

# **San Luis Obispo Entrepreneur's Market:**

Translating the successful aspects of SLO's Farmer's Market into a model for a talent marketplace

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# **San Luis Obispo Entrepreneur's Market**

## **High Level Summary**

Outline design elements of a physical space created for the purpose of economic and community development, where the guiding principles of design enable self-organizing sustainable systems for developing commerce, enterprise, business, and talent to work streams. The primary assumption is that if individuals in the community know their talent and are able to connect that talent to work with passion, meaning, and purpose, the community will thrive.

## **Purpose**

Provide documentation of supporting information, historical information, and success stories for reference for the purpose of moving the idea of a Physical Talent Marketplace from the idea stage toward reality.

## **History**

Many people have had very similar ideas for a physical space where people could gather to work in San Luis Obispo, or on the central coast in general. Reasons or definitions of the purpose of the space vary among those who have envisioned this space. During conversations at the Future Working Together Conference in San Luis Obispo (SLO) on January 19<sup>th</sup> and 20<sup>th</sup>, 2012, with about thirty individuals collaborating to identify SLO's emerging opportunities and strengths (we see an opportunity and we want to contribute to creating it), two-thirds of the attendees chose to discuss and contribute energy to the creation of a physical space that allowed for SLO's talented workforce to come together in one location.

The idea trail started with discussion of how Silicon Valley's brand is being known for its leading companies in the tech and computer industry, and how Austin's brand is centered on how it draws musicians and chefs (great music and food). By looking at what SLO's emerging brand might look like, and acknowledging its 'Happiest Place in North America' label, someone suggested branding SLO as a virtual Silicon Valley. What this meant was that SLO supports knowledge workers, a distributed workforce, small to medium sized businesses and companies, and solopreneurs and entrepreneurs – sort of a commerce seedbed and idea factory. SLO has no need for major corporations to be based on the central coast, but would like to support distributed workers who work for companies that allow that practice. In essence, SLO could be the community that leads the way in creating space for the diversity of today's workers, visionaries, talent, and workforce.

On the tail of understanding this vision, the conference attendees split into three

focus groups. One focused on what that physical space would look like, one focused on how to brand to companies or organizations who would allow their workforce to live here and who would support a co-working space, and one focused on supporting individuals themselves, whether they are employed, talent looking for work, entrepreneurs, solopreneurs, or other forms of contribution (volunteers, students, etc.)

At one of the three tables working on some aspect of this physical space idea, Lori Steed Sortino suggested looking to the successful elements of what SLO is known for (its successful Farmer's Market) and translate the successful aspects into how we might bring our workforce talent together in a physical space on a regular basis. This document is intended to follow the seed of that idea and see where it leads.

## **Proposal**

Create space for connection. Allow the talent in the community to be connected to work opportunities by creating talent to work streams and physical and virtual resources for connecting. Allow economic development. Allow community development. Allow diversity inclusion and community weaving. By having a space for this purpose, it sets the stage for smart, talented people in the community to cross-pollinate, exchange ideas, and experience synchronicity. Ultimately, this creates a stronger community that supports itself, takes care of each other and pursues amazing ideas together. Allow the community to solve its own challenges and capitalize on its greatest opportunities.

## **Drawing from the successful elements of the SLO Farmer's Market**

Like the San Luis Obispo Farmer's Market, a physical talent marketplace in downtown SLO would strive to create a place for a well-rounded group of solo/entrepreneurs to design and build their ideas with strong interaction with the surrounding community, and to bring national visibility to both the Central Coast and Downtown San Luis Obispo.

### **Eligibility**

Solo/Entrepreneurs must pertain to one of the following:

- Cal Poly State University or Cuesta College graduate
- Recent or current San Luis Obispo County resident
- Friend or affiliate of either of the above

### **Purpose**

The purpose of a talent marketplace in San Luis Obispo County would be to foster economic and business growth in the Downtown core in order to:

- Create a positive image of Downtown San Luis Obispo
- Expose community members to the local resources that are readily available for assistance in the entrepreneurial endeavors
- Provide a forum for community entrepreneurship
- Support community and economic development
- Allow diversity inclusion and community integration
- Enhance the community as a whole

### **Structure**

The physical entrepreneurial marketplace would have the following structural similarities to the SLO Farmer's Market:

- A conglomeration of different, local, solo/entrepreneurs/start-up companies in a common workspace or office building
- Main support entities with staying power and a supportive structure
- A common organization/administrator to assist, review, and guide entrepreneurs
- A regularly scheduled time and place for meeting to discuss specific purposes, goals, projects

- Cross-pollination between groups to exchange ideas and goals, and expose common problems

### **Participation**

Persons wishing to participate in the talent marketplace must file an application with the Marketplace organization and be approved.

Space allocation will vary depending on the project.

Equipment and services provided will be determined by availability and need, and may vary over time.

## **Drawing from the successful elements of existing co-working spaces**

### **Core Values:**

- Collaboration – To foster interaction between solo/entrepreneurs, the community, local businesses, and local schools, leveraging resources and relationships for the benefits of the clients
- Ownership – To promote personal accountability and allow solo/entrepreneurs a place to create something that is truly theirs
- Innovation – To allow solo/entrepreneurs create new ideas, concepts, and solutions
- Ethics – To hold all parties involved to the highest standards of professionalism

### **Business Retention**

Nurturing local solo/entrepreneurs is the main purpose of the SLO Entrepreneurial Marketplace. The goal of the program is to help identify resources, connect entrepreneurs with funding, and help them interact with both each other and the community at large. The marketplace would provide a physical space for solo/entrepreneurs to work and create their businesses.

### **Benefits**

The marketplace would allow for the following benefits to both the community of San Luis Obispo and the solo/entrepreneurs involved:

- Build awareness of solo/entrepreneur business value to local communities
- Create a working environment that connects solo/entrepreneurs with the business community, the public, and local students
- Connect talent to work, enabling solo/entrepreneurs to hire local workers to assist them with their projects, thus enhancing the value and efficiency of their work
- Gain support for solo/entrepreneurs and their business ventures
- Foster communication and collaboration between solo/entrepreneurs that will give various perspectives, expose common challenges, and streamline processes
- Strengthen support systems and community connections for local solo/entrepreneurs
- Enhance and explore opportunities for solo/entrepreneurs
- Offer care, guidance, and positive inspiration for solo/entrepreneurs

## **Possible Economic Models**

The following explains various possible economic models for the SLO Entrepreneurial Marketplace and how they might be applied

### **Micro-Lending**

Microfinance would supply small loans, savings, and other basic financial services to the solo/entrepreneurs involved in the marketplace. This enables the solo/entrepreneurs to accumulate assets and make money from their endeavors, thus allowing them to pay back the initial small loan with interest. Interest rates must be high to return the cost of the loan.

