In 2016 the U.S. unemployment rate dropped below 5% for the first time in ten years, real incomes rose slightly for the first time in decades, and social impact investing finally entered the mainstream. Yet almost half of American workers are stuck in low-wage jobs at places like strip malls and fast food restaurants, the number of small businesses are at all-time lows, and race or where you’re born are the biggest factors for financial success in life. It’s a tale of two Americas, where far too many workers and communities are being left behind.

Pacific Community Ventures is strengthening communities by empowering American small business, by championing higher-quality jobs, by fueling equity and opportunity, and by helping impact investors deploy more capital—more effectively—to economically underserved communities from coast to coast. In 2016, we made progress in all four areas.

**2016 HIGHLIGHTS**

**BETTER QUALITY JOBS**

We launched a first-of-its-kind quality jobs framework, report on common-sense quality jobs policies, and are building practical quality jobs toolkits.

**PCV SMALL BUSINESSES PROVIDE**

$32 PER HOUR FULL-TIME Average wage

$15 PER HOUR PART-TIME Average wage

44% FRINGE BENEFITS

50% PAID TIME OFF

**STRONGER COMMUNITIES**

We advised or evaluated investments across impact themes including climate solutions, affordable housing, gender equality, human rights, sustainable supply chains, and healthy food access.

30 BILLION DOLLARS in total impact investment capital evaluated across asset classes

13 SDGs ALIGNED in our impact measurement work, out of 17 UN Sustainable Development Goals

**SMALL BUSINESS GROWTH**

379 SMALL BUSINESSES across 50 states provided with access to capital and mentorship

2,359 JOBS CREATED and retained at the businesses we’ve provided funding and guidance to

44% JOB GROWTH at our businesses, surpassing state and national rates

20% REVENUE GROWTH at our companies vs. 7% for comparable small businesses

**EQUITY**

We focus on diverse business owners and underserved communities.

65% of businesses funded are located in, or hiring from, low-income communities

63% Female

42% People of Color

**SMALL BUSINESS OWNERSHIP**

49% Female

73% People of Color

**SMALL BUSINESS EMPLOYEES**

$15 FULL-TIME Average wage

$32 PART-TIME Average wage

50% PAID TIME OFF

44% FRINGE BENEFITS

30 BILLION DOLLARS

30 BILLION DOLLARS

30 BILLION DOLLARS
We continue to fund 6 companies through equity investments, supporting **665 jobs**. We were one of the world’s first triple-bottom-line equity investors—but learned small businesses had a much bigger need for fair lending as traditional financial institutions offered fewer and fewer loans in the wake of the Great Recession. In 2013 we launched both our national BusinessAdvising.org mentoring platform and our California based “Loan + Advice” fund to better meet the needs of small businesses.

Since 2013, we’ve been filling part of the funding gap for California small businesses with loans between $50,000-$200,000 for entrepreneurs whose companies were growing but who couldn’t get financing from traditional institutions or didn’t fit Small Business Administration guidelines. During this period, we heard from more and more people that they needed funds under $50,000 but were unable to find capital. We had to respond, so in 2016, we expanded our small business “loan + advice” program to include microloans ($10,000-$50,000) to California small businesses. In 2016 we lent **$2,000,000** to California small businesses.

2016 was another record-breaking year for our small business advising program. We supported more small businesses than ever before (**66%** jump) and we’re now in **all 50 states**! PCV business advisors volunteered **2600 hours**—that’s **$520,000 worth of free advice** and coaching.

Even as our program continues to grow, we’re laser-focused on providing the best-in-class mentoring experience for our clients. Our **average satisfaction score was 9 out of 10**. We partnered with The Super Bowl for the second straight year, began new partnerships with the National Association of Women Business Owners, deepened our national partnership with Accion, and launched a new employee engagement partnership with The Hartford.

Our programs are also focused on equity. The fastest growing segments of small business owners across America are women and people of color—and they’re far more likely to be turned down for loans or struggle to find mentors. We’re proud to say that in 2016 **66%** of the small businesses in our advising and loan programs had a female owner, and **44%** had a person of color as an owner.

