

U.S. Microenterprise Census Highlights, FY2012

Size of the field

Based on extrapolations from Census data, FIELD estimates that the U.S. microenterprise industry **served 329,538 individuals** and **disbursed 36,936 microloans** in 2012. The estimated total dollar value of microloans disbursed in 2012 was \$292,149,870. In addition, FIELD estimates that as of the end of fiscal year 2012, industry had:

- 45,744 outstanding microloans
- \$427,581,716 in microloans outstanding
- \$509,742,648 in capital available for microlending

These figures represent a decrease in individuals served from an estimated 361,460 individuals in 2011. Yet lending activity increased: the estimated number of loans disbursed grew by more than 49 percent, and the estimated dollar amount of outstanding microloans increased by more than 56 percent.

Figure 1: Growth in the number of loans disbursed (n=418)

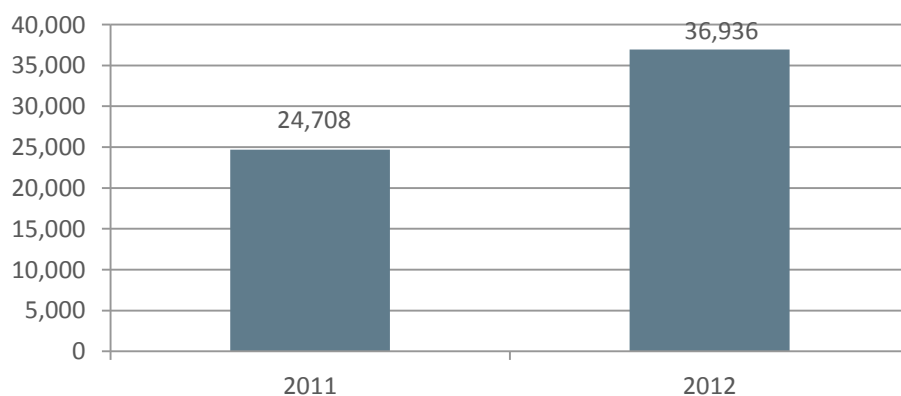
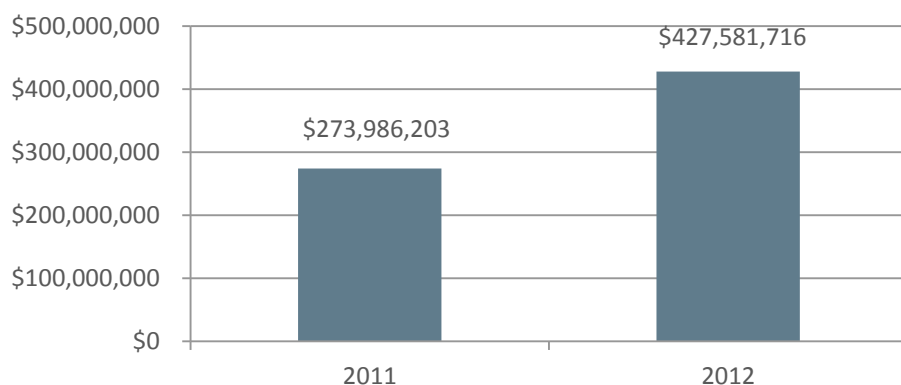


Figure 2: Growth in dollar amount of loans outstanding (n=418)



In addition to enabling the above extrapolations, the Census provides a precise count of people served in 2012 by the programs that responded to the survey.

Collectively, programs reporting data to the Census served:

- 115,799 individuals (178 programs reporting)
- 52,513 clients (168 programs reporting)
- 48,347 businesses (156 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
Median	230	100	80
Average (Mean)	650	312	309
Minimum	0	0	0
Maximum	12,619	12,619	12,619
Number reporting	178	168	156

Key terms

Individuals refer to people one who received any level of service from a microenterprise program in fiscal year 2012.

Clients are individuals who received a significant level of service during FY 2012. A “significant service” is one a program believes can be traced to a client’s business or personal outcome(s) after the client exits the program. 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 2011 and FY 2012 from organizations that reported on a specific data point for both years. The data are not estimates, but reflect actual changes from 2011 to 2012.

Findings from programs reporting to the Census for FY2011 and 2012 mirror the estimates for the industry in that the number and value of loans increased, while the number of individuals

assisted declined. Further analysis reveals differences in patterns across programs based on the types of services that were their primary focus – as training-focused programs reported smaller increases in operating budgets (8 percent) and larger decreases in individuals served (19 percent) than lending-focused programs (12 percent and 1 percent, respectively).

