

U.S. Microenterprise Census Highlights¹, FY2014

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. The microenterprise industry is comprised of organizations that provide loans, training, technical assistance and other microenterprise services directly to microentrepreneurs.

During the summer and fall of 2015, 142 microenterprise programs completed a survey reporting information on their products and services, individuals assisted and organizational size in fiscal year 2014. FIELD staff cleaned and analyzed the data. The census highlights are drawn from these 142 survey responses.

Size of the field

The U.S. Microenterprise Census provides a **precise count of people assisted** in 2014 by microenterprise programs that responded to the survey.

Collectively, programs reporting data to the census assisted:

- 134,130 individuals (131 programs reporting)
- 74,881 clients (123 programs reporting)
- 79,349 businesses (120 programs reporting)

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

	Individuals	Clients	Businesses
Median	211	112	73
Average (Mean)	1,024	609	661
Minimum	1	1	1
Maximum	33,800	33,800	33,800
Number reporting	131	123	120

Key terms

An **individual** refers to anyone who received any level of service from a microenterprise program in fiscal year 2014.

A **client** is an individual who received a significant level of service during FY 2014. 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.)*

¹ Further information on the U.S. Microenterprise Census and its methodology can be found on the last page of this Highlights document.

Industry trends, 2013 to 2014

What do the data tell us about how the **microenterprise development** industry grew from 2013 to 2014? To answer this question, FIELD compared aggregate census data for FY 2013 and FY 2014 from organizations that reported on a specific data point for both years.

Findings point to substantial growth in the size of microloan portfolios, the number of people assisted, and the operating income of microenterprise programs. Further analysis reveals differences based on the types of services that were the programs' primary focus. Training-focused programs reported an overall decline in operating revenues (-2 percent change) and a smaller increase in the number of individuals served (17 percent), compared to lending-focused programs, which reported a 15 percent increase in operating income and a 37 percent increase in the number of individuals assisted.

- ↑ Number of individuals assisted increased by 31%
- ↑ Number of businesses assisted increased by 36%
- ↑ Number of microloans disbursed increased by 49%
- ↑ Value of microloans disbursed increased by 47%
- ↑ Number of microloans outstanding increased by 38%
- ↑ Value of microloans outstanding increased by 24%
- ↑ Microenterprise programs' operating income increased by 11%
- ↑ Program expenses increased by 9%

Table 2: Change in service volume		
	Individuals served	Businesses served
2013	92,681	51,239
2014	121,520	69,693
% Change	31%	36%
Number reporting	103	84

Table 3: Change in lending volume				
	# Microloans disbursed	\$ Microloans disbursed	# Microloans outstanding	\$ Microloans outstanding
2013	37,927	\$141,916,002	30,700	\$139,812,846
2014	56,351	\$208,880,372	42,517	\$173,543,674
% Change	49%	47%	38%	24%
Number reporting	67	64	60	55

Table 4: Change in program budgets		
	Total operating income	Total operating expenses
2013	\$88,666,544	\$66,940,106
2014	\$98,556,176	\$72,781,802
% Change	11%	9%
Number Reporting	72	40

Costs

- Median total program expenses were \$546,134. However, mean program expenses were \$1,490,190, as a few programs were significantly larger.
- In 2014, the median cost per individual served was \$1,335.
- The median cost per client was \$2,882.

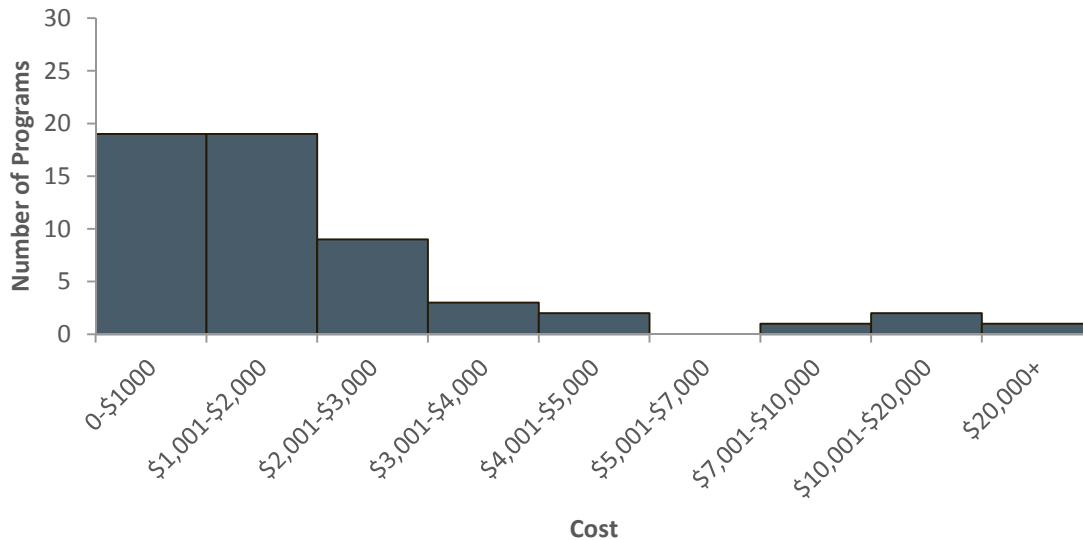
Key terms

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 clients, or individuals who received a significant level of service. (See above for further clarification on the distinction between an “individual” and a “client” in this survey.)

