

## MicroTracker Measures and Definitions

### Microenterprise Program Metrics: Collected via the U.S. Microenterprise Census

#### Program services:

##### MICROENTERPRISE PROGRAMS\*

Programs that provide microloans, business development services, or both, directly to microentrepreneurs.

##### MICROLOANS\*

Loans of \$50,000 or less made to an individual or business for the purpose of starting or expanding a business.

##### BUSINESS DEVELOPMENT SERVICES\*

A wide array of non-financial services designed to help entrepreneurs start and grow their businesses. These services include business training and technical assistance (TA), access to markets services (ATM), technology services, credit and tax services, and others.

#### Program methodology:

##### TRAINING/TECHNICAL ASSISTANCE-LED\*

Microenterprise programs that have a primary focus on providing business development services to help people start or grow businesses. Training and TA-led programs may provide microfinancing, but their primary focus is providing business development services.

##### FINANCING/CREDIT-LED\*

Microenterprise programs that have a primary focus on providing microfinancing to help people start or grow businesses. Financing-led programs may provide business development services, but their primary focus is on lending.

#### Organizational type:

##### COMMUNITY ECONOMIC DEVELOPMENT ORGANIZATION\*

A microenterprise program that is part of a larger community or economic development organization such as a community development corporation (CDC), economic development corporation, housing agency, rural development organization, or chamber of commerce.

##### LENDING ORGANIZATION\*

A microenterprise program that is part of a larger financial organization such as a community development financial institution (CDFI), community development loan fund, credit union or bank that offers a range of financial products including microenterprise loans.

##### STAND-ALONE MICROENTERPRISE ORGANIZATION\*

A microenterprise organization that only provides microenterprise (and possibly also small-business) products and services, but is not otherwise part of a larger organization.

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### HUMAN SERVICE ORGANIZATION\*

A microenterprise program that is part of a human service organization such as a community action agency, education or training agency, college or university, or social services agency.

#### Staff size:

### NUMBER OF MICROENTERPRISE PROGRAM PAID FTE STAFF\*

The number of paid full-time equivalent (FTE) staff dedicated to the microenterprise program during the fiscal year. Full-time status is defined according to the responding organization's human resources and personnel policies.

### NUMBER OF MICROENTERPRISE PROGRAM PAID FTE DIRECT-SERVICE STAFF\*

Direct-service staff are those directly providing services to clients, such as loan officers, business consultants, trainers, and other advisors.

## Entrepreneur and Business Volume, Cost, and Efficiency Measures

### INDIVIDUAL\*

An individual is anyone who received any level of service from a microenterprise program in the specified fiscal year. Because an individual is someone who received any level of service, this measure also includes individuals who meet the higher threshold of being counted as a client.

### CLIENT\*

Individuals who received a significant level of service during a specified fiscal year. A "significant service" is one a program believes is expected to result in a tangible, measurable change in 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 with the program during the fiscal year; and/or,
- Received a significant number of hours of business development services (training, technical assistance, coaching, etc.) from the program during the fiscal year (a common rule of thumb is ten hours of service during the fiscal year).

### ASSISTED BUSINESSES\*

FIELD defines an individual as having or being "in" business when he or she has made sales or taken steps to formalize. When reporting the number of businesses served in the fiscal year, programs should count individuals who had businesses when they first came to the program, as well as those individuals who started a business during the fiscal year. A program's number of businesses assisted will likely differ from its number of individuals assisted if the program assisted individuals during the fiscal year who had not yet started a business by the end of the fiscal year. If a program worked with two or more individuals who jointly operated a business, the business should be counted once. However, if an individual operated more than one business, each of the businesses receiving assistance should be counted.

## MicroTracker Measures and Definitions

### COST PER INDIVIDUAL<sup>†</sup>

This measure represents the average cost of assisting an individual in the fiscal year. It is calculated by dividing the total microenterprise program operating expenses by the total number of individuals assisted during the course of the fiscal year. As individuals include anyone assisted by the microenterprise program over the course of the year, typically the cost per individual is lower than the cost per client or cost per assisted business.

### COST PER CLIENT<sup>†</sup>

This measure represents the average cost of assisting a client in the fiscal year. It is calculated by dividing the total microenterprise program operating expenses by the total number of clients assisted during the course of the fiscal year.

