

## U.S. Microenterprise Census Highlights, FY2013

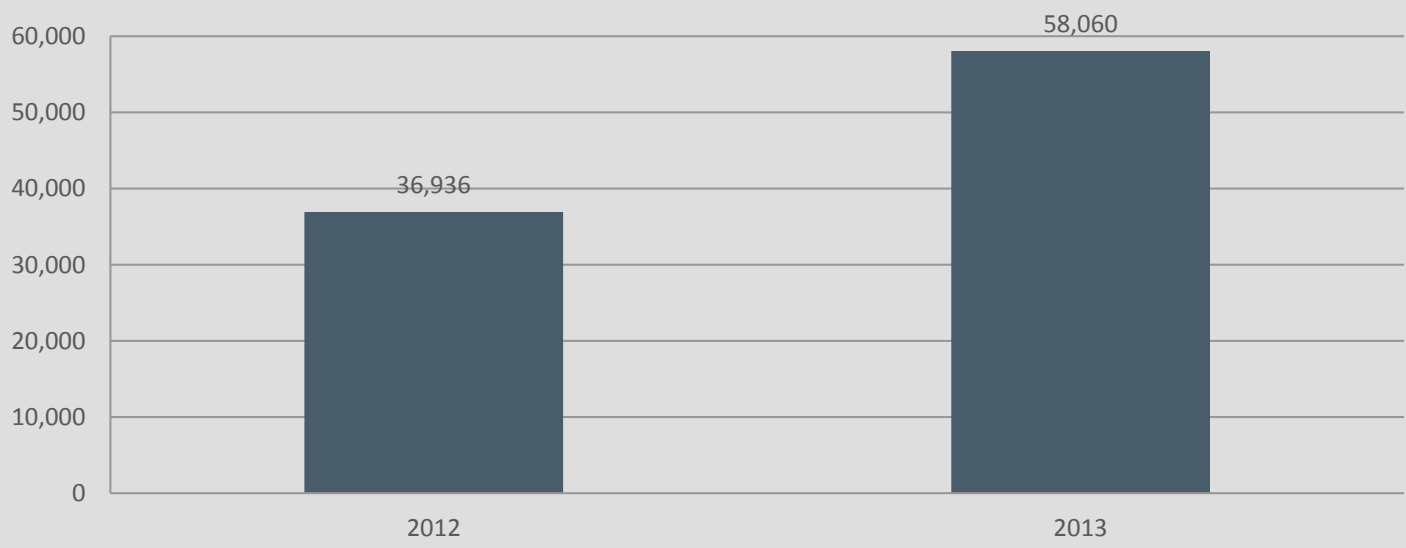
### Size of the field

Based on **extrapolations** from the U.S. Microenterprise Census data, **FIELD estimates** that the U.S. microenterprise industry **assisted 357,958 individuals** and **disbursed 58,060 microloans** in 2013. The estimated total dollar value of microloans disbursed in 2013 was \$361.7 million. In addition, FIELD estimates that as of the end of fiscal year 2013, the industry had:

- 70,976 outstanding microloans
- \$537.8 million in microloans outstanding
- \$552.6 million in capital available for microlending

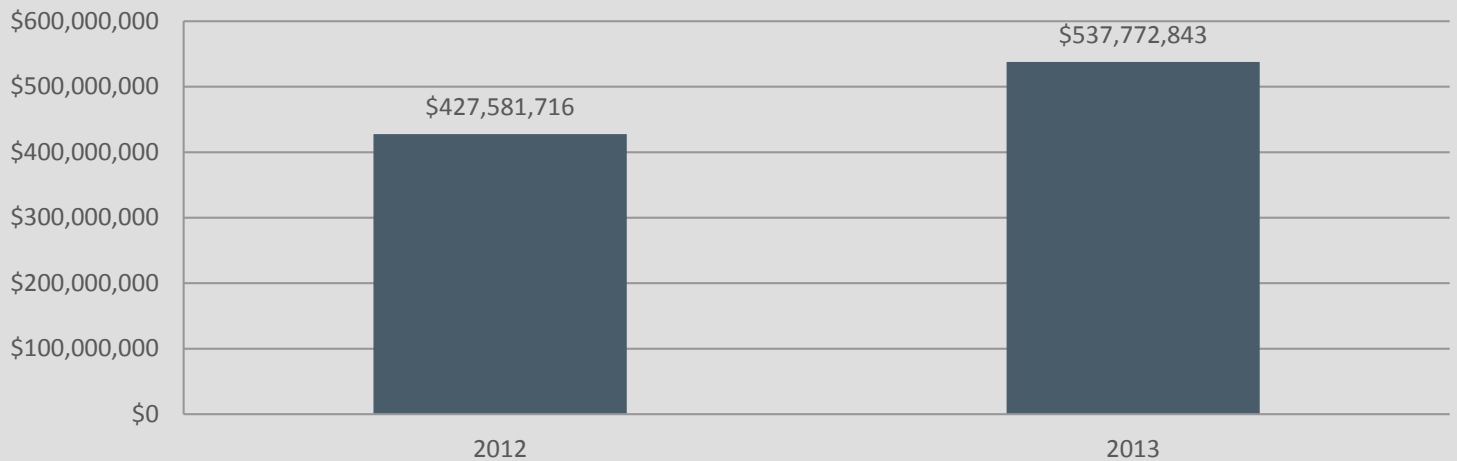
Industry estimates for 2012 and 2013 point to overall growth in the industry. The number of individuals assisted grew nine percent from 2012. Lending activity also increased: the estimated number of loans disbursed grew by more than 57 percent, and the estimated dollar amount of outstanding microloans increased by 26 percent.

**Figure 1: Growth in the number of loans disbursed**



n = 418 microlenders in 2012 and 2013

## Figure 2: Growth in dollar amount of loans outstanding



n = 418 microlenders in 2012 and 2013

In addition to enabling the above extrapolations, the census provides a **precise count of people assisted** in 2013 by the programs that responded to the survey.

