



Working Solutions
Capital. Consulting. Community.

FY22 Social Impact Report

Dear Community,

On behalf of Working Solutions CDFI, I am pleased to share our Social Impact Report for FY22. In another record-setting year, **Working Solutions deployed \$6.5 million in small-dollar loans and grants to 235 businesses and provided over 10,000 hours of free consulting** to entrepreneurs in Northern California. We continue to deploy the majority of our capital and consulting to the communities that need us most — including **entrepreneurs of color, women, and low-income individuals**.

As the *First to Believe in Small Business*, Working Solutions continues to push for scale because the need in our communities is significant. With our **all-time capital deployment surpassing \$42 million**, we are well on our way to our 5-year goal of \$50 million in capital deployed by the end of FY24.

This is a pivotal time for CDFIs. The visibility of our industry continues to grow at the federal, state, and local levels, and our role in providing capital to disinvested communities is critical as **we continue to work together toward ambitious goals for economic, social, and environmental justice**. Looking ahead, we will expand our impact even further through innovative, strategic partnerships with other CDFIs and public, private, and community-based organizations — collaborations that will deliver a significant return on investment and allow us to continue empowering entrepreneurs and communities at scale.

Thank you for believing in the power of small business, and thank you for your continued support.



Sincerely,

Sara Razavi, CEO



\$42MM

Deployed in
Loans & Grants



2,500

Businesses Served



35,000+

Consulting Hours



95%

Repayment Rate

First to Believe in *small business*



JHA REALTY

Location: Sacramento
 Capital Provided: \$100,000

Jill Holly Arrington launched JHA Realty with a passion for helping women purchase their own homes and leave legacies for their families. A licensed realtor, Jill also provides investment coaching to help her clients improve cash flow and build wealth. As part of her commitment to her community, Jill serves as VP of Education for the Central Valley Realtist Board, which is dedicated to advocating for democracy and access in housing for people of color.

Jill was referred to Working Solutions by the Sacramento SBDC and The Inclusivity Project. She received her first business loan from Working Solutions and simultaneously became our first borrower in Sacramento County. Six months later, Jill returned for additional capital to expand her business. She shared, **"For the first time in the 20 years that I've been trying to start and maintain a business, I got the support and help that I needed!"**

OUR COMMITMENT TO SCALE

As a responsive, community-based lender, Working Solutions has scaled significantly with nearly 60% of all-time capital deployed over the past 5 years. We set an **ambitious goal to double our all-time deployment to \$50 million by FYE24**, including a commitment to deliver the majority of capital to entrepreneurs of color, women, and low-income individuals. As of the end of FY22, we are 80% of the way to that goal, and we are on target to exceed it.

During the height of the COVID-19 pandemic — from March 2020 to September 2022 — Working Solutions **delivered \$15.8 million in recovery loans and relief grants and over 20,000 free consulting hours** to local entrepreneurs. As our communities continue to recover from the pandemic and recent natural disasters, Working Solutions remains more committed than ever to supporting entrepreneurship — at scale.

Now Serving 19 Counties:

- Alameda
- Contra Costa
- Madera
- Marin
- Mendocino
- Merced
- Monterey
- Napa
- Sacramento
- San Benito
- San Francisco
- San Joaquin
- San Mateo
- Santa Clara
- Santa Cruz
- Solano
- Sonoma
- Stanislaus
- Yolo



EXPANDING OUR REACH

Working Solutions announced a strategic, two-fold expansion in FY22 in response to the growing displacement of financially marginalized communities in the San Francisco Bay Area. We followed our market outward from an existing nine-county footprint into an additional 10 contiguous counties in Northern California. We also expanded our maximum loan amount, while maintaining our commitment to small-dollar loans as a microlender. **We now serve 19 counties in Northern California**, from Mendocino to Monterey, and make loans of \$5,000 to \$100,000.

FY22 RESULTS AT A GLANCE

(10/1/2021 – 9/30/2022)

\$6.5

MILLION

IN SMALL-DOLLAR
LOANS & GRANTS

235

BUSINESSES SERVED IN
NORTHERN CALIFORNIA

10,000

CONSULTING HOURS
PROVIDED

REACHING FARTHER TOGETHER

Working Solutions is a trusted partner to public, private, and community-based organizations. Our restorative approach to lending and consulting is centered on culturally and linguistically appropriate service delivery by staff members who reflect the communities we serve. This approach has resulted in year-over-year increased deployment of capital and consulting to our target communities, especially Black, Latino, and AAPI entrepreneurs.