### COST PER ASSISTED BUSINESS<sup>†</sup>

This measure represents the average cost of assisting a business during the fiscal year. It is determined by dividing the total microenterprise program operating expenses by the number of businesses assisted during the year. This cost is usually higher than the cost per client, because many programs typically assist some clients who are not yet operating a business.

### INDIVIDUALS/CLIENTS PER FTE<sup>†</sup>

The number of individuals, and the number of clients, divided by the number of microenterprise program full-time equivalent (FTE) staff. These metrics provide a measure of the efficiency of the microenterprise program.

### INDIVIDUALS/CLIENTS PER DSP<sup>†</sup>

The number of individuals, and the number of clients supported by each direct service provider (DSP). DSP are staff who interact directly with entrepreneurs. These metrics provide information on the caseload being managed by entrepreneur-facing staff.

## Entrepreneur Characteristics

Programs choose whether to report demographic, income, and business status data on all individuals assisted or on the subset of their clients who received significant services.

### GENDER\*

Number/percent of individuals or clients assisted who are female, male or unknown.

### RACIAL AND ETHNIC CATEGORY, MINORITY/NON-MINORITY\*

Number/percent of individuals or clients assisted identified as Mixed-Race, African-American/African-Born; Latino/Hispanic; Native American/Alaska Native, Asian/Pacific Islander, South Asian, or other racial or ethnic minority.

### VETERAN STATUS\*

Number/percent of individuals or clients assisted who served at least one day in the active military, naval or air service, and who were discharged or released under conditions other than dishonorable.

## MicroTracker Measures and Definitions

### ABILITY STATUS\*

Number/percent of individuals or clients assisted who have a physical or mental impairment that substantially limits one or more major life activities, such as seeing, hearing, speaking, walking, breathing, performing manual tasks, learning, caring for oneself and working. An individual with epilepsy, paralysis, HIV infection, AIDS, a substantial hearing or visual impairment, mental retardation, or a specific learning disability would also be considered to have a “disability.” An individual with a minor, non-chronic condition of short duration, such as a sprain, broken limb, or the flu, generally would not have a “disability.”

### Low-Income Status at Intake

#### LOW-INCOME CLIENTS BASED ON 100% OF HHS POVERTY GUIDELINES\*

Number/percent of individuals or clients assisted whose household income at the time of intake into the microenterprise program places them at or below the national poverty line for the specified year as determined by the Department of Health and Human Services. Household income is based on the number of people in the household who share income and expenses.

#### LOW-INCOME CLIENTS BASED ON 150% OF HHS POVERTY GUIDELINES\*

Number/percent of individuals or clients assisted whose household income at the time of intake into the microenterprise program places them at or below 150% of the national poverty line for the specified year as determined by the Department of Health and Human Services. Household income is based on the number of people in the household who share income and expenses.

#### LOW-INCOME CLIENTS BASED ON HUD GUIDELINES\*

Number/percent of individuals or clients assisted whose household income at intake was at or below 80% of the median income for households of the same size in the metropolitan statistical area (MSA) in which the microenterprise program operates, as determined by the U.S. Department of Housing and Urban Development for that particular year.

### Business Status

#### NOT OPERATING A BUSINESS\*

Number/percent of individuals or clients assisted who did not have any type of business in operation at the time of intake into the program.

#### OPERATING A BUSINESS LESS THAN ONE YEAR\*

Number/percent of individuals or clients assisted whose business had been in operation fewer than twelve months at the time of intake into the program.

#### OPERATING A BUSINESS MORE THAN ONE YEAR\*

Number/percent of individuals or clients assisted whose business had been in operation 12 months or more at the time of intake into the program.

## MicroTracker Measures and Definitions

### Business Development Services Volume, Performance, Efficiency and Cost Measures

#### PARTICIPATING IN BUSINESS DEVELOPMENT SERVICES\*

Number/percent of individuals who participated in business development services at some point during the course of the fiscal year.

#### PARTICIPATING IN TRAINING\*

The number/percent of unique individuals who participated during the fiscal year in curricula delivered to business owners or potential entrepreneurs in a classroom or group setting.

