CREATE

Jobs *for* USA

CDFI Practices in Jobs Data Collection and Tracking: Lessons Learned from Create Jobs for USA

October 2014

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Introduction

In November 2011, Starbucks and Opportunity Finance Network (OFN) launched Create Jobs for USA to help address the jobs crisis of the Great Recession. This unique initiative combined corporate and individual donations to create and retain jobs nationwide. These donations supported community development financial institutions (CDFIs), which create opportunity in low-income, low-wealth, and other disadvantaged communities.

Create Jobs for USA raised more than $15 million, which CDFIs leveraged into $105 million in financing for businesses, creating or retaining 5,000 jobs.

In early 2014, Create Jobs for USA released the first in a series of three reports that share the initiative's results and lessons learned. The first report—Six Lessons Learned from Create Jobs for USA— detailed how a corporate social responsibility partnership with CDFIs can yield powerful results. (See createjobsforusa.org for all reports.)

This second publication, a working paper more than a report, looks at the data collection effort behind Create Jobs for USA, outlining what we learned and best practices. This report is made possible by the generous support of Starbucks. The working paper also includes an Appendix of CDFI forms that CDFIs can adapt and use to improve their data collection processes.

The third paper, expected to be out in January 2015, will analyze the number of jobs CDFI financing helped to create and retain through Create Jobs for USA.

With this working paper, we seek to share our learning and initiate a discussion that can help the opportunity finance field develop best practices in measuring job creation and retention. We see it very much as a working document, one that will grow and evolve as more CDFIs enter the conversation. We invite you to provide your feedback by emailing createjobsforusa@ofn.org.

Executive Summary

In November 2011, Starbucks and Opportunity Finance Network (OFN) launched Create Jobs for USA to help address the jobs crisis of the Great Recession. This unique initiative combined corporate and individual donations to support community development financial institutions (CDFIs), which create opportunity in low-income, low-wealth, and other disadvantaged communities.

Create Jobs for USA raised more than $15 million, which CDFIs leveraged into $105 million in financing for businesses, creating or retaining 5,000 jobs.

This working paper looks at the data collection effort behind Create Jobs for USA, outlining what we learned and best practices. It also includes an Appendix of CDFI forms that CDFIs can adapt and use to improve their data collection processes.

Key findings:

- ★ Executive leadership and organizational commitment are critical for successful jobs data collection.
- ★ CDFIs should have written data collection policies and procedures that provide definitions for each data point to be collected; clearly define the workflow; and incorporate quality control measures. CDFIs may need to tailor policies to different lending sectors.
- ★ 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.
- ★ Surveying is one of the most common methods for collecting actual jobs data. 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.
- ★ Effective data collection requires practical tools for borrowers, including a written statement of data reporting expectations that is provided to borrowers at loan closing; a glossary of data terms with definitions; forms with spaces to fill in all the required jobs data; and reporting guidelines with detailed examples, especially for real estate projects.
- ★ 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 and some models have the added benefit of projecting indirect and induced jobs.

With this working paper, we seek to share our learning and initiate a discussion that can help the opportunity finance field develop best practices in measuring job creation and retention. We invite you to provide your feedback by emailing createjobsforusa@ofn.org.

Background

About CDFIs

CDFIs are private financial institutions that are 100% dedicated to delivering responsible, affordable lending to help low-income, low-wealth, and other disadvantaged people and communities join the economic mainstream.

When CDFIs lend to community businesses—including small businesses, microenterprises, nonprofit organizations, commercial real estate developers, and affordable housing developers—they help create and retain jobs. And when they collect job creation and retention data, CDFIs can measure their impact on their communities, demonstrate how they are meeting their missions, and assess their performance against goals.

CDFIs & Create Jobs for USA

OFN awarded all Create Jobs for USA donations to high-performing CDFIs in the form of capital grants. These CDFIs leveraged the funds to raise additional capital, and then lent this capital to community businesses for job creation and retention. They then reported back their job creation to OFN and Starbucks.