Since 2020, Working Solutions has nearly tripled lending to Black-owned businesses.

In FY22, Working Solutions scaled the breadth and depth of our impact through innovative partnerships, including: 1) our work with the **City of Berkeley** to administer its Resiliency Loan Program; 2) our collaboration with the **Sonoma County Economic Development Board** to deploy COVID-19 relief grants to microbusiness owners; 3) our partnership with **San Francisco's Dream Keeper Initiative** through the Office of Economic and Workforce Development on a grant program designed to keep the dream of Black entrepreneurship alive in the City; and 4) our work with the community-led **D10 Implementation Committee** to administer a privately capitalized loan fund in San Francisco's District 10 / Bayview Hunters Point neighborhood.



TALLIO'S COFFEE & TEA

Location: San Francisco
Capital Provided: \$25,000

Olton Rensch, a longtime resident of San Francisco's Bayview neighborhood, has a mission to increase access to high-quality coffee and provide employment opportunities in historically diverse communities. After selling coffee beans and ginger brew online and through pop-ups, Olton opened Tallio's Coffee as a storefront location in March 2021, but the pandemic and permitting-related setbacks forced him to close temporarily.

Through the D10 Small Business Revolving Loan Fund, Working Solutions and Renaissance Entrepreneurship Center together provided the capital, consulting, and capacity-building needed for Olton to reopen his business in September 2022. Through a partnership with San Francisco's Dream Keeper Initiative, Working Solutions also provided a business stabilization grant and personalized consulting to help tighten his margins, enhance marketing, and streamline operations.

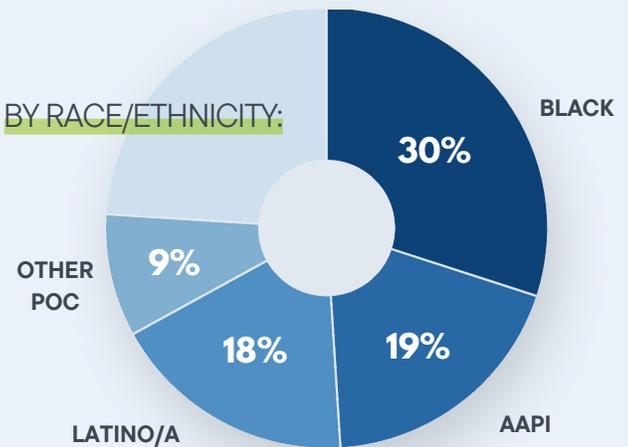
First to Believe in diverse entrepreneurs

76% ENTREPRENEURS OF COLOR

63% WOMEN ENTREPRENEURS

67% LOW-INCOME ENTREPRENEURS

69% EARLY-STAGE BUSINESSES (<5 YRS)



Demographic figures are based on FY22 capital deployment.



FOREST & FLOUR

Location: Fremont
Capital Provided: \$100,000

Sway Soturi founded Forest & Flour to make healthy foods available to people with food allergies and sensitivities. She came to Working Solutions for start-up capital in 2018, and in December 2020, she returned for an additional loan to help her business grow. Sway has built sales through local farmers markets, grown her staff to a team of 10, and, in 2022, she realized her dream of opening a brick-and-mortar cafe in Fremont with the help of a third loan from Working Solutions.

In Sway's words, "When we needed to expand into a commercial space to support our growth, Working Solutions again jumped in when traditional banks refused to fund us. In four years, **Forest & Flour has grown our revenue from \$50K to \$750K and created quality jobs in our community because Working Solutions has been here for us since day one.**"

OUR COMMITMENT TO BELONGING

We believe in walking our talk, through action beyond words. This includes our approach to diversity, equity, and inclusion (DEI). Working Solutions **fosters a sense of belonging, both externally for our clients and internally for our team.** Over the past three years, we have invested deeply in our recruitment and hiring practices to ensure that our organization reflects the communities that we serve. We have built staff and board diversity — including our first board made up entirely of women and people of color — and we support our team with training on topics such as race and allyship in the workplace and lending through trauma to build a culture of inclusion and excellence that strengthens our organizational impact.

