



Inner City Advisors

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2008 Impact Report

Inner City Advisors

Prepared for: ICA Stakeholders: Funders, ICA Board of Directors, Portfolio Companies and Advisors.

Prepared by: ICA Staff

Abstract & Summation: With more than 2,200 pro bono hours provided to its Portfolio Companies that resulted in the retention and creation of 623 jobs in inner city communities, ICA is having a significant impact on the local economy where its companies are located. This report captures the financial and social metrics that ICA tracks to demonstrate the positive impact of its programs. The results show the ICA is an economic and social driver of community economic development, directly or indirectly affecting inner city residents in the Bay Area. It also shows how ICA is contributing to solving critical problems and providing innovative solutions for helping businesses grow in the inner city by helping to create quality jobs and reinvestment of wealth in their communities.

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Inner City Advisors in 2008

In 2008 ICA invested 2,284 pro bono hours, valued at \$642,875, in the form of high-caliber consulting services, entrepreneurial education workshops and providing access to networks and markets (See Chart 1). This investment yielded sustainable revenue growth for its companies, and more importantly, helped to retain and create 623 quality jobs within the ICA Company Portfolio and an additional 196 from the Affiliate companies it serves.

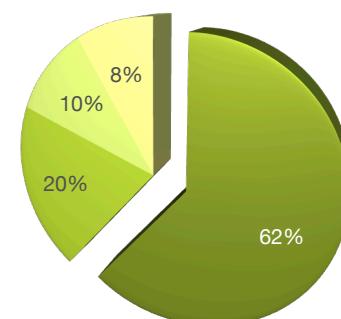
Portfolio Performance and Impact

ICA surveyed its Portfolio Companies to assess the impact and measure ICA's success in accomplishing several economic and social metrics in 2008. A quick analysis reveals that the ICA Portfolio is representative of a wide range of industries, from food manufacturers to software development companies that vary in size, from four to 175 employees. On average, ICA Portfolio Companies reported 12% increase in revenue per year and 17% job growth in 2008 for a total of 623 jobs. In addition to revenue and job growth, all of ICA's companies are committed to growing their companies in the inner city and dedicated to building competitive and socially responsible businesses. Table 1, below, provides a detail analysis of ICA's portfolio companies and their social and economic impact.

Chart 1.

% of Hours Invested in 2008

- High-Caliber Portfolio Consulting
- E2-Education Programs
- Recruitment and Retention
- Networking Events

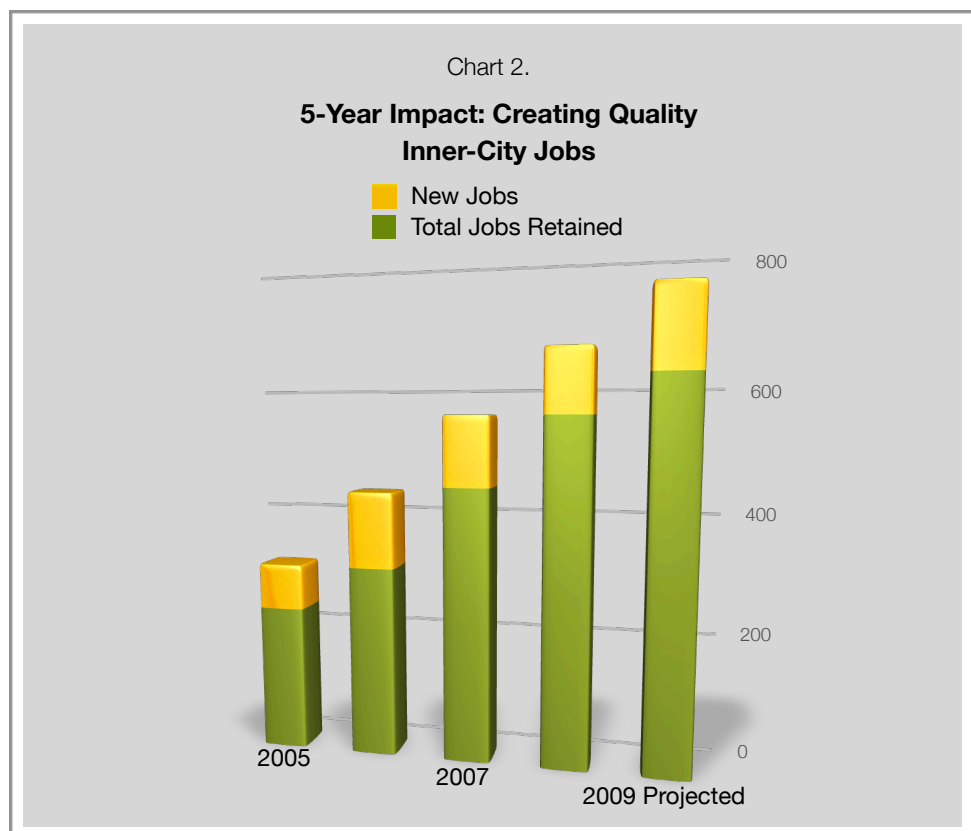


2008 Pro-bono Hours	Total \$ Value	Total Jobs (ROI)	2007-2008 Portfolio Company Revenue Growth
2284	\$642,825	623	\$10,267,788

Portfolio ROI's	2005	2006	2007	2008
Total Jobs	312	436	560	623
Annual Job Growth	24%	28%	23%	17%
Average Wage	\$13.87	\$14.00	\$15.31	\$18.72
Avg. Employee Salary	\$45,270	\$52,580	\$63,310	\$63,137
% of Employees from the Inner City	60%	63%	56%	62%
% of Companies offering Health Insurance	78%	90%	83%	100%
Total Revenues	\$50,370,000	\$66,698,427	\$84,400,523	\$94,668,311
Annual Rev. Growth	14%	33%	26%	12%
Avg. Rev / Company	\$5,555,569	\$6,696,843	\$7,033,377	\$6,762,022

Inner City Advisors in 2009

In 2008, ICA was successful in focusing on enhancing organizational and program structure to better assist in the growth of current Portfolio Companies and recruit additional businesses. This led to our continued track record of job creation (see Chart 2). In the upcoming year, ICA will need to solidify its organizational structure and refine, execute and evaluate its programs to increase the effectiveness in delivering its service offerings. Starting with the needs of our portfolio companies in 2009, ICA will establish more consistent, weekly high-caliber advising; driven by milestone-plans in 8 Focus Areas, and include weekly scheduled meetings and follow-up actions. ICA will also conduct a thorough evaluation of its Portfolio Companies to ensure that all companies are aligned with ICA's mission. This will include phasing out companies in order to focus our recruitment on additional companies and drive significant job creation. The second step will be to recruit and retain a high caliber team of pro bono Advisors. This will also include an evaluation of its current pro bono Advisors in an effort to enhance the quality and efficiency of its Advisement. Given the current nature of the economy and its effect on volunteerism, we will also need to develop an advising structure that allows Advisors to actively and more effectively engage with Portfolio Companies.



The greatest priorities for ICA in 2009 will be:

- Maintain an active, quality Company Portfolio that continues our path of sustainable job creation.
- Enhancement of ICA's Advisor team and engagement process
- Launch an ICA Venture Fund to directly address the capital needs of the ICA Company Portfolio.
- Grow brand such that it is recognized by broader business community at the local, regional and national level.
- Explore replication of ICA business model in other communities

Thank you to all ICA Funders, Companies, Advisors, Board Members and Strategic Partners. We look forward to your continued support in helping us achieve our mission of creating strong and sustainable inner city business that create quality jobs and contribute to a thriving inner city community.