### **Time Banks**

Time banks use exchange of time and talent to promote a community economy. The marketplace could employ this trading method [probably in addition to another economic model] so that solo/entrepreneurs can reach out to one another and help each other when possible. Having a varied group of solo/entrepreneurs working together within the marketplace would help foster community and increase efficiency of all projects.

### **Crowd Funding**

Crowd funding entails collective cooperation and the pooling of funds in order to sustain projects. The marketplace as a whole would call for donors to support their efforts through donations, which would then be distributed to the solo/entrepreneurs as necessary.

### **Foundry**

A foundry gives solo/entrepreneurs mentorship and capital and tasks them with identifying promising new start-up ideas through testing, market research, focus groups, and collaboration to determine which ideas will be able to flourish. The SLO entrepreneur marketplace would provide solo/entrepreneurs with a place to research their ideas and help them prosper. Using shared resources, the marketplace would allow for any number of solo/entrepreneurs to work on their own projects, while receiving help and guidance from their community. Eventually, the marketplace could have its own team of designers, developers, media people, writers, and PR on staff to assist the solo/entrepreneurs. As the marketplace grows, it would be able to provide more funding, allowing the solo/entrepreneurs more freedom in their works.

## **Further Questions**

As the San Luis Obispo Entrepreneurial Marketplace project progresses, new questions, endeavors, and actions will need to be discussed and explored. These may include:

- Equipment and services to be provided on-site
- Foundry-like teams of designers, developers, media people, writers, and PR on staff
- Location of building for meeting space
- Administrative structure

## **Possible Next Steps**

As the project progresses, the following steps must be taken:

- Create a committed initial board with facilitators to carry forward the vision
- Speak to Delia Horowitz and Paula Vignault regarding becoming such facilitators
- Begin marketing
- Reconnect with John Asbaugh of the San Luis Obispo City Council
- Discuss his offer of SLO Theater building as a meeting space
- Reconnect with Terry Musch
- Reconnect with other existing committed parties
- Missy Reitner-Cameron, Lynne Beddinger
- Identify main elements to pursue/discuss at first meeting
- Invite Collaboration LLC, EVC, City of San Luis Obispo to become involved and support the marketplace
- Determine someone living in the SLO community to lead vision articulation
- Position currently held by Lori Steed Sortino
- Determine an administrative secretary/archivist/recorder

## **Appendix A: Successful Elements of the Farmer's Market**

The Farmers' Market has earned a reputation as a well-rounded, weekly event featuring a Certified Farmers' Market, food and product vendors, community outreach, as well as offering quality entertainment bringing national visibility to both the Central Coast and Downtown San Luis Obispo.

## **History**

In the late 70's and early 80's businesses would stay open late on Thursday nights to give people a chance to shop later than 5:00 p.m. Downtown was popular on Thursday nights so teens began cruising down Higuera Street, the "main drag." This, in turn, deterred people from coming to shop on Thursday nights. The merchants wanted help from the Downtown Association to stop what was going on. The Downtown Association decided to barricade six blocks of Higuera on Thursday nights so people could still shop late. Now the trick was getting people to come back on Thursday nights!

On the late shopping night, the Downtown Association began arranging for special activities and entertainment on Higuera Street. Downtown restaurants came out to offer food and to barbecue ribs. This all began in early 1983. That summer the farmers were invited to sell their produce; hence the beginning of Farmers' Market. Because the Downtown Association sponsors the event, only Downtown Association members and non-profit organizations were eligible to participate. In July of 2006 the Market opened up to non-members allowing them to participate at a cost of \$80 per night. A committee meets second and fourth Wednesday mornings (see TNP committee under committee section) to discuss all applications and to manage the event.

Thursday Night Promotions (also called Farmers' Market) are very popular. It is a year-round event, and the summer months draw large crowds to the Downtown Association district. From September through June the Downtown Association sponsors various special events at the market. Thursday nights are so successful and well run that cities from all over the country visit San Luis Obispo to see how it is done!

## **Eligibility**

Businesses/services/organizations must be affiliated with one of the following:

- Downtown Association member
- Commercial business
- Non-member
- Not for profit organization
- Political, religious, educational, or informational entity
- Entertainment
- Barbecue vendor
- Media

## **Purpose, Goals, and Structure**

The purpose of TNP is to promote business in the Downtown core. The Farmer's Market is an event administered by the Downtown Association in partnership with the City of San Luis Obispo in association with the Farmer's Market Association. The Downtown Association administers TNP in order to:

- Create a positive image of Downtown San Luis Obispo
- Expose community members to retail stores and services offered Downtown
- Generate foot traffic on Thursday Nights
- Provide a forum for community activities
- Maintain the Downtown as the center of retail, social, and civic activities
- Enhance the community as a whole
- All activities must be consistent with these goals.

## Definitions

The following definitions refer to commonly used terms throughout the Rules and Regulations and serve to clarify the meaning of key terms.

**TNP** - TNP is an abbreviation for Thursday Night Promotions sometimes referred to as "Farmers' Market," "Thursday Night," "Farmers" or other variations. TNP is a street fair that includes a certified farmers market.

**COMMERCIAL BUSINESS** – A business that occupies an approved commercial space. Commercial businesses must operate during regularly established business hours as defined below on a year-round basis. The business must hold all required City of San Luis Obispo, County of San Luis Obispo, and State of California permits. Commercial businesses must have a Business Tax Certificate in the City of San Luis Obispo. Vending machines, newspaper/magazine racks, P.O. boxes, snack boxes, and other similar businesses that primarily involve machines or do not encompass personal contact are excluded from this definition and are not eligible to participate unless otherwise approved by the TNP Committee.

**BUSINESS HOURS** - Consecutive hours are hours of operation for consecutive days during a business week. **Minimum hours of operation are five consecutive days for five consecutive hours per day.** An example of this could be Monday - Friday 10:00 a.m. - 3:00 p.m. **Business must be open to the public during the established hours.**

**DOWNTOWN ASSOCIATION MEMBER** - A DA member is a business within the legally recognized and formally delineated DA boundaries that pays an assessment fee; OR is a business within the boundaries which is exempted by state or federal mandate from paying an assessment fee but which makes a

voluntary contribution to the organization (voluntary member). A map of Downtown Association boundaries is included in this document.

**NON-MEMBER** – A non-member is a business that is not located within the DA boundaries but has a permanent business address and operates regularly established business hours on a year-round basis. If approved, non-members must obtain a City of San Luis Business Tax Certificate prior to participation,

**GOOD STANDING** - A business in “good standing” is defined as a participant who has all the necessary permits to operate a business within the City of San Luis Obispo and TNP, has paid the appropriate TNP fees, has no violations and is actively using the space assigned for TNP.

