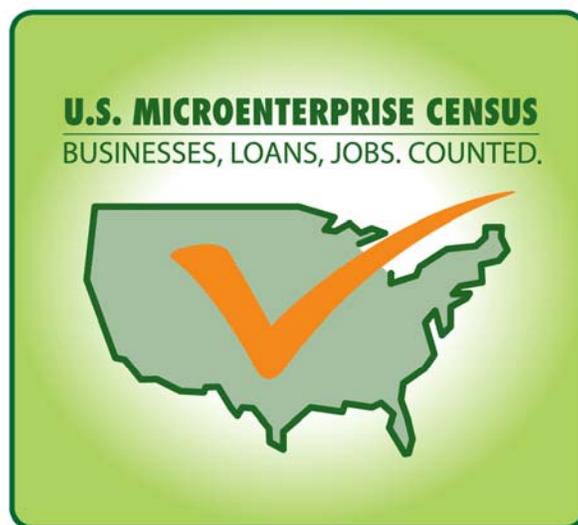


U.S. MICROENTERPRISE CENSUS HIGHLIGHTS

FY2008 DATA



FIELD

*Microenterprise Fund for Innovation, Effectiveness,
Learning and Dissemination*

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U.S. Microenterprise Census Highlights FY2008 Data

Survey Description and Methodology

In the summer and early fall of 2009, the FIELD Program at the Aspen Institute worked to identify and survey all the microenterprise programs providing direct service to microentrepreneurs in the United States. FIELD identified 696 microenterprise programs that provide loans, training, technical assistance and other microenterprise services directly to microentrepreneurs.

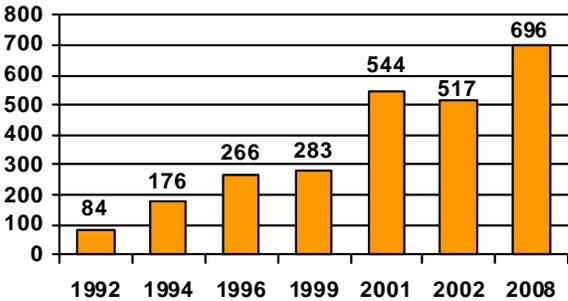
Fifty-three percent, or 369, microenterprise programs completed a survey detailing FY2008 information on products and services, individuals served and size of the organization. The following highlights are drawn from these 369 detailed survey responses. With the exception of the overall program count of 696, these findings should be considered a conservative estimate of the size of the field and its outreach to individuals. A section at the end of this datasheet explores the changes experienced by a group of programs that reported key data for both FY2002 and FY2008. FY2002 was the last time comprehensive data on the microenterprise field was collected. Also at the conclusion is an estimate of the overall industry's size with respect to individuals served and loans disbursed in 2008, based on extrapolations made from this survey data.

Microenterprise Development Programs, their Age and Location

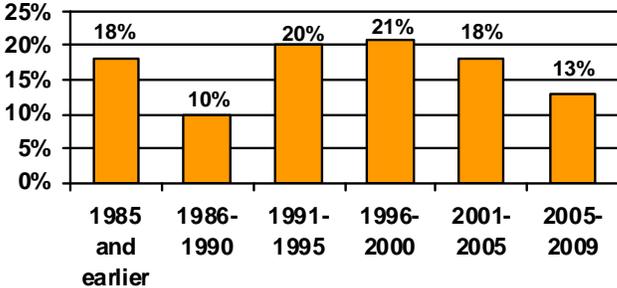
The search identified 359 microenterprise development programs that were not identified through the FY2002 survey. Start dates are available for 73 of these programs that indicate that they began in 2003 or later. One hundred eighty programs that responded to the FY2002 survey closed or no longer provide microenterprise services.

