



**Working  
Solutions**  
Capital. Consulting. Community.

**First to  
Believe in**  
*small business*

---

**2019 Annual Social  
Impact Report**

# Message from the CEO

*Dear friends,*

At Working Solutions, we are the *First to Believe* in local small businesses. We believe in the power of entrepreneurship to build assets, create economic mobility, and transform lives.

Working Solutions is the largest microlender in the San Francisco Bay Area that focuses on start-up and early-stage businesses, providing capital and consulting at that critical stage of business growth. We serve those who are marginalized by the financial mainstream, especially lower-income individuals, women, and entrepreneurs of color—because we believe that every entrepreneur with a dream deserves access to capital.

In 2019 we celebrated our 20th anniversary, and we were thrilled to recognize that milestone as we also completed our new strategic plan. Looking ahead, our goal is to more than double our impact over the next five years, bringing our total amount of capital deployed in the community to \$50 million.

As we reflect back on our work over the past 20 years, we express our sincere gratitude to all of our friends and partners for supporting our mission and values. I particularly want to acknowledge Emily Gasner, our founding CEO, who worked tirelessly for 20 years to lay the foundation for the impact that we are having as an organization today and into the future.

We look forward to continued work together to ensure that safe and affordable capital is available to all communities across the Bay Area and that local entrepreneurship continues to thrive.

Thank you for dreaming and believing with us.



A blue ink signature of Sara Razavi, consisting of a stylized 'S' followed by a horizontal line and a small flourish.

Sara Razavi, CEO

## BOARD OF DIRECTORS FISCAL YEAR 2019

**Franklin Haggas, Chair**  
California Bank of Commerce

**Victor Wong, Treasurer**  
Square

**Bill Fanning, Secretary**  
U.C. Berkeley  
Haas School of Business

**Katie Colendich**  
HP Inc.

**Laurie Gibbs Harris**  
Community Vision

**Michael Kadel**  
San Francisco Fire Credit Union

**Amy Lee**  
3S, Smart Strategic Solutions

**Darcy F. Mackay**  
CBRE

**Jeff Tarran**  
Gunderson Direct

**Jeremy West**  
JPMorgan Chase

CELEBRATING  
**20**  
YEARS  
FIRST TO BELIEVE

**Cover Image:**  
Xiomara Rosa-Tedla, Owner of UnoEth  
Working Solutions Client  
Location: Oakland

# First to Believe in entrepreneurship

## Who We Are

Working Solutions is a nonprofit microlender and the *First to Believe* in start-up and early-stage businesses. As a certified Community Development Financial Institution (CDFI), we provide diverse entrepreneurs with affordable capital, customized business consulting, and community connections to increase economic opportunity in the San Francisco Bay Area.

## What We Do

Our model scales the concept of small business microlending paired with tailored business consulting to help more entrepreneurs not just survive, but thrive.

## How We Work

### Capital

- Microloans of \$5,000 – \$50,000
- Emergency recovery loans
- Small business grants

### Consulting

- Free, one-on-one business consulting
- Financial management and real estate assistance

### Community

- Peer networking
- Access to business resources and experts

## Impact to Date as of 9/30/2019



Total Loans and Grants:

# \$24 MILLION

Total Number of Loans and Grants: **1,020**



# 4,700+

Jobs Created and Retained



# 21,000+

Entrepreneurs Educated

# 95%

Repayment Rate

# 65%

Loans to Low-Income Entrepreneurs

# 50%

Loans to Entrepreneurs of Color

# 60%

Loans to Women Entrepreneurs

# First to Believe *around the bay*

Working Solutions serves the nine-county San Francisco Bay Area, a region of over 7 million people and home to the major cities of San Francisco, Oakland, San Jose, and Santa Rosa. For operations and planning, we segment the region into four service areas: San Francisco (City and County); East Bay (Alameda, Contra Costa, and Solano counties); Peninsula-South Bay (San Mateo and Santa Clara counties); and North Bay (Marin, Napa, and Sonoma counties).