This activity required a substantial data collection and analysis effort on the part of participating CDFIs. And, in the end, it also provided OFN with a wealth of information about how CDFIs collect jobs data.

In this paper, we share much of that information with you, including:

- ★ CDFI jobs data collection practices.
- ★ Some of the practices, policies, and procedures we believe are essential to a robust data collection process.
- ★ Sample tools, such as policies, intake forms, annual jobs surveys, definitions, and reporting guidance.
- ★ Summaries of some of the job projection models that CDFIs most commonly use.

Data Sources

This working paper draws on OFN's experience with the Create Jobs for USA initiative. We based it on four related sources of information:

- ★ **CDFI Quarterly and Final Reports:** Each CDFI that receives a Create Jobs for USA award must report jobs data for the loans they make to community businesses for a period of two years from receipt of their award. As of the writing of this report, 120 CDFIs received awards and submitted more than 560 reports containing jobs data for more than 33,000 loans.

- **Jobs Count Review Reports:** OFN engaged Aeris (formerly CARS, Inc.) to assess the effectiveness of the processes CDFIs used to collect and report jobs data. Our goal was to determine whether these processes were sound and if they provided reliable job creation and retention data. As part of the review, which included more than half of the CDFIs participating in Create Jobs for USA, Aeris reviewed each CDFI's written data collection policies and data collection instruments.* Aeris produced an individual Jobs Count Review profile for each CDFI, as well as a summary report synthesizing the findings from the individual reviews.
- **Projection Model Descriptions:** This report discusses several models CDFIs use to project job creation, primarily for housing development loans. This information was gleaned from descriptions provided by the CDFIs, the websites of the companies that developed the models, and conversations with representatives of these companies.
- **Interviews:** OFN spoke with many CDFI staff members who were responsible for collecting and reporting jobs data.

Finally, OFN presented findings from an earlier draft of this working paper at OFN's 2014 Small Business Finance Forum. We have incorporated elements from that discussion into this version of the paper.

Jobs Metrics

This working paper is based primarily on the five job count metrics Create Jobs for USA used:

- # of Jobs at Loan Close
- # of Jobs Retained
- # of Projected Jobs to Be Created within 12 Months
- # of Projected Jobs to Be Created after 12 Months
- # of Actual Jobs Created

Many CDFIs are collecting additional information about jobs, such as employee characteristics (e.g., gender, race, ethnicity) and job quality (e.g., wages, benefits). This working paper generally applies to these types of metrics as well as the Create Jobs for USA metrics. In fact, many of the sample data collection documents in the appendices include employee characteristic and job quality metrics.

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*OFN thanks the following CDFIs for sharing their policies or data collection forms in this report: Bridgeway Capital, Capital Impact Partners, Hartford Community Loan Fund, Hope Enterprise Corporation, Kentucky Highlands Investment Corporation, Local Initiatives Support Corporation (LISC), MACED, New Hampshire Community Loan Fund, and Northern California Community Loan Fund.

Findings

Our findings fall into five categories: organizational commitment; policies and procedures; data definitions; communicating with borrowers; collecting, recording, and verifying jobs data; and projection models.

Organizational Commitment

Executive leadership and organizational commitment are critical for successful jobs data collection.

Many CDFIs collect, track, and report jobs-related data, although the comprehensiveness, consistency, and degree of effort varies from CDFI to CDFI. The success of a CDFI's jobs data collection effort depends on a number of factors, but we found that one of the most important is organizational commitment. The most effective CDFIs were the ones that enjoyed the greatest degree of executive leadership support for and emphasis on data collection.

Leadership support and focus make collecting and analyzing jobs data a part of the organization's culture. Effective CDFIs' comments include:

> *"Our CEO is involved and cares about this."*
>
> *"Impact measurements are an important function for the organization."*
>
> *"Data, including jobs data, is part of our culture. Staff is aware, attentive, and thoughtful about data. Our organization believes good, substantiated data is important."*

Some CDFIs reinforce this commitment by sharing summary jobs data with staff, a practice that helps staff see the results of their efforts and their organization impact. Others will not allow a loan to go to the loan committee if jobs data is missing.