Collectively, programs reporting data to the census assisted:

- 115,364 individuals (159 programs reporting)
- 61,272 clients (147 programs reporting)
- 63,294 businesses (136 programs reporting)

To explore additional industry aggregate data, visit the [Explore dashboard](#) on microTracker.org.

Table 1: Number of people and businesses assisted			
	Individuals	Clients	Businesses
<b>Median</b>	250	97	100
<b>Average (Mean)</b>	726	417	465
<b>Minimum</b>	1	1	1
<b>Maximum</b>	20,978	20,978	20,978
<b>Number reporting</b>	159	147	136

### Key terms

**Individuals** refer to people who received any level of service from a microenterprise program in fiscal year 2013.

**Clients** are individuals who received a significant level of service during FY 2013. A “significant service” is one a program believes could result in a tangible business or personal outcome (or outcomes) after the client receives the service. More specifically, FIELD defines a client as someone who:

- *Had an active, outstanding microloan or other microfinancing product during the fiscal year; and/or*
- *Received a significant level of business development services during the fiscal year. (A common rule of thumb is 10 hours of service.)*

## Industry trends

What do the data tell us about **key trends** in the **microenterprise development** industry? To answer this question FIELD compared aggregate census data for FY 2012 and FY 2013 from organizations that reported on a specific data point for both years. **The data are not estimates, but reflect actual changes from 2012 to 2013.**

**Direct findings** from programs reporting to the census for FY 2012 and 2013 **mirror industry estimates that point to substantial growth in the size of microloan portfolios, the number of people assisted, and the operating budgets of microenterprise programs.** Further analysis reveals differences in patterns across programs, based on the types of services that were the programs' primary focus. Training-focused programs reported smaller increases in operating budgets (20 percent) and a decrease in individuals served (four percent), compared to lending-focused programs that reported a 27 percent increase in operating budgets and a 20 percent increase in the number of individuals assisted.

- ↑ Number of individuals assisted increased by 10%
- ↑ Number of businesses assisted increased by 31%
- ↑ Number of microloans disbursed increased by 61%
- ↑ Value of microloans disbursed increased by 36%
- ↑ Number of microloans outstanding increased by 47%
- ↑ Value of microloans outstanding increased by 21%
- ↑ Microenterprise programs' operating income increased by 25%
- ↑ Program expenses increased by 23%

**Table 2: Change in service volume**

	Individuals served	Businesses served
<b>2012</b>	92,357	33,955
<b>2013</b>	101,822	44,395
<b>% Change</b>	<b>10%</b>	<b>31%</b>
Number reporting	111	75

**Table 3: Change in lending volume**

	# Microloans disbursed	\$ Microloans disbursed	# Microloans outstanding	\$ Microloans outstanding
<b>2012</b>	23,592	\$106,023,393	21,097	\$122,204,647
<b>2013</b>	38,096	\$144,191,285	31,017	\$147,493,739
<b>% Change</b>	<b>61%</b>	<b>36%</b>	<b>47%</b>	<b>21%</b>
Number reporting	75	75	69	68

**Table 4: Change in program budgets**

	Total operating income	Total operating expenses
<b>2012</b>	\$73,293,652	\$58,840,899
<b>2013</b>	\$91,455,840	\$72,610,417
<b>% Change</b>	<b>25%</b>	<b>23%</b>
Number Reporting	76	55

The data included in the rest of the report are not estimates; rather they reflect direct findings from programs reporting to the census for FY 2012 and FY 2013. <sup>1</sup>

## Costs and efficiencies

### Costs

- Median total program expenses were \$412,500. However, mean program expenses were \$1,194,378, as there are a few programs that are significantly larger.
- In 2013, the median cost per individual served was \$1,480.
- The median cost per client (with clients defined as individuals who received a significant service) was \$3,026.

### Key terms

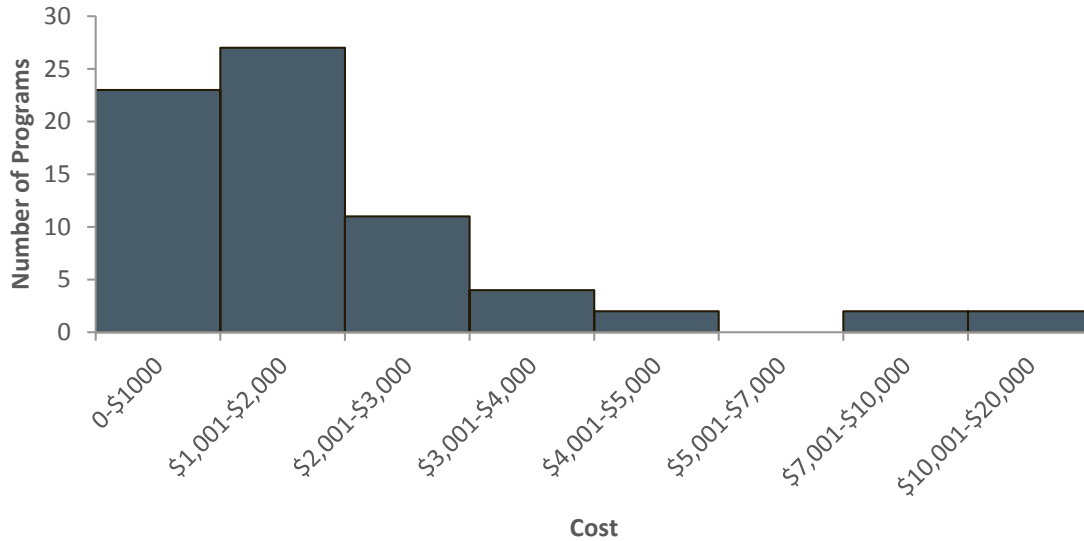
**Cost per individual** is calculated by dividing the total microenterprise program operating costs by the total number of individuals assisted during the fiscal year.

**Cost per client** is calculated by dividing the total microenterprise program operating costs by the number of individuals who received a significant service and are therefore counted as clients.

