Measuring the Outcomes of Your Technical Assistance and Training Services

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Session Focus

• Where does outcomes fit vis-à-vis the framework for assessing microenterprise/small business borrowers?
• Why is “Outcomes in Action Mapping” important?
• What are the practical requirements for monitoring TA efforts?
• What does the data tell us?
Advancing microenterprise through learning and innovation

We:
- Document and assess the “state of the field”
- Fund learning and innovation
- Evaluate new ideas and approaches
- Build infrastructure for the field
- Share knowledge
What is MicroTest? A set of management tools that empower microenterprise practitioners to gauge and improve the performance of their programs and the outcomes of their clients.

MicroTest’s Mission is to help microenterprise programs assess and improve performance.

A Framework for Assessing Microenterprise Performance

Activities/Services → Immediate Results → Intermediate Outcomes → Long-Term Outcomes

- Targeting
- Scale
- Service metrics
- Efficiency
- Effectiveness
- Sustainability

- Completion
- Portfolio Quality
- Skills acquisition

- Business status
- Employment
- Contribution to HH
- Savings
- Insurance
- Benefits reduction
- Above Poverty Line?

- Business Profitability
- Business Assets
- Net Worth
- Personal/HH Assets And Net Worth
- Self-sufficiency

MT Performance → MT Outcomes
What is Outcomes Monitoring?

How are our clients doing?

Client Outcomes can only be gathered by going outside the program, surveying clients who:
- have received substantial services, and
- had time to put what they learned/received into use

What can an outcomes survey help you answer?

Questions about clients and their households:
- What are clients looking to achieve? Are they satisfied with services?
- How much income are businesses providing to clients? What role does this income play in client households?
- Are households leaving poverty?

Questions about businesses:
- Who is starting businesses? Are existing businesses surviving and growing?
- What types of businesses are being operated, how much revenue is being generated?
- Are jobs being created?
What do you want to learn?

- How satisfied are our clients?
- How many clients are in business?
- How many will have achieved TA objectives, when TA is completed?
- Does a more intensive program lead to improved outcomes?

Outcomes in Action

Clients demonstrate success when in 1 to 2 years:

- 75% start businesses;
- 60% strengthen their businesses;
- 35% create employment for others; and
- 95% retain employment for themselves in their business.

- Results are used for program management, public relations, resource development, and strategic planning.
Outcomes in Action - Details

- **Success indicators are measured and defined as:**
  - **Business start:** a client has made sales or taken active steps to formalize their business. These steps may include: incurring start-up costs, obtaining a business license or retail sales tax number, acquiring a business checking account, etc.
  - **Business strength:** measured by the gross revenues of the business and the draw a client is able to take out of the business for personal use. Success is defined as median gains of 15 percent or more, one year after intake.
  - **Employment creation and retention:** for the owner, employment is tracked by whether or not the business is open. An open business equals one job for the owner. Employment is further characterized by the hourly wage the owner is able to draw out of the business as well as frequency of work for the business (full-time or part-time, with full-time as 35+ hours/week).
  - **Employment for others:** defined by the number of paid workers the business employs. These jobs are further characterized by their frequency (full-time or part-time) and hourly wage rates.

How do you measure success?

- **What 2 measures of success do you, or would you, like to track for your program?**
  - Organizational,
  - Program performance, OR
  - Client Outcomes

- **Where do these measures fit along the continuum?**

  Immediate Results → Intermediate Outcomes → Long-Term Outcomes
Justine PETERSEN
Building Assets. Changing Lives

Our mission is to connect low- and moderate-income families with institutional resources in order to build financial assets and create enduring change.

Core Products

• Credit Building and Financial Education
• Homeownership preparation and retention
• Micro-enterprise Lending and Training

Our delivery model: One-on-one counseling and ongoing client management.
Technical Assistance Approach

“No client left behind”

Pre-Closing TA Opportunities

- Setting Goals
  - Becoming Banked
  - Improving Credit-Score
  - Moving “Beyond the Shoe Box”
- TA Methods
  - Pre-closing coaching
  - On-going TA “itemized” on closing statement
- Measurement
Post-Closing TA Goals and Methods

- Compliance and Collections
  - Addressing root of delinquency
  - Assigning appropriate TA
  - Comprehensive review of household and business financials
  - “Second chance” credit building and banking

- Routine regimen of follow-up
  - Staffing TA
  - Phone call vs. site visit
  - On-going budgetary coaching

Measuring Post-Closing TA

- Immediate
  - Loan performance

- Immediate and Intermediate
  - Need for step-up loan for expansion/growth
  - Job creation
MicroTest Results

Trend Data
- 60% Business Start Rate
- 92% Business Survival Rate

At Survey:
- 79% in Business

### Business Revenue in 2010

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<th>Business Type</th>
<th>Median</th>
<th>Mean</th>
<th>Minimum</th>
<th>Maximum</th>
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How Many Jobs?

Excluding the Business Owner:

- **2,158** Jobs or
- **1.8 Jobs** per business
- **4.4 Jobs** per businesses with paid workers
Other Paid Workers’ Wages (Excluding the owner)

- Median Hourly wages of $10/hour
- Median Annual wages of $11,520
- Part-Time--Median of 20 hours/week

Wage data available for 565 of 2,158 paid workers

Reactions?

- 2,158 paid workers across XX businesses
- 41% of businesses have other paid workers
- 1.8 paid workers per business
- $10 median hourly wage
What difference does BDS make?

• More intensity, better outcomes?
• Relationship between services delivered, outcomes, time frames, peer comparisons
• Specific program performance—business starts, survival and growth
• Stronger outcomes in some areas than others (e.g., sales and marketing vs. finance)?
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