**TNP REPRESENTATIVE** - Any member of the DA staff, Board of Directors, TNP Committee, City of San Luis Obispo Police or Fire Departments and DA Private Security can be designated by the event coordinator as a TNP representative for enforcing the rules and regulations of TNP.

**FIRE LANE** - A 20' wide unimpeded path for use by fire, police, and medical vehicles, the location of which is determined by the Fire Department and the DA. The fire lane in the 700 block of Higuera Street will be designated by the parking ticks/markers on the street for both sides of the block. The center lane striping will designate the fire lane in all other blocks of Higuera Street. All booths must conform to this requirement. The TNP Committee will review booth configuration at the time of application for compliance with the fire lane regulations. **For entertainers, a 20-foot fire lane must be observed down the middle of the street or on one side or the other.**

**FUNDRAISING** - The sale or offering of merchandise or services to solicit funds.

**PRESENCE ON THE MARKET** - Participants are expected to set up by 6 p.m. and leave display booth or usual type of setup in assigned space until 9:00 p.m. No early take downs are allowed.

### **TNP Participation**

A. Persons wishing to participate in TNP must file an application with the DA and, upon approval and payment of fee, obtain a permit from the DA office. All approved applicants must have a City of SLO Business Tax Certificate and a commercial business with scheduled, posted, operating business hours.

Merchandise sales at TNP are limited to those items sold from an established inventory within the normal scope of each participant's daily business.

NOTE: Proof of Workers Comp must be provided for any person working in a TNP space that is not a direct owner, or an immediate relative of a direct owner, of the business. A business owner will provide a written statement acknowledging any immediate family members who are working in the space.

B. TNP permits may not be reassigned or sold. A member business cannot act as a sales agent for any other entity. If it is determined a business is selling inventory or conducting activities not part of that member's business, the permit may be revoked.

C. Upon request, and space permitting, the Committee will attempt to place member participants in close proximity to their places of business. Member participants are not guaranteed space in the location of their choice.

D. No participation in TNP by any entity will be allowed without a permit.

E. All applicants must provide a certificate of general liability insurance with their application. Detailed information about insurance requirements is provided with the application.

F. Participants shall keep their area clean during TNP and leave the space and surrounding area clean afterward. Failure to do so may result in additional fees.

### **Non-Member Business Participation**

A. At the discretion of the Committee, commercial enterprises that are not within the DA district **may** be permitted to participate in TNP if the Committee determines that the business' participation will provide a public service or will promote the goals and purposes of TNP. If so determined that the business fulfills the definition of a non-member as described above, the business may be granted a permit and may participate. Non-members will also be subject to non-member fees.

### **Fundraising for/by Not-For-Profit Organizations**

A. At the discretion of the Committee, a Not-For-Profit organization may be permitted to participate if the Committee determines that the organization's participation will provide a public service or will serve to promote the purposes and goals of TNP.

B. Not-For-Profit groups may conduct direct sales no more than four (4) times per year, once per quarter, and not more than two (2) consecutive weeks. Sponsorship from Downtown Association members may not be solicited to circumvent this rule.

**Note:** Fundraising dates & materials must be pre-approved by the Committee.

C. Participants shall limit sales to items specified on the approved application. Merchandise or related fundraising items can be at the participants' booth on approved fund-raising dates only and may not be displayed at any other time.

D. Organizations wishing to raise funds during TNP must have Not-For-Profit status. Verification must be provided at the time of application. Reasonable documentation, such as IRS Tax Exempt Status notification is required. If status is pending, meeting minutes, bylaws, articles of incorporation, communication from the Secretary of State, taxpayer documentation or other indication of non-profit status will be accepted as verification.

Note: Student clubs and organizations must provide written authorization from their advisor(s) - Cal Poly student clubs are required to initiate an E-plan at the University Union Epicenter.

E. All monies generated by sales or solicitations, excluding direct material costs, must go to the Not-For-Profit group, not to individuals within the group. The Committee may request a full accounting.

F. The organization must submit its application **no less than three (3) weeks in advance** of the desired attendance date. Upon review and approval by the Committee and payment of fees, a space will be assigned. Participants are not guaranteed space in the location of their choice.

G. If food items are to be sold, the organization must have written approval from the San Luis Obispo County Health Department prior to receiving a permit.

H. Participants shall keep their area clean during the activity and leave the space and surrounding area clean afterward.

I. Participants incurring costs requiring additional DA maintenance or assistance will be required to reimburse the DA for those costs.

### **Political, Religious, and Other Informational Groups**

A. Approved applicants will be given space on a first-come, first-served basis according to space availability. Participants are not guaranteed space in the location of their choice. Additional spaces maybe temporarily provided for special events or occasions, e.g. election season.

B. All groups or individuals wishing to disseminate information, pass petitions, or promote political, religious, or personal beliefs must submit a signed application **no less than three (3) weeks in advance** of the date desired.

C. Applicants whose format is determined to be entertainment shall not be eligible for a space allocation under this section, but shall be regulated by Section 7.

### **Entertainment**

- A. The committee shall select the type of entertainment best suited to promote the goals of TNP. Auditions, demo tapes or CDs are required. Entertainers will perform the type and style of entertainment exhibited during audition.
- B. Entertainers must keep sound levels within the following guidelines: 75 decibels at Garden Street and 80 decibels at all other TNP venues. Entertainers may not use generators. Violation of decibel level guidelines will result in warning followed by electrical disconnect and/or removal from the market.
- C. Power connections are the responsibility of the entertainer. Entertainers must treat merchant property with great care. Any abuse will result in immediate revocation of permit and cancellation of additional performances. Electrical hook-ups are subject to Fire Department regulations. All extension cords must be taped down or properly covered to avoid a tripping hazard.
- D. Entertainers are subject to appropriate fees, which must be paid when permit is issued.  
Entertainers may actively solicit money.
- E. Entertainers are subject to space availability and assignment as determined by staff.
- F. Entertainers must stop performing at 8:45pm to begin break down, ensuring that the road will be cleared by 9:30pm.
- G. Entertainers may obtain up to four parking passes from the TNP Event Coordinator for the period that the entertainment takes place. Parking passes are not transferable and not available for reuse.

## **Media**

- A. Cooperation between TNP and the local media is encouraged to promote TNP. Media organizations may apply to participate during TNP and observe the guidelines listed below.
- B. No amplified music unless authorized by the TNP Committee.
- C. All giveaways (non-adhesive material only) must be pre-approved by the Committee. No adhesive materials of any kind will be allowed.
- D. Promotion/Advertising shall be for the applicant only, not for special events or non-member businesses.
- E. Fees could possibly be waived in exchange for advertising. This would have to be arranged with the TNP Event Coordinator prior to booking.