	Cost per Individual	Cost per Client
<b>Median</b>	\$1,480	\$3,026
<b>Average (Mean)</b>	\$2,056	\$4,456
<b>Minimum</b>	\$80	\$210
<b>Maximum</b>	\$14,000	\$22,778
<b>Number reporting</b>	71	69

<sup>1</sup> The data included in this report are drawn from the U.S. Microenterprise Census. Programs report data to the U.S. Microenterprise Census throughout the year. This report is based on data that was reported to the FY 2013 census as of May 14, 2015. Therefore, the data in this report may not match the data shown on microTracker.org. Data shown on [www.microTracker.org](http://www.microTracker.org) are the most up-to-date information available.

**Figure 3: Cost per individual served (n=71)**



**Efficiency**

**Key terms**

**Individuals/Clients per FTE:** The number of individuals and clients served during the year, divided by the number of microenterprise program full-time equivalent (FTE) staff. This provides information on the efficiency of the program across the entire microenterprise program staff, not just client-facing staff.

**Individuals/Clients per DSP:** The number of individuals and clients supported, on average, by staff at the microenterprise program who are direct service providers (DSP) — staff who interact directly with entrepreneurs.

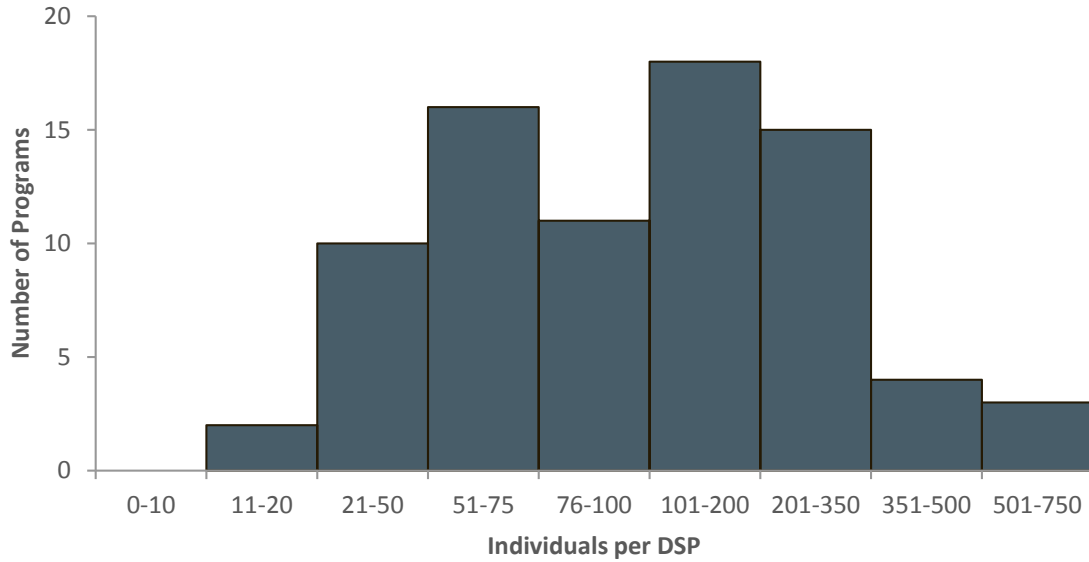
**1 FTE Loan Officer manages 38 outstanding microloans**



Programs reporting to the census assisted a median of 65 individuals per full-time equivalent (FTE) staff, and 106 individuals per direct service provider (DSP). They disbursed a median of 16 microloans per FTE loan officer, and managed a median of 38 outstanding microloans per FTE loan officer.

The census data reveal that microenterprise programs vary substantially in their client loads and efficiency. Figure 4 shows the distribution of the number of individuals assisted by direct service provider and Figure 5 shows the distribution of microloans outstanding per FTE loan officer.

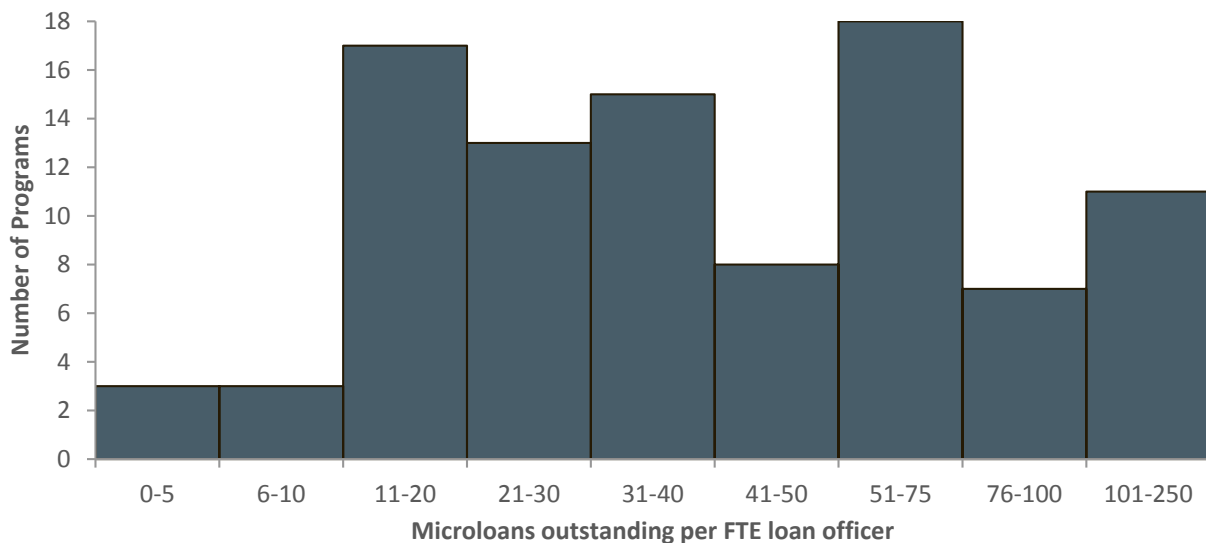
**Figure 4: Individuals per DSP (n=79)**