	Cost per Individual	Cost per Client
Median	\$1,335	\$2,882
Average (Mean)	\$2,360	\$4,526
Minimum	\$84	\$373
Maximum	\$20,467	\$45,000
Number reporting	56	69

Figure 1: Cost per individual served (n=56)



Efficiency

Programs reporting to the census assisted a median of 76 individuals per full-time equivalent (FTE) staff, and 81 individuals per direct service provider (DSP). They disbursed a median of 17 microloans per FTE loan officer, and managed a median of 44 outstanding microloans per FTE loan officer.

The census data reveal that microenterprise programs vary substantially in their client loads and efficiency. Figure 2 shows the distribution of the number of individuals assisted by direct service provider and Figure 3 shows the distribution of microloans outstanding per FTE loan officer.

Key terms

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

	Individuals per FTE	Clients per FTE	Individuals per DSP	Clients per DSP
Median	76	30	81	42
Average (Mean)	156	61	166	82
Minimum	3	2	4	4
Maximum	2310	504	1201	591
Number reporting	118	112	52	52

Figure 2: Individuals per DSP (n=52)

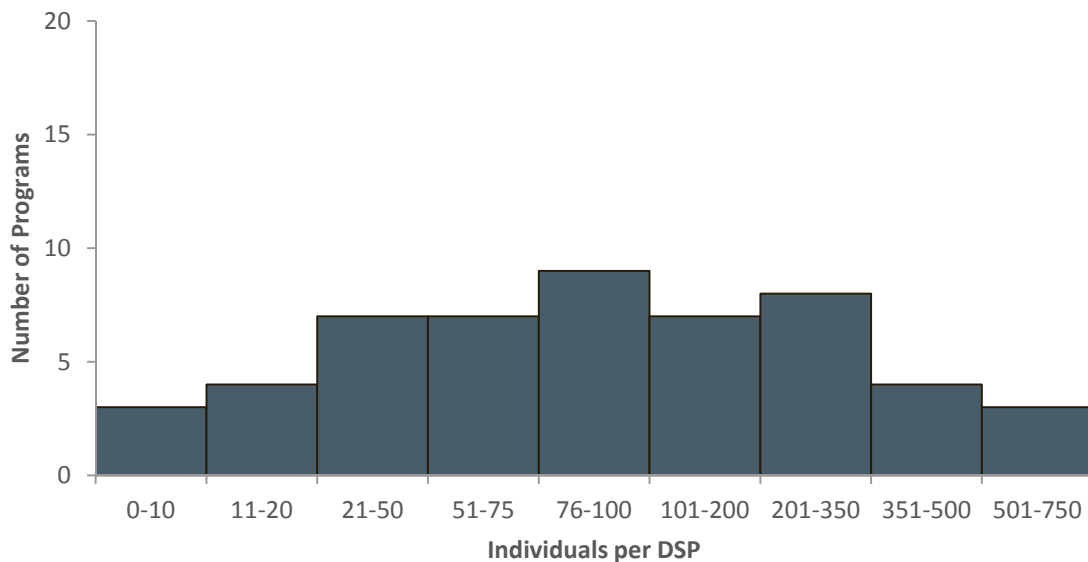


Figure 3: Microloans outstanding per FTE loan officer (n=64)