#### PARTICIPATING IN TRAINING WITH COMPLETION REQUIREMENT\*

The number/percent of unique individuals who participated during the fiscal year in curricula with a graduation or completion requirement delivered to business owners or potential entrepreneurs in a classroom or group setting.

#### COMPLETING TRAINING WITH COMPLETION REQUIREMENT\*

The number/percent of unique individuals who completed curricula with a graduation or completion requirement delivered to business owners or potential entrepreneurs in a classroom or group setting.

#### TRAINING COMPLETION RATE<sup>†</sup>

Percent of unique individuals who completed a training course with a completion requirement, divided by the number of clients who enrolled or were participating in training courses with completion requirement.

#### PARTICIPATING IN TECHNICAL ASSISTANCE (TA)\*

The number/percent of unique individuals who participated in technical assistance (TA), any individualized or one-on-one consulting, counseling, mentoring or facilitation related to business development or personal development of an entrepreneur.

#### WORKED ON FORMAL BUSINESS PLANS\*

The number of unique individuals who worked on formal business plans with the assistance of the microenterprise program.

A formal business plan is a document that describes the business' products/services, operations, marketing strategies, and financial status and plan that is ready for use for raising capital and guiding business development with a broader audience: customers, partners, investors, or the public.

#### COMPLETED FORMAL BUSINESS PLANS\*

The number of unique individuals who completed formal business plans with the assistance of the microenterprise program.

## MicroTracker Measures and Definitions

### FORMAL BUSINESS PLAN COMPLETION RATE<sup>†</sup>

This is the number of clients who completed a formal business plan during the fiscal year as part of a training curriculum divided by the number of clients who intended to complete a formal business plan.

### WORKED ON INFORMAL BUSINESS PLANS\*

The number of unique individuals who worked on informal business plans with the assistance of the microenterprise program.

As opposed to formal business plans which are ready and intended to be used with external audiences, informal business plans are typically worksheets or assignments clients complete during or after workshops, classes or one-on-one technical assistance sections that service providers review and record.

### COMPLETED FORMAL BUSINESS PLANS\*

The number of unique individuals who completed informal business plans with the assistance of the microenterprise program.

### INFORMAL BUSINESS PLAN COMPLETION RATE<sup>†</sup>

This is the number of clients who completed an informal business plan during the fiscal year divided by the number of clients who participated in services with the intent of completing an informal business plan.

### BDS COST RECOVERY<sup>†</sup>

This measure represents the extent to which a microenterprise program is able to cover the costs of its training and technical assistance program with internally generated income. It is calculated by dividing income generated from training fees and other fees directly related to the training program (workshop fees, income from sales of training materials) by the total operating expenses of the training program.

## Microfinance Volume, Performance, Efficiency and Cost Measures

### NUMBER AND DOLLAR VALUE OF BUSINESS MICROLOANS DISBURSED\*

The number and dollar value of all microloans loans for business purposes disbursed from an organization's loan fund during the fiscal year. Microloans are defined as loans of \$50,000 or less.

### AVERAGE MICROLOAN<sup>†</sup>

The dollar value of all microloans disbursed during the fiscal year divided by the number of microloans disbursed during the fiscal year.

### COST PER LOAN<sup>†</sup>

The total operating costs of the microfinancing program divided by the number of microloans disbursed during the fiscal year.

## MicroTracker Measures and Definitions

### NUMBER AND DOLLAR VALUE OF BUSINESS MICROLOANS OUTSTANDING\*

The number and dollar amount of microloans for which principal was outstanding as of the last day of the fiscal year. These loans may have originated during the fiscal year or in a previous year. Includes loans that have been modified, but not those that have been charged off.

### OPERATIONAL COST RATE<sup>†</sup>

This metric represents the cost to make and manage each dollar outstanding in the microloan portfolio. It is calculated by dividing the total operating costs of the lending program by the average dollar value of microloans outstanding during the fiscal year.

### NUMBER AND DOLLAR VALUE OF OTHER MICROLOANS DISBURSED\*

Includes all microloans loans for non-business purposes (such as credit-builder loans, citizenship loans, energy loans, consumer loans, etc.) disbursed from an organization's loan fund during the fiscal year. Microloans are defined as loans of \$50,000 or less.