- ↓ Number of individuals assisted decreased by 7%, but
- ↑ Number of businesses assisted increased by 15%
- ↑ Number of microloans disbursed increased by 54%
- ↑ Value of microloans disbursed increased by 34%
- ↑ Number of microloans outstanding increased by 47%
- ↑ Value of microloans outstanding increased by 7%
- ↑ Microenterprise programs' operating income increased by 11%, and
- ↑ Program expenses increased by 13%

Table 2: Change in service volume

	Individuals served	Businesses served
2011	94,522	32,637
2012	87,675	37,427
% Change	-7%	15%
Number reporting	92	79

Table 3: Change in lending volume

	# Microloans disbursed	\$ Microloans disbursed	# Microloans outstanding	\$ Microloans outstanding
2011	15,273	\$78,904,883	14,108	\$108,935,829
2012	23,477	\$105,538,337	20,682	\$116,096,119
% Change	54%	34%	47%	7%
Number reporting	64	63	56	54

Table 4: Change in program budgets

	Total operating income	Total operating expenses
2011	\$63,975,459	\$56,814,380
2012	\$71,055,827	\$64,251,167
% Change	11%	13%
Number Reporting	52	56

Costs and efficiency

Costs

- Median total program expenses were \$276,288. However, mean program expenses were \$668,196, as there are a few programs that are significantly larger.
- In 2012, the median cost per individual served was \$1,200.
- The median cost per client (with clients defined as individuals who received a significant service) was \$3,148.

Key terms

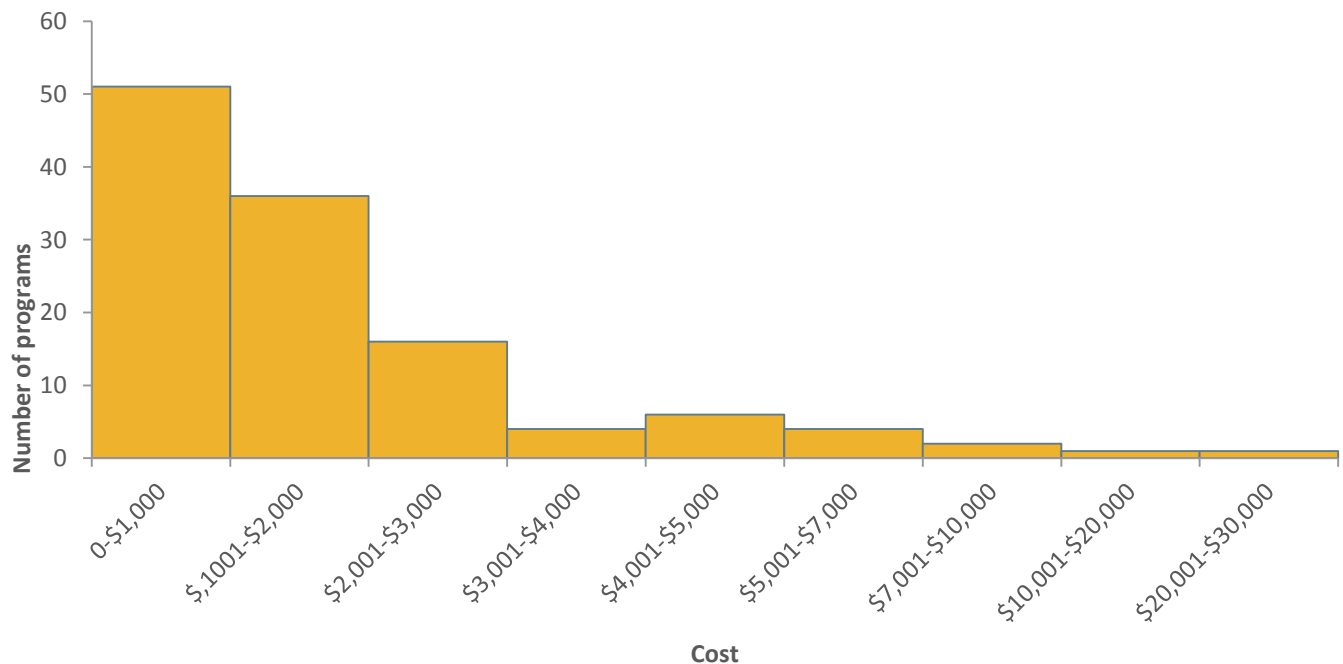
Cost per individual is calculated by dividing the total microenterprise program operating costs by the total number of individuals assisted during the fiscal year.