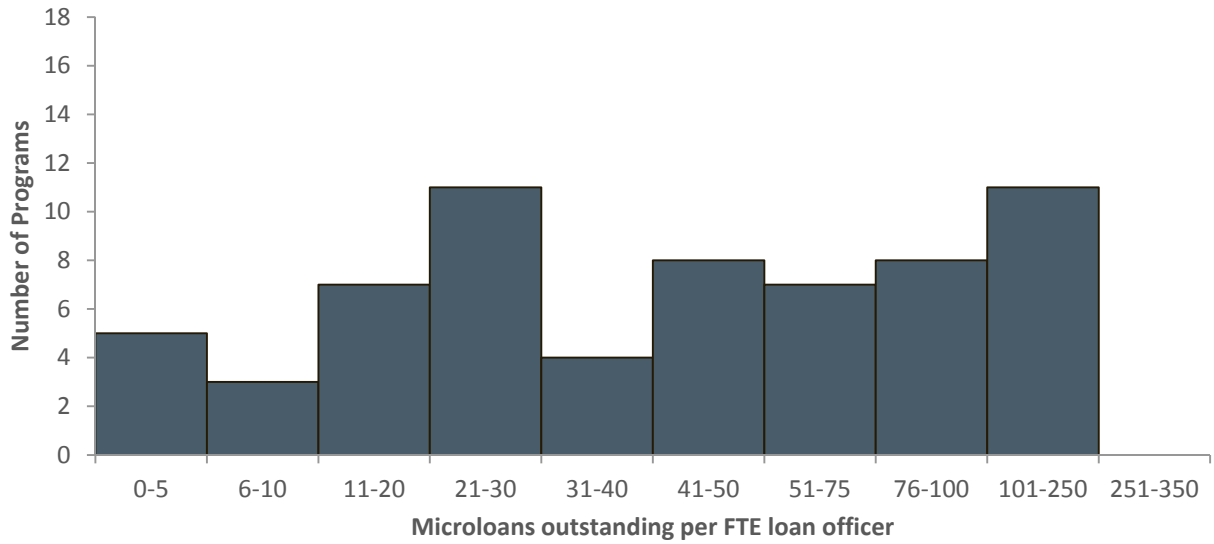
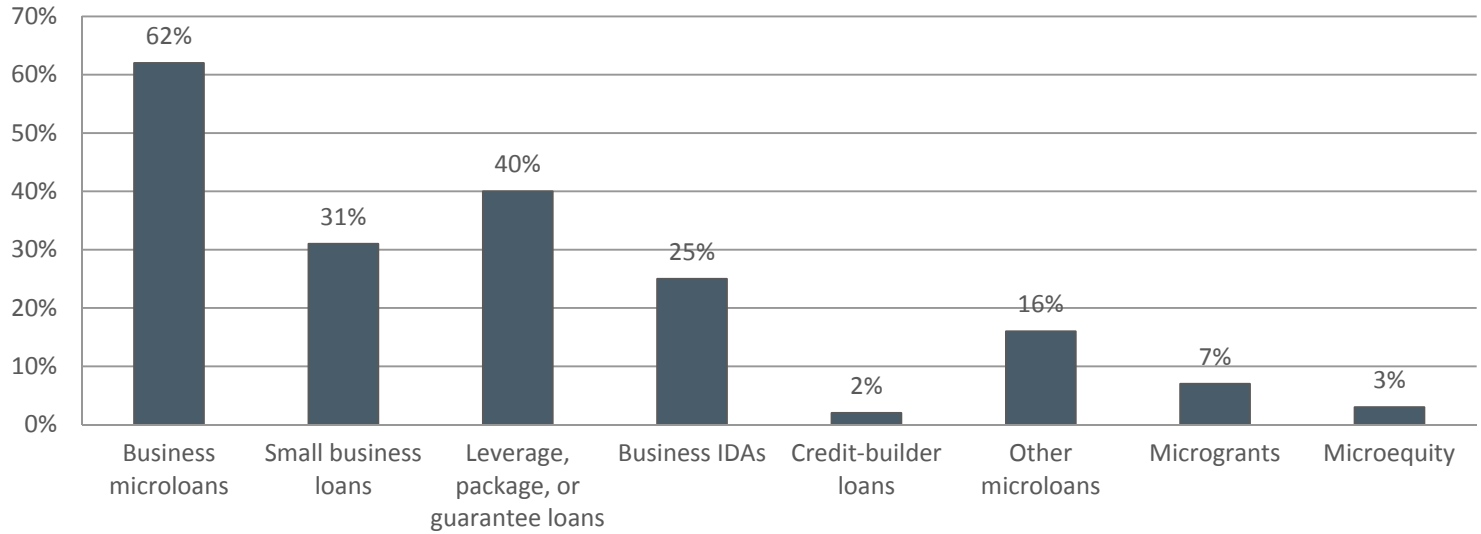


Table 7: Lending program efficiency		
	Loans Disbursed per FTE Loan Officer	Loans Outstanding per FTE Loan Officer
Median	17	44
Average (Mean)	41	59
Minimum	1	1
Maximum	578	228
Number reporting	69	64

Microfinancing

Sixty-two percent of reporting programs make microloans for business purposes. Reporting programs also provide other microfinancing products, including business individual development accounts (IDAs), credit-builder loans, and microgrants.

Figure 4: Microfinance products offered (n=141)



Programs responding to the U.S. Microenterprise Census reported the following lending activity in 2014:

- 57,095 microloans disbursed (80 programs reporting)
- \$214 million in microloans disbursed (78 programs reporting)

Even with a smaller number of programs reporting, these figures represent a substantial growth in lending activity over FY 2013. In that year, 107 programs reported disbursing a total of 38,856 microloans, and 106 reporting programs disbursed a combined \$153.8 million in microloans.