An organizational commitment to collecting jobs data is reflected in the quality of the organization's data collection policies, procedures, and practices.

Policies and Procedures

CDFIs should have written data collection policies and procedures that define each data point; clearly define the workflow; and incorporate quality control measures. CDFIs may need to tailor policies to different lending sectors.

CDFIs codify their commitment to jobs data collection (and outcomes measurement in general) by incorporating it into their policies and procedures. Some CDFIs choose to have stand-alone policies and procedures for data collection while others integrate data collection into broader organizational policies or into lending policies.

In order to provide useful guidance, the policies and procedures should map out a clear written workflow, outlining:

- ★ which data are collected
- ★ when data are collected
- ★ how data are collected
- ★ and who is responsible for each step.

If a CDFI lends to different sectors, it is possible that the policies and procedures will need to outline distinct workflows for each sector.

Although a number of CDFIs have established and maintained workflows that remain consistent without the benefit of written documentation, the success of these informal policies and procedures is predicated on the CDFIs' relatively small size and long-term staff tenure.

The most successful CDFIs document policies and procedures in writing to preserve the CDFI's workflow in times of organizational growth or staff turnover. With written policies in place, if a key person in the jobs data collection process is suddenly unavailable, another person should be able to step into the role seamlessly. As with all policies and procedures, regular updates are necessary to keep them relevant and useful (e.g., to accommodate new funders' requirements or to re-optimize processes).

Which Data Are Collected

The opportunity finance industry lacks consistent metrics and definitions across CDFIs, funders, investors, and other stakeholders for talking about and calculating job creation and retention. Therefore, each CDFI's policies should identify the metrics it will collect and either include or refer to a glossary of terms with clear definitions.

When Data Are Collected

Baseline data are the data points that are collected during the loan review process or at loan close. They include Jobs at Loan Close, Jobs Retained, and Projected Jobs to Be Created.

Actual Jobs Created are collected some amount of time after loan closing, since job creation does not always occur immediately. While some CDFIs collect actual jobs quarterly to meet investor requirements, annually is reasonable for most loans.

How Create Jobs for USA Did It

Create Jobs for USA required CDFIs to report actual jobs within one year of closing a loan.

How Data Are Collected

Most CDFIs request baseline data in writing through intake forms or loan applications.

The two primary ways that CDFIs collect actual jobs data are in-person and through surveys. In-person data collection is ideal for CDFIs that have regular contact with their borrowers, through intensive small business coaching for example, or that have a small enough loan volume to conduct site visits as a part of their annual loan review process.

The benefits of in-person data collection are an excellent response rate, the ability to easily incorporate the data into a more general loan/borrower assessment, and—if it is done at the business site—the ability to verify employment on the spot. The downside is the time-intensiveness of making site visits if a CDFI does not already do them.

CDFIs that use surveys to collect actual jobs data distribute their surveys through the mail, email, or via web-based platforms such as Survey Monkey or Google Forms.

Quality Control Process

CDFIs have varying levels of quality control, in part depending on their staff size and organizational capacity. As mentioned above, in some CDFIs one department collects jobs data while another reviews the data.

Following are three examples of quality control measures. A CDFI may implement one or more of these, or others that achieve similar purposes:

- ★ If one individual (e.g., loan officer) collects the data on a paper form and another individual (e.g., post-loan closing administrative assistant) enters the data into a management information system, a more senior staff member (e.g., senior loan officer, business development manager, portfolio manager) checks the entered data against the paperwork to ensure accuracy and completeness;
- ★ A compliance officer or chief financial officer performs periodic audits for consistency of data collection and entry, and to ensure that the data makes sense; and
- ★ A chief operating officer or executive director reviews reports on a quarterly basis.

Technology can help with quality control. As we explain later in the report, CDFIs can set up databases to generate checklists, ticklers, and/or reports that alert them to missing data.