**Table 6: Program efficiency**

	Individuals per FTE	Clients per FTE	Individuals per DSP	Clients per DSP
<b>Median</b>	65	28	106	44
<b>Average (Mean)</b>	118	49	165	74
<b>Minimum</b>	4	2	18	3
<b>Maximum</b>	2504	524	1259	530
<b>Number reporting</b>	149	138	79	75

**Figure 5: Microloans outstanding per FTE loan officer (n=95)**



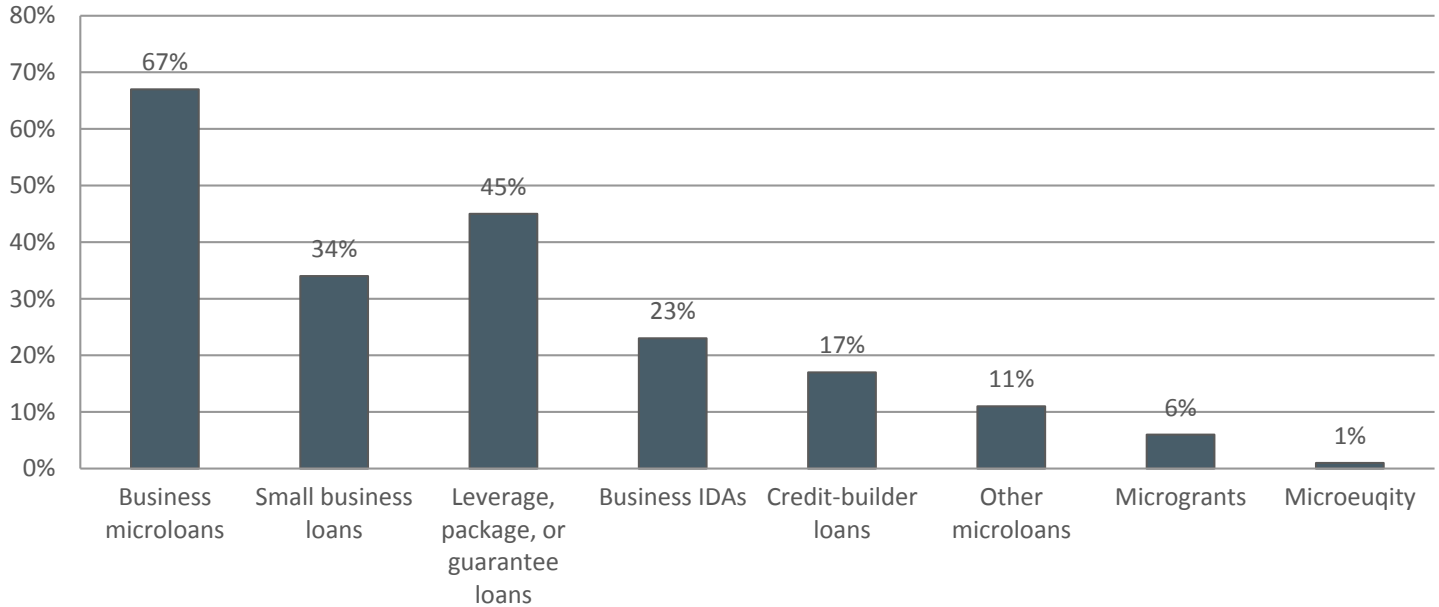
**Table 7: Lending program efficiency**

	<b>Loans Disbursed per FTE Loan Officer</b>	<b>Loans Outstanding per FTE Loan Officer</b>
<b>Median</b>	16	38
<b>Average (Mean)</b>	26	53
<b>Minimum</b>	1	1
<b>Maximum</b>	306	243
<b>Number reporting</b>	97	95

## Microfinancing

**Sixty-seven percent of programs make microloans for business purposes.** The industry also provides other microfinancing products including business individual development accounts (IDAs), credit-builder loans, and microgrants.

**Figure 6: Microfinance products offered**



Portfolio performance data from the census provide insights into the level of risk in microenterprise portfolios, and how microloan borrowers perform. Specifically:

- 65 percent of microloan capital was deployed — or outstanding as loans to borrowers.
- 4 percent of all outstanding microloans had been modified.
- 5 percent of outstanding microloan dollars were at risk — meaning that they were associated with loans on which a payment was more than 30 days past due.
- 4 percent of all outstanding microloan dollars were written off in FY 2013.
- 29 percent of microloan dollars outstanding were made to start-up businesses.

Programs responding to the U.S. Microenterprise Census reported the following lending activity in 2013:

- 38,856 microloans disbursed (n=107)
- \$153.8 million in microloans disbursed (n=106)

### Key terms

**Deployment rate:** Total dollar value of microloans outstanding at year-end 2013, divided by total microloan capital. This measure gives a sense of how much capital is “on the street.”

**Modified loan rate:** Modified loans are those that have had their terms adjusted in response to difficulties a borrower has experienced. The modified loan rate is calculated by dividing the dollar amount of total outstanding microloans that have been modified by the total microloan dollars outstanding.

**Total portfolio at risk:** The total outstanding balance on all microloans with a payment 31 days or more past due, divided by total microloan dollars outstanding.

**Loan loss rate:** The total amount of microloan dollars written off (net of recoveries), divided by the average microloan dollars outstanding during the fiscal year.



[Learn how to compare](#) an organization's microlending performance to the industry and peers.