Table 8: Microloans disbursed and outstanding in FY 2014

	# Microloans disbursed	\$ Microloans disbursed	# Microloans outstanding	\$ Microloans outstanding	Average size of microloans disbursed
Median	24	\$315,081	54	\$762,940	\$13,657
Mean (Average)	714	\$2,745,752	596	\$2,689,789	\$15,218
Minimum	0	\$0	0	\$0	\$200
Maximum	46,790	\$101,000,000	27,190	\$33,000,000	\$43,750
Number reporting	80	78	72	68	75

[Learn how to compare](#) an organization's microlending performance to the performance of the industry overall and to peer organizations.

Portfolio performance data from the census provide insights into the level of risk in microenterprise portfolios, and how microloan borrowers perform.² Specifically, in 2014:

- 6 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 2014.
- 35 percent of microloan dollars outstanding were made to start-up businesses.
- 75 percent of microloan capital was deployed — or outstanding as loans to borrowers.
- 4 percent of all outstanding microloans had been modified.

Key terms

Deployment rate: Total dollar value of microloans outstanding at year-end 2014, divided by total microloan capital. This measure gives a sense of how much capital has been lent by an organization.

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.

Table 9: Microloan portfolio performance

	Deployment rate	% Modified	% Outstanding to start-ups	Total portfolio at risk %	Loan loss rate
Industry Percent	75%	4%	35%	6%	4%
Median	67%	1%	18%	7%	2%
Mean (Average)	62%	3%	23%	9%	4%
Minimum	6%	0%	0%	0%	0%
Maximum	96%	11%	79%	47%	22%
Number reporting	32	22	19	54	56

² It is important to note that only a relatively small percentage – about one-quarter – of the organizations that reported making microloans also reported data that can be used to determine deployment rate, modified loan rate, and the percent of loans made to start-ups. Therefore, this data is illustrative, but should not be construed as representative of the full set of reporting organizations.

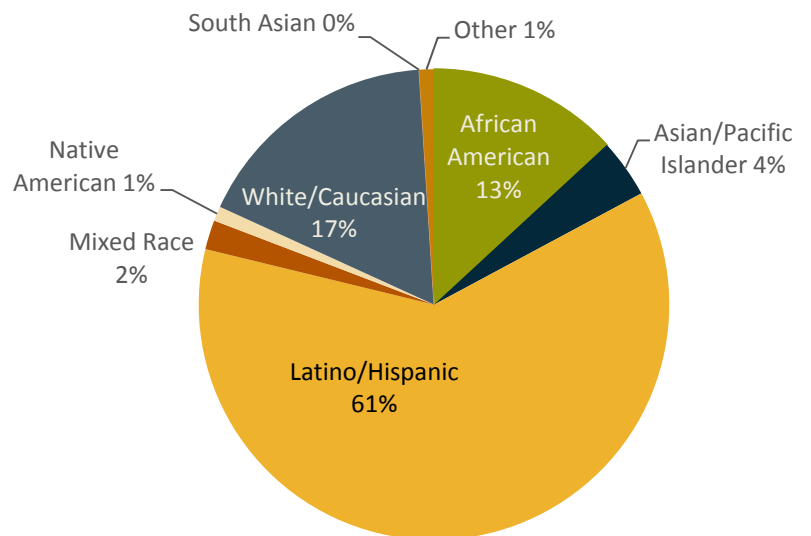
Entrepreneur characteristics

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

In 2014, among the entrepreneurs assisted by microenterprise programs reporting to the census³:

- 72 percent were women (out of data on 78,027 individuals reported by 104 programs).
- 83 percent were people of color or members of traditionally disadvantaged racial or ethnic groups (out of data on 73,943 individuals reported by 93 programs).
- 7 percent were individuals with a disability (out of data on 14,788 individuals reported by 38 programs).
- 6 percent were veterans (out of data on 18,157 individuals reported by 41 programs).
- 33 percent of individuals were not operating a business when they came to a program for assistance (out of data on 74,167 individuals reported by 97 programs).
- Of the individuals who were already operating a business, 31 percent were start-ups, meaning that their businesses were less than one year old (out of data on 22,813 individuals reported by 50 programs).
- 87 percent were individuals with family incomes at or below 80 percent of the area median income (out of data on 62,946 individuals reported by 72 programs).

Figure 5: Race/Ethnicity of entrepreneurs (n=73,943)



³ 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).