### NUMBER AND DOLLAR VALUE OF OTHER MICROLOANS OUTSTANDING\*

The number and dollar amount of microloans for non-business purposes for which principal was outstanding as of the last day of the FY. These loans may have originated during the fiscal year or in a previous year. Includes loans that have been modified, but not those that have been charged off.

### TOTAL CAPITAL AVAILABLE FOR MICROLENDING\*

The total dollar value of capital available to be lent from a program's microloan fund. Includes the dollar amount of microloans outstanding on the last day of the fiscal year and the dollar amount of microloan capital that was not lent out on the last day of the fiscal year.

### DEPLOYMENT RATE<sup>†</sup>

Total outstanding microloan dollars at year-end, divided by total microloan capital.

### NUMBER OF FULL-TIME EQUIVALENT (FTE) MICROLOAN OFFICERS\*

The number of full-time equivalent loan officers focused on a program's microfinance portfolio. Part-time loan officers, or those that split their time across microfinance and other lending portfolios should be aggregated into a full-time equivalent number.

### MICROLOANS DISBURSED PER FTE LOAN OFFICER<sup>†</sup>

Calculated by dividing the total number of business microloans disbursed by the number of FTE microloan officers.

### MICROLOANS OUTSTANDING PER FTE LOAN OFFICER<sup>†</sup>

Calculated by dividing the total number of business microloans outstanding on the last day of the fiscal year by the number of FTE microloan officers.

## MicroTracker Measures and Definitions

### DOLLAR AMOUNT OF MICROLOANS OUTSTANDING TO BUSINESSES LESS THAN A YEAR OLD\*

The dollar amount of microloans outstanding on the last day of the fiscal year to businesses that were less than one year old at the time the loan was disbursed.

### PERCENT OUTSTANDING TO START-UPS<sup>†</sup>

The dollar amount of microloans outstanding to businesses less than one year old at the time of loan disbursement, divided by total microloan dollars outstanding.

### MODIFIED LOANS\*

The number of modified loans that were in the organization's loan portfolio as of the last day of the fiscal year. Modified loans are those that have had their terms adjusted in response to difficulties a borrower has experienced in meeting his or her repayment obligations to the program. Does not include microloans "refinanced" because a client's business is doing well.

### MODIFIED LOAN RATE<sup>†</sup>

This metric is calculated by dividing the dollar amount of outstanding microloans that have been modified (i.e., the terms of the loan had been adjusted in response to difficulties a borrower experienced in meeting his or her obligations), by the total microloan dollars outstanding as of the last day of the fiscal year. The modified loan rate is a measure of portfolio risk.

### MICROLOANS CHARGED OFF\*

The total amount of microloans declared non-recoverable (net of any recoveries) during the fiscal year.

### LOAN LOSS RATE<sup>†</sup>

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

### NUMBER/DOLLAR OF MICROLOANS PAST DUE\*

The dollar amount of principal outstanding on all loans with payments past due in the following categories: 31-60 days, 61-90 days, 91-120 days, and 121+ days.

### TOTAL PORTFOLIO AT RISK (PAR) %<sup>†</sup>

The total dollar amount of principal outstanding on all microloans with a payment 31 days or more past due as of the last day of the organization's fiscal year, divided by total microloan dollars outstanding on the last day of the organization's fiscal year.

### LENDING PROGRAM OPERATIONAL SELF-SUFFICIENCY<sup>†</sup>

This measure represents a lending program's ability to cover the operational and financial costs of its microfinancing program with internally generated income. It is calculated by dividing the financial income derived from the microloan fund (including interest payments and loan fees) by the sum of the microfinancing program's operating costs and financial expenses.



## MicroTracker Measures and Definitions

### Individual Development Account (IDA) Volume Measures

#### NUMBER OF BUSINESS IDA ACCOUNTS\*

Number of IDA accounts intended to be used to start or expand a business that was open at some point during the fiscal year.

#### DOLLAR AMOUNT CONTRIBUTED TO BUSINESS IDA ACCOUNTS\*

Includes the dollar amount contributed by individuals to IDA accounts intended to start or expand a business during the fiscal year.

#### DOLLAR AMOUNT MATCHED IN BUSINESS IDA ACCOUNTS\*

Includes the dollar amount matched by the program in IDA accounts intended to start or expand a business during the fiscal year.