BOARD COMPOSITION FYE22



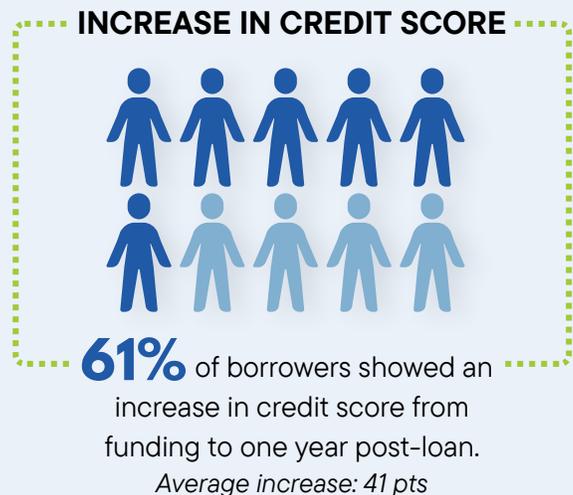
STAFF COMPOSITION FYE22



OUR FOCUS ON BUILDING WEALTH

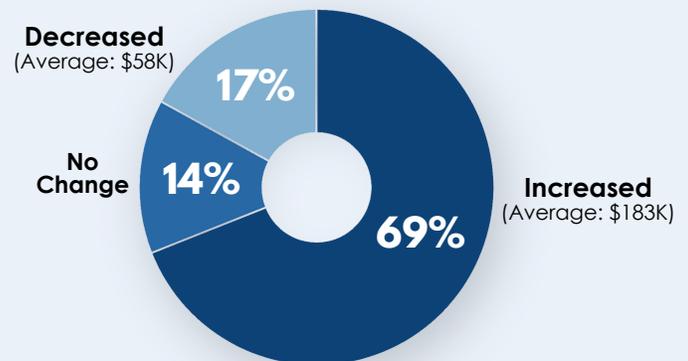
Small business ownership builds generational wealth and assets, and Working Solutions is **tracking longitudinal outcomes through four key metrics** to demonstrate this connection. Findings thus far for two of these metrics show the critical importance of our capital as a credit and wealth-building product, particularly in low-income communities: 61% of borrowers show a positive change in their credit score within the first year of their loans; and 69% of returning borrowers show an increase in business revenue, which may lead to increased savings and assets. We will continue to track these select longitudinal outcomes and the impact that **access to affordable finance and customized consulting** can have on generational wealth and economic security.

CDFIs have consistently proven their value deploying capital quickly and efficiently to those who need it most — in good times and during crisis. At this pivotal time for the industry, Working Solutions is scaling our own operations in Northern California while using our voice through policy discussions to improve the lending landscape for entrepreneurs across the state and country. This includes supporting **policies and programs that protect small business owners** from predatory lending practices, such as the historic truth-in-lending act in California that took effect in 2022.



CHANGE IN BUSINESS REVENUE

Comparison of annual business revenue for returning borrowers at 1st and 2nd loan



EL TINY CAFE

Location: Berkeley
Capital Provided: \$25,000

Husband-and-wife team Lily Vizcaino and Alan Gomez immigrated to the U.S. from Mexico and opened El Tiny Cafe in Berkeley in 2020 after a decade of working at other coffee shops. As their family grew, they wanted a chance to build assets through small business ownership. To help weather the pandemic, Lily and Alan received a Berkeley COVID-19 Resiliency Loan — a program that Working Solutions administers in partnership with the City of Berkeley.

Through Working Solutions, Lily and Alan have gained access to a suite of business consulting services, including free one-on-one consulting, group workshops, and on-demand, online resources. They were paired with a Spanish-speaking business consultant who helped them streamline operations and enhance profitability.

SUPPORTING THE **CDFI ECOSYSTEM** — *Select Staff Leadership Highlights*

Sara Razavi, CEO, was elected to a second term on the Board of Directors of the Opportunity Finance Network.

Priscilla Woo, Director of Lending, was selected to serve on the Credit Committee for the California Southern FDC State Guarantee Program and the Board of the Credit Builders Alliance (CBA).

Anita Russell, Community Development Manager, was selected for the Oakland Chamber of Commerce Leadership Oakland program and continues to serve on the Executive Committee for the CDFI Women's Network.

Jhana Valentine, Lending Officer, was named a 2022-2023 Just Economy Fellow.

Karla Posada, Business Consulting Officer, was named a 2023 Pete Garcia Community Economic Development Fellow by the National Association for Latino Community Asset Builders (NALCAB).