Figure 6: Business status at intake
(n=74,167)

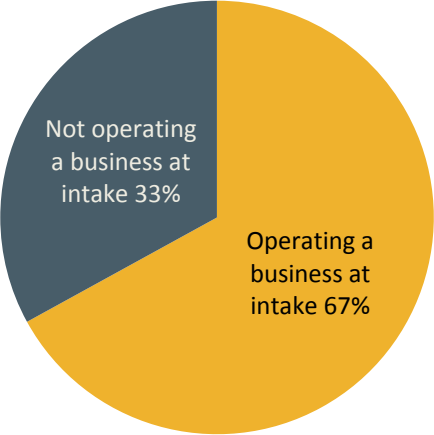
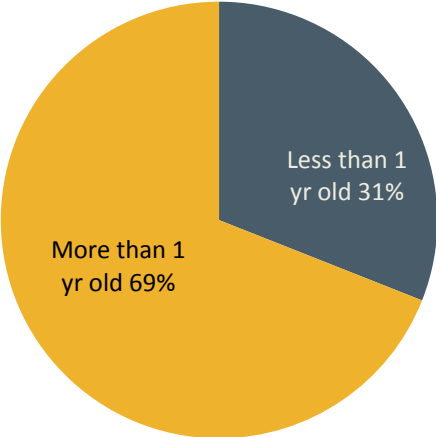


Figure 7: Business age at intake
(n=22,813)



Across reporting programs:

- Most microenterprise programs track and report household incomes using area median 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 70 percent (72 programs reporting).
- A much smaller number of microenterprise programs also report data on the individuals they serve relative to the poverty guidelines set by the U.S. Department of Health and Human Services (HHS). For the 20 programs that reported this data for 2014, the median percentage of clients with household incomes at or below 150 percent of the HHS poverty guidelines for the United States was 49 percent.

Table 10: Low-income status of entrepreneurs			
	At or below 100% HHS	At or below 150% HHS	At or below 80% HUD
Median	29%	49%	70%
Mean (Average)	35%	54%	68%
Minimum	1%	1%	4%
Maximum	100%	100%	100%
Number reporting	21	20	72

Program sustainability

Cost recovery

- In 2014, microenterprise programs reporting to the census achieved a median total program cost recovery of 16 percent (mean of 23 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 34 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
Industry percent			34%	38%	17%
Median	\$546,134	\$600,000	16%	33%	4%
Average (Mean)	\$1,490,190	\$1,723,960	23%	33%	13%
Minimum	\$1,000	\$0	0%	3%	0%
Maximum	\$14,435,950	\$19,796,124	67%	60%	67%
Number reporting	56	55	32	16	16

Program revenues

- FIELD's census data shows that the median operating income for programs in FY 2014 was \$600,000. However, there was substantial variation in income within the industry. Average income was almost \$1,723,960, and the largest income figure reported was more than \$19.8 million.
- Private philanthropic funding and earned income were the top two main sources of revenues for microenterprise development programs in 2014, accounting for 66 percent of revenues across all reporting programs.
- In 2014, 29 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.

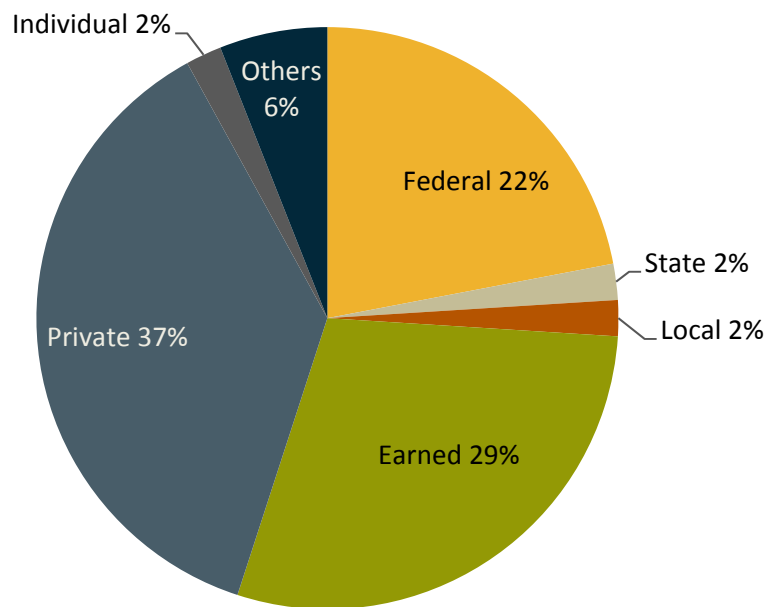
Key terms

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 8: Microenterprise program operating income sources (n=34)