## **Applications, Permits, Space Allocation**

A. Those wishing to participate in TNP must submit an application at least three (3) weeks prior to the desired attendance date. Cal Poly clubs must initiate an e-plan through the University Union Epicenter. It is the applicant's responsibility to contact the DA office regarding the status of their application. Upon approval by the Committee, staff will assign a specific space or location and issue a permit reflecting the space allocation. The space will not be considered reserved until the appropriate fees are paid.

B. The person in charge of any activity must be in possession of a valid permit at all times. The permit is to be conspicuously displayed during operation.

C. All approved applicants will receive a space assignment only if the fee(s) are paid. The space corresponds to a street address. **PARTICIPANTS MUST STAY WITHIN THEIR ASSIGNED SPACE AND OUT OF FIRE LANES AT ALL TIMES.** It is the participant's responsibility to be aware of the fire lanes, as specified by the TNP Event Coordinator.

D. The TNP Event Coordinator has the authority to assign or to reassign spaces. Participants are not guaranteed space in the location of their choice. Vendors are limited to one assigned space per event unless authorized by the Committee. Tardy vendors (vendors showing up after 6:00pm) may have their space reassigned.

E. Spaces not to exceed the following dimensions:

Direct Sales	10' x 10'
Food	10' x 10'

Barbecue	fees based on square footage	used, booth not to exceed 15' in depth
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Not-for-Profit	10' x 10'
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Informational	10' x 10'
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Media	10' x 10'
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F. Vendors must keep all items in their assigned booth space and cannot use City property (trees, parking meters, etc.) to hang signage or any other materials.

## **Approval or Denial of TNP Applications**

A. Under the Street Closure or other relevant permits issued by the City of San Luis Obispo, the Downtown Association and the TNP Committee have full discretion concerning use of the area designated for TNP. Applications

submitted will be reviewed by the TNP committee for approval or denial based on TNP criteria. It is the applicant's responsibility to contact the DA office for this determination. If an application is denied, the basis for denial shall be given upon request

B. Under the Street Closure or other relevant permits issued by the City of San Luis Obispo, the Downtown Association and the TNP Committee have full discretion concerning use of the area designated for TNP. Applications submitted will be reviewed by the TNP committee for approval or denial based on TNP criteria. It is the applicant's responsibility to contact the DA office for this determination. If an application is denied, the basis for denial shall be given upon request

### **Equipment and Services**

The DA is under no obligation to provide power, water, or any equipment to participants. An applicant needing specific services must make these needs known in the application. The DA's only obligation is to provide a space on the street. It is the applicant's responsibility to provide all necessary equipment for operation of his/her booth. Power cords, when used, must conform to safety standards as described below. Generators may be used upon prior approval.

### **Fees**

Participation in TNP is a privilege for all participants. Since there are substantial costs (such as janitorial, trash removal, street closure, private security and insurance) involved with sponsoring these weekly events, the DA has established permit fees in the following categories:

- Barbecue vendors
- Member vendors
- Non-member vendors
- Not-for-profit groups
- Information/political groups
- Entertainment
- Media

A fee schedule, subject to annual review, is available in the DA office. There will be no refunds or credits unless TNP is officially canceled due to rain.

### **San Luis Obispo County Farmers' Market Association, Inc.**

The FMA participates in TNP at the invitation of and under contract with the Downtown Association. FMA operates under State regulations and those set by FMA Board of Directors. Persons wishing to participate in the FMA area of TNP may contact FMA directly. The Downtown Association does not issue permits or space assignments for FMA, and issues no variances or exceptions to FMA's rules. Call 544-9570 for information about the Farmers' Market Association.

### **General Rules for Participants**

A. Any vendor, club, group, or persons participating in TNP must comply with all of the rules. Non-compliance, including offensive conduct, may result in immediate revocation of the permit. If a permit is revoked, an appeal may be made, first to the TNP Committee, then to the Downtown Association Board of Directors. During the appeal process, a space will be held for the participant providing that all fees are paid.

B. The Committee reserves the right to revoke the permit and/or order the removal of all equipment and material (belonging to a participant) from the street for any reason deemed necessary by the Committee to better meet the goals and purposes of TNP or for public health, safety and welfare.

C. All participants must conspicuously display the name and location of their business or organization on a sign with the minimum size being approximately 400 sq. inches (14" x 30"). Merchants' show windows may not be obscured at any time by boards, banners or other large displays.

D. Lighting on booths should be used for illumination of the booth and display purposes only. Strobing, flashing and/or rotating lights are not permitted. All lighting must be battery or electric only. The DA does not guarantee electricity. It is the participant's responsibility to solicit electricity from the adjacent businesses.

E. No person shall deface or otherwise abuse Downtown property including but not limited to: buildings, signs, parking meters, trash cans, news racks or plants with any material including stickers, paint or graffiti.

F. Amplification is NOT allowed without previous written approval from the TNP Committee.

G. All applications for TNP must contain name, address, phone number, and signature of applicant or applicant's authorized agent. This person must be the contact person. The applicant shall acknowledge the participant's liability for damages (including costs for clean-up and damages to property belonging to merchants or tenants). Participants are responsible for contacting the Downtown Association if there is a contact person change or address change.

H. Approved participants must participate once a space is allocated to maintain validity of permit. Non-use may result in that space being reassigned. Participants must have a valid permit for each date of attendance. Permits may be obtained on a pre-paid basis such as monthly or quarterly advanced billing, arranged with the Event Coordinator or by coming in to the Downtown Association office and paying the fee prior to the date of attendance NOTE: Participants not attending the event for more than one year must submit a new application to attend.

I. Permits may be revoked for the following reasons:

(The same rules of revocation apply to all participants)

1. Closure of business (Exceptions may be made for businesses undergoing renovations that do not exceed 60 days.)
2. Non-compliance with Downtown Association, City of San Luis Obispo Fire Department or County Health Department regulations
3. Non-payment of prescribed fees within the designated time period
4. Poor attendance
5. Sale or transfer of business

J. Businesses that have not applied for and received a permit for TNP will not be allowed to participate in TNP and are subject to removal.

K. TNP participants must have proof of liability insurance with minimum coverage of \$1,000,000 (one million dollars) and workers compensation insurance for all employees participating in TNP.

Participants are required to have their insurance carrier notify the DA staff in writing of their insurance status. Further, only business owners or immediate family member may operate vendor booths without providing proof of workers compensation coverage; if family members are working the booth, a letter must be on file with the Downtown Association indicating this intention. All other workers are assumed to be employees and must be covered by workers compensation and proof of such will be provided to the Downtown Association prior to approval of application. NOTE: Refer to application for specific insurance requirements.

