TWO DECADES OF MICRO
Building Wealth in our Communities
2013 Annual Report
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

The past year brought some disappointment, some breakthroughs, and some conundrums — the result of our leadership and willingness to address difficult issues in the Micro sector. CAMEO mirrors the entrepreneurial mindset: we learn from our failures and we keep on keepin’ on, promoting microbusiness as the best approach to a thriving local economy.

Our bill AB 152 — would have allowed unemployed to seek self-employment while keeping their benefits — did not make it through the Assembly Appropriations Committee. But we made new friends and successfully built public awareness of the growing self-employment trend and the necessity of integrating this labor market reality into the Workforce system. Four county Workforce Investment Boards (WIBs) and One-Stop staff attended CAMEO’s “Understanding Entrepreneurship” training. We plan to offer this training to more WIBs in 2014—definitely a breakthrough!

Another breakthrough was that our members on the MMS underwriting platform are showing significant increases in lending. We see technology as enhancing the high-touch, culturally appropriate business assistance that is the hallmark of our community-based nonprofit lenders.

The conundrum is that despite the growing numbers of self-employed, members have served fewer clients and businesses each year since 2010. Members’ median revenues show a similar pattern - as the money goes so do the outcomes. This is true across the country. Aspen’s Field Institute reports a drop of 17% in clients served nationwide. Our sector does not anticipate significant increases in funding.

What does this mean for the future of our work and the Micro sector? We need to strengthen how we communicate our value to local economic development vis-à-vis the fact that most new jobs come from self-employment and microbusinesses, and we know what they need to succeed. Given current funding constraints, we need to consider new opportunities to increase efficiencies in order to increase services. We need to refocus our marketing to reach new entrepreneurs.

The rapidly changing world brings many challenges. We’re excited to be introducing and adopting new online platforms, promoting the self-employment labor market trend and DIY economy and challenging long-held assumptions. As we celebrate 20 years of our entrepreneurial spirit, we look forward to a promising 2014!

Claudia Vick

2013 FUN blow

2013 FINANCIAL STATEMENTS*

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TOTAL LIABILITIES AND EQUITY | 945,909

* Not audited

2013 FUNdERS

$100,000 +
Wells Fargo Foundation

$40–99,999
Bank of America Rabobank
Comerica U.S. Bank

$25–39,999
AHEAD-FHLBank HSBC
East West Union Bank

$5–24,999
Bank of the West Capital One
Cathay Bank Citi
CFED
Charles Schwab Bank
Friedman Family Foundation
McGurk Foundation
USDA Rural Development
U.S. SBA-PRIME
CELEBRATING 20 YEARS!
CAMEO grew from an idea around a kitchen table to a statewide membership of 170+ organizations that support California’s microbusinesses. Here’s to another 20!

2013 PROGRAMS AND INITIATIVES

Microlending
The bright spot in the micro sector is the growth of microlending for the third year in a row. While final 2013 figures are pending, we have initial reports of significant growth as CAMEO members expand their geographic boundaries, and increasingly take a broader role in small business lending.

CAMEO launched two pilot projects to increase access to capital in under-served communities: Kiva and ACCION Texas’s MMS underwriting platform. We gained a valuable partner in Kiva and developed a strong peer cohort model which serves our members as a strong capacity building tool. Users of the MMS platform have seen increased loan production via outsourced underwriting, and greater operational efficiency. CAMEO provides strategic support at the staff and leadership level via the peer cohort model. Twenty-three out of CAMEO’s 26 microlenders do an average of 15 loans a year. This is not sustainable. The advent of online lending platforms makes it a logical imperative to adopt this technology.

We feel that it’s our role to bring forth these new trends and technology and to support our members to expand their capacity, skills, capital resources, and technology adoption. To that end, CAMEO developed a new program — the MicroLending Academy, which provides specialized training and support around best practices in microlending. The idea for the Academy came from our successful Microlenders Forum in January attended by 55 people from 32 organizations.

Capacity Building
Overall 301 participants benefitted from CAMEO trainings in microlending, organizational best practices, and workforce development. We introduced our members and colleagues to new opportunities and ideas such as Affordable Care Act, the self-employment labor market trend, and new technologies to improve program efficiencies.

CAMEO provided 15 of our members’ staff with individualized training scholarships to further their professional development. CAMEO also provided substantial direct technical assistance to three member organizations to expand organizational effectiveness.

MEMBER SERVICES
2014 HIGHLIGHTS
CAMEO Annual Meeting/20th Anniversary Celebration, June 17 in Sacramento
MicroLending Academy
MMS expansion
Central Coast Go-to-Market Program, Spring
Women’s Entrepreneurship Symposium, Fall
Community-based veteran program
Scholarship fund for advanced training

In December, 60 people attended the Women’s Entrepreneurship Symposium that focused on women’s food businesses and included: a panel discussion on food policy in Los Angeles and California that highlight business opportunities; tools to help business owners with financials, credit, loans and business; a panel on how to incubate food businesses in urban spaces. And we secured rock star keynotes: Evan Kleiman, host of KCRW’s Good Food and Liza Braude-Glidden, Co-Founder and Creative Director of Beanfields Bean and Rice Chips.

