

# MICROTEST MEASURES AND DEFINITIONS

Measure

Definition

## Targeting Measures

**Total Number of Clients served during FY**

“Total clients” is defined as the number of individuals who received a significant level of service from your microenterprise program in a given fiscal year. A significant service is one that your program believes can be traced to a client's business or personal outcome(s) after that client exits your program. More specifically, MicroTest defines a client as someone who: 1) had an active, outstanding microloan or other microfinancing product with the program during the FY and/or 2) received at least 10 hours of microenterprise-related training and/or TA from the program during the FY.

**Number/Percent of Women Clients**

This is the number of female clients a program serves. This number should be a subset of total number of clients.

**Number of Clients of Color, Racial or Ethnic minorities**

Clients of color, racial or ethnic minorities are those individuals who identify themselves as: African-American; Latino/Hispanic; Asian/Pacific Islander, Native American, or another racial or ethnic minority. Please include all clients who consider themselves members of a minority group, whether that group is listed above or not.

**Number of Clients with Disabilities**

An individual is considered to have a "disability" if s/he has 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."

**Number/Percent of Low-Income Clients Based on 100% of HHS Poverty Guidelines *at Intake***

This is the number of clients served by your program in a given fiscal year whose household income places them at or below the national poverty line for that particular 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.

Because the intent is to measure the depth of your program's targeting, this measure is calculated on the basis of a client's household income ***at intake***. (change in income status would be measured using MicroTest's outcomes tools and process.)

**Number/Percent of Low-Income Clients Based on 150% of HHS Poverty Guidelines *at Intake***

This is the number of clients your program served in a given fiscal year who ***at intake*** had a household income level at or below 150% of the national poverty line as set by HHS for that year. Please note that if a client meets the definition for 100% of poverty, then that client also meets the definition for 150% of poverty, and should be counted here.

**Number/Percent of Low-Income Clients Based on HUD Guidelines *at Intake***

This is the number of your clients in a given fiscal year 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 in which your program operates, as determined by the U.S. Department of Housing and Urban Development for that particular year.

**Number/Percent of Clients Receiving TANF *at Intake***

TANF clients are those individuals who received Temporary Assistance for Needy Families (TANF) cash support at the time of their intake into your program.

**Number of Pre-Business Clients *at Intake***

This is the number of clients assisted by your program in the FY who did not have any type of business in operation at the time of their intake into your program.

**Number of Clients with Start-up Businesses *at Intake***

This is the number of clients assisted by the program in the FY that had a business in operation fewer than twelve months at the time of their intake into your program. A business is considered a business when it has made sales or when the client has taken steps to formalize the business. These steps can include obtaining a business license or retail sales tax number, opening a business checking account, or other step to formalize.

**Number of Clients with Ongoing Businesses *at Intake***

This is the number of clients assisted by your program in the FY with businesses that were in operation twelve months or more at the time of their intake into your program.

## Scale Measures

### **Number of Inquiries**

Inquiries are telephone, web or drop-in inquiries your microenterprise program received in the FY. An inquiry includes someone who has asked for information about your program and received it. If beyond receiving basic information about your program and its products and services, the individual also received substantive information about starting, growing or improving their business, the person should be included in the participant count. See participant definition below.

### **Number of Participants served during FY**

Program participants are individuals who received any amount of service on the topic of starting, growing, or improving their business from your microenterprise program in the FY. If they attended an orientation session that blended basic information about the program's products and services with business-related content information, the individual should be counted as a participant. Because a participant is someone who received any level of service, this measure also includes the individuals who meet the higher threshold of being counted as a client.

### **Number of Clients Receiving Business Development Training and/or Technical Assistance**

This is the number of clients served by your program in the FY who received a significant training or technical assistance service delivered with the intent of helping said client to develop a business (as opposed to a service delivered with the intent of helping a client to obtain microfinancing). Training is generally defined as curricula delivered to business owners or potential entrepreneurs in a classroom or group setting. Technical Assistance is generally defined as any individualized or one-on-one consulting, counseling, mentoring or facilitation related to business development or personal development of an entrepreneur.

**Number of Businesses Started After Intake During the Fiscal Year**

Number of businesses started after intake is the number of businesses started by clients in the FY after their entry into your program. A business is considered a business when it has made sales or when the client has taken steps to formalize the business.

**Number of Microenterprise IDA Account Holders**

Number of IDA account holders intended for microenterprise is an optional MicroTest measure. At your discretion, please include the number of your clients who have an IDA account and intended to start or expand a microenterprise.

**Value of Microenterprise IDA Accounts**

Dollar amount of IDA accounts intended for microenterprise is an optional MicroTest measure. At your discretion, please include the dollar amount in IDA accounts, including matching funds, intended to start or expand a microenterprise.