Above all, team members involved in jobs data collection should be very familiar with the data collection requirements and jobs data definitions. This requires upfront and refresher training for all staff involved in the process.

Who Is Responsible for Each Step

The majority of Create Jobs for USA CDFIs share the responsibility of data collection and reporting among their finance, lending, and development departments. Typically, finance or development personnel are responsible for the day-to-day activities and senior lending staff provide higher level review to ensure the data are as reliable as possible.

Examples of CDFI policies and procedures that address jobs data collection are found in Appendix B.

Intake 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.

Detailed definitions help CDFIs avoid confusion, address challenges—such as converting and combining metrics, ensure consistency in time periods, and provide sufficient guidance on which jobs to include. Four examples demonstrate these challenges:

1. Inconsistent Definitions: Jobs Retained. Some CDFIs and funders define "jobs retained" as jobs that existed when the loan was closed. Others, including OFN and Create Jobs for USA, define it as jobs that existed when the loan was closed that would have been lost if the loan hadn't been made. If borrowers and staff collecting the data do not understand the proper definition, the CDFI is liable to end up with data that does not match their definition.

> ***How Create Jobs for USA Did It***
>
> Create Jobs for USA built on OFN's Annual Member Survey definitions, which are used by more than 200 OFN Member CDFIs. Appendix A provides a glossary of all Create Jobs for USA definitions.

2. Converting and Combining Metrics: Part-time Jobs and Full-time Equivalent (FTE) Jobs. OFN defines full-time equivalent as "the equivalent of at least a 35-hour workweek. In calculating the number of FTEs, CDFIs should aggregate part-time jobs to FTEs. Example: Two 20-hour jobs = 1 FTE. For construction or seasonal jobs, convert the job to an annual FTE." This definition specifies a minimum 35-hour work week, it explains how to convert part-time to FTE, and it tells a CDFI what to do with short-term employment.

In order for a CDFI to use this definition, it needs to collect FTE jobs or collect full-time and part-time jobs in a way that they can convert to FTE. In the latter case, part-time jobs is often a problem: many CDFIs collect the number of part-time employees without collecting the number of hours those employees work. To convert number of part-time employees to FTEs, the CDFI has to make an assumption about the average number of hours the part-timers work. If that assumption is based on data or observation (e.g., conversations with borrowers, industry-specific data, or other), it may be reasonably accurate. If the CDFI assumes the jobs are half-time on average, they may significantly over-count or under-count FTEs. If they don't ask whether the part-time job is ongoing or seasonal, they could further compromise the conversion. Finally, a CDFI needs to maintain consistency in how it collects full-time, part-time, and FTE data across all of its data collection instruments so that it can compare baseline data collected at loan origination to ongoing job creation data collected during or after the life of the loan.

How Create Jobs for USA Did It

Create Jobs for USA avoided the conversion problem by defining all job metrics as full-time equivalents.

3. Time Periods: Projected Jobs versus Actual Jobs. In their definition of Projected Jobs, CDFIs may need to specify the time period so that they can readily compare projections to actual jobs. For example, if a CDFI collects actual jobs created one year after a loan is closed, it will want to collect one-year job projections rather than multi-year job projections. This is particularly important for construction financing: If a CDFI doesn't specify the time period, the borrower may report jobs projected to be created over the multi-year life of the project. When the borrower reports actual jobs one year after loan close, its projections will appear far too optimistic.

How Create Jobs for USA Did It

Create Jobs for USA specified two time periods: within 12 months and after 12 months. By specifying the time period, we could measure actual job creation against the appropriate projection.

4. Which Jobs to Include: Real Estate Financing. Some types of loans may need definitions that specify which jobs to include or exclude. For example, should a real estate lender count construction jobs if they only financed the acquisition or predevelopment phase? Which jobs should CDFIs count for permanent financing, for a bridge loan? These are challenging questions for data collectors as well as their borrowers.

