

# CREATE *Jobs for USA*



## **CDFI Practices in Jobs Data Collection & Tracking: Lessons Learned from Create Jobs for USA**



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## **Working Paper**

- ★ **Share lessons learned**
- ★ **Initiate a conversation**



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## Data Sources

- ★ **Awardee Reports: 120 CDFIs reporting on 5,000 jobs**
- ★ **Jobs Count Reviews**
- ★ **Interviews with Awardees**
- ★ **Small Business Finance Forum session**
- ★ **Projection Models**

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## Jobs Metrics

- ★ **Jobs at Loan Close**
- ★ **Jobs Retained**
- ★ **Projected Jobs to Be Created**
- ★ **Actual Jobs Created**
  
- ★ **Not included in this report**
  - ★ **Employee characteristics**
  - ★ **Job quality**

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## Findings

- ★ **Organizational Commitment**
- ★ **Policies and Procedures**
- ★ **Data Definitions**
- ★ **Communicating with Borrowers**
- ★ **Collecting, Recording, and Verifying Jobs Data**

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## Organizational Commitment

- ★ **Executive Leadership and organizational commitment are critical for successful jobs data collection.**

*“Our CEO is involved and cares about this.”*

*“Data, including jobs data, is part of our culture. Staff is aware, attentive, and thoughtful about data.”*

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## Policies and Procedures

- ★ CDFIs should have written data collection policies and procedures that
  - ★ define each data point
  - ★ clearly define the workflow
  - ★ incorporate quality control measures.
- ★ CDFIs may need to tailor policies to different lending sectors.
- **How Create Jobs Did It: Report actual jobs within one year of closing a loan**

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## Data Definitions

- ★ Detailed data definitions are critical to high-quality data collection and analysis.
- ★ By providing definitions, CDFIs can avoid confusion about terms that are used inconsistently across the industry.

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## Data Definitions (cont'd.)

- **How Create Jobs Did It:**
  - **Glossary built on OFN's Annual Member Survey definitions**
  - **Defined all metrics as Full-time equivalents**
  - **Specified two time periods: within and after 12 months**
  - **Supplemental Reporting Guidance**

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## Communicating with Borrowers

- ★ **Effective data collection requires practical tools for borrowers, including**
  - ★ **a written statement of data reporting expectations provided to borrowers at loan closing**
  - ★ **a glossary of data terms with definitions**
  - ★ **forms with spaces to fill in all the required jobs data**
  - ★ **reporting guidelines with detailed examples, especially for real estate projects.**

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## Collecting, Recording, and Verifying

- ★ One of the most common methods for collecting actual jobs is by survey.
- ★ CDFIs that communicate reporting requirements to borrowers at the time of loan approval or closing are able to achieve higher survey response rates.
- ★ CDFIs that frequently remind their borrowers of the importance of jobs data likewise tend to have higher response rates.

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## Projection Models

- ★ Using a model to project job creation can be very helpful for CDFIs that make sizeable construction loans or close large volumes of microenterprise loans.
- ★ Projection models allow CDFIs to quickly estimate job creation for each loan
- ★ Some models have the added benefit projecting indirect and induced jobs.

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# Questions & Discussion

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