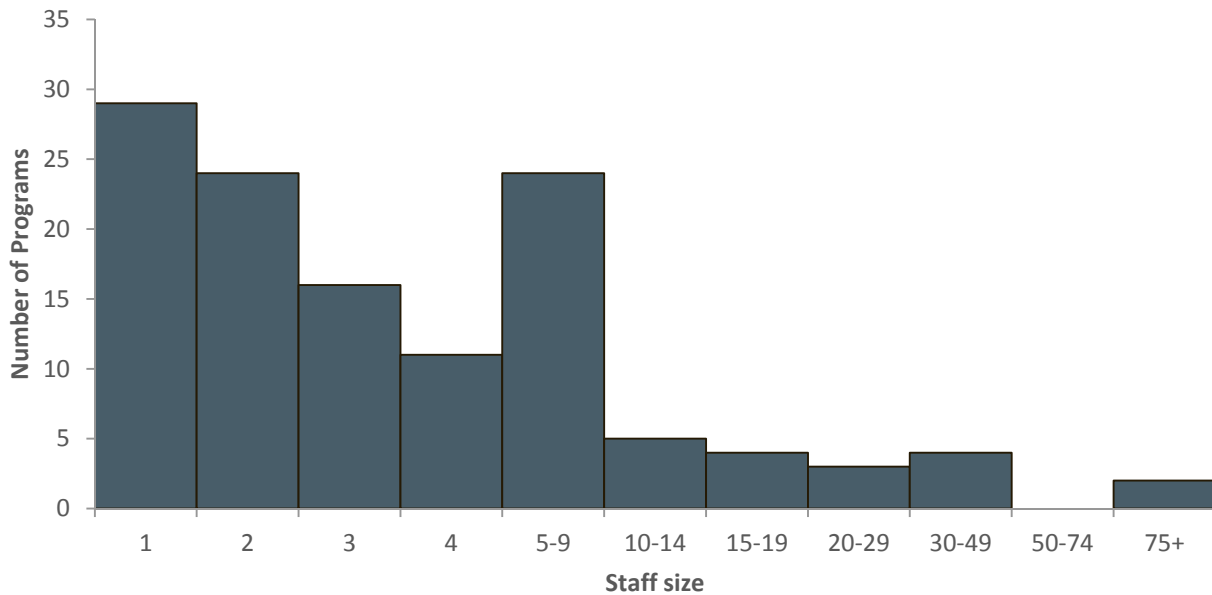


Program characteristics

- 66 percent of MDOs have four or fewer full-time equivalent employees (122 programs reporting).

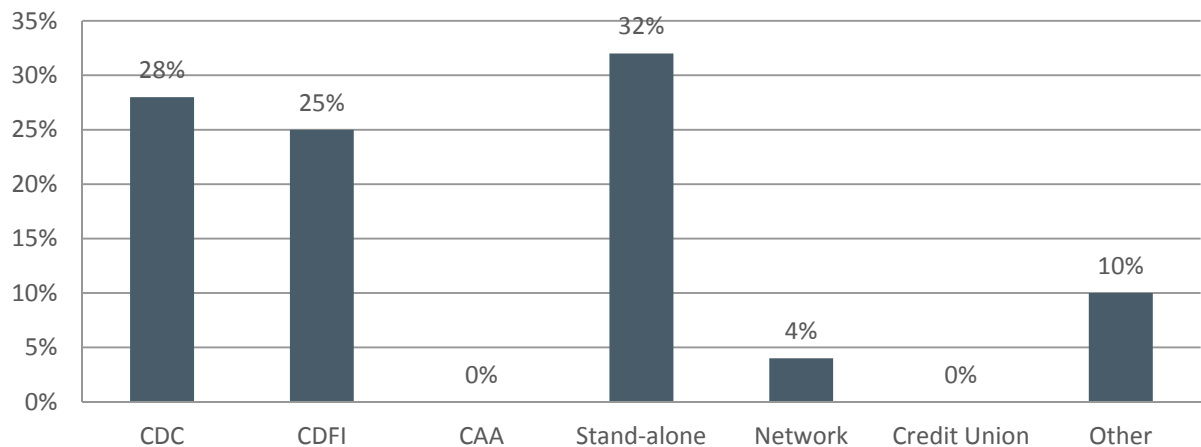
Table 12: Staff size			
	# of FTE	# of DSP	# of FTE loan officers
Median	3	4	2
Average (Mean)	7.89	10.35	5.02
Minimum	0	.38	.1
Maximum	189	160	142
Number reporting	122	53	73

Figure 9: Staff size - number of total FTE (n=122)



- 60 percent of organizations reporting data to the census were operating as stand-alone microenterprise organizations (32%) or Community Development Corporations (28%). One quarter (25%) of the programs were Community Development Financial Institutions (142 programs reporting).

Figure 10: Organization type (n=142)



- 75 percent of reporting MDOs assist urban markets, and 59 percent assist rural markets (142 programs reporting).

