

# 2011 US Microenterprise Census

## Highlights: FY2010 Data

The 2010 U.S. Microenterprise Census offers the most robust data describing the scope and scale of the industry. It documents an industry that has continued to grow through the past several years of financial crisis and economic recession as it has maintained its focus on traditionally disadvantaged entrepreneurs and aspiring entrepreneurs.

Survey respondents reported **assisting 163,565 individuals and disbursing 12,547 microloans**. The **aggregate outstanding portfolio was \$132.8 million**.

Trend data, comparing the responses of organizations that reported to both the 2008 and 2010 surveys, demonstrate that these organizations grew over the two-year period in terms of the number of individuals served (by 15 percent) and microloans disbursed (by 25 percent). They diversified their products and services as they continued to focus on the disadvantaged.

FIELD at the Aspen Institute **estimates that the entire industry likely served 347,440 individuals, an increase of 27 percent** over the 2008 estimate of the field's size, and **likely made 17,623 microloans, an increase of 92 percent** over the 2008 estimate of loan production. These estimates are based on survey data.

This Highlights report first presents the survey responses of reporting institutions, then documents trends in the scale and scope of services provided by organizations reporting in both 2008 and 2010. Finally, the report presents a more detailed discussion of the estimates of the overall size of the field.

## Survey Description and Methodology

In the summer and early fall of 2011, the FIELD Program at the Aspen Institute identified 762 microenterprise programs that provide loans, training, technical assistance and other microenterprise services directly to microentrepreneurs.

Forty-eight percent, or 366, microenterprise programs completed a survey detailing FY2010 information on products and services, individuals served and size of the organization. The following highlights are drawn from these 366 detailed survey responses. With the exception of the overall program count of 762, survey findings should be considered a conservative estimate of the size of the field, its outreach to individuals and the description of its services. The document's conclusion contains estimates of the size of the field, based on the survey data, and a description of the methodology used to derive them.

## 2010 Survey Data

### Microfinance and Business Development Services

- 762 microenterprise programs provided loans, training, technical assistance and other microenterprise services directly to entrepreneurs
- 366 programs submitted a survey
- 75 percent of reporting programs (276 microenterprise programs) provided a microfinancing product
- 97 percent (356 programs) provided some type of business development services

### Microlending Volume

- 12,547 microloans disbursed (reported by 159 programs)
- \$104.2 million in microloans disbursed (reported by 155 programs)
- \$132.8 million in microloans outstanding (reported by 132 programs)
- 54 percent of total microloan capital was outstanding to borrowers (reported by 128 programs)

<b>Table 1: Microloans Disbursed and Outstanding in FY2010</b>					
	<b>Mean</b>	<b>Median</b>	<b>Minimum</b>	<b>Maximum</b>	<b>n</b>
Number of Microloans Disbursed	79	20	1	4,153	159
Dollar Amount of Microloans Disbursed	\$672,311	\$230,000	\$500	\$22,481,156	155
Dollar Amount of Microloans Outstanding	\$1,006,300	\$545,683	\$800	\$7,441,799	132

### Individuals and Businesses

Because programs serve many individuals who are exploring business feasibility, fewer businesses are assisted than individuals.

- 163,565 individuals assisted (289 programs reporting)
- 67,127 businesses assisted (216 programs reporting)

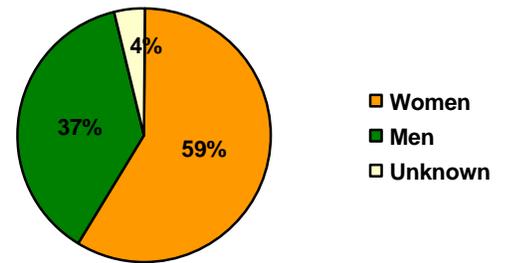
<b>Table 2: Number of Individuals and Businesses Assisted in FY2010</b>					
	<b>Mean</b>	<b>Median</b>	<b>Minimum</b>	<b>Maximum</b>	<b>n</b>
Number of Individuals Assisted	566	198	1	21,205	289
Number of Businesses Assisted	311	60	1	21,205	216

## Gender and Income Status of Individuals Served

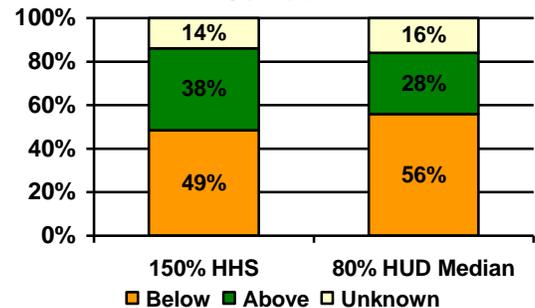
Microenterprise programs typically serve individuals from groups considered disadvantaged in their access to capital and mainstream business services.