**Table 8: Microloans disbursed and outstanding in FY 2013**

	# Microloans disbursed	\$ Microloans disbursed	# Microloans outstanding	\$ Microloans outstanding	Average size of microloans disbursed
<b>Median</b>	17	\$230,325	49	\$484,554	\$14,684
<b>Mean (Average)</b>	363	\$1,451,181	323	\$1,666,076	\$15,141
<b>Minimum</b>	0	\$0	0	\$0	\$150
<b>Maximum</b>	30,255	\$62,591,000	17,191	\$20,121,000	\$47,947
<b>Number reporting</b>	107	106	102	100	101

**Table 9: Microloan portfolio performance**

	Deployment rate	% Modified	% Outstanding to start-ups	Total portfolio at risk %	Loan loss rate
<b>Industry Percent</b>	65%	4%	29%	5%	4%
<b>Median</b>	60%	2%	12%	6%	3%
<b>Mean (Average)</b>	59%	4%	17%	12%	5%
<b>Minimum</b>	14%	0%	0%	0%	0%
<b>Maximum</b>	100%	26%	46%	100%	59%
<b>Number reporting</b>	42	31	20	77	79

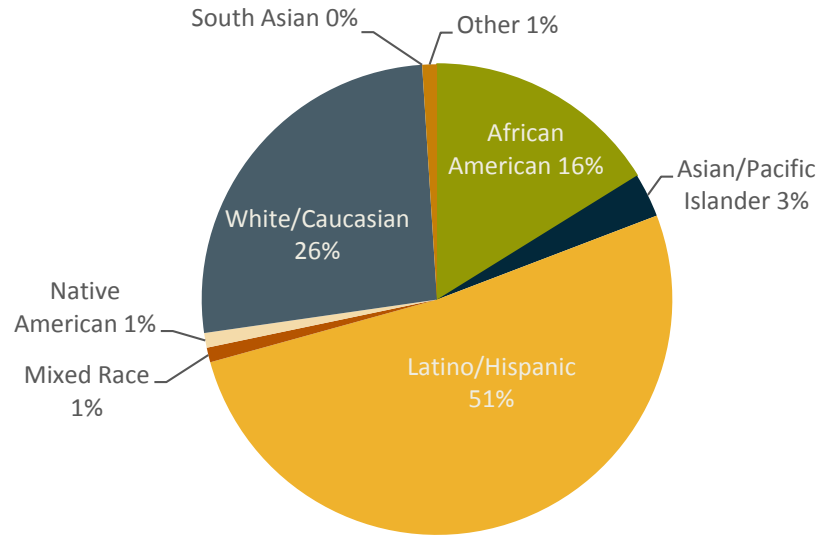
## Entrepreneur characteristics

The United States microenterprise field predominantly assists entrepreneurs who face challenges in accessing business credit and resources.

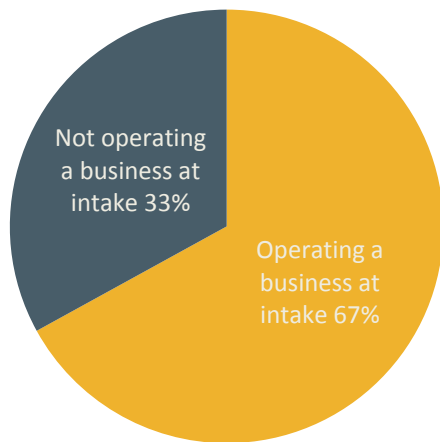
In 2013, of the entrepreneurs assisted by microenterprise programs reporting to the census<sup>2</sup>:

- 68 percent were women (n=112,965).
- 74 percent were people of color or members of traditionally disadvantaged racial or ethnic groups (n=62,144).
- 7 percent had a physical or mental disability (n=13,955).
- 6 percent were veterans (n=14,994).
- 33 percent of individuals were not operating a business when they came to a program for assistance (n=58,242).
- Of the 67 percent of individuals who were already in business, 26 percent were start-ups, meaning that their businesses were less than one year old (n=18,617).

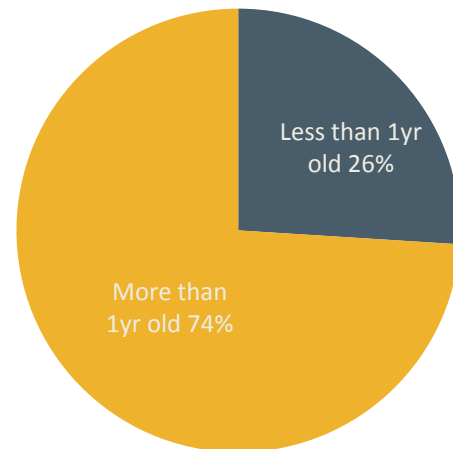
**Figure 7: Race/Ethnicity of entrepreneurs (n=62,144)**



**Figure 8: Business status at intake (n=102)**



**Figure 9: Business age at intake (n=102)**



<sup>2</sup> The “entrepreneur characteristics” section of the report focuses on the demographics, business, and low-income status of the people assisted by microenterprise programs. If the characteristics of an entrepreneur were unknown, the individual was not included in the calculations. (For example, if an individual’s gender was unknown, the individual was not included in the calculations of percent women and percent men.) The number of valid cases are noted for each point of analysis, thereby showing what data exists for most entrepreneurs (gender, race/ethnicity) and what data is sparsely available (disability, business status).

Across reporting programs:

- The median percentage of clients with household incomes at, or below, 150 percent of the HHS poverty guidelines for the United States was 42 percent (number of programs reporting=19).
- Most microenterprise programs track household incomes using data on median family income limits released by the Department of Housing and Urban Development (HUD). The median percentage of clients with household incomes at, or below, 80 percent of the HUD median income for their location was 73 percent (number of programs reporting =74).

	At or below 100% HHS	At or below 150% HHS	At or below 80% HUD
<b>Median</b>	28%	42%	73%
<b>Mean (Average)</b>	34%	42%	70%
<b>Minimum</b>	0%	0%	0%
<b>Maximum</b>	100%	100%	100%
<b>Number reporting</b>	19	19	74

## Program sustainability

### Cost recovery

- In 2013, microenterprise programs reporting to the census achieved a median total program cost recovery of 14 percent (mean of 16 percent).
- Some of the largest microenterprise programs achieved higher rates of cost recovery, as is evidenced by the fact that the industry percent for total program cost recovery was 18 percent. (The industry percent is calculated by totaling earned revenues across all reporting programs and dividing it by total expenses across all organizations.)