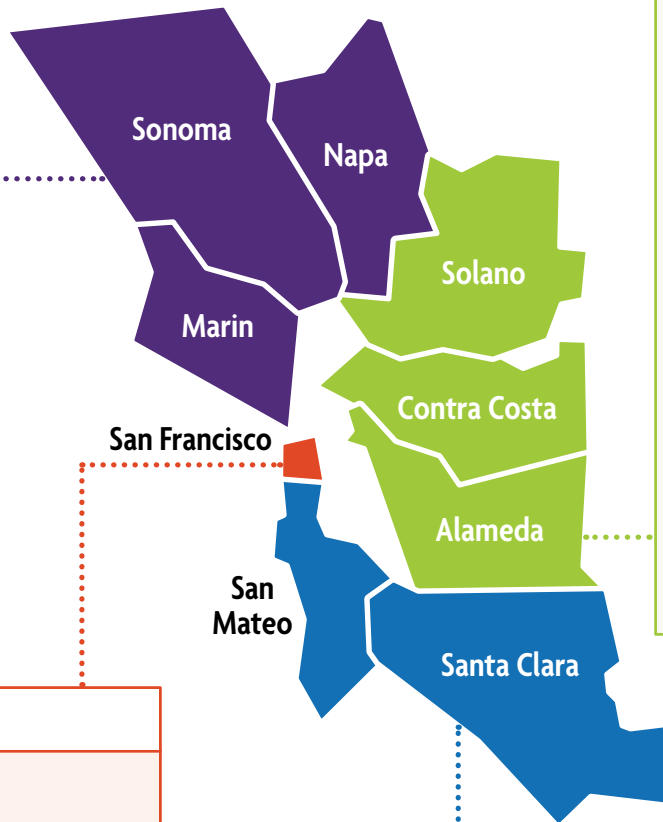
**Taqueria Molcajetes**

PRODUCT:  
**Mexican restaurant**

LOCATION:  
**Santa Rosa**

LOAN AMOUNT:  
**\$40,000**

SUCCESS STORY:  
**Working Solutions made a loan to help Taqueria Molcajetes open their restaurant in 2016. Taqueria Molcajetes now employs 32 people and plans to open a second location.**



**UnoEth**

PRODUCT:  
**Handmade leather bags and accessories**

LOCATION:  
**Oakland**

LOAN AMOUNT:  
**\$40,000**

SUCCESS STORY:  
**A Working Solutions loan in 2017 helped UnoEth acquire inventory to expand into San Francisco. UnoEth has since received two more loans and is nearing \$200,000 in annual revenue.**

**Taylor Stitch**

PRODUCT:  
**Tailored men's clothing**

LOCATION:  
**San Francisco**

LOAN AMOUNT:  
**\$50,000**

SUCCESS STORY:  
**With the help of a Working Solutions loan in 2011, Taylor Stitch opened their first store on Valencia Street. Today, Taylor Stitch has three locations and employs 30 people.**

**Kris Nations Jewelry**

PRODUCT:  
**Women's jewelry**

LOCATION:  
**Half Moon Bay**

LOAN AMOUNT:  
**\$25,000**

SUCCESS STORY:  
**With the help of a \$25,000 loan from Working Solutions in 2005 and three additional loans over the years, sisters Kris and Kim Nations have grown their vision into a national business with over 500 retail customers and \$3 million in annual sales.**

Shop local by supporting our clients. Find them all at [workingsolutions.org/client-directory](http://workingsolutions.org/client-directory).

# First to Believe *around the bay*

## NORTH BAY

**Loans to Date:** 204  
**Amount Disbursed:** \$5.4 million

Working Solutions is proud to work with local banks and regional partners, including the **Sonoma County Economic Development Board** and the **Marin Economic Forum**, to make loans to small businesses. In partnership with the **Napa Valley Community Foundation**, Working Solutions has made \$1 million in grants to small businesses affected by natural disasters such as the North Bay Fires.