Figure 11: Geography served (n=142)

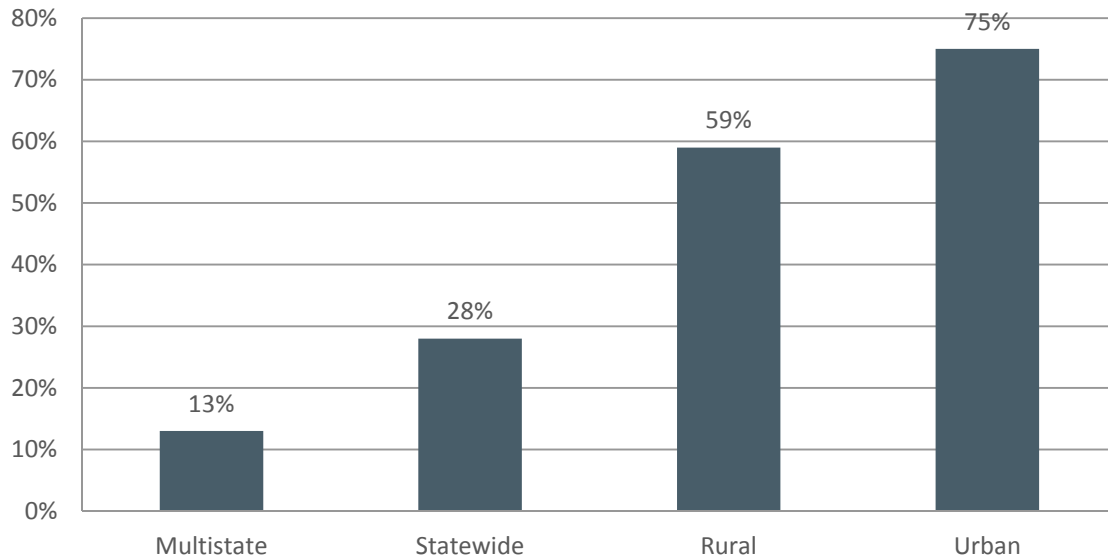
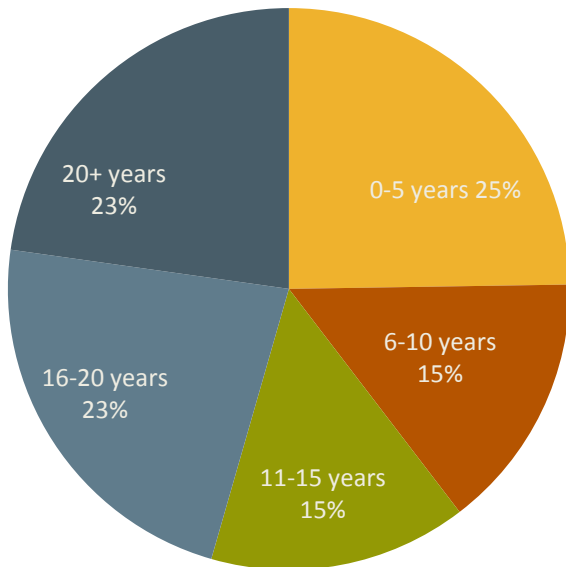


Figure 12: Program age (n=142)

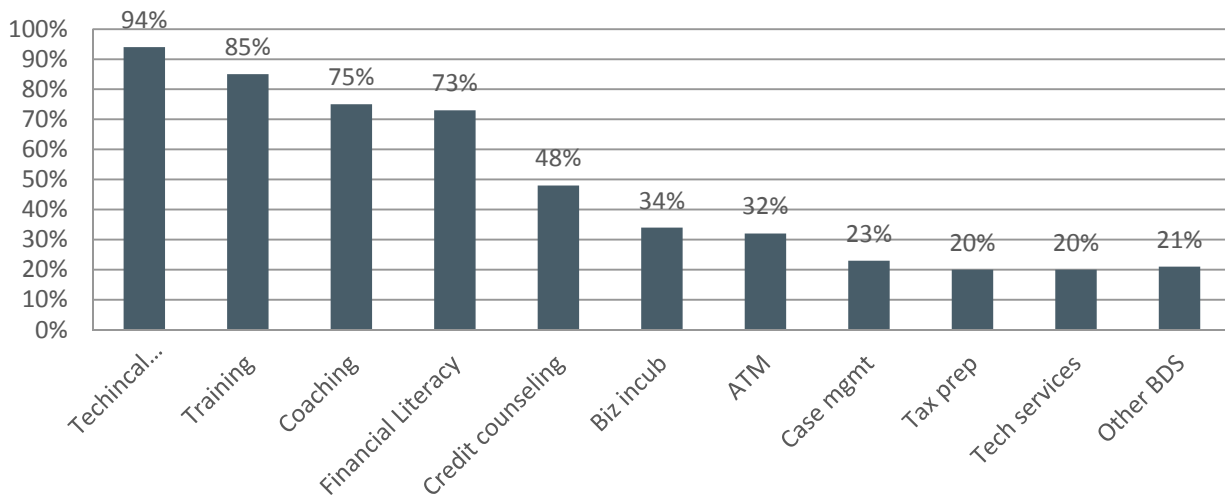


- 39 percent of responding MDOs had a primary focus on lending, and 61 percent focused primarily on providing on training services (n=142).
- 61 percent of programs were 11 years or older, and one quarter (25%) were five years old or younger (n=142).