L. The DA, the TNP Committee, its agents or staff are not responsible for theft or damages to property belonging to persons participating in TNP. The Downtown Association assumes no responsibility for items left unattended during or at the conclusion of TNP.

M. No person participating in TNP shall state, imply or otherwise suggest that the DA or any of its member businesses endorses, sponsors or supports the views of applicant's business or organization.

N. Alcoholic beverages or affiliated promotional products may not be sold, consumed, promoted or advertised during TNP.

O. Tobacco products and merchandise may not be sold, consumed, promoted or advertised during TNP.

P. Tattooing, permanent cosmetics and body piercing may not be performed or administered during TNP. Body piercing does not include piercing the leading edge or earlobe of the ear.

Q. The Committee reserves the right to refuse participation to any applicant.

R. The Committee will not discriminate on the basis of race, religion, creed, color, gender, political beliefs, national origin, age or physical disability or any basis prohibited by law.

S. Participants in TNP shall be appropriately dressed (e.g. shirts and shoes), and conduct themselves with proper decorum.

T. The committee reserves the right to limit sales of items that are in direct competition with those items of Downtown merchants.

U. Member businesses have priority over nonmember businesses in all categories.

V. Any participant or applicant denied a permit or whose permit is revoked may appeal the denial/revocation in the following manner:

1. File written appeal within 10 (ten) days of the denial/revocation (obtaining appeal form from DA office) stating nature of appeal and requesting appeal to be agendized at the next earliest or desired meeting date of the TNP Committee. Appellant will be advised of date, time and place of meeting where the item will be agendized.

**Note:** Appellants who are unable to attend a meeting must contact the TNP Event Coordinator prior to the meeting to request another meeting date. If appellant is a 'no show,' the appeal will be removed from the agenda and disregarded.

2. If appellant disagrees with determination of Committee, appellant may then repeat the procedure appealing that decision to the Downtown Association Board of Directors. The decision of the Board of Directors is final.

W. All giveaways (non-adhesive material only) must be pre-approved by the Committee. No stickers or adhesive materials of any kind will be permitted to be sold, distributed, given away or offered.

X. No pets/animals are allowed at TNP without pre-approved authorization and only in limited and controlled circumstances. Animals utilized to assist disabled persons are excepted.

Y. Participants may not harass, follow, or intimidate Downtown visitors or DA staff. Activity that impedes the flow of pedestrian traffic is not allowed. Applicants must stay within their assigned space. Activities that are conducted in such a manner as to interfere with the goals or purposes of TNP may result in immediate revocation of the permit.

Z. Use of Electricity Supplied by Adjacent Businesses. Vendors using electricity supplied by adjacent businesses will comply with the written procedures for

accessing and connecting to electrical sources. Vendors will complete a Hold Harmless form supplied by the DA.

Rules & Regulations updated/approved by TNP Committee 8-10-11

## **Appendix B: Successful Elements of Co-Working Spaces**

## **City of San Luis Obispo Economic Development Program**

### **Economic Development Program**

San Luis Obispo Economic Development Program is responsible for implementing the economic development policies of the City Council. Claire Clark serves as the Economic Development Manager for the City of San Luis Obispo.

Economic development services include:

Business retention and expansion assistance

Targeted business recruitment program

Site selection assistance for new and existing businesses

Quick Response Team for timely processing of permits, providing development review strategies and identifying potential issues and their solutions

Access to labor force assistance through the Employment Development Department and the Private Industry Council of San Luis Obispo County and County, Regional, and State programs through the Economic Vitality Corporation of San Luis Obispo County and the California Central Coast Marketing Team

### **Business Retention and Expansion**

Nurturing local businesses is one of the program's most important goals. The Economic Development Manager can help identify resources for your growing business needs and connect you with local service providers. We also offer site selection and site expansion assistance.

The Economic Development Manager assists new and existing businesses in finding sites for their business. We work closely with the local real estate brokerage community, property owners and developers to help you find existing buildings or developable properties.

### **Site Selection**

The City of San Luis Obispo assists companies with identifying available sites to locate in. The City works closely with the local real estate brokerage community to provide the most up-to-date information on availability of sites. The City also has a land use inventory on available land sites, and on-going relationships with local developers and landowners. The City has recently annexed expansion areas zoned for new business park and commercial expansion.

### **Primary Target Industries**

In September 1997, the City Council adopted the following target industries as part of the City's recruitment efforts:

*Computer Software/Multimedia*

Existing representative companies in the computer software/multimedia industries include MindBody, Cygnet Software, Experts Exchange, Level Studios, and Applied Process Logic. Softec, the Central Coast Software and Technology Association, a local trade organization, supports this industry and provides a forum for members to learn the newest technologies and trends.

#### *Light Manufacturing/Light Industrial*

A sampling of San Luis Obispo companies that represent light manufacturing/light industrial include Promega Biosciences, The Spice Hunter, SAES Pure Gas, Sports Warehouses, and Fziomed. AM&D, the Association of Manufacturers and Distributors, a local organization provides support for this industry and a forum for members to share information.

#### *Business/Customer Service Centers*

Several San Luis Obispo software companies currently operate business/customer service centers within their facilities.

### **Development Review**

The City of San Luis Obispo provides excellent customer service throughout the development process, and works closely with companies to ensure that project reviews are done in a timely manner. We are committed to working with businesses in an expeditious manner on planning, zoning, and permitting issues. One way we accomplish this is through the Quick Response Team (QRT), coordinated by the Economic Development Manager. This group of key City staff is assembled to provide feedback and solutions throughout the development review process.

### **City Utilities**

The City's Utilities Department has detailed information regarding water supply, conservation, recycling, and sewer information. Interestingly, in addition to City provided utilities, several transcontinental fiber optic line landing points are located close to the city limits. Telecommunications companies operate critical facilities in San Luis Obispo and connectivity is high-speed.

## **Economic Vitality Corporation of SLO**

### **Background**

The Economic Strategy project identified six business clusters that represent 90% of regional job growth since 1995. Through a series of work sessions and input from 125 business leaders, a listing emerged, which identified the most promising opportunities as well as the leading inhibitors to business. Six teams managed by the EVC, are now working to implement the strategy to build prosperity and job growth throughout SLO County. The six clusters are as follows:

- Building, Design, and Construction
- Green Energy
- Health Services
- Knowledge and Innovation
- Specialized Manufacturing
- Uniquely SLO County

### **Benefits**

Each cluster is comprised of a vibrant and evolving team of SLO County business leaders from a range of companies in their sector. Members are committed to participate in action teams and collaborate to:

- Build awareness of business value to local communities
- Create programs and events that connect the business community with the public, students, and local government
- Gain support for new initiatives and work as a team to drive prosperity
- The teams have already improved communication between their businesses and built important connections to local and county government entities that will expose common challenges and streamline process.