## SAN FRANCISCO

**Loans to Date:** 272  
**Amount Disbursed:** \$7.3 million

Our partnership with the **City and County of San Francisco** has helped to solidify our role as a leader in serving local entrepreneurs with lending, business consulting, and real estate case management services, including lease negotiation to support businesses that are at risk of displacement. Working Solutions is the lead CDFI partner on the **Entrepreneurs of Color Fund**, a **\$3.1 million initiative funded by JPMorgan Chase** to make capital and consulting more accessible to entrepreneurs of color in San Francisco.

## EAST BAY

**Loans to Date:** 259  
**Amount Disbursed:** \$6.4 million

Working Solutions made 40% of our loans in the East Bay in 2019. We partner closely with groups such as the **Oakland Business Assistance Center** (where we have our Oakland office) as well as regional and ethnic chambers of commerce and faith-based and community groups to serve East Bay entrepreneurs. With core funding through the **Wells Fargo Diverse Community Capital** program, we are extending our East Bay outreach even further, with a focus on east Contra Costa County and northeast Solano County.

## PENINSULA-SOUTH BAY

**Loans to Date:** 87  
**Amount Disbursed:** \$2 million

Since 2016, our lending in Santa Clara County has grown 160% each year as a result of increased outreach efforts and community engagement with partners like **Renaissance Entrepreneurship Center** and the San Jose **Business Owner Space**. Support from the **Sobrato Family Foundation** has helped to fund expansion of our work in San Mateo and Santa Clara counties.



**First to Believe in:**

*The Hatch*

**Owner:**  
Pancho Kachingwe

**Product:**  
Restaurant, bar, and community space

**Location:**  
Oakland

**Loan Amount:**  
\$50,000

**Success Story:**  
A Working Solutions loan helped The Hatch expand by building out more space. The Hatch now employs 19 people in downtown Oakland.



# First to Believe in entrepreneurs of color

Entrepreneurs of color face systemic discrimination in accessing capital to start small businesses. Working Solutions is proud to have strong partners supporting our efforts to reach entrepreneurs of color across the Bay Area. In 2019 alone, we deployed 98 loans to entrepreneurs of color, representing a 32% increase over the year before.



**First to Believe in:**

*Something Better Foods*

**Owner:**

GW Chew, aka Chef Chew

**Product:**

Vegan cuisine

**Location:**

Vallejo

**Loan Amount:**

\$50,000

**Success Story:**

With the support of Wells Fargo and the Diverse Community Capital program, Working Solutions made a \$50,000 loan to Chef Chew to help open his manufacturing facility in Vallejo and complete the new packaging design for his “Better Chew” product line. Today, his delicious vegan products are available in Whole Foods locations across Northern California, and Chef Chew is busy changing lives “one chew at a time.”

## Partner Spotlight: Wells Fargo

Working Solutions is a two-time grantee through the Wells Fargo Diverse Community Capital program. Support from Wells Fargo is helping us to amplify our work in the East Bay, expand our work in the Peninsula-South Bay, and invest in our own organizational capacity-building for the benefit of more diverse entrepreneurs. Wells Fargo was one of the first to believe in Working Solutions with a lending capital investment to seed our microloan program in 2005.



**First to Believe in:**

*SF Parking*

**Owner:**

Patty Rodriguez

**Product:**

Parking management company

**Location:**

San Francisco

**Loan Amount:**

\$25,000

**Success Story:**

Patty received her first Working Solutions loan in 2012 to purchase equipment and launch SF Parking—the only female-owned parking company in the Bay Area. She received another loan in 2018, this time for \$40,000 through the Entrepreneurs of Color Fund, to grow and expand. Patty has employed over 200 people to date, and she takes pride in hiring formerly incarcerated individuals who have the passion to change the course of their lives.

## Partner Spotlight: JPMorgan Chase

Working Solutions is the lead partner on the Entrepreneurs of Color Fund in San Francisco, a collaboration between three CDFIs—Working Solutions, Pacific Community Ventures, and ICA Fund Good Jobs—funded by JPMorgan Chase to make capital and business consulting more accessible to people of color who are starting or growing businesses in San Francisco.