	Total expenses	Total income	Total program cost recovery	Lending-focused programs cost recovery	Training-focused programs cost recovery
<b>Industry percent</b>			18%	22%	7%
<b>Median</b>	\$412,5000	\$401,618	14%	19%	5%
<b>Average (Mean)</b>	\$1,194,378	\$1,118,956	16%	25%	9%
<b>Minimum</b>	\$2,055	\$100	0%	0%	0%
<b>Maximum</b>	\$13,013,936	\$11,519,005	54%	54%	32%
<b>Number reporting</b>	71	74	42	19	22

### Program revenues

- FIELD's census data shows that the median operating income for programs in FY 2013 was \$401,618. However, there was in fact substantial variation in income within the industry—average income was almost \$1,118,956, and the largest income figure reported was more than \$11.5 million.
- Federal grants and contracts and private philanthropic funding were the top two main sources of revenues for microenterprise development programs in 2013, accounting for 59 percent of revenues across all reporting programs.
- In 2013, 23 percent of aggregate microenterprise operating income was earned income generated through program and user fees, such as loan fees and interest, training, and consulting fees.

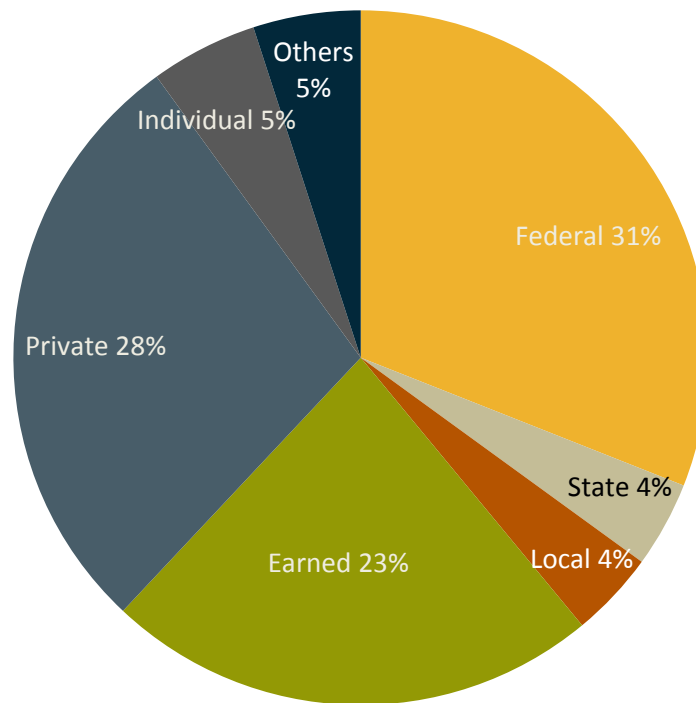
### Key terms

**Earned income** includes income generated from a microloan portfolio, fees charged for business development services, and all other income generated by the program through the provision of program services.

**Total program cost recovery** is calculated by dividing the total costs of the microenterprise program by the earned income generated by program activities.

**Training program cost recovery** is calculated by dividing the income generated by training, technical assistance, and other business development activities by the microenterprise program's business development services costs.

**Figure 10: Microenterprise program operating income sources (n=51)**

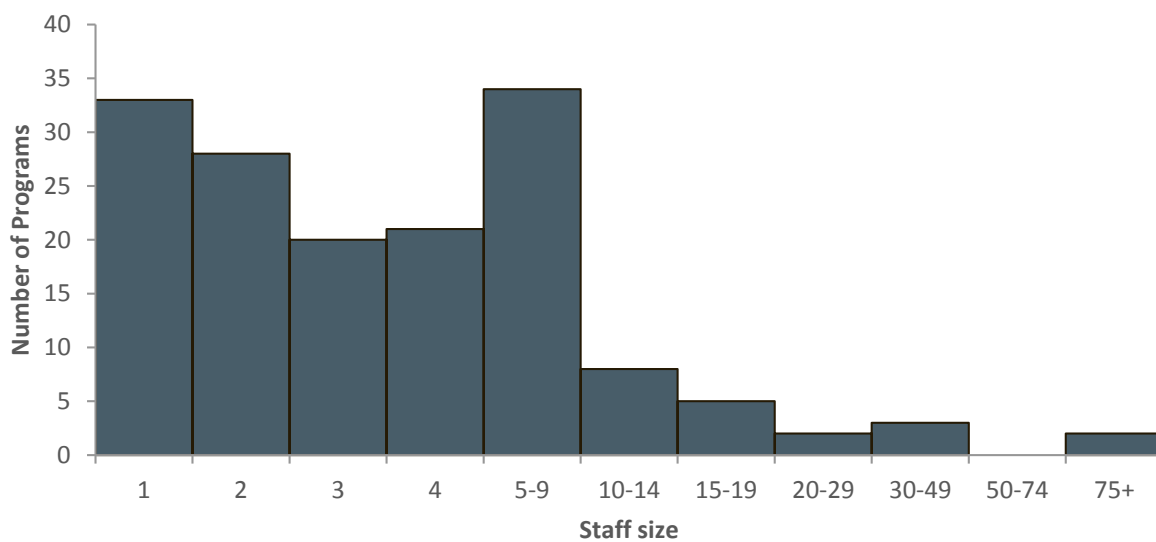


## Program characteristics

- Sixty-five percent of MDOs have four or fewer full-time equivalent employees (n=156).