How Create Jobs for USA Did It

In response to specific questions from CDFIs participating in Create Jobs for USA, OFN developed detailed Supplemental Reporting Guidance with examples for each phase of construction. Appendix E includes an excerpt from the Create Jobs for USA Supplemental Reporting Guidance that includes real estate and other job count examples.

CDFIs should develop detailed guidelines for counting jobs for their real estate loans. They can use the Create Jobs for USA Supplemental Reporting Guidelines developed by OFN or can create their own. Either way, staff need to be familiar with the guidelines and need to educate their borrowers on precisely what they should include for each loan.

Communicating with Borrower

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

Communicating reporting requirements to borrowers early and clearly can help ensure success in your data collection efforts. This means providing:

- ★ A clear written statement for potential borrowers about reporting expectations, outlining which data are collected and when. A CDFI can include the statement in the loan closing documents as a performance or reporting covenant, or provide it as a separate document at loan application or closing. A reporting covenant included in the loan document could be as simple as:

"Borrower must provide Lender a statement as to the number and types of jobs created at the business on a form provided by Lender (attached as Exhibit X to the loan agreement). This form should be submitted to Lender on January 25 of each year reflecting employment as of December 31 of the previous year, until the earlier of the repayment of the Loan or until the Borrower is notified by the Lender to discontinue supplying such form(s)."

- ★ A glossary of metrics with definitions.
- ★ Forms with spaces for all of the required jobs data. Forms include intake forms, loan applications, and compliance certificates. Appendix C and Appendix D provide examples of various forms CDFIs used.

- ★ Reporting guidelines with detailed examples to help borrowers understand how to report jobs. Guidelines are especially useful for real estate lenders, who are often unaccustomed to collecting jobs data. In addition to data definitions, they often need instruction on which types of jobs to count for each phase of the project they are financing.

When CDFIs distribute surveys, forms, and guidance to their borrowers, they should review them with borrowers to ensure they understand all definitions and requirements. CDFIs can also ask borrowers to provide feedback on forms to help the CDFI ensure the forms are straightforward and relatively easy to complete.

Collecting, Recording, and Verifying Jobs Data

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.

Collecting the Data

When loan applicants are familiar with the definitions and CDFIs have the right data collection tools, CDFIs should find that collecting baseline data (e.g., Jobs at Loan Close, Jobs Retained, and Projected Jobs to Be Created) is relatively straightforward. Some CDFIs, particularly those with a technical assistance focus, complete the intake and loan application paperwork together with the borrowers or collect the data through conversation or site visit. CDFIs that gather information verbally should design their internal documents, such as underwriting templates, to capture the data.

Although many CDFIs gathered data about their borrowers' existing, retained, and projected jobs before participating in Create Jobs for USA, far fewer collected actual jobs created. Collecting actual jobs is more challenging because it has to be done after a borrower has received a loan.

Survey is of the most common methods for collecting actual jobs.. Most CDFIs that participated in Create Jobs for USA reported a survey response rate ranging from 50-75%. Almost all of the CDFIs conducted follow-up calls, bringing their response rates up to a very impressive 75-100%. Organizations that communicated the reporting requirements to borrowers at the time of loan approval or closing were able to achieve higher response rates. Organizations that frequently remind their borrowers of the importance of jobs data likewise tend to have higher response rates.

Collecting actual jobs for construction projects can be particularly challenging. Most of the construction workers on a job are temporary, coming and going as the trades are phased in and out. The CDFIs' borrowers need to rely on their general

contractors to provide job counts and contractors may not be cooperative. Some CDFIs ask their borrowers to inform their general contractors up front about reporting requirements and to incorporate the reporting requirements into their construction contracts.