**Total Number of Assisted Businesses**

The number of businesses assisted by your program during the fiscal year. If each participant you served had one business that you assisted them with, your "assisted business" number will be the same as your participant number. If however, a client had more than one business that you assisted them with, you would count all of their businesses. Alternatively, if two people you assisted co-owned a business, you would only count the business once.

**Number of Microloans and Small Business Loans Disbursed During the Fiscal Year**

Includes all microloans and small business loans for business purposes actually disbursed from your loan fund during the fiscal year. Do not include loans made to your clients by banks or other credit providers. Microloans are defined as loans up to \$35,000.

**Number of Microloans and Small Business Loans Leveraged During the Fiscal Year**

The number of loans you helped your clients secure from a bank or other credit provider during the fiscal year.

**Dollar Value of Microloans and Small Business Loans Leveraged During the Fiscal Year**

If you entered a number for number of loans leveraged and you tracked the value of the loan these clients received, please enter this information here. Please leave blank if you do not offer this service. Enter 0 if you offer the service but did not refer any clients.

## Credit Performance

**Number and Dollar Amount of Microloans Outstanding at the End of the Fiscal Year**

This is the number of microloans 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. This number should include any loans that have been restructured, but not those that have been written off. Indicate the total dollar amount of the principal still outstanding as of the last day of the FY.

**Dollar Value of Microloans Outstanding at the End of the Fiscal Year**

For the microloans counted in measure 23, indicate the total dollar amount of the principal still outstanding as of the last day of the FY.

**Total Microloan Fund Capital Available (and outstanding) at the End of the Fiscal Year**

The total dollar value of your credit program's loan fund that was available for making microloans (at or below \$35,000) as of the last day of the fiscal year, including the dollar value of microloans outstanding on that day.

**Deployment Ratio**

A ratio of the dollar value of microloans outstanding over the total microloan fund capital available for lending. It is a measure of the productivity of your credit program.

**Actual Range of Loan Sizes**

The actual range (minimum and maximum) of microloans disbursed during the FY.

**Average Microloan Size for the Fiscal Year**

This figure is equal to the dollar value of loans disbursed during the FY, divided by the number of loans disbursed during the FY.

**Dollar/Percentage of Portfolio  
Loaned to Start-ups**

This figure represents the dollar amount of microloans outstanding to start-up businesses divided by the total dollar amount of microloans outstanding at the end of the FY.

**Average Outstanding Portfolio**

This measure is calculated by adding the total outstanding portfolio at the end of the previous two Fiscal Years and dividing by 2. If the microloan program has been active 1 year or less, add the total portfolio outstanding at the end of each month and divide by the # of months.

**Restructured Loan Rate**

This is defined as the dollar amount of restructured loans outstanding at the end of the FY divided by the total dollar amount of microloans outstanding at the end of the FY. In deciding which loans are "restructured," please include those loans whose terms have been adjusted in response to difficulties a borrower has experienced in meeting his or her repayment obligations to your program. Do not include microloans "refinanced" because a client's business is doing well. Restructured loan rate is a measure of portfolio risk.

**Amount declared non-recoverable/  
Loan Loss Rate**

This figure is the dollar amount declared non-recoverable and written off, net of recoveries, during the FY divided by the average dollar amount of microloans outstanding for the FY.

**Dollar/Percentage of Portfolio at  
Risk From:**

- **31 to 60 Days Past Due**
- **61 to 90 Days Past Due**
- **91 to 120 Days Past Due**
- **121+ Days Past Due**

This measure represents the dollar amount of principal outstanding on all loans with payments past due 31-60, 61-90, 91-120, and 121+ days divided by the total dollar amount of microloans outstanding at the end of the FY.

## Training Performance Measures and Descriptors

<b>Number of unduplicated Participants receiving training (group instruction)</b>	The total number of unique individuals who enrolled in training over the course of the FY.
<b>Number of total hours of training delivered</b>	The total number of hours of training (group-based instruction) delivered during the FY.
<b>Average number of training hours per participant</b>	This measure is calculated by adding up the total number of course hours delivered to all trainees (e.g., if a 10 hour class was provided to 5 trainees, 50 hours of training were delivered total) and dividing by the total number of trainees who enrolled in courses during the FY.
<b>Number of unduplicated participants receiving TA (one-on-one technical assistance)</b>	The total number of unique individuals who received TA over the course of the FY.
<b>Number of total TA hours delivered</b>	The total number of hours of TA (one-on-one assistance) delivered during the FY.
<b>Average Number of TA hours per participant</b>	This measure is calculated by dividing the total number of TA hours delivered during the FY by the number of individuals who received TA during the year.
<b>Training Completion Rate</b>	This is the number of clients who actually completed a training course divided by the number of clients who were scheduled or anticipated to complete.
<b>Formal Business Plan Completion Rate</b>	This is the number of clients who actually 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.