### **EVC Knowledge and Innovation**

#### **Vision**

To achieve recognition of SLO County's cradle of innovation and technology infrastructure, which offers a superior set of resources available to plant, grow, and sustain each business with a competitive advantage.

#### **Core Objectives**

Endorse fiber optic connectivity throughout SLO County

Complete Broadband identification project and organize cluster companies with community partners to take action  
Foster collaboration with Cal Poly State University and Cuesta College to hold job fairs for local companies  
Explore innovation test bed possibilities with a specific project towards health information exchange with the Health Services cluster  
Increase regional awareness of the Knowledge and Information companies and their hiring needs

### **Accomplishments**

Finding that many local college students want to work in the area upon graduation, but do not have a great awareness of the opportunities available, the Knowledge and Innovation cluster has taken the lead to organize Cuesta and Cal Poly job fairs specifically for local companies. Participation is offered at a discount, making this an attractive option for all Central Coast businesses

### **Uniquely SLO County**

#### **Vision**

To position, brand, and promote San Luis Obispo County as a choice destination for regional, national, and global visitors.

#### **Core Objectives**

San Luis Obispo County's tourism opportunities are economically stable, vibrant, and world-class destinations. To fulfill the vision of making SLO County a choice destination for regional, national, and global visitors, the Uniquely SLO cluster members propose to accomplish the following:

- Create and execute the SLO County tourism brand to reach audiences year-round
- Lead integration of the diverse tourism marketing programs to grow the number of visitors
- Strengthen communication among all tourism constituents
- Position the Visitors and Conference Bureau as an impartial tourism expert to establish, support, and grow trustworthy relationships
- Develop a sustainable funding model along with countywide tourism stakeholders to support marketing initiatives

### **Accomplishments**

Created collaborative and sustainable funding structure under Visitors and Conference Bureau (VCB) umbrella, building on the Savor San Luis Obispo County model and the emerging BID co-op program  
Collaboration, LLC

## **Vision**

To be a leader in education, inspiring and empowering individuals, organizations, and communities to reach their full potential

## **Mission**

We empower proactive individuals to build profitable, sustainable businesses through results oriented consulting and professional training.

## **Core Values**

### *Collaboration*

To actively leverage our resources and relationships for the benefits of our clients.

### *Ownership*

To commit to the highest level of personal accountability in everything we do.

### *Leadership*

To lead the way in bringing new ideas, concepts and solutions to those with whom we work.

### *Community*

To be of service to our team, our clients and our communities.

### *Ethics*

To hold ourselves to the highest standards of professionalism.

## **The Business**

People don't come to Collaboration because they want us to pat them on the back. They come because they want us to help them move forward. They're willing to work hard. They know they can do this, but they don't always know how.

At Collaboration we call what we do "business consulting," but our clients get more than advice. They get fresh perspective. They get the experience of proven business leaders. They get a crash course in subjects they haven't yet mastered. They get new energy, ideas and enthusiasm. They get expertise and answers. They get laughter. They get compassion. They get results.

We work with small and medium sized organizations. Some are just starting out, while others are ready for new growth. Each business is carefully assessed. We look at management, sales, and processes. We examine obstacles and explore opportunities. We make sure goals are achievable and people are accountable.

We help streamline operations. We help businesses make plans that make profits using strategies that make sense.  
This is what we do. We've done it for hundreds of businesses since 1995.

## **Mission Community Services Corporation and the Women's Business Center**

### **Mission**

Mission Community Services Corporation and the Women's Business Center are dedicated to enhancing opportunities for potential entrepreneurs and small business owners to become self-sustaining, successful contributors to their communities, with special assistance for low-income, minority and non-profit businesses.

We are committed to each individual that seeks our assistance and will guide you towards improving your financial situation. From teaching basic budget skills, credit repair, to starting or growing your own business, we make sure you have whatever it takes to succeed! We offer care, guidance and positive inspiration in a safe educational environment all designed to make sure you get absolutely the best help available.

### **History**

The idea for MCSC was visualized in 1996 by the organizers of Mission Community Bank. The organization was chartered to provide specific loan products and community development small business services to low and moderate-income individuals and other entities

It was an opportunity for providing public non-benefit services to women, and low to moderate income individuals interested in starting their own businesses.

Potential was seen for strengthening entrepreneur success rates through education, training & outreach and addressing entrepreneurial capital needs while simultaneously reassuring banking industry concerns for risk reduction where the entrepreneur's collateral and capital resources are low or non-existent.

MCSC is a non-profit community development corporation, mentored and parented by Mission Community Bank. As such, Mission Community Services Corporation is not owned or capitalized by Mission Community Bank, however, has been organized and funded under the original charter approval and business plan developed at the Bank's inception.

In late 2002, MCSC entered into a Memorandum of Understanding with the Cuesta Small Business Development Center (SBDC) and co-located its office with the SBDC at 3566 S. Higuera St., Suite 100, in San Luis Obispo, California. In March of 2003, MCSC and SBDC entered into another Memorandum of Understanding with Women's Economic Ventures (WEV) of Santa Barbara to expand WEV's 14 week self-employment training program to San Luis Obispo County citizens. In May 2003, 27 individuals completed this 14 week self-

employment training (SET) class in the Mission Business Information Center, in San Luis Obispo (SLO). In Dec. 2003, 23 individuals completed the SET class in SLO, and another 15 completed in the spring of 2004. Several of these graduates have subsequently availed themselves of SBDC and MCSC services to continue growth and development of their small business.

The Mission Business Information Center, a co-sponsored program by the US Small Business Administration, MCSC and the SBDC, held its grand opening showcasing many clients and introducing valuable resources to the community.

## **Letter from the Director**

Greetings,

Welcome to the Mission Community Services Corporation (MCSC) and our Women's Business Center (WBC) website. As I write this welcome, you may find our website going through some transition. Sometimes when you see road construction signs you also see a sign that says, "Businesses still open to serve you". Well that is the case here. Website under construction but it is still open for business.

MCSC and the WBC offer support to individuals looking at self-employment as a viable option for their next job. The business center works with start-up and existing businesses too. The services offered include one-on-one consulting services and business related training classes. Many of our services have been pre-paid by your tax dollar.

Some of the comprehensive classes, like the fourteen (14) week Self-employment training class, do have a fee for a participant to take part in the class. (One aspect of a federal grant funded program is the development of local cash match. These classes help MCSC match funds for the WBC to keep these services available to the local resident).

The WBC has a service territory of Kern, Monterey and San Luis Obispo Counties. This website will offer information that is unique to each county and much that pertains to all businesses that are operating in California.

MCSC offers a weekly newsletter to keep the clients, resource partners and supporters informed of upcoming activities and classes for the WBC and other programs that will be beneficial to any entrepreneur regardless of where they are in regards to their business maturity.