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.

Table 5: Costs to serve individuals and clients

	Cost per individual	Cost per client
Median	\$1,200	\$3,148
Average (Mean)	\$1,971	\$4,534
Minimum	\$9	\$44
Maximum	\$28,351	\$32,730
Number reporting	121	111

Figure 3: Cost per individual served (n=121)



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 served a median of 72 individuals per FTE, and 91 individuals per direct service provider (DSP). They disbursed a median of 12 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 capacity and efficiency. Figure 4 shows the distribution of the number of individuals served by direct service provider and Figure 5 shows the distribution of microloans outstanding per FTE loan officer.

Figure 4: Individuals per DSP (n=112)

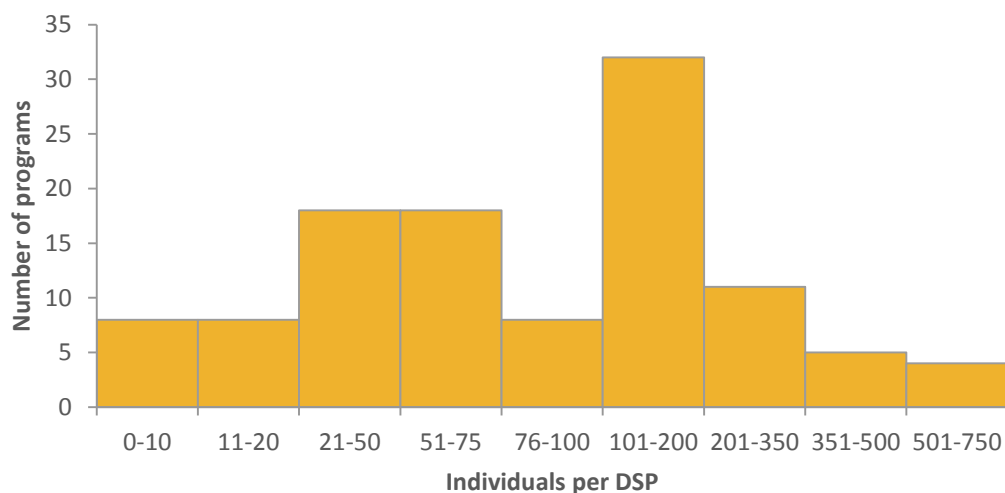


Table 6: Program efficiency				
	Individuals per FTE	Clients per FTE	Individuals per DSP	Clients per DSP
Median	72	29	91	35
Average (Mean)	113	51	129	55
Minimum	1	1	1	1
Maximum	932	480	644	401
Number reporting	149	143	112	107

Figure 5: Microloans outstanding per FTE loan officer (n=99)