Visit [www.pacificcommunityventures.org](http://www.pacificcommunityventures.org) to make a donation or volunteer as a business advisor.
Our vision is to create stronger communities from the bottom up. In 2016 we issued *Moving Beyond Job Creation*, the first in a series of projects to create jobs that are good for workers, good for businesses, and good for communities. The paper featured a first-of-its-kind universal definition of what makes a quality job, and detailed how investors, companies, and policymakers can measure the quality of the jobs they create. In early 2017 we released a paper on federal policies that can be tweaked to encourage investment in higher quality jobs. We’re also developing a business toolkit to provide practical guidance that will help small companies improve the quality of the jobs they offer in a way that boosts their bottom line.

The demand for sustainable and impact investing is growing— as of 2016 investors consider environmental, social and governance (ESG) factors across $8.72 trillion of assets. PCV expanded our work with faith-based investors, helping translate their religious values into actionable investment strategies.

We also worked closely with clients like:

- **Humanity United**, developing a social impact evaluation framework for an impact investing initiative focused on reducing labor exploitation in supply chains
- **California Organized Investment Network**, assessing the five-year social and environmental benefits of their investments
- **Annie E. Casey Foundation**, to conduct the first comprehensive third-party evaluation of its Social Investment Program
- **California FreshWorks**, measuring the program’s job creation and success in combating food desserts
- **CalPERS**, evaluating the state-level social and economic impact of their $300 billion in investments America’s defined-benefit pension funds, like CalPERS, hold $6.5 trillion in capital. If just 1-2% of the assets in public and private pension funds were dedicated to economically-targeted investments it would mean billions of additional capital dedicated to social good. In 2016 we made that case with a first-of-its-kind online catalog of the economically-targeted investments made by pension funds to date, and accompanying research offering insights, trends, and reflections that will hopefully encourage more investment in local economies across the U.S.

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Success Stories

1. SMALL BUSINESS LOAN + ADVICE PROGRAM

Meet Fernando Diaz, owner of farm-to-cup coffee company Proyecto Diaz Coffee. Fernando was roasting his coffee beans on a shared roaster but needed his own equipment and space to grow his business and to fulfill a large purchase order. We made a $50,000 microloan and paired Fernando with advisor Townsend Walker who helped him choose the appropriate roaster and secure a location in San Leandro. Proyecto Diaz is now selling double the amount of coffee each day and hiring new employees.

2. IMPACT INVESTING PROGRAM

We were brought on to help Northern California Community Loan Fund develop a social impact rating system to determine how well a potential loan aligned with their mission to build financially strong and culturally vibrant communities in Northern California. Since implementing the system, they’ve deployed $73.2 million to nonprofits and small businesses creating quality jobs, affordable homes, and access to healthy foods, health care, and education.

3. SMALL BUSINESS MENTORING PROGRAM

2016 was a big year for Caroline Hummer. Her business, Fogcutter Catering, was expanding rapidly and as it grew she had a harder and harder time identifying which parts of her job she needed to keep doing, and which she could delegate. We paired her with advisor Tanya Patrella who helped her change the way she looked at her role as a business owner, and made growth and improvement her top priority. Caroline doubled her staff and grew her business by almost 200%.

2016 Financials

**Sources of Revenue**
- 19% Fund Returns & Management Fees
- 39% Contributed Revenue
- 12% Investment Revenue
- 29% Project Fees

Total: $3,098,679

**Expenses by Category**
- Business Advising: 28%
- Impact Advisory: 26%
- Business Investing: 17%
- Business Lending: 15%
- HR, IT & Administration: 8%
- Fundraising: 6%

Total: $3,469,385

Pacific Community Ventures is a nonprofit social enterprise that engages small businesses, investors, and policymakers to build an economy that works for everyone. To achieve our mission we provide small businesses working in underserved communities with access to the capital and expertise needed to successfully grow their businesses and create good jobs, test new business tools and approaches which can be scaled through partnerships, and conduct research and evaluation so that impact investors will deploy more capital more effectively to underserved communities.

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