Microenterprise development programs vary in their institutional form. Some are institutions whose sole purpose is to provide microenterprise development assistance. Many others are embedded in organizations with broader missions. They 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. The survey captured data from all these types of institutions. Within the dataset, 125 organizations identified

Number of Practitioner Programs in the Industry



Microenterprise Program Start Dates (n=339)



themselves as having a separate microenterprise development program within their structure, suggesting that at least 34 percent of reporting institutions represented organizations with broader missions.

Thirteen percent or 32 programs indicated that they were operating a social enterprise in FY2008 (n=251). 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.

Microenterprise programs provide services in a wide variety of settings, and many programs serve multiple geographic areas. Forty-seven percent serve rural markets, 50 percent serve urban markets, 13 percent operate statewide and 6 percent operate in multiple states.

Individuals and Businesses Assisted

How Many Individuals and Businesses Have Been Assisted?

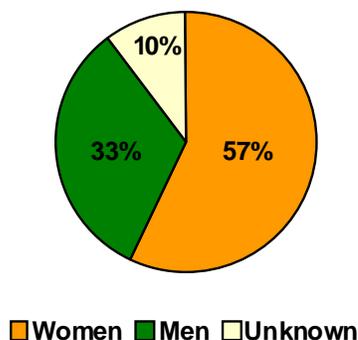
In FY2008, 270 microenterprise programs that responded to the survey collectively assisted 116,944 individuals. The median number of individuals assisted per program is 200 and the mean is 433. Because programs serve many individuals who are exploring business feasibility, fewer businesses are assisted than individuals. Collectively 38,261 businesses were assisted (n=197). The mean number of businesses assisted is 194 and the median is 69.

Table 1: Number of Individuals and Businesses Assisted					
	Mean	Median	Minimum	Maximum	n
Number of Individuals Assisted	433	200	2	4,582	270
Number of Businesses Assisted	194	69	0	3,500	197

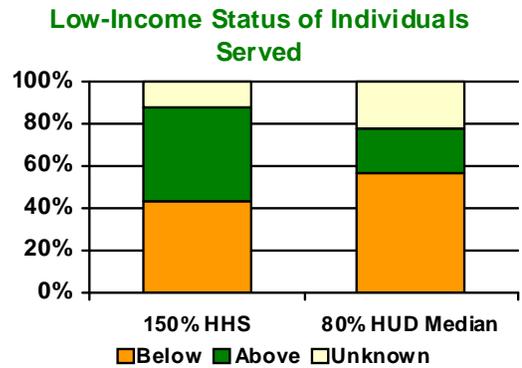
What are the Characteristics of Individuals Served by the Microenterprise Industry?

Microenterprise programs typically serve individuals from groups considered disadvantaged in their access to capital and mainstream business services. In FY2008, 57 percent of the individuals served were women (n=211), and 53 percent were people of color, or members of traditionally disadvantaged racial or ethnic groups (n=185).

Gender of Individuals Served



Fifty-seven percent of the individuals served had household incomes at or below 80 percent of the HUD median for their location (n=141). And 43 percent were below 150 percent of the Health and Human Services poverty guidelines for the United States (n=116).



