



California Association for
Micro Enterprise Opportunity

THE MIGHTY MICRO

CAMEO MEMBERS CREATING THE JOBS AND MOVING CAPITAL IN OUR COMMUNITIES

2011 Annual Report



CORE PURPOSE:

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

LETTER FROM THE CEO



We proclaim the mighty power of Micro! The voice of Micro rang loud during the federal budget debate. CAMEO worked closely with AEO to save the PRIME program and maintain funding for other SBA Micro programs, albeit at low levels. Our tenaciousness was evident and has raised our profile in Washington, D.C. Read more in the Policy and Advocacy section.

In 2011, we hired the feisty Heidi Pickman, our first Communications Director. We now quickly and professionally seek press opportunities and respond to the day's news with op-eds, press statements, and white papers. We learned to communicate our stories in powerful and compelling ways. We honed our message and got it out.

Micro and small business lending are on the upswing with a number of new

and exciting developments. Several CAMEO members joined SBA's new Community Advantage Program, which allows them to loan up to \$250,000 with a government guarantee. Also, CAMEO will offer new online platforms that will streamline underwriting and, even better, connect new sources of free capital to microlending. CAMEO will host the Accion Texas underwriting platform, which will be available in 2012. Our pilot project with Kiva will allow our small volume lenders to post their borrowers needs on Kiva.org, so that Californians can invest in our own backyards! CAMEO will be the first organization to aggregate small volume lenders on these two platforms to increase access to capital in under-served communities.

We are heartened by the growing recognition of the important role that locally owned and micro-businesses play in job creation and the importance

of supporting this sector. Still, we live in perilous times. Three members closed their doors in 2011, resulting in fewer services and a significant loss of SBA PRIME and Women Business Center funding for California. Also, the budget for USDA's Rural Micro Enterprise Assistance Program (RMAP) was zeroed out. More than ever before our members need to collaborate, to share the good, bad and ugly, to think creatively, and to use new platforms to streamline operations.

On behalf of the 22,000 start-up and growing businesses served by our members in California this past year, CAMEO is here to build the field and nourish the entrepreneurial ecosystem.

Claudia

2011 FUNDERS

\$100,000 +

Wells Fargo Foundation

\$40-99,000

Bank of America

Citi

Comerica

HSBC

U.S. Bank

USDA Rural Development

U.S. Small Business Administration

\$25-39,000

AHEAD-FHLBank

Rabobank

Union Bank

\$5-24,000

Bank of the West

Cathay Bank

Friedman Family Foundation

McGurk Foundation

National Fund for Enterprise Development

2011 FINANCIAL STATEMENTS*

Profit and Loss		Balance Sheet	
Revenues		Assets	
Contributed	702,365	Total Cash	835,140
Member dues	24,870	Accounts Receivable	65,000
Earned Income	12,171	Other Current	8,200
		Fixed	12,250
Total	739,406	Total Assets	920,590
Expenses		Liabilities and Equity	
Personnel	316,400	Accounts Payable	22,364
Operations	291,000	Other Current	7,843
Total	607,400	Total Liabilities	30,207
NET	132,006	Equity	
		Opening Balance	9,873
		Retained Earnings	748,504
		Net Income	132,006
		Total Equity	890,383
		TOTAL LIABILITIES AND EQUITY	920,590

*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.

2011 PROGRAMS AND INITIATIVES

Microlending: Based on input from our 28 microlenders, CAMEO published "Microlending, Growing the Field," a paper describing the current situation and key issues for meeting the huge market demand for credit. Due to our roller coaster economy, nonprofit microlenders focused on repairing loan portfolios, while coaching new borrowers to make them loan-ready. An average of six hours of credit assistance is needed to prepare a borrower for a loan. We need to fund quality credit assistance as it is a critical success factor in microlending. Given the federal budget cutbacks, this remains our sector's greatest challenge and will require bold advocacy from CAMEO and our members.

Two-thirds of our microlenders make fewer than 80 loans a year. To increase lending capacity, CAMEO is developing online platforms for 2012: the ACCION Texas Micro Management Systems underwriting platform and a pilot project with Kiva to provide free capital and allow Californians to invest at home.

Also, we identified gaps in organizations' skills in delivering loan-ready customers and created new training programs to improve competencies.

THANK YOU

The following members contributed to CAMEO's Advocacy Fund to continue our momentum at state and federal levels:

\$1K : Jefferson Economic Development Institute, Pacific Asian Consortium in Employment, West Company

\$500-750 : Bay Area Development Company, Renaissance Entrepreneurship Center

\$100-\$500 : Anew America, Susan Brown, Judy Hawkins, Catherine Marshall, Opening Doors, and Valley Economic Development Center

Capacity Building: CAMEO provided 29 individualized training and scholarships

to our members and 169 trainings through in-person workshops and webinars, the highlight of which was a storytelling and communication skills workshop with famed storyteller Joel ben Izzy. Also, we provided eight organizations with organizational development consulting. Training and peer exchanges built community while improving knowledge to build the field.

Disabled Veterans Microenterprise Technical Assistance Program: With support from AT&T and Citi, CAMEO provided grants to six members to serve disabled veterans with intensive programs ranging from farming to procurement assistance. The results: 98 veterans trained; 46 started or grew businesses; 62 jobs created; 4 loans totaled \$400,000. The challenge remains to develop strong referral relationships with local veterans groups. This program is the first of its kind and could become a national model.

Self-Employment Workforce Demo Project: This project introduced self-employment and entrepreneurship training to the Workforce system. CAMEO facilitated relationships between our members and local Workforce Investment Boards (WIBs), while advocating for support with the federal and state labor departments. Five WIBs were interested in adopting self-employment to create new jobs, but local politics and funding deficits have prevented a full commitment. CAMEO will focus efforts on training local WIBs to assess self-employment readiness and on identifying new funding sources.