Business development services

Business development services 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-nine percent of microenterprise programs offer some type of business development services, indicating that they find it an integral part of helping entrepreneurs succeed (142 programs reporting).

Figure 13: Business development services offered
(n=140)



- 81 percent of individuals assisted by microenterprise programs received business development services (out of data on 128,116 individuals reported by 117 programs).
- 41 percent of all individuals received one-on-one technical assistance (out of data on 90,997 individuals reported by 108 programs).

- Of the organizations that report providing training, only about one quarter of them (34 of 120) provided data on the number of individuals who received that service in 2014. Among the organizations that provided data, 16 percent of all individuals they served participated in group training.

Figure 14: Average training per individual (n=89)

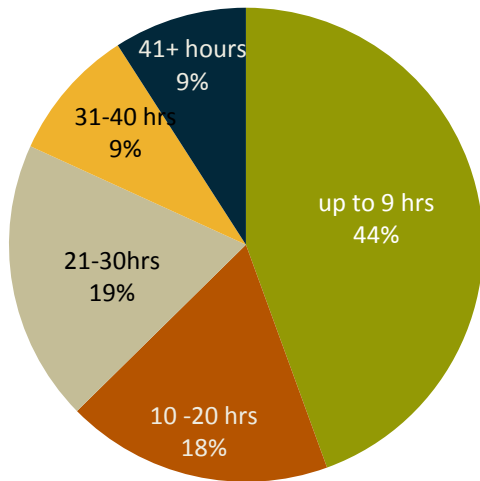
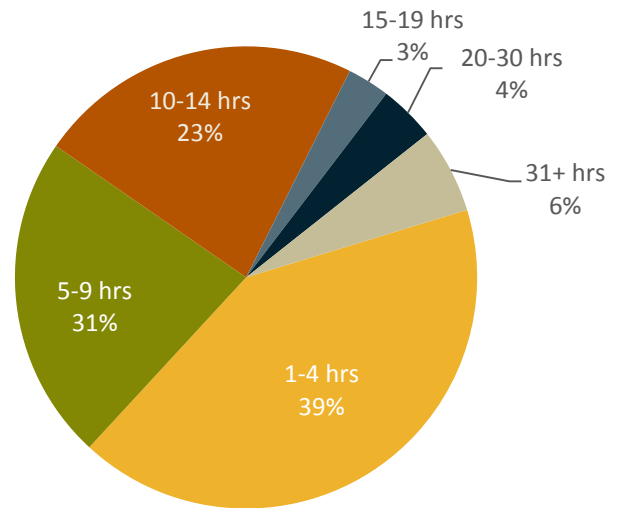


Figure 15: Average technical assistance per individual (n)



[Learn how to compare](#) an organization’s business development service performance to the performance of the industry and of peer organizations.

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.

When performing the U.S. Microenterprise Census, FIELD conducts outreach to each organization identified by FIELD as operating a microenterprise program, including organizations that have provided data to the census in past years. Microenterprise programs provide loans, training, technical assistance and other microenterprise services directly to microentrepreneurs. This list contains approximately 850 microenterprise programs and is available on the microTracker site at <http://microtracker.org/program-index>. FIELD also publicizes the census by sending messages to its email distribution list.

During the summer and fall of 2015, 142 microenterprise programs completed a survey reporting information on their products and services, individuals assisted and organizational size in fiscal year 2014. FIELD staff cleaned and analyzed the data. The census highlights are drawn from these 142 survey responses.

More data available on microTracker.org

Data from the U.S. Microenterprise Census are housed at 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.

It is important to note that microenterprise programs can report data to the U.S. Microenterprise Census throughout the year. This report is based on data reported to the FY 2014 Census as of December 4, 2015. Therefore, the data in this report may not match what is shown on microTracker.org on a subsequent date. The data on www.microTracker.org represent the most up-to-date information provided to FIELD.

MicroTracker also houses FIELD's EntrepreneurTracker client outcomes data. EntrepreneurTracker is a standardized outcomes process used by between 20 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.

The site's analytic tools allow users to explore data such as the median wage paid by entrepreneurs, the business survival rate, and much 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](#).