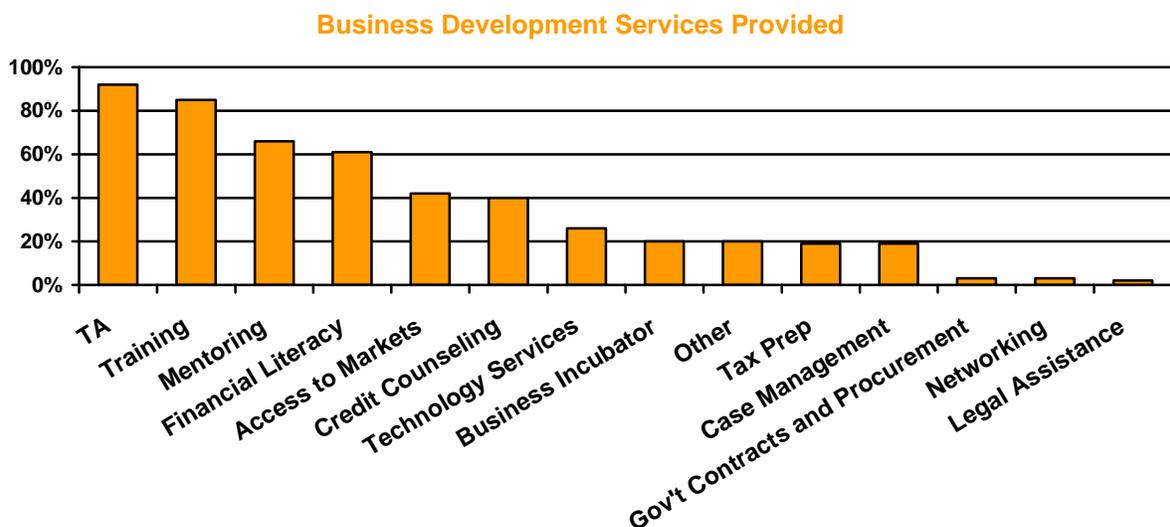
Microenterprise Products and Services

Two hundred fifty microenterprise programs (68 percent) report providing a microfinancing product directly to microentrepreneurs and 266 programs (72 percent) report providing some type of business development services directly to microentrepreneurs.

What is the Range of Business Development Services that Microenterprise Programs Provide?

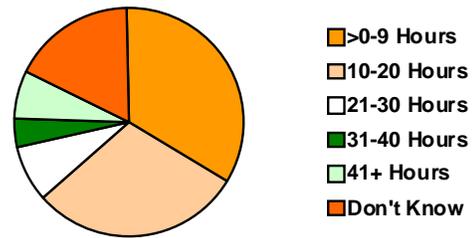
Business development services are non-financial resources, which include training and technical assistance (TA), access to markets services (ATM), technology services, and a wide array of other services, all designed to help entrepreneurs start and grow their businesses.

In FY2008, microenterprise programs provided a wide range of these services. Among the 266 programs that reported providing business development services, the most common services provided were one-on-one technical assistance (offered by 92 percent of programs) and group-based training (offered by 85 percent of programs). Additionally, many programs offered more specialized services such as coaching and mentoring (66 percent), financial literacy (61 percent), access to markets (42 percent), and credit counseling (40 percent).



One hundred eighty-four programs reported the number of individuals to whom they provided training or technical assistance services in FY2008. In aggregate, these programs assisted 61,833 individuals with these services. The median number of individuals receiving training or TA was 138 and the mean was 336. The majority of programs provided on average between 1 and 9 or 10 to 20 hours of training and TA to individuals (n=266).