## First to Believe in women entrepreneurs

Working Solutions assists women who are creating and sustaining businesses to achieve greater economic security for themselves and their families. In 2019, we deployed 89 loans to women-owned businesses, representing a 13% increase over our prior fiscal year.



**First to Believe in:**

*Bow N Arrow  
Clothing*

**Owner:**

Mercedes Hernandez

**Product:**

Women's clothing boutique

**Location:**

Cotati

**Loan Amount:**

\$15,000

**Success Story:**

A Working Solutions loan helped Mercedes buy inventory for her new brick and mortar business. Mercedes is a local ambassador for small business and speaks regularly on the radio and at local community colleges to encourage other young entrepreneurs who are looking at self-employment as a pathway to economic success. She was selected as the local Young Entrepreneur of the Year by the Small Business Administration in 2018.

### Partner Spotlight: Bank of the West

Working Solutions is partnering with Bank of the West through the Women Entrepreneurs program to connect women with microloans, business consulting, and enhanced networking to close the gender-based wealth gap through entrepreneurship. In 2018-19, Working Solutions was honored to host a Bank of the West Ambassador who volunteered with us full-time for one year to help build organizational capacity in communications and marketing.

## First to Believe in low-income entrepreneurs

Since inception, Working Solutions has made 65% of our loans to low-income individuals, and of those, 45% were very low-income and extremely low-income individuals. In 2019, we deployed 114 loans to low-income entrepreneurs, representing a 31% increase over our prior fiscal year.



### CDFI FUND

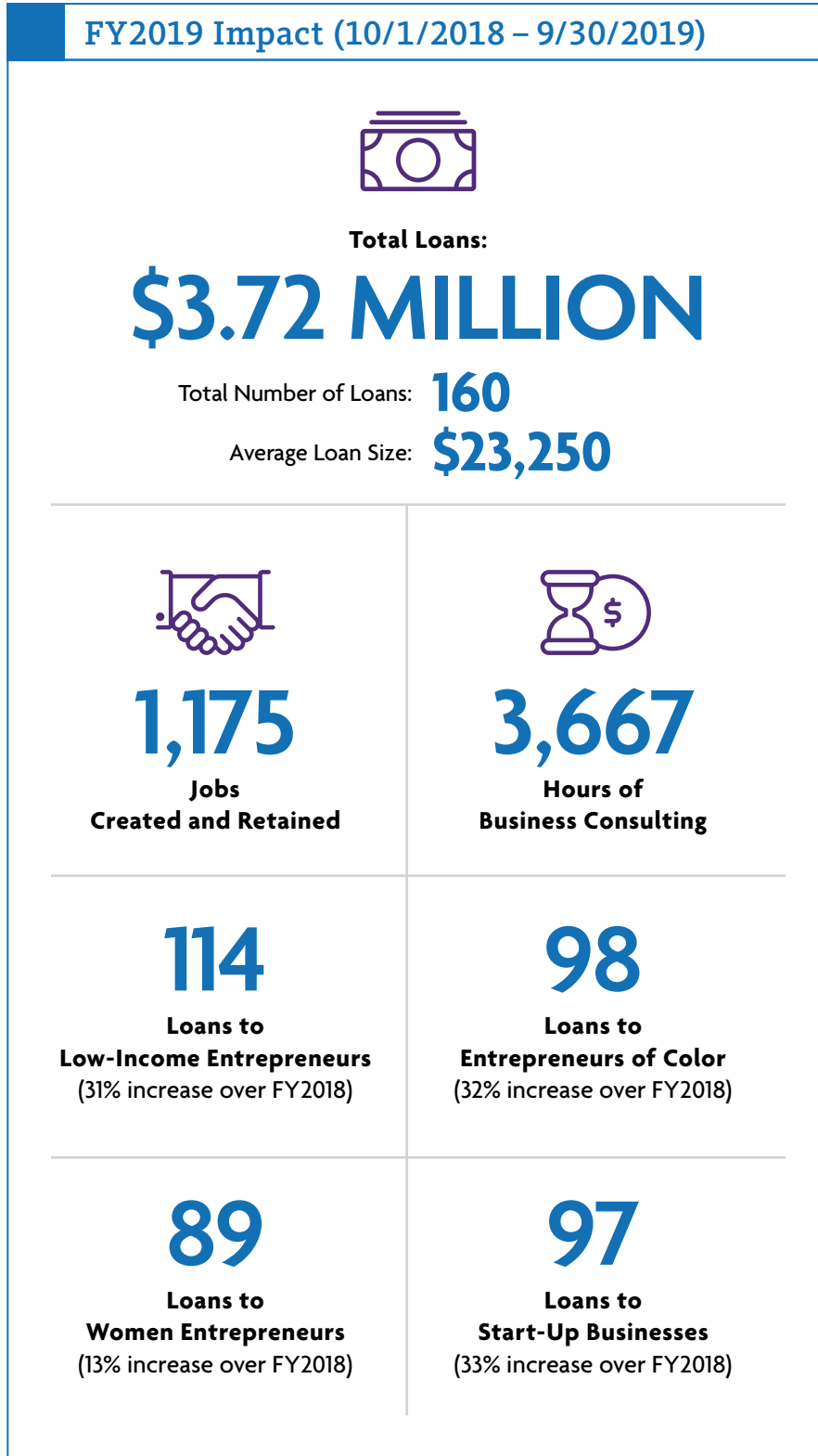
Working Solutions is a certified nonprofit Community Development Financial Institution (CDFI) committed to providing capital for those who need it most. Our CDFI certification through the U.S. Department of the Treasury recognizes that we have a primary mission of serving low-income individuals.