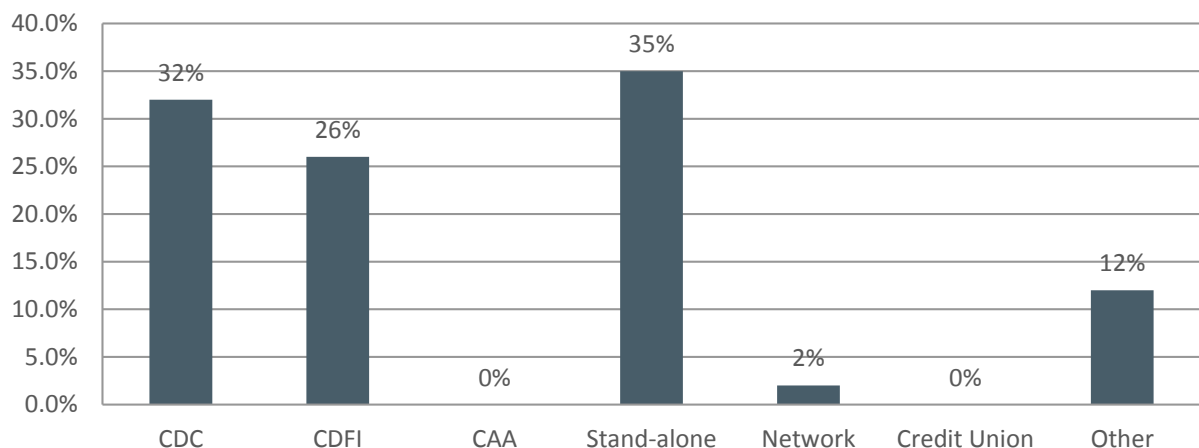
Table 12: Staff size			
	# of FTE	# of DSP	# of FTE loan officers
<b>Median</b>	3	3	1
<b>Average (Mean)</b>	6.43	6.81	3.21
<b>Minimum</b>	0	.39	0
<b>Maximum</b>	116	111	99
<b>Number reporting</b>	156	80	104

**Figure 11: Staff size- number of total FTE (n=156)**



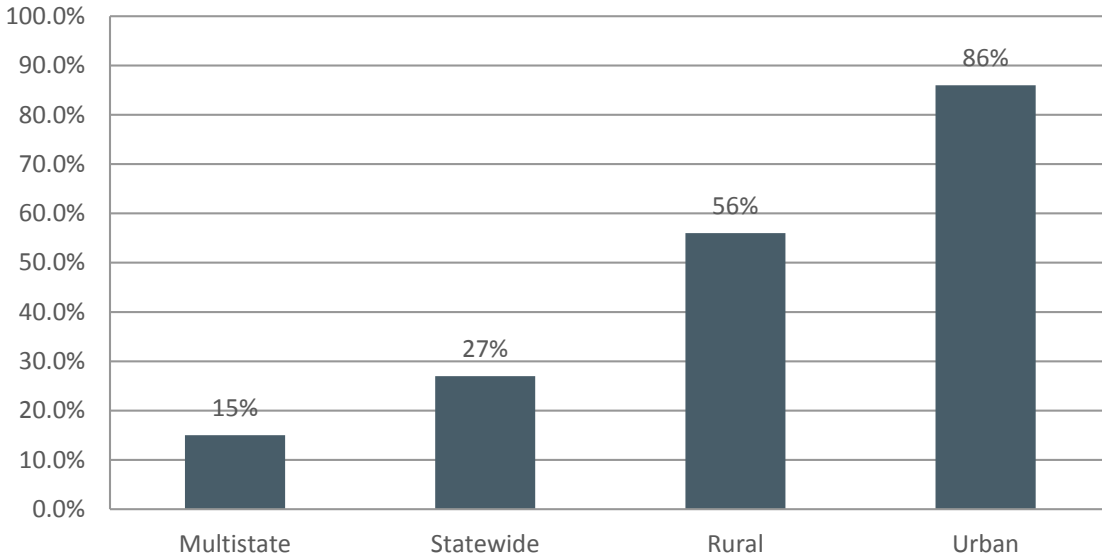
- Almost 70 percent of organizations reporting data to the census were operating as stand-alone microenterprise organizations (35%) or Community Development Corporations (32%). Slightly more than a quarter (26%) of the programs were Community Development Financial Institutions (n=177).

**Figure 12: Organization type (n=177)**

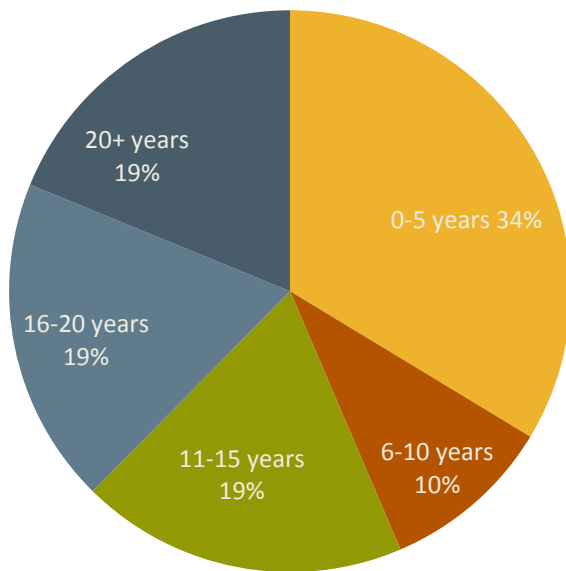


- 86 percent of reporting MDOs assist urban markets, and 56 percent assist rural markets (n=177).

**Figure 13: Geography served (n=177)**



**Figure 14: Program age (n=177)**



- 38 percent of responding MDOs had a primary focus on lending, and 62 percent focused primarily on providing on training services (n=175).
- Although 57 percent of programs were 11 years or older, more than one-third (34%) were five years old or younger (n=177).

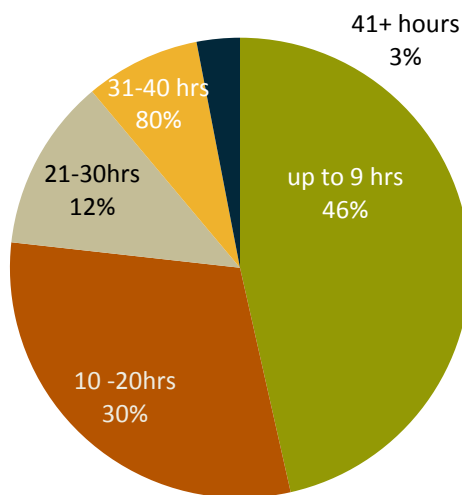
## Business development services

Business development services (BDS) encompass a wide range of supports, from core business training and one-on-one assistance, to coaching, to access to market services, to tax preparation assistance. Ninety-eight percent of microenterprise programs offer some type of BDS, indicating that they find it an integral part of helping entrepreneurs succeed.