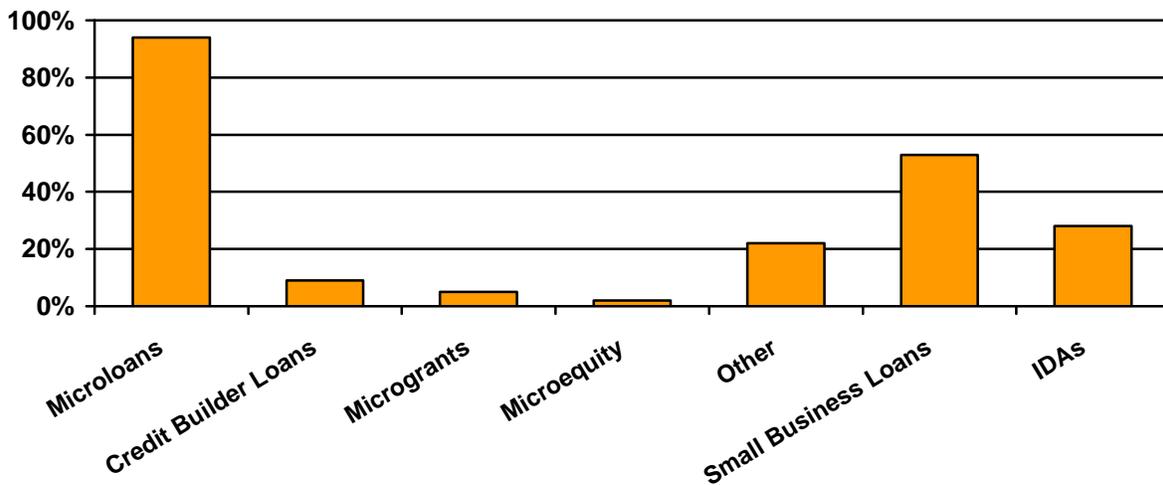
Average Hours of Training and TA



What Type of Microfinancing Products Do Microenterprise Programs Offer?

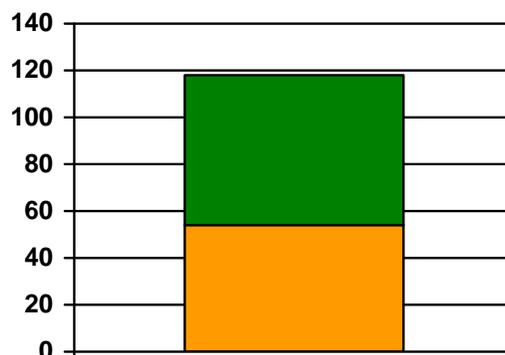
Two hundred fifty programs reported providing some type of microfinancing product, and the majority (94 percent) reported providing microloans up to \$35,000. A minority of programs offered credit-builder loans (9 percent), microgrants (5 percent) or microequity (2 percent). Of the lenders, 141 indicated the type of lending they do. Of these, 125 offer only individual loans (89 percent), 15 also offer peer or group-based loans (11 percent), and only one program reported that it provides only peer loans.

Microfinance Services Provided



One hundred eighteen organizations reported documenting or tracking applicants' credit scores and 64 (54 percent) indicate that they report borrowers' credit performance to credit bureaus directly or through another organization.

Credit Score Tracking and Reporting



In addition to traditional microfinancing products, 133 programs offered small business loans above \$35,000. The median size of the maximum small business loan offered was \$150,000 and the mean was \$350,278.

A little over a quarter of programs (28% or 71) offered Individual Development Accounts (IDAs) to the individuals they serve (n=253). The majority offered IDAs for business development (93 percent), while 63 percent also offered IDAs for housing or education.

What is the Volume of Microlending?

One hundred thirty-nine programs reported the number of microloans disbursed — 6,178 in aggregate during FY2008. The median number of loans disbursed was 13 and the mean was 44. Of the lenders, 136 indicated the dollar amount disbursed — \$68.6 million in aggregate. The median dollar amount disbursed was \$194,200 and the mean was \$504,603.

At the end of FY2008, 169 lenders reported \$149.9 million outstanding, with a median outstanding balance of \$319,412 and a mean outstanding balance of \$886,993.

Table 2: Loans Disbursed and Outstanding in FY2008					
	Mean	Median	Minimum	Maximum	n
Number of Microloans Disbursed	44	13	0	1330	139
Dollar Amount of Microloans Disbursed	\$504,603	\$194,200	0	\$14,333,215	136
Dollar Amount of Microloans Outstanding	\$886,993	\$319,412	\$960	\$21,423,750	169

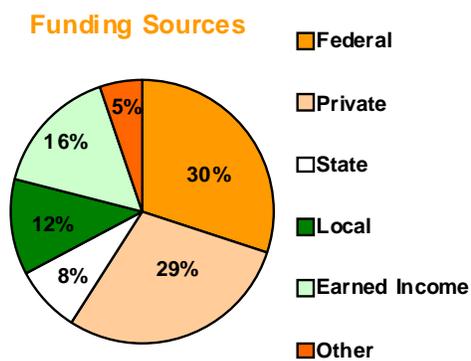
Eighty-eight programs reported that 57 percent of their total microloan capital was outstanding to borrowers during FY2008.