### U.S. SMALL BUSINESS ADMINISTRATION (SBA)

Working Solutions partners with the SBA to provide financing as well as business consulting support to help start-up and early-stage businesses grow and thrive.

# First to Believe in social impact

Working Solutions believes that every entrepreneur with a dream deserves access to capital to make that dream come true. We focus on serving entrepreneurs who often have limited access to capital, especially lower-income individuals, women, and entrepreneurs of color. Below is a snapshot of our impact in fiscal year 2019.

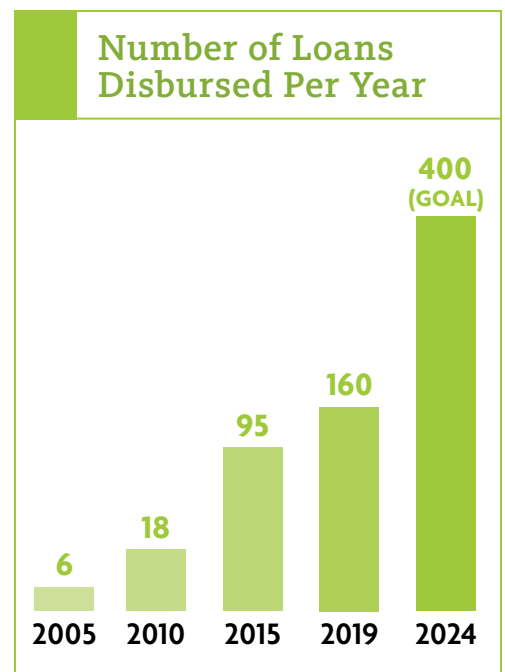


**Working Solutions is the *First to Believe* in ...**

... *entrepreneurs* who need access to safe and affordable capital to make their business dreams a reality.

... *individuals* who lack a formal credit history, including recent immigrants, and who have the vision, drive, and determination to pursue their entrepreneurial dreams.

... *businesses* that lift up their neighborhoods and communities by creating jobs and strengthening the local economy.