Rural Initiative: One-third of CAMEO members serve rural regions where micro-businesses represent almost all the jobs, yet small business development is chronically under-resourced. Due to CAMEO's advocacy, 5 members obtained

MEMBER SERVICES 2012 HIGHLIGHTS

CAMEO Annual Meeting and Legislative Day
June 6-7 in Sacramento

Kiva and Accion Texas MMS platforms

VIVA / Multicultural Symposium, fall
in Los Angeles

Intensive capacity building

Scholarship fund for advanced training

RMAP grants totaling \$1.2 million for loans and business assistance, and several members obtained significant grants from major banks. Access to credit was a concern; loan pipelines were down due to the bad economy. CAMEO fostered collaboration between rural members and promoted them to potential funders.

iViva! Women Entrepreneurs! A Women of Color Entrepreneur Symposium: In November CAMEO and the National Latina Business Women's Association produced an inspiring event. More than 50 attended. Sheila Brooks from the Center for Women's Business Research advised how women of color can grow their businesses and overcome obstacles; Professor Al Osborne (UCLA) motivated participants to take advantage of today's business opportunities; and Cecilia Mota and Carmen Hensch of Mujeres Símas (SuperWomen) empowered us to transform women's lives through connection and education.

CA-Self Employment Tax Initiative (CA-SETI): CAMEO extended our three-year demonstration project for a fourth year based on the program's success. In 2011, 924 business owners received tax preparation assistance with Schedule C, almost doubling projections; 554 (60%) were retained as clients by CAMEO members; and 115 (31%) were returning filers who showed increased revenues. The national SETI program (CFED) has adopted CA-SETI as a national model.

CAMEO began 2011 ready to take flight and bring Micro to the masses. Then in March Congress began budget negotiations and CAMEO buckled down for a long fight. At the beginning of the budget debate we faced \$15 million for PRIME and Microloan TA. We ended with \$23.5 million. CAMEO and its members engaged in letter writing campaigns, phone calls and visits to congressional leaders. All of us - CAMEO, members, AEO and colleagues - succeeded in saving federal funding for micro from extinction. It was a big win!

CAMEO is becoming a recognized national voice and our messages are reaching the upper echelons. Our push for self-employment as job creation made it into President Obama's jobs plan. Speaker Pelosi wrote in to the Super Committee, "The Joint Committee should strengthen and broaden the SBA's Microloan program while also providing technical

assistance to help them build a successful business." In 2011, eleven micro-related bills were introduced in Congress, many of which are co-sponsored by a member of the California congressional delegation with whom CAMEO or our members have corresponded. CAMEO crafted a bill with Representative Lois Capps (D-San Luis Obispo) that will help define performance measures for self-employment. It is expected to be introduced in early 2012.

Also, Claudia was the only Micro Enterprise practitioner asked to participate in a Federal Reserve conference about strengthening the small business ecosystem. We had three op-eds published in major papers, with more to come.

On the state level, Governor Brown signed three bills that CAMEO actively supported: the extension of the California Organized Investment Network's (COIN) Tax Credit

Program until January 1, 2015; extra incentives within the California Capital Access Program (CalCAP) to encourage lenders to lend to small businesses; and the inclusion of small business Financial Development Corporations and micro-business lenders in the definition of financial institutions eligible to participate in CalCAP. CAMEO provided the language for the latter and was consulted on implementation.

CAMEO strengthened our relationships in Sacramento. We met with Governor Brown's senior advisors and actively participated in the Small Business Roundtable meetings, where we took every opportunity to champion the Micro sector. We developed a white paper – "Homegrown Economies" – and circulated it among stakeholders to build the case for investing in locally owned businesses as more effective than traditional business attraction strategies. CAMEO is the recognized Voice for California's Micro sector.

MEMBERSHIP

152 Total Members:

102 Micro Enterprise Development Organizations (MDO's), 3 government agencies and 8 consulting practitioners - operate in 7 regions: Central Coast (10), Central Valley (16), Rural North (13), Sacramento/Sierra (7), San Diego (7), San Francisco/Bay Area (36), Southern California/LA Basin (22)
20 Reciprocal Associations
19 Corporate and Government Partners

2010 Impacts from Annual MemberSurvey:

- 22,188 businesses served
- 8,585 new jobs created
- 38,092 employees supported
- Combined annual gross sales of \$1.3 billion
- 1,257 loans under \$50,000 totaling \$15 million; average loan size of \$14,780

2012 BOARD

Emily Gasner

Executive Director, Working Solutions

Luis Granados

Executive Director, Mission Economic Development Agency

Judy Hawkins, Secretary

Consultant, Signature Services

Carmen Herrera-Mansir, President

Executive Director, El Pajaro Community Development Corporation

Salam M. Nalia

CEO, Fresno CDFI

Pamela Patterson

CEO, West Company

Mark J. Robertson, Treasurer

CEO, Pacific Coast Regional Corporation

Stacey Sanchez

Senior Community Loan Officer
CDC Small Business Finance

Elizabeth Schott, Vice President

Executive Director, ACCION San Diego

Namoch Sokhom

Director, Business Development Center PACE

Thomas Tenorio, Treasurer

Executive Director, Community Action Agency, Butte County

Cassandra Tobey

Director, Micro Enterprise, Goodwill of Orange County

Claudia Viek

CEO, CAMEO

STAFF

Claudia Viek

CEO

Shufina English

Director Member Programs and Operations

Heidi Pickman

Communications Director

KEY CONSULTANTS

Susan Brown

Rural Initiatives, Microlending

Richard Harmon

Public Policy – Sacramento

Madison Services Group

Public Policy – Washington, D.C.