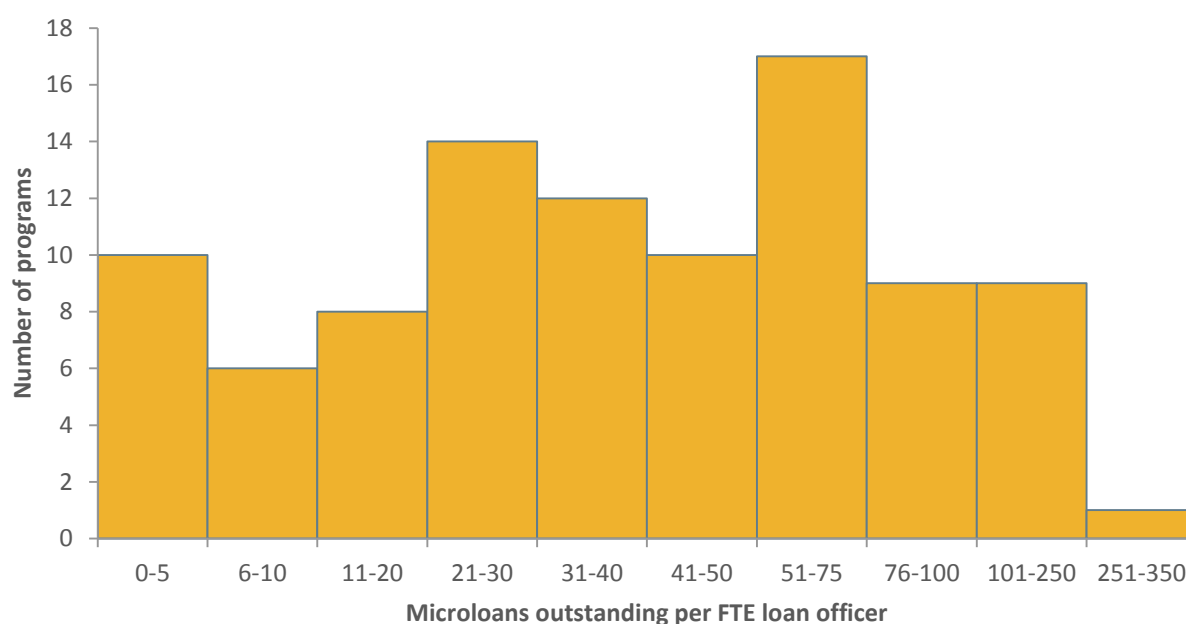
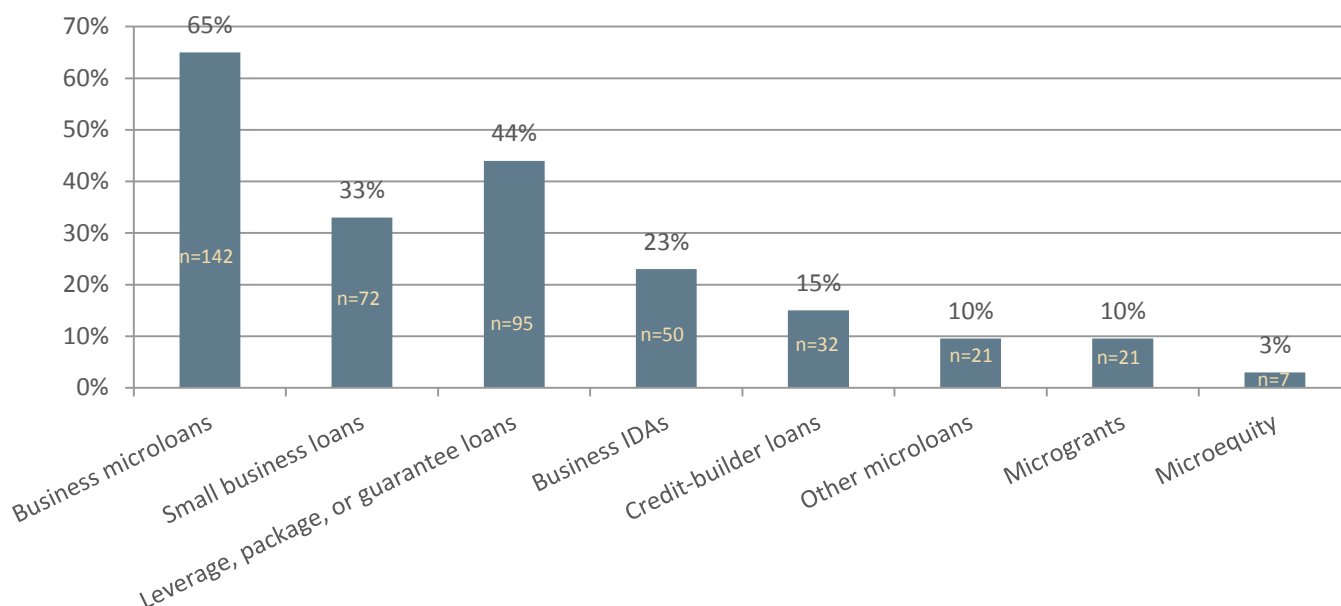


Table 7: Lending program efficiency		
	Loans disbursed per FTE loan officer	Loans outstanding per FTE loan officer
Median	12	38
Average (Mean)	23	51
Minimum	0.4	0.4
Maximum	257	334
Number reporting	104	99

Microfinancing

Sixty-five 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:

- 55 percent of microloan capital was deployed — or outstanding as loans to borrowers.
- 7.9 percent of all outstanding microloans had been restructured.
- 6.3 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.
- 6.9 percent of all outstanding microloan dollars were written off in FY 2012.
- 39 percent of microloan dollars outstanding were made to start-up businesses.

Key terms

Deployment rate: Total dollar value of microloans outstanding at year-end 2012, divided by total microloan capital. This measure gives a sense of how much capital is “on the street.”

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.

Programs responding to the U.S. Microenterprise Census reported the following lending activity in 2012:

- 24,607 microloans disbursed (n=122)
- \$123.5 million in microloans disbursed (n=120)

[Learn more](#) about comparing your microlending to the industry and your peers.