Organizational Size

The majority of microenterprise programs (82 percent) have five or fewer full-time equivalent (FTE) staff members. The median number of FTE staff is three and the mean is four (n=228).

The median operating budget is \$250,000 and the mean is \$504,308 (n=202). However, the range in the size of programs is wide — from the smallest with a budget of \$5,000 to the largest with a budget of \$9 million.

Sources of funding for operating budgets varied widely. For 175 organizations reporting, the percent of their budgets for each of the following sources is indicated in the accompanying pie chart. Funding was distributed in the following



way: federal, 30 percent; private 29 percent; state, 8 percent; local 12 percent; earned income 16 percent; and other 5 percent.

Change Over Time

The last time comprehensive data on the microenterprise field was collected was for FY2002 activities. This section of the report focuses on a subset of programs that provided data on key measures for both FY2002 and FY2008. Longitudinal data demonstrates how some microenterprise organizations have changed over time. All dollar values provided are in 2008 dollars.

From FY2002 to FY2008, these programs:

- **Increased the annual number of individuals assisted by 14 percent**
The aggregate number assisted increased from 53,085 to 60,283. The mean number of individuals served increased from 565 to 641 although the median decreased from 352 to 277 (n = 94).
- **Increased the size of their operating budgets by 24 percent**
Aggregate operating budgets increased from \$48.3 million in FY2002 to \$59.8 million in FY2008. The mean operating budget increased from \$699,992 to \$867,152. The median also increased from \$404,518 to \$486,636 (n = 69).
- **Increased the number of loans disbursed by 21 percent**
The aggregate number of loans disbursed increased from 4,025 in FY2002 to 4,870 in FY2008. The mean number of loans disbursed increased from 68 to 83. The median also increased from 23 to 31 (n = 59).
- **Increased the dollar value of loans disbursed by 51 percent**
Aggregate disbursements increased from \$35 million to \$52 million. The mean dollar value of loans disbursed increased from \$588,284 to \$889,506. The median also increased from \$243,239 to \$349,900 (n = 59).
- **Increased their outstanding microloan portfolios by 50 percent**
The total outstanding microloan portfolio increased from \$60 million to \$90 million. The mean dollar value of microloans outstanding increased from \$1.05 million to \$1.6 million. The median increased from \$499,328 to \$645,224 (n = 57).
- **Increased their total microloan capital by 85 percent**
Aggregate capital increased from \$67.1 million to \$123.9 million. The mean capital available increased from \$1.6 million to \$2.9 million. The median increased from \$598,400 to \$1 million (n = 43). Thirty-nine of the programs that submitted data on microloans reported data that allowed for the calculation of the percent of their capital deployed. In FY2002, the programs had a 63 percent deployment rate. In FY2008 that deployment rate had increased to 71 percent.

An Estimate of the Industry's Size

FIELD also used the data provided by survey respondents to extrapolate an estimate of the total number of individuals served by the 696 programs identified nationwide¹. Based on this analysis, FIELD estimates that a total of 274,128 individuals received services from microenterprise providers in FY08.

Using the same analytic technique, FIELD also estimated the total level of lending activity by the 362 programs identified as microlenders in the United States.² These microlenders:

- made an estimated 9,191 loans totaling \$100,912,050 in FY 2008
- held an estimated \$173,637,960 in outstanding loans, and
- held an estimated total of \$ 235,282,605 in their microloan capital pools.

¹ To account for the 327 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 homogenous. 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 nonrespondents.

² FIELD used Internet and other research efforts to determine whether each of the nonresponding programs engaged in microlending. Two programs were excluded from extrapolations and were attached a final weight of 1 because the programs' lending volume make them true outliers. It is believed that other programs are not close to these organizations in terms of loan volume. See Footnote 1 for a description of the techniques used in creating these estimates.