- 59 percent were women (n=238)
- 53 percent were people of color or members of traditionally disadvantaged racial or ethnic groups (n=186)
- 56 percent had household incomes at or below 80 percent of the HUD median for their location (n=117)
- 49 percent were below 150 percent of the HHS poverty guidelines for the United States (n=123)

### Gender of Individuals Served



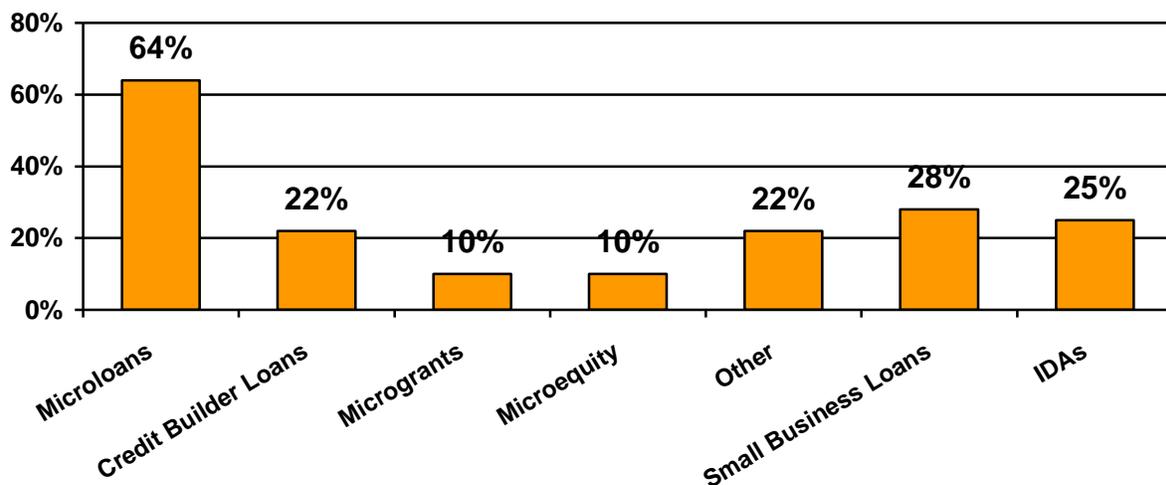
### Low-Income Status of Individuals Served



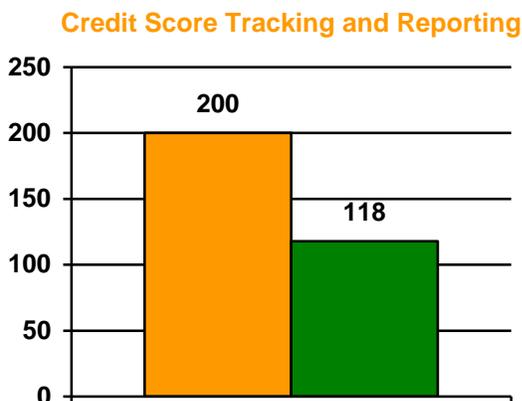
## Microfinancing Products

- 64 percent provided microenterprise loans of \$50,000 or less (n=276)
- Of the lenders, 235 indicated their lending methodology.
  - 57 percent offer only individual loans (n=201)
  - 19 percent also offer peer or group-based loans (n=15) and 6 programs reported that they provide only peer loans.