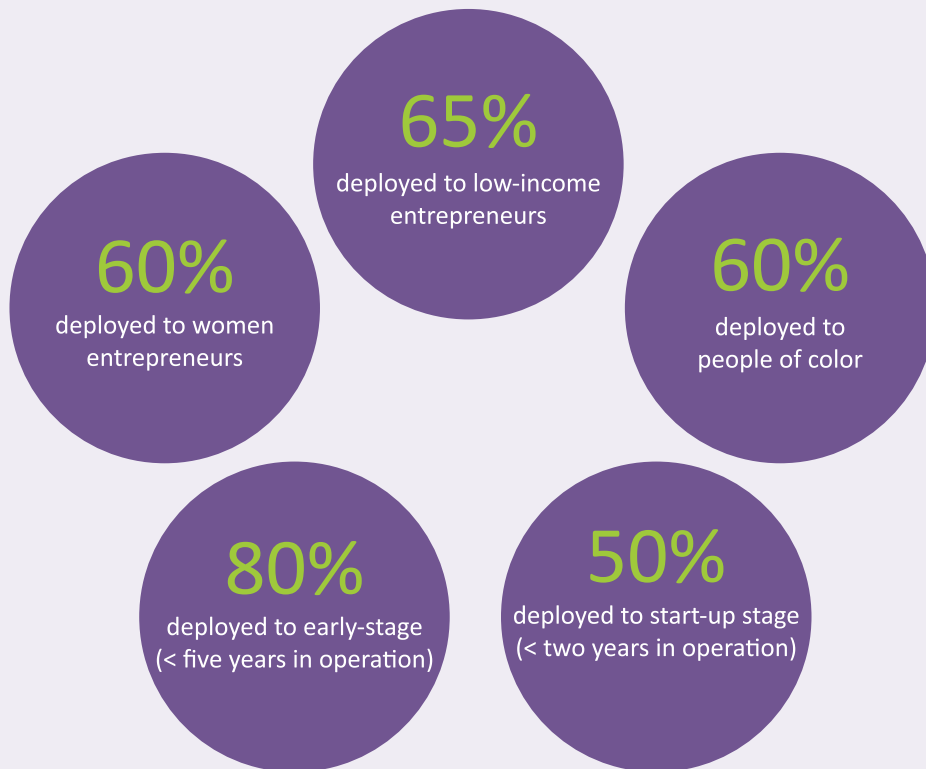
# First to Believe in doubling our impact by 2024

In 2019, Working Solutions completed a strategic planning process designed to build on our success as we scale up our impact. Through a process of stakeholder interviews, consultations with other CDFIs, and the active engagement of our board and staff, we developed a plan to guide our work over the next five years.

## Five-Year Strategic Plan (10/1/2019 – 9/30/2024)

### Over the next five years, our goals are to:

- **Double our impact** since inception to a total of \$50 million in microloans and grants deployed to small businesses
- Increase annual deployment **from 150 loans to 400 loans per year**
- **Focus on underserved communities**, with the following targets:



### Over the next five years, our expected outcomes are to:

- Increase small business owners' ability to access credit through **positive change in credit scores**
- **Increase income generated** by small business owners
- **Increase assets** held by small business owners

# Financials

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



## First to Believe in:

*Andytown Coffee  
Roasters*

### Owners:

Lauren Crabbe and  
Michael McCrory

### Product:

Specialty coffee and baked goods

### Location:

San Francisco

### Loan Amount:

\$25,000

### Success Story:

Lauren and Michael founded Andytown to bring specialty coffee, delicious pastries, and good jobs to their neighborhood. Today, just five years after opening, Andytown has three cafes in the Outer Sunset and one cafe in downtown San Francisco. Sales reached \$5 million last year, and Andytown has created 70 jobs— with competitive wages, paid time off, and health insurance.