Table 8: Microloans disbursed and outstanding in FY 2012

	# Microloans disbursed	\$ Microloans disbursed	# Microloans outstanding	\$ Microloans outstanding	Average size of microloans disbursed
Median	16	\$209,890	46	\$434,987	\$15,000
Mean (Average)	201	\$1,029,243	206	\$1,319,071	\$16,601
Minimum	0	\$0	0	\$0	\$808
Maximum	17,500	\$34,479,000	10,300	\$18,139,229	\$46,875
Number reporting	122	120	112	112	116

Table 9: Microloan portfolio performance

	Deployment rate	% Restructured	% Outstanding to start-ups	Total portfolio at risk %	Loan loss rate
Median	55%	8%	39%	6%	7%
Mean (Average)	56%	15%	43%	12%	11%
Minimum	6%	0%	2%	0%	0%
Maximum	100%	100%	100%	100%	100%
Number reporting	82	52	53	86	47

Entrepreneur characteristics

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

In 2012, of the entrepreneurs assisted by microenterprise programs reporting to the Census:

- 61 percent were women (n=65,965).
- 65 percent were people of color or members of traditionally disadvantaged racial or ethnic groups (n=65,854).
- 4 percent had a physical or mental disability (n=30,688).
- 4 percent were veterans (n=41,745).
- 51 percent of individuals were already operating a business when they came to a program for assistance (n=50,110).
- Of those already in business, 23 percent were start-ups, meaning that their businesses were less than one year old (n=25,738).

Figure 7: Race/ethnicity of entrepreneurs (n=65,854)

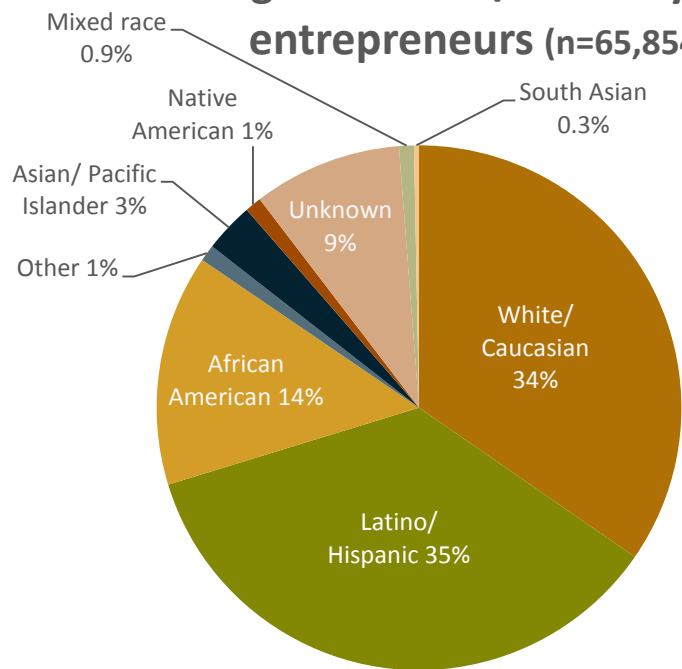


Figure 8: Business status at intake (n=50,110)

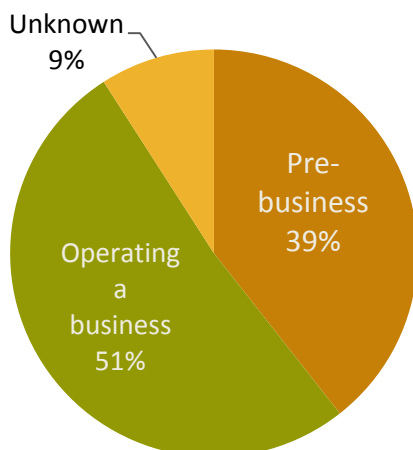
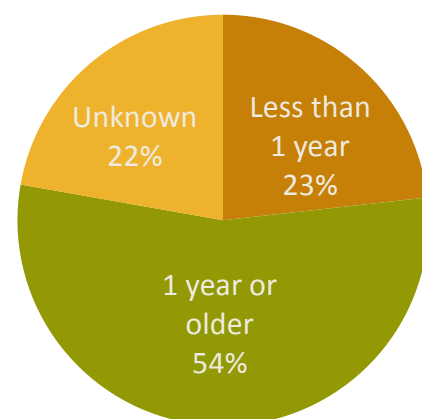


Figure 9: Business age at intake (n=25,738)



Percentages do not add to 100% due to rounding.

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 47 percent (number of programs reporting=39).
- The median percentage of clients with household incomes at or below 80 percent of the HUD median income for their location was 69 percent (number of programs reporting =81).