### Leveraged, Packaged, and Guaranteed Loan Volume Measures<sup>‡</sup>

Leveraged, packaged or guaranteed loans are business loans that a program was instrumental in securing for entrepreneurs from a bank or other source of credit.

- Loans leveraged: Loans made by another financial institution in conjunction with a direct loan made by a microenterprise organization, where the microenterprise organization's loan was part of a larger, multi-lender financing strategy.
- Loans packaged: Loans made by another financial institution to a client of a microenterprise program as a result of the microenterprise program's assistance in finding a qualified borrower and assistance in the preparation of the loan application.
- Loans guaranteed: Loans where the repayment of the loan made by another financial institution is guaranteed by the microenterprise program, and the microenterprise program carries an appropriately funded loan loss reserve.

#### NUMBER AND DOLLAR VALUE OF MICROLOANS LEVERAGED, PACKAGED, OR GUARANTEED\*<sup>‡</sup>

The number and dollar amount of microloans (\$50,000 or less) a microenterprise program helped clients secure from a bank or other credit provider during the fiscal year.

#### NUMBER AND DOLLAR VALUE OF SMALL BUSINESS LEVERAGED, PACKAGED, OR GUARANTEED\*<sup>‡</sup>

The number and dollar amount of small business loans (loans larger than \$50,000) a microenterprise program helped clients secure from a bank or other credit provider during the fiscal year.

## MicroTracker Measures and Definitions

### Small Business Finance Volume Measures

#### NUMBER AND DOLLAR VALUE OF SMALL BUSINESS LOANS DISBURSED\*

Includes all loans for business purposes disbursed from an organization's loan fund during the fiscal year. Small business loans are defined as loans larger than \$50,000.

#### DOLLAR VALUE OF SMALL BUSINESS LOANS OUTSTANDING\*

The dollar amount of small business loans for which principal was outstanding as of the last day of the organization's fiscal year. These loans may have originated during the fiscal year or in a previous year. Includes loans that have been modified, but not those that have been charged off.

#### TOTAL CAPITAL AVAILABLE FOR SMALL BUSINESS LENDING\*

The total dollar value of capital available to an organization's small business loan fund. Includes the dollar amount of small business loans outstanding on the last day of the fiscal year and the dollar amount of small business capital that was not lent out on the last day of the fiscal year.

### Time Spent on Financing versus Business Development Services<sup>‡</sup>

Allocating the time an organization spends on microfinancing versus business development services allows microfinance cost measures to be generated. Average time spent per month for each direct service staff person is collected in four primary categories.

#### CREDIT FUNCTIONS\*\*<sup>‡</sup>

Includes orientation and training for credit application/peer group formation as well as training related to credit functions; loan packaging; review and analysis; loan closing; approval and disbursement; verification; loan repayment, monitoring and collections.

#### CREDIT-RELATED TECHNICAL ASSISTANCE\*\*<sup>‡</sup>

One-to-one business plan development requirement for loan packaging; outreach/referral to banks and other lenders; loan guarantee; delinquency monitoring including cash flow and business plan assistance; and personal credit counseling associated with microloan.

#### BUSINESS DEVELOPMENT TRAINING\*\*<sup>‡</sup>

All business plan and management training; outreach/referral to TA partners; curricula development; and networking and peer support facilitation.

#### BUSINESS DEVELOPMENT TECHNICAL ASSISTANCE\*\*<sup>‡</sup>

All one-to-one consulting other than that delivered in relation to loan application, processing, or delinquency; audits; and site visits.

## MicroTracker Measures and Definitions

### Financial Sustainability

#### TOTAL MICROENTERPRISE PROGRAM OPERATING EXPENSES\*

The total costs to operate the microenterprise program for the fiscal year. Expenses are grouped into four categories: salaries and benefits, other operating expenses, interest on borrowed funds, and change in provision for loan losses.

#### TOTAL MICROENTERPRISE PROGRAM OPERATING INCOME\*

The total operating income recognized by the microenterprise program during the fiscal year. Income is reported in detailed source categories, as noted below.

#### PRIVATE FUNDING\*

Includes money from private foundations and individual contributions.

#### FEDERAL FUNDING\*

Includes community development block grant money, as well as funding from other Federal programs such as the CDFI fund and SBA microloan program.