Many individuals start or acquire businesses with little or no business knowledge, training, or technical advice, and insufficient capital. Before you start or purchase, give MCSC and the WBC a call. The WBC can provide you with information in regards to developing a business plan, creating an effective marketing strategy, help you with loan packaging, discuss the pros and cons of how to structure your business legally and a variety of other business related topics.

Mission Community Services Corporation is especially interested in helping low-income, minority, women and non-profit organizations with improving business knowledge and getting the capital they need for their small businesses.

At the same time, the WBC is available to assist lenders and investors with managing the risk with their loan clients, by providing your small business clients with technical assistance, education and support. The new “Rx for Business” program can help your business loan clients stay the course and repay their loans and help you avoid loan defaults.

As you peruse our website and become familiar with what we offer, feel free to contact us to discuss your needs and business dreams. From there, together, we can map your path and then be here for you as you bring your dreams to success. Sincerely,

*David Ryal*

Interim Executive Director

Mission Community Services Corp.

## **Sandbox Industries**

### **What is a Foundry?**

Chicago-based Sandbox Industries recently opened a new start-up foundry in San Francisco. Managing Director Millie Tadewaldt says unlike a traditional incubator that brings in early-stage start-ups already working on idea, Sandbox simply looks for talented people—often with no entrepreneurial experience. It gives them mentorship and capital and tasks them with identifying promising new start-up ideas through testing, market research, focus groups—whatever it takes to figure out which ideas have legs. Its closest proxies, she says, are Santa Monica-based Science or New York-based Betaworks, although what makes Sandbox different is its venture capital arm. Projects are initially funded internally by the foundry, then when mature, the teams seek funding from outside VCs and angels, as well as from Sandbox's venture funds.

## **Shared Resources**

Sandbox also works with entrepreneurs to build teams using shared resources within Sandbox. "We have a team of designers, developers, social media people, writers, and PR that are already here so when a person comes in and wants to work on an idea they don't have to go hire a developer to build the prototype. We have one. They don't have to hire a designer to make the logo. We have one," Tadewaldt says. In essence, Sandbox tries to turn any one business person into a ready-made startup team, at least in the early stages.

## **Entrepreneur Ownership**

Because Sandbox also has a venture capital arm it can also provide larger amounts of funding as a company grows--which brings up the question of ownership. Tadewaldt says Sandbox owns a large percentage of the companies initially because it's providing all of the resources, salaries, and equity to the "founders-in-residence." "Meanwhile as they work on businesses that start to succeed they receive equity grants to acknowledge the incentive that entrepreneurs need to stay up all night with a business and make it their own," she says. "So it's like a straddle between being an entrepreneur on your own where you get no salary but you get more equity versus being an employee at a company where you get a salary and probably very little equity, if any at all," she says. It's an interesting idea and one that Tadewaldt says takes pressure off entrepreneurs and allows them to be more objective while at the same time giving them incentives for getting traction.

## **Appendix C: Varying Economic Models**

## Micro-Lending

### Overview

Microfinance is a general term to describe financial services to low-income individuals or to those who do not have access to typical banking services. Microfinance is also the idea that low-income individuals are capable of lifting themselves out of poverty if given access to financial services. While some studies indicate that microfinance can play a role in the battle against poverty, it is also recognized that is not always the appropriate method, and that it should never be seen as the only tool for ending poverty.

Microfinance is the supply of loans, savings, and other basic financial services to the poor. As these financial services usually involve small amounts of money - small loans, small savings, etc. - the term "microfinance" helps to differentiate these services from those which formal banks provide

Why are they small? Someone who doesn't have a lot of money isn't likely to want or be able to take out a \$50,000 loan, or be able to open a savings account with an opening balance of \$1,000.

It's easy to imagine poor people don't need financial services, but when you think about it they are using these services already, although they might look a little different.

"Poor people save all the time, although mostly in informal ways. They invest in assets such as gold, jewelry, domestic animals, building materials, and things that can be easily exchanged for cash. They may set aside corn from their harvest to sell at a later date. They bury cash in the garden or stash it under the mattress. They participate in informal savings groups where everyone contributes a small amount of cash each day, week, or month, and is successively awarded the pot on a rotating basis. Some of these groups allow members to borrow from the pot as well. The poor also give their money to neighbors to hold or pay local cash collectors to keep it safe.

"However widely used, informal savings mechanisms have serious limitations. It is not possible, for example, to cut a leg off a goat when the family suddenly needs a small amount of cash. In-kind savings are subject to fluctuations in commodity prices, destruction by insects, fire, thieves, or illness (in the case of livestock). Informal rotating savings groups tend to be small and rotate limited amounts of money. Moreover, these groups often require rigid amounts of money at set intervals and do not react to changes in their members' ability to save. Perhaps most importantly, the poor are more likely to lose their money through fraud or mismanagement in informal savings arrangements than are depositors in formal financial institutions."

"The poor rarely access services through the formal financial sector. They address their need for financial services through a variety of financial relationships, mostly informal."

## **History**

Credit unions and lending cooperatives have been around hundreds of years. However, the pioneering of modern microfinance is often credited to Dr. Mohammad Yunus, who began experimenting with lending to poor women in the village of Jobra, Bangladesh during his tenure as a professor of economics at Chittagong University in the 1970s. He would go on to found Grameen Bank in 1983 and win the Nobel Peace Prize in 2006.

Since then, innovation in microfinance has continued and providers of financial services to the poor continue to evolve. Today, the World Bank estimates that about 160 million people in developing countries are served by microfinance.

## **Microfinance Providers**

A microfinance institution (MFI) is an organization that provides microfinance services. MFIs range from small non-profit organizations to large commercial banks.

"Historical context can help explain how specialized MFIs developed over the last few decades. Between the 1950s and 1970s, governments and donors focused on providing subsidized agricultural credit to small and marginal farmers, in hopes of raising productivity and incomes. During the 1980s, micro-enterprise credit concentrated on providing loans to poor women to invest in tiny businesses, enabling them to accumulate assets and raise household income and welfare. These experiments resulted in the emergence of nongovernmental organizations (NGOs) that provided financial services for the poor. In the 1990s, many of these institutions transformed themselves into formal financial institutions in order to access and on-lend client savings, thus enhancing their outreach."

Formal financial institutions were not designed to help those who don't already have financial assets - they were designed to help those who do. So what do poor people do?

"Credit is available from informal commercial and non-commercial money-lenders but usually at a very high cost to borrowers. Savings services are available through a variety of informal relationships like savings clubs, rotating savings and credit associations, and mutual insurance societies that have a tendency to be erratic and insecure."