Table 10: Low-income status of entrepreneurs

	At or below 100% HHS	At or below 150% HHS	At or below 80% HUD	Receiving TANF
Median	34%	47%	69%	3%
Mean (Average)	41%	51%	67%	8%
Minimum	0%	0%	0%	0%
Maximum	100%	100%	100%	42%
Number reporting	43	39	81	18

Program sustainability

Cost recovery

- In 2012, microenterprise programs reporting to the Census achieved a median total program cost recovery of 14 percent (mean of 18 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 25 percent. (The industry percent is calculated by totaling earned revenues across all reporting programs and dividing it by total expenses across all organizations.)
- The median total cost recovery for microenterprise training programs was five percent.

Table 11: Financial sustainability

	Total expenses	Total income	Total program cost recovery	Training program cost recovery
Industry percent			25%	8%
Median	\$276,288	\$280,341	14%	5%
Average (Mean)	668,196	\$799,106	18%	10%
Minimum	0	\$0	0%	0%
Maximum	\$11,244,897	\$11,517,372	65%	44%
Number reporting	129	123	76	18

Program revenues

- FIELD's Census data shows that the median operating income for programs in FY 2012 was \$280,341. However, there was in fact substantial variation in income within the industry – average income was almost \$800,000, and the largest income figure reported was more than \$11.5 million.
- Private philanthropic funding and federal grants and contracts were the main sources of revenues for microenterprise development programs in 2012, accounting for 54 percent of revenues across all reporting programs.
- In 2012, 24 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.

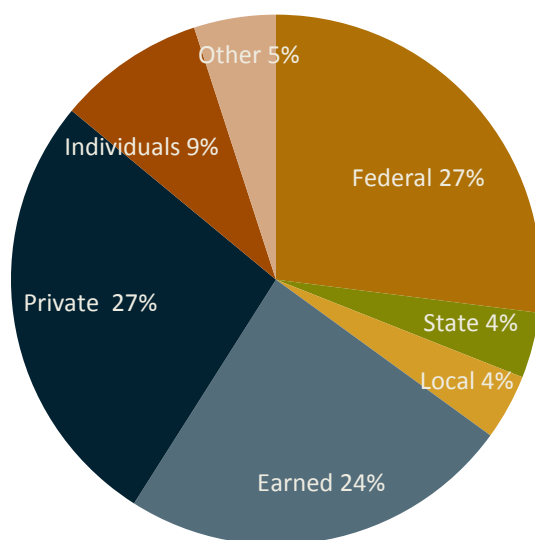
Key terms

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=75)



Program characteristics

73 percent of MDOs have five or fewer full-time equivalent employees (n=165).

Table 12: Staff size

	# of FTE	# of DSP	# of FTE loan officers
Median	3	2.5	1
Average (Mean)	6	5	3
Minimum	0	0	0
Maximum	97	71	68
Number reporting	165	125	117

Figure 11: Staff size- Number of total FTE (n=165)