#### STATE FUNDING\*

Any income that originates from the state government.

#### LOCAL FUNDING\*

Any income that originates from a local government.

#### EARNED INCOME\*

- **Interest payments on portfolio** includes interest earned during the fiscal year on microloans outstanding.
- **Fees on loans** includes all fees received during the fiscal year for originating and managing microloans, and includes any late fees.
- **Interest on bank deposits** includes income generated on microloan funds that are invested while not deployed in client loans.
- **Client fees** includes income generated from client payments for non-lending activities such as workshops, seminars, consulting services, and other technical assistance.
- **Income from training materials sales** is income generated from the sale of materials either directly to clients (if this fee is charged separately from workshop registrations) as well as to others.
- **Other BDS Income** is income generated from business development services such as: membership fees to participate in a network, revenue from a crafts shop or other marketing ventures.
- **Other earned income** includes any other income that does not fit under BDS or loan income.
- **Net income from non-program services** is the profit generated from services such as consulting, conferences, training to other non-profits, and special events that are not directly related to a microenterprise program, but which provide income that supports the microenterprise program. Only net income is included (income minus the expenses incurred to offer these services).

## MicroTracker Measures and Definitions

### OTHER INCOME\*

Includes income generated from investments of idle cash not related to the loan fund and any other income that does not fit in existing categories. In addition to collecting information regarding the source of income, there are metrics related to the type of income – grant or contract.

### GRANT INCOME\*

Grant income is funding received in the form of a grant to cover the operating costs of the microenterprise program.

### CONTRACT INCOME\*

Contract income is any revenue provided by an institutional customer that is paying for specified services (or for specified outcomes). Examples may include payments for delivering training or technical assistance to a specified number of clients meeting pre-determined criteria (such as TANF recipients), or for producing a minimum number of business start-ups or other outcomes. This revenue is often obtained by the organization on a reimbursement basis.

### EARNED INCOME AS A PERCENT OF OPERATING EXPENSES<sup>†</sup>

This measure reflects the microenterprise program's ability to cover its total costs with income derived solely from its services to program clients. It is calculated by dividing the income generated from clients from both lending and training and technical assistance services by the total costs of operating the microenterprise program.

### OPERATING INCOME SOURCES<sup>†</sup>

Indicates the percent of the microenterprise operating income coming from various sources. It is calculated by dividing the total income for the specified source by the total microenterprise operating income.

### PERCENT EARNED INCOME<sup>†</sup>

This measure reflects the extent to which program income is derived from earned income sources (directly from program clients). It is calculated by dividing total earned income by the total income of the microenterprise program.

### PERCENT PRIVATE FUNDING<sup>†</sup>

This measure reflects the degree to which program income or funding is derived from private sector (non-government, non-client) sources. It is calculated by dividing total income from private sources by total income of the microenterprise program.

### PERCENT FEDERAL FUNDING<sup>†</sup>

This measure reflects the extent to which program income or funding is derived from federal government sources. It is calculated by dividing total income from federal sources by total income of the microenterprise program.

### PERCENT STATE FUNDING<sup>†</sup>

This measure reflects the extent to which program income or funding is derived from state government sources. It is calculated by dividing total income from state public sector sources by total income of the microenterprise program.

## MicroTracker Measures and Definitions

### PERCENT LOCAL FUNDING<sup>†</sup>

This measure reflects the extent to which program income or funding is derived from local government sources. It is calculated by dividing total income from local public sector sources by total revenues (income) of the microenterprise program.

### PERCENT OTHER FUNDING<sup>†</sup>

This is a catchall measure that identifies the percent of program funds that are derived from sources other than those included in the sources above (private, state, federal, local, and earned). It is calculated by dividing total income from other sources by the total income of the microenterprise program.

### PERCENT GRANT FUNDING<sup>†</sup>

This measure is calculated by dividing total income received in the form of grant funding by the program's total operating income.

### PERCENT CONTRACT INCOME<sup>†</sup>

This measure is calculated by dividing total income received in the form of contract funding by the program's total operating income.

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\* MicroTracker counted measures.

† MicroTracker calculated measures.

‡ MicroTracker measures collected and calculated using the U.S. Microenterprise Expanded Census survey.