Some banks do provide these services, however. Grameen Bank in Bangladesh was formed out of a project providing small loans to women in the village of Jobra. Bancosol, a commercial bank in Bolivia, is also a bank that provides microfinance services for the poor of Bolivia.

However, the majority of formal banks do not provide microfinance products as microfinance is an expensive enterprise - you can make a lot more money on a large loan than a small loan, and you won't make much money holding savings accounts with very little funds in them. Banks can make more money if they only provide financial services to those who already have money.

### **Costs, Interest Rates, and Sustainability**

The nature of microcredit - small loans - is such that interest rates need to be high to return the cost of the loan.

"There are three kinds of costs the MFI has to cover when it makes microloans. The first two, the cost of the money that it lends and the cost of loan defaults, are proportional to the amount lent. For instance, if the cost paid by the MFI for the money it lends is 10%, and it experiences defaults of 1% of the amount lent, then these two costs will total \$11 for a loan of \$100, and \$55 for a loan of \$500. An interest rate of 11% of the loan amount thus covers both these costs for either loan.

"The third type of cost, transaction costs, is not proportional to the amount lent. The transaction cost of the \$500 loan is not much different from the transaction cost of the \$100 loan. Both loans require roughly the same amount of staff time for meeting with the borrower to appraise the loan, processing the loan disbursement and repayments, and follow-up monitoring. Suppose that the transaction cost is \$25 per loan and that the loans are for one year. To break even on the \$500 loan, the MFI would need to collect interest of  $\$50 + 5 + \$25 = \$80$ , which represents an annual interest rate of 16%. To break even on the \$100 loan, the MFI would need to collect interest of  $\$10 + 1 + \$25 = \$36$ , which is an interest rate of 36%. At first glance, a rate this high looks abusive to many people, especially when the clients are poor. But in fact, this interest rate simply reflects the basic reality that when loan sizes get very small, transaction costs loom larger because these costs can't be cut below certain minimums."

"Some worry that an excessive concern for profit in microfinance will lead MFIs away from poor clients to serve better-off clients who want larger loans. It is true that programs serving very poor clients are somewhat less profitable than those reaching better-off clients, but this may say more about managers' objectives than an inherent conflict between serving the very poor and profitability. MFIs serving the very poor are showing rapid financial improvement. Microfinance programs like Bangladesh Rural Advancement Committee and ASA in

Bangladesh have already demonstrated that very poor clients can be reached profitably: both institutions had profits of more than 4% of assets in 2000. There are cases where microfinance cannot be made profitable, for example, where potential clients are extremely poor and risk-averse or live in remote areas with very low population density. In such settings, microfinance may require continuing subsidies. Whether microfinance is the best use of these subsidies will depend on evidence about its impact on the lives of these clients."

### **Evidence that Microfinance works**

According to CGAP, "Comprehensive impact studies have demonstrated that: Microfinance helps very poor households meet basic needs and protect against risks

The use of financial services by low-income households is associated with improvements in household economic welfare and enterprise stability of growth. By supporting women's economic participation, microfinance helps to empower women, thus promoting gender-equity and improving household well being.

For almost all significant impacts, the magnitude of impact is positively related to the length of time that clients have been in the program"

"Poor people, with access to savings, credit, insurance, and other financial services, are more resilient and better able to cope with the everyday crises they face. Even the most rigorous econometric studies have proven that microfinance can smooth consumption levels and significantly reduce the need to sell assets to meet basic needs. With access to microinsurance, poor people can cope with sudden increased expenses associated with death, serious illness, and loss of assets.

"Access to credit allows poor people to take advantage of economic opportunities. While increased earnings are by no means automatic, clients have overwhelmingly demonstrated that reliable sources of credit provide a fundamental basis for planning and expanding business activities. Many studies show that clients who join and stay in programs have better economic conditions than non-clients, suggesting that programs contribute to these improvements. A few studies have also shown that over a long period of time many clients do actually graduate out of poverty.

"By reducing vulnerability and increasing earnings and savings, financial services allow poor households to make the transformation from "every-day survival" to "planning for the future." Households are able to send more children to school for longer periods and to make greater investments in their children's education. Increased earnings from financial services lead to better nutrition and better living conditions, which translates into a lower incidence of illness. Increased earnings

also mean that clients may seek out and pay for health care services when needed, rather than go without or wait until their health seriously deteriorates."

Empirical evidence shows that, among the poor, those participating in microfinance programs who had access to financial services were able to improve their well-being-both at the individual and household level-much more than those who did not have access to financial services.

In Bangladesh, Bangladesh Rural Advancement Committee (BRAC) clients increased household expenditures by 28% and assets by 112%. The incomes of Grameen members were 43% higher than incomes in non-program villages. In El Salvador, the weekly income of FINCA clients increased on average by 145%.

In India, half of SHARE clients graduated out of poverty.

In Ghana, 80% of clients of Freedom of Hunger had secondary income sources, compared to 50% for non-clients.

In Lombok, Indonesia, the average income of Bank Rakyat Indonesia (BRI) borrowers increased by 112% and 90% of households graduated out of poverty.

In Vietnam, Save the Children clients reduced food deficits from three months to one month.

"Microcredit may be inappropriate where conditions pose severe challenges to loan repayment. For example, populations that are geographically dispersed or have a high incidence of disease may not be suitable microfinance clients. In these cases, grants, infrastructure improvements or education and training programs are more effective. For microcredit to be appropriate, the clients must have the capacity to repay the loan under the terms by which it is provided."

## **Time Banks**

### **Mission**

The mission of time banks is to nurture and expand a movement that promotes equality and builds caring community economies through inclusive exchange of time and talent. Time banks can be used to rebuild community and achieve wide-ranging goals such as social justice, bridges between diverse communities, and local ecological sustainability.

### **Redefining Work**

Work has to be redefined to value whatever it takes to raise healthy children, build strong families, revitalize neighborhoods, make democracy work, advance social justice, and make the planet sustainable. Networks are stronger than individuals. People helping each other reweave communities of support, strength, and trust. Community is built upon sinking roots, building trust, and creating networks. Special relationships are built on commitment.

## **Crowd-Funding**

### **Overview**

Crowd funding describes the collective cooperation, attention, and trust by people who network and pool their money together, usually via the Internet, in order to support efforts initiated by other people or organizations. Crowd funding occurs for any variety of purposes, from disaster relief to citizen journalism to artists seeking support from fans, to political campaigns. It can replace the need for specialized grant applications or other more formal and traditional fundraising techniques with that of a more casual, yet powerful, approach based on crowd participation. Examples of the basis of crowd funding can be seen in cooperatives (co-ops) around the world. Crowd funding is very much related to online communities and social networks. The crowd can already exist as a community but they can also suddenly form from disparate groups around the world who all happen to share an interest in funding a person, project, event, campaign, etc.

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