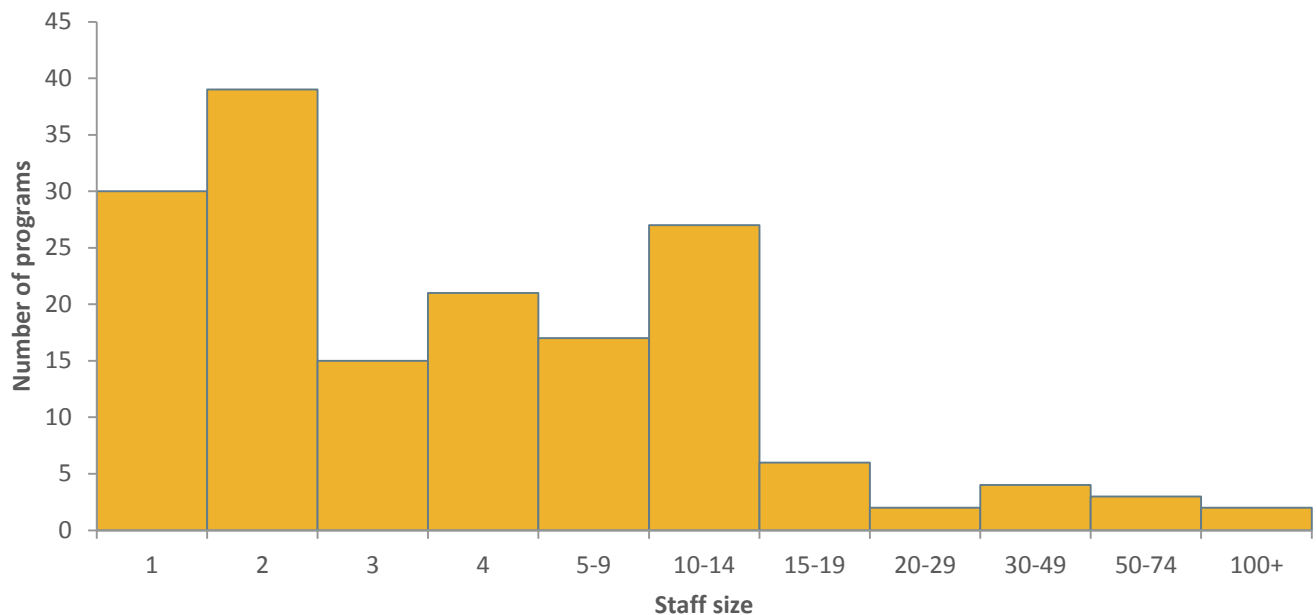
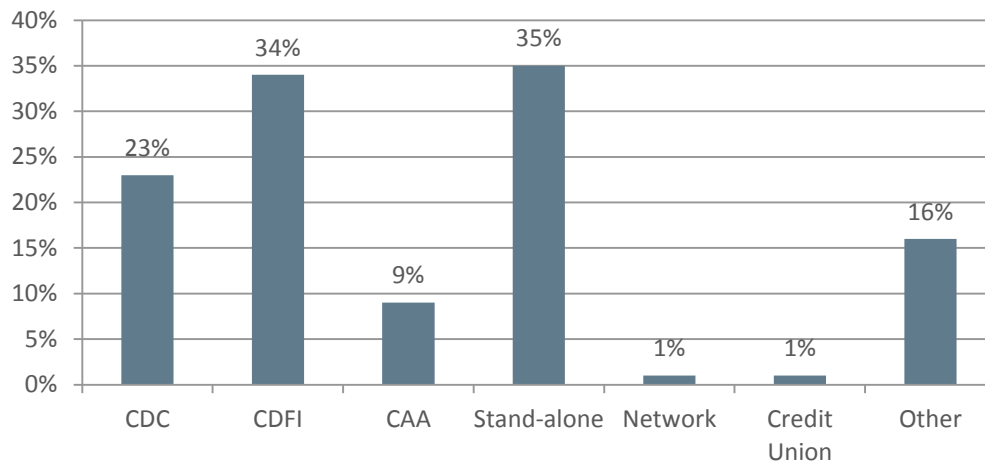
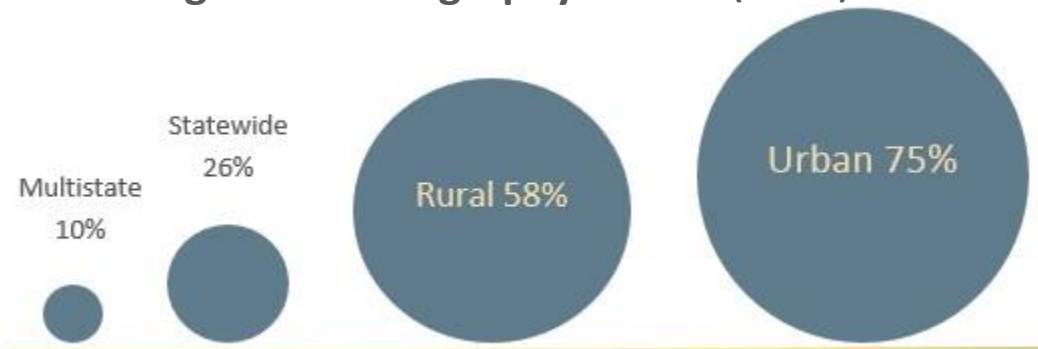


Figure 12: Organization type (n=216)



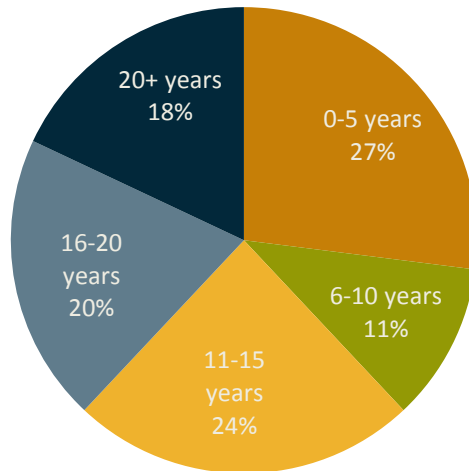
- MDOs reporting to the survey most often were operating as stand-alone microenterprise organizations, or as part of a Community Development Financial Institution (or sometimes both). Almost one-quarter of organizations identified themselves as community development corporations (CDCs)(n=216).
- 75 percent of reporting MDOs serve urban markets and 58 percent serve rural markets (n=216).