### Microfinance Services Provided

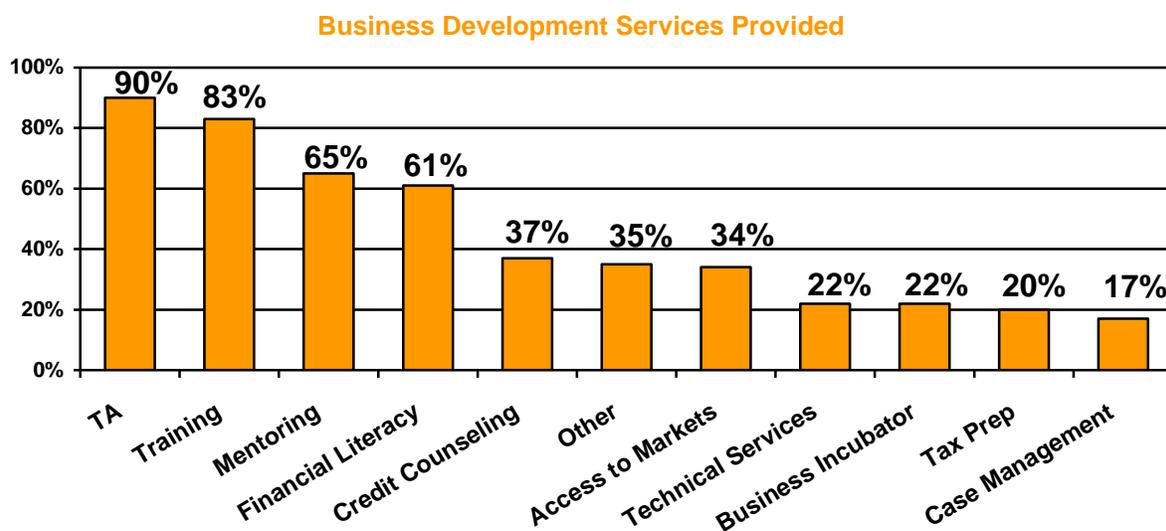


- 200 organizations reported documenting or tracking applicants' credit scores and 118 indicate that they report borrowers' credit performance to credit bureaus directly or through another organization.
- 102 programs offered small business loans above \$50,000. The median size of the maximum small business loan offered was \$249,500 and the mean was \$449,089.
- 93 programs (25 percent) offered Individual Development Accounts (IDAs) to the individuals they serve (n=366). The majority of those that offered IDAs offered them for business development (90 percent), while 57 percent offered IDAs for education and 54 percent offered IDAs for home ownership.



## Business Development Services

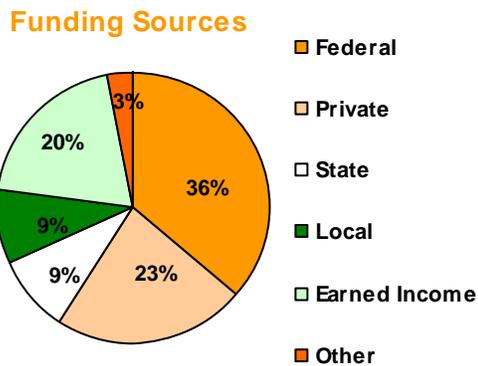
Business development services are non-financial resources, which include training and technical assistance (TA), access to markets services (ATM), technology services, and a wide array of other services, all designed to help entrepreneurs start and grow their businesses. 356 programs reported the business development services they provide.



## Microenterprise Development Programs

- 48 percent served rural markets
- 57 percent served urban markets
- 19 percent operated statewide
- 6 percent operated in multiple states

80 percent of microenterprise programs have five or fewer full-time equivalent staff members.



The median operating budget was \$280,000 and the mean was \$527,480 (n=217). Sources of funding for operating budgets varied widely for the 183 reporting, aggregate funding is summarized in the accompanying pie chart.

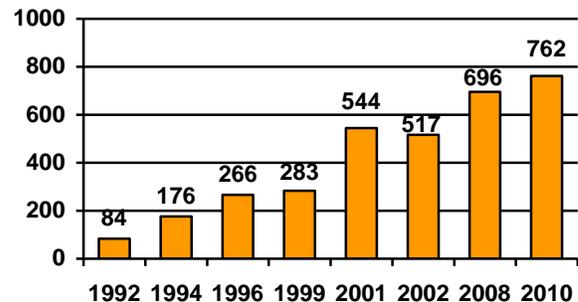
Microenterprise development programs vary in institutional form from those whose sole purpose is to provide microenterprise development assistance to others that are

embedded in organizations with broader missions. These organizations include community development finance institutions that provide financing and technical assistance for multiple purposes, educational and human services organizations, place-based community development corporations, and others.

- 178 organizations identified themselves as having a separate microenterprise development program within their structure, suggesting that at least 49 percent of reporting institutions represented organizations with broader missions.
- 8 percent, or 29 programs, indicated that they were operating a social enterprise in FY2010 (n=366). Social enterprises are business ventures designed either for a social purpose — producing benefits for clients and generating financial returns to cover their costs — or as earned income operations to provide revenue to support general program operations.

The search identified 45 microenterprise development programs that were not identified through the FY2008 survey. Start dates are available for 35 of these programs that indicate that they began in 2009 or later. 16 programs that responded to the FY2008 survey closed or no longer provide microenterprise services.

**Number of Practitioner Programs in the Industry**



## Trend Data: FY2008 to FY2010

The last time comprehensive data on the microenterprise field was collected was for FY2008 activities. This section of the report focuses on a subset of programs that provided data on key measures for both FY2008 and FY2010. Longitudinal data demonstrate how some microenterprise organizations have changed over time. All dollar values provided are in 2010 dollars.

