

## **CAMEO and Kiva Partnership Boosts Access to Crowdfunded Microloans**

*New Microlending Collaboration Helps Build Foundation of California's Economy Through Small and Micro-Businesses*

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April 2, 2013, San Francisco, CA – CAMEO, California Association for Micro Enterprise Opportunity, and Kiva announce a collaboration that brings crowdfunded microloans to more small businesses in California. Growing the region's micro-business sector is a key component for job growth and building of new economy.

"Businesses aren't creating enough jobs and government employment's been cut back," said Claudia Viek, CEO of CAMEO. "Do it yourself. Create your own job, start your own business. It's these very small, micro-businesses that are the future of our economy."

The foundation of the new economy is not going to be the 1% of the businesses that have the potential for high growth. Consider those companies as the skyscrapers. These businesses give shape to an economy much as a skyscraper provides a unique character to a cityscape. However, these skyscrapers are not building a broad foundation of new jobs. Just as most buildings in a city do not have dozens of floors, 99% of businesses will not grow to employ thousands, 88% of those won't grow past five employees. The foundation of the new economy will be a strong infrastructure of many small, locally-owned, diverse businesses.

"Even if a small business owner's idea is solid and success is projected, it is incredibly difficult to find small dollar business loans," said Premal Shah, President and Co-founder of Kiva. "Our initiative with CAMEO and their partners gives everyone a way to help crowdfund the new economy, \$25 at a time. When small businesses do well local jobs are created and communities are strengthened, paving the way for all of us to succeed."

CAMEO is the largest network of microlenders in California. They have aggregated several of their lenders – Fresno Community Development Financial Institution, Pacific Asian Consortium in Employment, and Working Solutions, onto Kiva, the world's first and largest microlending platform. The CAMEO microlender identifies potential borrowers, provides them with business advising services, administers the loan, and posts their profiles on [kiva.org](http://kiva.org). Individuals browse through those stories and can lend as little as \$25 to the borrower of their choice. Loans funded through Kiva have a 98% repayment rate, so the money lent is likely to be repaid.

"This loan program is the perfect way for us to reach the smallest businesses who are in need of capital, says Emily Gasner, the Executive Director of Working Solutions." "These are our true mission-based entrepreneur borrowers. These loans will help low-income, immigrant, and non-native entrepreneurs achieve their dreams in the United States."

"Fundamentally, small businesses are the backbone of our local economy," said Kerry Doi, President and CEO of PACE, "a crowd of people lending to a business owner on [Kiva.org](http://Kiva.org) will provide that small business with the commercial credit history and working capital needed to start up or expand their small business as well as hire employees."

"This partnership is an exciting, innovative tool that will strengthen local small businesses in the San Joaquin Valley," said Salam Nalia, CEO of Fresno Community Development Institution. Not only will entrepreneurs access capital to create self-employment opportunities and provide jobs for other community members, but individual lenders who know about or want to learn about our region will be able to invest their funds in hard-working entrepreneurs."

Businesses with five or fewer employees are the new normal. In March 2012, the Bureau of Labor statistics reported that the average size of new start-ups was 4.7 employees in 2011 – that's down from 7.6 employees in the 1990's. The share of the self-employed in the labor market is growing more than twice as fast as it did before 2000 and is growing exponentially.

That means to create more jobs, we need to create more businesses, lots of them. The way to achieve our job creation goals is to deliver effective strategies to help these businesses start and thrive. The collaboration among Kiva, CAMEO and CAMEO's network of microlenders is one of those strategies.

### **CAMEO-Kiva Collaboration Partners**

**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. We work to create economic opportunity for all entrepreneurs, to build wealth and strong California communities. Our member organizations provide entrepreneurs with small and micro-business financing such as loans and credit, technical assistance and business management training. In 2011, CAMEO members served 21,000 very small businesses with training, business and credit assistance and loans. These firms – largely start-ups with less than five employees – supported or created 37,000 new jobs in California.

**Kiva** is a non-profit organization connecting people through lending to alleviate poverty and advance economic opportunity. With as little as a \$25 loan, anyone can help a borrower create new opportunities for themselves and their family. Together with more than 900,000 Kiva lenders and a worldwide network of microfinance institutions, Kiva has created economic opportunity for more than 1 million borrowers. Since its inception in 2005, Kiva lenders have crowdfunded more than \$400 million in loans with a 98.9% repayment rate. Visit [www.kiva.org](http://www.kiva.org).

**Fresno Community Development Financial Institution (CDFI)** is a community development lender specializing in micro-enterprise and small business development for disadvantaged entrepreneurs. Fresno CDFI offers loans, training and technical assistance, and asset building programs for the start-up, strengthening, and expansion of small businesses. Since its incorporation in 2008, Fresno CDFI has been dedicated to offering affordable financing to individuals, small businesses, and community facilities in 9-county region in Central California including San Joaquin, Stanislaus, Merced, Madera, Fresno, Monterey, Kings, Tulare and Kern Counties.

**PACE** is a non-profit community development organization founded in 1976 to address the employment and job training needs of the Pacific Asian Islander communities. PACE has since expanded into a variety of service areas, all tailored to meet the growing and changing needs of the multi-ethnic communities in Los Angeles County. Now, in addition to employment services, significant PACE programs encompass: business development; early childhood education; asset building; affordable housing and rehabilitation services; and weatherization and energy-conservation programs.

**Working Solutions** is a nonprofit that supports entrepreneurs to start or grow successful local businesses. They provide small business loans and a long term business advising relationship. Working solutions offers: small business loans (microloans) from \$5,000 up to \$50,000; up to five years of post-loan business coaching and advising; referrals to local business resources. They strive to support microenterprise development in an effort to strengthen the local economy, create jobs, and build strong communities.