Figure 13: Geography served (n=216)



- 42 percent of responding MDOs had a primary focus on lending and 57 percent focused primarily on providing on business development services (n=216).

Figure 14: Program age
(n=211)



- Although 62 percent of programs were 10 years old, more than one quarter (27 percent) were five or fewer years old (n=211).

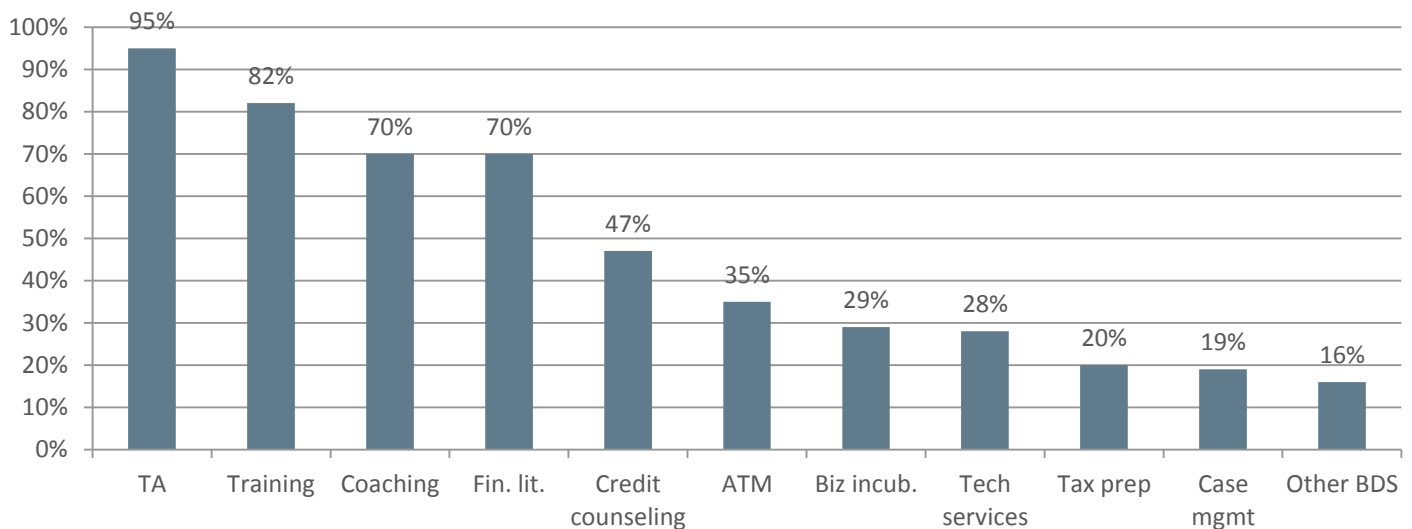
Business development services

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-eight percent of microenterprise programs offer some type of BDS, indicating that they find it an integral part of helping entrepreneurs succeed.

- 85 percent of individuals assisted by microenterprise programs received BDS (n=111,875).
- 46 percent of all individuals received one-on-one technical assistance.
- 57.5 percent of all individuals participated in group training.
- Programs provided a median of 5.5 hours of technical assistance per individual.

[Learn how to compare your BDS to others.](#)

Figure 15: 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 2013, FIELD identified 799 microenterprise programs that provide loans, training, technical assistance and other microenterprise services directly to microentrepreneurs.

During the summer and fall of 2013, 217 microenterprise programs (27 percent of those identified by FIELD) completed a survey detailing information on their products and services, individuals served and organizational size in fiscal year 2012. FIELD staff clean and analyze the data. The Census highlights are drawn from these 217 detailed survey responses. Except for the overall program count of 799, 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

Data from the U.S. Microenterprise Census is 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 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 vs. training-focused programs, or to compare portfolio quality to peer groups based on geography, organization type, scale, and much more.

MicroTracker also houses FIELD's client outcomes data. FIELD's Client Outcomes Survey is a standardized outcomes process used by 25-30 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 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 market their work and 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](#).