)  
21 Reciprocal Associations  
18 Corporate & Government Partners

### 2008 Impacts reported from Annual MDO Member Survey:

- 24,000 businesses served (up 25% from 2007)
- 14,200 jobs created (including owners)
- Gross sales estimated at almost \$2 billion (24,000 businesses @ avg. \$75,000 sales)
- 1600 micro loans made (under \$25,000) for total amount of \$14 million

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## 2010 BOARD

### Sherry Beamer, Secretary

Consultant, Sherry Beamer & Associates

### Luis Granados

Executive Director, Mission Economic Development Agency

### Judy Hawkins

Consultant

### Carmen Herrera-Mansir

Executive Director, El Pajaro Community Development Corp.

### Karuna Jagger

Executive Director, Women's Initiative for Self-Employment – East Bay

### Elizabeth Makee

Executive Director, ACCION San Diego

### Emil Milevoj, President

Director, University Business Center

### Sharon Miller, Vice President

CEO, Renaissance Entrepreneurship Center

### Mark J. Robertson, Treasurer

CEO, Pacific Coast Regional Corp.

### Sheilah Rogers

President, McKenzie Consulting

### Namoch Sokhom

Director, Business Development Center PACE

### Thomas Tenorio

Executive Director, Community Action Agency, Butte County

## STAFF

### Claudia Viek

CEO

### Shufina English

Director Member Programs & Operations

### Christine Mahihu

Administrative Coordinator

## KEY CONSULTANTS

### Susan Brown

Rural Initiatives

### Mark Capitolo

Public Relations

### Jennifer Thompson

Public Policy – Sacramento

### Cathy Townsend

Public Policy – Washington DC



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