**Informal Business Plan Completion Rate**

This is the number of clients who actually completed an informal business plan during the fiscal year divided by the number of clients who intended to complete an informal business plan

**Client Satisfaction**

This measure is used to determine client satisfaction: the client's satisfaction regarding the training and technical services and the likelihood that they would recommend the program to others. Client satisfaction is derived by determining the number of clients that would; 1) recommend the program to others, 2) are passive or only somewhat likely to recommend the program to others, or 3) are detractors or unlikely to recommend the program to others.

**Cost, Efficiency and Sustainability Ratios**

**Cost Per Client**

This measure represents the average cost of serving a client in the FY. It is determined by dividing the total cost of the program (including both training and technical assistance and credit program costs) by the number of clients served during the year.

**Cost per Assisted Business**

This measure represents the program's average cost to provide assistance to a business in the FY. This cost is usually higher than the cost per client, because many programs typically assist some clients who do not have businesses and assist businesses that have more than one owner.

**Cost per Business Development Training/TA Client**

This measure represents the program's cost of serving its BD training and technical assistance clients in the FY. It includes only the expenses associated with the training and technical assistance component of the program and presents them on a per client basis.

<b>Number of Volunteer FTE Business Development Staff</b>	This measure represents the number of volunteer business development FTEs the program draws upon.
<b>Cost per Loan</b>	This measure represents the average cost to disburse a loan in the FY. It is calculated by dividing the operating costs of the credit program by the number of loans disbursed during the year plus the number of clients linked to other credit institutions. This enables the cost of the credit program to be spread over all loans that are generated whether or not they come from a program's own lending facility.
<b>Number of Volunteer FTE Credit Staff</b>	This measure represents the number of volunteer credit FTEs the program draws upon.
<b>Operational Cost Rate</b>	This is a measure of the efficiency of an organization's credit program. It reflects the organization's cost to make and manage loans in the FY. It includes resources expended both in making new loans and in managing outstanding loans made in previous years. The measure is calculated by dividing the operating expenses of the credit program by the average outstanding loan portfolio for the year. The resulting number represents the cost the organization incurs to manage \$1 in its loan portfolio.
<b>Clients per Direct Service Provider</b>	This is an overall efficiency measure for microenterprise programs. It represents the number of clients managed or served, on average, by each direct service staff member.
<b>Operational Self-Sufficiency</b>	This measure represents a lending program's ability to cover the operating costs of its credit program with internally generated income. It is calculated by dividing the financial income derived from the loan fund by the credit program's operating costs. Financial income is interest and fees paid by borrowers and/or interest income generated by investment of unused loan funds.

<b>Short-term Financial Self-Sufficiency</b>	This measure represents a lending program's ability to cover the operational and financial costs of its credit program with internally generated income. It is calculated by dividing the financial income derived from the loan fund by the sum of the credit program's operating costs and financial expenses.
<b>BDS Cost Recovery</b>	This measure represents a training program's ability 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 expenses of the training program.
<b>Program-Related Income as a Percent of Operating Expenses</b>	This measure reflects the microenterprise program's overall ability to cover its total costs with internally generated income derived solely from its services to program clients. The measure essentially combines measures 50 and 51. It is calculated by dividing the internally generated income from both lending and training and technical assistance services provided to clients, by the total costs of operating the microenterprise program.
<b>Net Income from Non-Program Service</b>	This measure reflects the fact that microenterprise organizations are increasingly trying to generate income by providing services to individuals and organizations outside of their targeted client base or through special fundraising events. The net income, or profits, from activities such as consulting and training services to other microenterprise organizations, special events, or conferences, is then used to subsidize the provision of services to program clients who cannot afford to pay for the services they receive. This measure is calculated by dividing the net income (or profits) derived from these activities by the total costs of operating the core microenterprise program.

<b>Percent Program Funding</b>	This measure reflects the degree to which program income is generated internally by fees, etc. It is calculated by dividing total program-generated income by total income of the microenterprise program.
<b>Percent Private Funding</b>	This measure reflects the degree to which program income or funding is derived from private sector (non-government) sources. It is calculated by dividing total income from private sources by total income of the microenterprise program.
<b>Percent Federal Funding</b>	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.
<b>Percent State Funding</b>	This measure reflects the extent to which program income or funding is derived state government sources. It is calculated by dividing total income from state public sector sources by total income of the microenterprise program.
<b>Percent Local Funding</b>	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.
<b>Percent Other Funding</b>	This is a catchall measure that identifies the percent of program funds that are derived from sources other than those included in measures 54-58. It is calculated by dividing total income from other sources by total income of the microenterprise program.
<b>Percent Grant Funding</b>	This measure shows you how much of your microenterprise program's total income is in grants.
<b>Percent Contract Income</b>	This measure isolates the percent of your program's total income that you receive on a contract basis.