Self-Employment and Workforce System Integration
After years of slowly making progress to integrate self-employment into the workforce system, we presented our “Understanding Entrepreneurship” training to four county Workforce Investment Boards (WIBs) and One-Stop staff. Most of the 80 attendees raised their hands when asked if they had clients inquire about starting their own business. CAMEO’s partnership with the California Workforce Association (CWA) will work to expand this training to other WIBs statewide. CAMEO will continue to work on the advocacy side to enable the ecosystem for entrepreneurship to flourish.

Veterans Business Development
We believe that entrepreneurship services to returning veterans must be delivered at the community based level. In past years, CAMEO operated a facilitated peer support network for organizations that serve veterans and an intensive community-based referral program that has the potential to become a national model. In 2013, we deepened our commitment and expanded our programming to meet the growing needs of California’s veteran population — we hired Liz Perez as our Veteran Outreach Consultant.

Liz is ramping up our veterans program, driving outreach efforts and facilitating referral relationships between traditional veteran serving organizations and CAMEO member organizations that wish to effectively serve veterans. In 2013, the participating programs served 228 veterans and partnered with 6 CAMEO members.

Thank you
CAMEO is thankful to the following members for their additional contributions to our 2013 advocacy efforts:
3Core
Bay Area Development
Susan Brown
El Pajaro CDC
Women’s Economic Ventures
POLICY AND ADVOCACY

AMEO’s policy goals continue to focus on systems change in workforce and local economic development as well as on sustaining (and when possible increasing!) funding for the microbusiness sector.

Due to the federal budget politics in 2012 and 2013, legislative efforts in Washington, didn’t go very far. CAMEO’s advocacy efforts did pay off in the budget; our programs were funded at, or more than, our recommended levels. We will continue to push integration of self-employment into the Workforce System at the federal and state levels. We look forward to working with new leadership at SBA in 2014, who we feel will support small and micro business.

Despite gridlock in DC, we were active in Sacramento and sponsored two bills for the FY 2012-13 legislative cycle.

AB 152 (Yamada) would have established a Self-Employment Assistance program to allow unemployed workers to maintain their unemployment insurance benefits while they start their own small businesses. CAMEO members wrote letters and testified. Although the bill passed the Insurance Committee, our efforts weren’t enough to kick it out of Appropriations.

AB 285 (Brown) would have integrated entrepreneurial training into local WIBs. CAMEO wants local WIBs to contract with their local entrepreneurship training programs, including CAMEO members. This bill made it to Governor Brown, who vetoed it, but he did sign SB 118 (Lieu), which could accomplish the same goal depending on implementation.

Our two key messages are: self-employment is a labor market trend and the power of Do-it-Yourself Economies (investing in locally owned businesses as an effective development strategy). We published over a dozen op-eds and articles in major media, some authored by members, and worked with members on communication and messaging. CAMEO participated in a key stakeholder’s meeting with Emergent Research in Washington, DC that resulted in an Emergent presentation to the Federal Reserve Board’s senior staff whose mandate is to support employment. We are recognized as a thought leader with expertise in job creation, micro-business, self-employment, and alternative local economic development efforts.

Moving mountains takes time. We did not have any big wins, but we demonstrated our tenacity (like a good entrepreneur!), we made many allies, forged new connections, and raised the stature of self-employment.

2014 BOARD

Constance Anderson  
Director, Pacific Coast Regional Corp. SBDC

Oscar Dominguez  
Director, Contra Costa SBDC

Emily Gasner  
Executive Director, Working Solutions

Judy Hawkins  
Ruby Road Leadership

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

Salam M. Nalia  
CEO, Fresno CDFI

Marc Nemanic  
Executive Director, 3CORE

Cassandra Novak-Tobey, Secretary  
Director, The Prosperity Center

Pamela Patterson, Treasurer  
CEO, West Company

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

Elizabeth Schott, Vice President  
Executive Director, ACCION San Diego

Namoch Sokhom  
Director, Business Development Center PACE

Claudia Viek  
CEO, CAMEO

STAFF

Claudia Viek  
CEO

Shufina English  
Director, Member Programs and Operations

Heidi Pickman  
Communications Director

Andrew Cole  
Program Coordinator

MEMBERSHIP

176 Total Members

110 Micro Enterprise Development Organizations (MDO’s), 5 government agencies, and 15 consulting practitioners operate in 7 regions:  
- Central Coast (9)
- Central Valley (14)
- Rural North (21)
- Sacramento/Sierra (9)
- San Diego (13)
- San Francisco Bay Area (36)
- Southern California/LA Basin (29)

26 Reciprocal Associations

20 Corporate and Government Partners

2012 Impacts from Annual Survey:

- 16,470 businesses served
- 5,274 new jobs created
- 26,543 employees supported
- Combined annual gross sales of $1.26 billion
- 1,600 loans under $50,000 totaling $17.5 million; average loan size of $10,917

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KEY CONSULTANTS

Susan Brown  
Rural Initiatives, Microlending

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

Liz Perez  
Veterans Outreach.