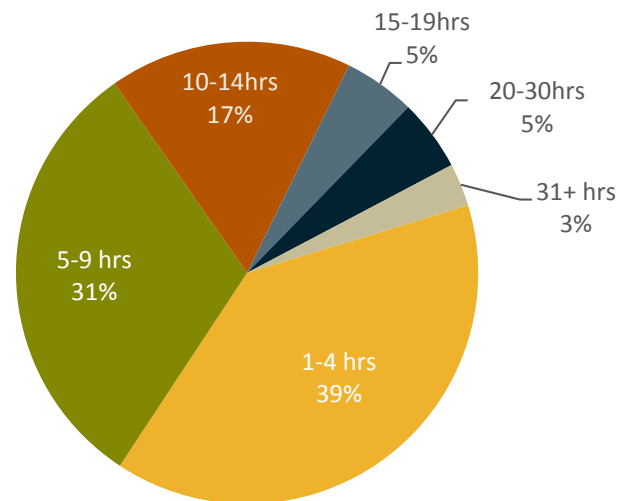
- 92 percent of individuals assisted by microenterprise programs received BDS (n=111,875).
- 48 percent of all individuals received one-on-one technical assistance.
- 68 percent of all individuals participated in group training.

[Learn how to compare](#) an organization's BDS performance to the industry and peers.

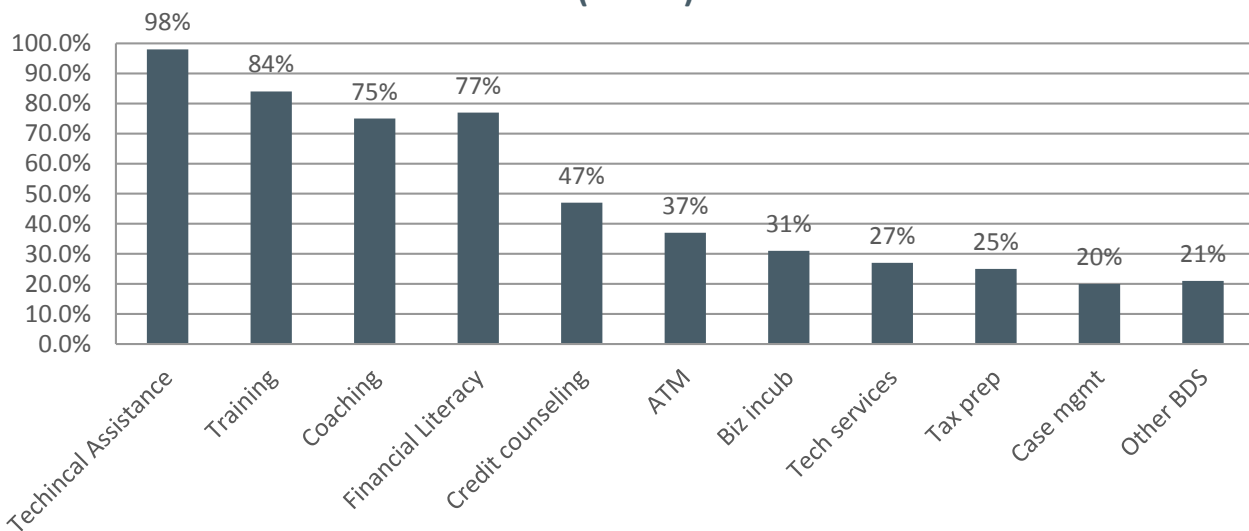
**Figure 15: Average training per individual (n=89)**



**Figure 16: Technical assistance per individual (n=119)**



**Figure 17: Business development services offered (n=217)**





## The Data: Methodology and additional resources

### FIELD's U.S. Microenterprise Census: Description and methodology

The U.S. Microenterprise Census is conducted annually by FIELD at the Aspen Institute to obtain information on the scope and scale of the U.S. microenterprise industry and to track its evolution.

In 2014, FIELD identified 810 microenterprise programs that provide loans, training, technical assistance and other microenterprise services directly to microentrepreneurs.

During the summer and fall of 2014, 177 microenterprise programs (22 percent of those identified by FIELD) completed a survey detailing information on their products and services, individuals assisted and organizational size in fiscal year 2013. FIELD staff clean and analyze the data. The census highlights are drawn from these 177 detailed survey responses. Except for the overall program count of 810, and the industry extrapolations, these findings should be considered a conservative estimate of the size of the field and its outreach to individuals.

### More data available on [microTracker.org](http://microTracker.org)

Data from the U.S. Microenterprise Census is housed at [www.microTracker.org](http://www.microTracker.org). Users can explore aggregate data—including data from past years and data by state—on the site's Explore Data Dashboard. With a subscription, users can further explore the data using the Analyze tool, a custom report builder. The Analyze tool allows users to cut the data in a variety of ways, for example, to explore the performance of credit-focused programs versus training-focused programs, or to compare portfolio quality to that of peer groups, based on geography, organization type, scale, and much more.

MicroTracker also houses FIELD's EntrepreneurTracker client outcomes data. EntrepreneurTracker is a standardized outcomes process used by between 25 and 30 microenterprise programs per year to collect actual outcomes as reported by entrepreneurs approximately a year after receiving a microloan or significant business development assistance.

What is the median wage paid by microentrepreneurs? What is the business survival rate? The site's analytic tools allow users to explore questions like this, and many more, about the outcomes achieved by microenterprise program clients.

Programs use microTracker to better understand their performance, to drive program planning and improvements, and to communicate the effectiveness and value of their work and their outcomes to funders, their boards, community partners, and even potential clients. To explore how other microenterprise development organizations have used microTracker, read FIELD's [Data in Action Interviews](#).