### From FY2008 to FY2010, these programs:

- **Increased the annual number of individuals assisted by 15 percent**  
The aggregate number assisted increased from 76,182 to 87,706. The mean number of individuals served increased from 476 to 548 and the median increased from 210 to 276 (n = 160).
- **Increased the size of their operating budgets by 16 percent**  
Aggregate operating budgets increased from \$59.2 million to \$68.8 million. The mean operating budget increased from \$597,736 to \$693,226. The median also increased from \$287,883 to \$350,000 (n = 99).
- **Increased the number of microloans disbursed by 25 percent**  
The aggregate number of microloans disbursed increased from 5,074 to 6,338. The mean number of loans disbursed increased from 68 to 85. The median also increased from 18 to 30 (n = 75). The increase was likely due to both a growth in the overall number of traditional microloans and in the addition of loans between \$35,000 and \$50,000, since the U.S. Microenterprise Census definition of a microloan changed to follow the Small Business Administration policy.
- **Increased the dollar value of microloans disbursed by 23 percent**  
Aggregate disbursements increased from \$58.6 million to \$72.2 million. The mean dollar value of loans disbursed increased from \$750,938 to \$925,341. The median also increased from \$303,305 to \$391,843 (n = 78). The increase was likely due to both a growth in the overall number of traditional microloans and in the addition of loans between \$35,000 and \$50,000. However, the median average loan size increased only slightly from \$13,111 in 2008 to \$14,172 in 2010, indicating that, for most programs, microloans are still generally well under \$35,000.
- **Increased their outstanding microloan portfolios by 26 percent**  
The total outstanding microloan portfolio increased from \$69.8 million to \$88 million. The mean dollar value of microloans outstanding increased from \$1.03 million to \$1.3 million. The median increased from \$421,995 to \$829,308 (n = 68).

- **Increased their total microloan capital by 21 percent**

Aggregate capital increased from \$76.1 million to \$91.9 million. The mean capital available increased from \$1.5 million to \$1.8 million. The median increased from \$754,163 to \$913,413 (n =52). 44 of the programs that submitted data on microloans reported data that allowed for the calculation of the percent of their microloan capital deployed. In FY2008 programs had a 70 percent deployment rate, decreasing to 56 percent in FY2010.

### **Programs adjusted their offerings in response to the changing need for their services between FY2008 and FY2010:**

- **18 percent more programs offered loans over \$50,000** — increasing from 39 that offered small business loans in 2008 to 46 in 2010 (n=139)
- **4 percent more programs reported repayment information** on their borrowers to third parties or credit-rating agencies — up from 45 programs in 2008 to 47 in 2010 (n=89)
- **3 percent fewer programs were tracking the credit scores of their clients**—decreasing from 79 programs in 2008 to 77 in 2010 (n=94)
- **336 percent more programs offered credit-builder loans**, increasing from 14 in 2008 to 47 in 2010 (n=100)

### **Programs continued to focus on individuals from traditionally disadvantaged groups:**

- 62 percent of individuals served were women in 2008, decreasing 1 percentage point to 61 percent in 2010 (n=113)
- 55 percent of individuals served were from traditionally disadvantaged groups in 2008, increasing to 57 percent in 2010 (n=96)
- 45 percent of individuals served were below 150 percent of the Health and Human Services Federal Poverty Line in 2008 — rising to 54 percent in 2010 (n=50)

This data is taken from the U.S. Microenterprise Census, implemented by FIELD at the Aspen Institute through [www.microTracker.org](http://www.microTracker.org), a web portal to data on the U.S. microenterprise industry.

MicroTracker offers continuously updated statistics on the industry. For more current data as well as more in depth indicators of program performance and outcomes, please go to [microTracker](http://microTracker).

## Industry Size Estimates

FIELD used survey data to extrapolate estimates for the entire field of 762 microenterprise programs nationwide, 403 of which provide microlending.<sup>1</sup>

FIELD estimates that in FY2010:

- 762 microenterprise programs assisted:
  - 347,440 individuals;
- 403 microlenders:
  - made an estimated 17,623 microloans totaling \$164,555,021;
  - held an estimated \$241.6 million in outstanding microloans; and
  - held an estimated \$348.8 million in microloan capital pools.

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<sup>1</sup> To account for the 396 programs that did not respond to the survey, FIELD employed a traditional weighting class adjustment technique. Because of limited intake information, only two variables (the state where the program is located and whether the program offered microloans) are used to create the weighting cells. Programs in the weighting cells are assumed to be homogeneous. As this is a census and the base weights are one, final respondent weights are calculated by taking the inverse of the response rate within each cell. A weight of zero is assigned to non-respondents. FIELD used Internet and other research efforts to determine whether each of the non-responding programs engaged in microlending. Two programs were excluded from extrapolations and were attached a final weight of 1 because the programs' lending volumes make them true outliers. It is believed that other programs are not close to these organizations in terms of loan volume.