FY22 FINANCIALS

Per audited financial statements as of fiscal year end (9/30)

FINANCIAL POSITION

Cash On Hand	\$ 6,238,173
Loans Receivable	9,518,212
Allowance for Loan Loss	(462,229)
Other Assets	1,001,561
Total Assets	\$ 16,295,717
Current Liabilities	461,773
Long-Term Liabilities	8,546,841
Total Liabilities	\$ 9,008,614
Unrestricted Net Assets	6,382,817
Restricted Net Assets	904,284
Total Net Assets	\$ 7,287,101

REVENUES & EXPENSES

Total Contributions and Grants	\$ 1,598,439
Total Earned Revenue	1,209,451
Total Support & Revenue	\$ 2,807,890
Program Services	3,353,606
Management and General	453,462
Fundraising	248,606
Total Expenses	\$ 4,055,674

KEY RATIOS (FY22)

% Spent on Program Services	82.7%
Net Asset Ratio	44.7%
Current Ratio	19.2
Leverage Ratio	1.1
Loans on Balance Sheet	466
Delinquency (30 Days+)	2.6%
Net Charge Off Rate	0.8%



Working Solutions clients Xiomara Rosa-Tedla (L), founder of UnoEth, and Maria Palacio, founder of Progeny Coffee, at a luncheon co-hosted with Bank of the West for Women Entrepreneurs.

As reflected in our FY22 financial activity, Working Solutions continued to support businesses impacted by the COVID-19 pandemic, while also investing in capacity to serve more businesses in our expanded geographic footprint. To fund this work, we relied on our investors as well as on our significant net assets position, built up in FY21 and years prior. Looking ahead, Working Solutions will continue to invest resources efficiently and to cultivate new partnerships as we drive towards scale to meet the ever-growing demand for affordable capital from start-up and early-stage businesses. Additional details are available in our [FY22 Audited Financials](#).

First to Believe in *our mission*

BOARD OF DIRECTORS

Marci Rosenfeld, Chair

First Republic Bank

Olivia Rebanal, Vice Chair

EcoTrust

Christina Travers, Treasurer

Local Initiatives Support Corporation

Mindy Christensen, Secretary

Capital Impact Partners /

Momentum Capital

Haseeb Chaudhry

Bank of America

Emily Gasner

California Association for Micro

Enterprise Opportunity

Founding CEO of Working Solutions

Monica Magalhaes

Capital Impact Partners /

Momentum Capital

Brian Nagendra

Spring Point Partners

Purvi Patel

California Department of Financial

Protection and Innovation

Lena Robinson

First Republic Bank

Paloma Vidgen

Bank of the West

Cameron Wilson

Community Lender

EXECUTIVE TEAM

Sara Razavi

CEO

Laura Hoover

Chief Development Officer

Gasper Magallanes

Chief Financial Officer

Titi Ikhile

Chief Program Officer

John Palyo

Chief Lending Officer

(10/1/2021 – 9/30/2022)

Institutional Donors

Bank of America Charitable Foundation

Bank of Marin

Bank of the West

Boston Private

California Bank & Trust

Capital One

Cathay Bank Foundation

Citi Foundation

Comerica Charitable Foundation

HSBC Bank USA, N.A.

Manufacturers Bank

MUFG Union Bank Foundation

Opportunity Finance Network - CDFI Technology Grant Program supported by Google.org

San Francisco Foundation

The Sobrato Family Foundation

U.S. Bank

Wells Fargo Foundation

Western Alliance Community Foundation/Bridge Bank

Loan Fund Investors

Adrian Dominican Sisters

Bank of the West

Capital One

CDFI Fund

City and County of San Francisco

Comerica Bank

D10 Implementation Committee (San Francisco District 10)

First Republic Bank

HSBC Bank USA, N.A.

Mechanics Bank

Opportunity Finance Network

Opportunity Finance Network - Grow with Google Fund

Silicon Valley Community Foundation

U.S. Bank

U.S. Small Business Administration (SBA)

Wells Fargo

Western Alliance Bank/Bridge Bank

Small Business Grant & Government Partners

California Office of the Small Business Advocate (CalOSBA)

California Rebuilding Fund

CDFI Fund

City and County of San Francisco

City of Berkeley

Small Business Development Centers (SBDCs)

Sonoma County Economic Development Board

U.S. Small Business Administration (SBA)

Pro Bono Supporters

O'Melveny

Morrison & Foerster

Google.org

We thank our entire family of individual and institutional supporters — and all of our volunteers, advisors, board members, and committee members — for the generous contributions that enable us to do our work.

Thank you!



Working Solutions Staff, 2022

CONTACT US

 (415) 780-1217

 info@workingsolutions.org

 www.workingsolutions.org

STAY CONNECTED

 @workingsolutionsmicroloans

 @working_solutions

 @ws_microloans

 Working Solutions Microloans

SUPPORT OUR WORK

Your support makes a difference!
Contact us to see how you can help us
reach even more local entrepreneurs.

*Cover Photo: El Tiny Cafe
All client photos courtesy of the featured business owners.*