## Condensed Statement of Financial Position

	2019	2018
Assets	\$12,591,495	\$11,069,230
Liabilities	\$8,018,923	\$6,568,464
Net Assets	\$4,572,572	\$4,500,766
<b>Total Liabilities and Net Assets</b>	<b>\$12,591,495</b>	<b>\$11,069,230</b>

## Condensed Statement of Activities

	2019	2018
Total Contributions and Grants	\$1,841,950	\$1,629,652
Total Earned Revenue	\$1,102,061	\$1,168,162
<b>Total Contributions, Grants, and Earned Revenue</b>	<b>\$2,944,011</b>	<b>\$2,797,814</b>
Program Services	\$1,924,207	\$1,933,187
Management and General	\$640,037	\$531,283
Fundraising	\$307,961	\$238,365
<b>Total Expenses</b>	<b>\$2,872,205</b>	<b>\$2,702,835</b>
Change in Net Assets	\$71,806	\$94,979
<b>Net Assets, End of Year</b>	<b>\$4,572,572</b>	<b>\$4,500,766</b>

## Key Ratios (as of fiscal year end 2019)

<i>Unaudited</i>	
	FYE2019
Loans Under Management	392
Net Asset Ratio	36%
Self-Sufficiency Ratio	38%
Deployment Ratio	73%
Repayment Rate	95%

# First to Believe in *our work*

## Institutional Donors (10/1/2018 – 9/30/2019)

3S, Smart Strategic Solutions	Capital One	Manufacturers Bank	The Sobrato Family Foundation
Amalgamated Bank	Cathay Bank Foundation	Mechanics Bank	Sterling Bank & Trust
Bank of America	City National Bank	Morrison & Foerster	TMC Financing
Bank of San Francisco	Comerica Charitable Foundation	MUFG Union Bank Foundation	Tri Counties Bank
Bank of the West	DLA Piper	Napa Valley Community Foundation	U.S. Bank
Boston Private	First Republic Bank	O'Melveny	Wells Fargo
Bridge Bank	Heritage Bank of Commerce	Presidio Bank	Western Alliance Community Foundation
California Bank & Trust	HSBC Bank USA, N.A.	Silicon Valley Social Venture Fund (SV2)	
California Bank of Commerce	JPMorgan Chase Foundation		

## Loan Fund Investors

Bank of Marin	Exchange Bank	Mechanics Bank	Tri Counties Bank
Bank of the West	First Bank	Opus Bank	U.S. Bank
Beneficial State Bank	First Republic Bank	Parnassus Investments	U.S. Small Business Administration (SBA)
California Bank of Commerce	Genentech Foundation	Poppy Bank	Wells Fargo
Capital One	HSBC Bank USA, N.A.	Presidio Bank	Western Alliance Bank
CDFI Fund	JPMorgan Chase Foundation	Redwood Credit Union	
City and County of San Francisco	Luther Burbank Savings	Opportunity Finance Network	
Comerica Bank	Manufacturers Bank	Summit State Bank	

## Government Partners

California Capital Access Program	CDFI Fund	Small Business Development Centers (SBDCs)	U.S. Small Business Administration (SBA)
California Governor's Office of Business and Economic Development (GO-Biz)	City and County of San Francisco	Sonoma County Economic Development Board	
	Oakland Business Assistance Center		

## Pro Bono Supporters

Bank of the West	Gunderson Direct	O'Melveny	TMC Financing
DLA Piper	Morrison & Foerster	THdesigns	

## Small Business Grant Partners

City and County of San Francisco	Napa Valley Community Foundation	Whole Foods Market
----------------------------------	----------------------------------	--------------------

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

### Credits:

Graphic Design:  
**Gunderson Direct**

### Photography:

Cover: **UnoEth**; Pages 5 and 7: **Erin Crysdale**;  
Page 6: **Something Better Foods** (top)  
and **Mitch Tobias** (bottom);  
Page 10: **Andytown Coffee Roasters**

*Thanks to  
Our Supporters!*

## Contact Us

✉ [info@workingsolutions.org](mailto:info@workingsolutions.org)

☎ (415) 780-1217

🖥 [workingsolutions.org](http://workingsolutions.org)



## Follow Us on Social Media

🐦 @ws\_microloans

📘 @WorkingSolutionsMicroloans

🌐 Working Solutions Microloans

📷 @working\_solutions

## Join Us

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



*Working Solutions Staff and Advisors, 2019*