Recording the Data

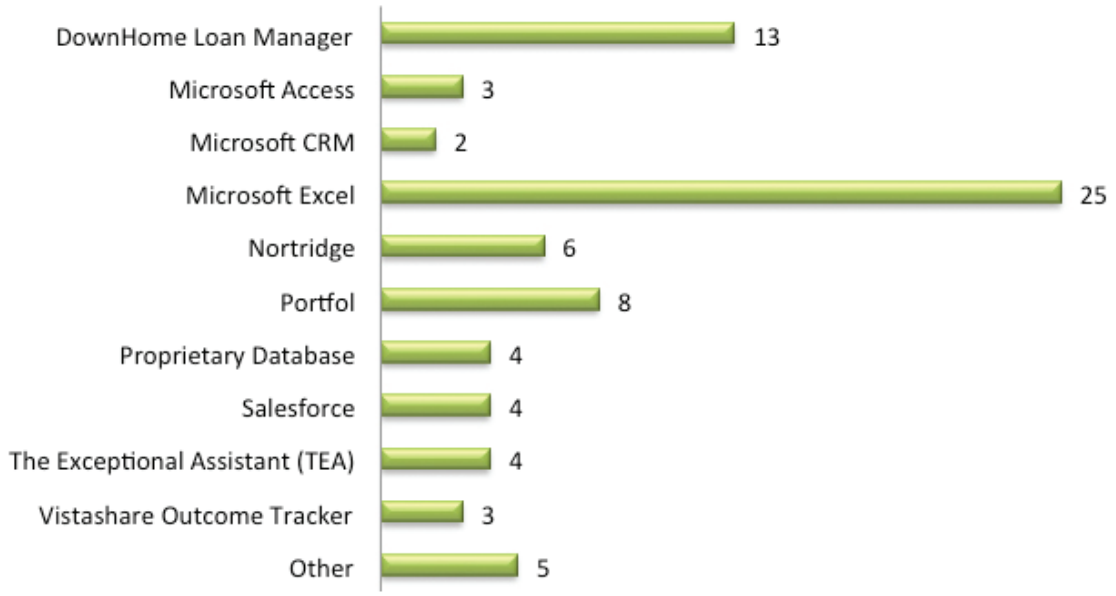
In addition to having a carefully conceived workflow for collecting data, CDFIs need a software system that will meet their needs for recording, tracking, and reporting information collected.

Some CDFIs choose to use portfolio management software, such as DownHome Loan Manager, Portfol, Nortridge, and The Exceptional Assistant (TEA). Others use client relationship management software, such as Salesforce, Microsoft CRM, and Outcome Tracker.

A handful of Create Jobs for USA Awardees have developed custom databases for their impact tracking activities.

Table 1 presents the range and frequency of software packages used by the subset of the Create Jobs for USA Awardees who went through the Jobs Count Review. As seen in this table, among this subset of CDFIs, the single most commonly used software is Microsoft Excel. Excel's benefits lie in its wide accessibility: most people already have it and know how to use it. It is also easily tailored for this use.

Table 1: Number of Create Jobs for USA Awardees Using Various Software Packages for Recording Jobs Data



The high number of Microsoft Excel users is slightly misleading. Eleven out of the 25 Microsoft Excel users combine Excel with DownHome Loan Manager, TEA, Nortridge, or Portfol.

CDFIs that use multiple software packages do so when one database does not have enough data fields, or because they input information collected at loan closing into one database and track impact data in another. A few of these CDFIs noted that their processes are inefficient and error prone, and that they are replacing their two systems with one software package.

CDFIs that take advantage of the full functionality of their software can access productivity-enhancing features. For example:

- ★ CDFIs using DownHome and Outcome Tracker have indicated that they generate checklists, ticklers, and/or reports that notify them of missing data.
- ★ One CDFI programmed Portfol to notify it when a borrower's actual number of jobs created has reached the projected number.
- ★ Another CDFI's customized database helps identify missing data fields and produces weekly and monthly reports automatically.

For additional information on CDFI usage of and satisfaction with software tools, see the OFN publication "What's in Your Technology Toolbox," available at ofn.org. This report summarizes software-user feedback reported by 206 CDFI Loan Funds, CDFI Intermediaries, and CDFI Credit Unions that responded to OFN's 2011 Software Survey.

Verifying the Data

To improve the accuracy of their jobs data (and because some public-sector programs require it), some CDFIs verify actual jobs counts. The primary ways they verify the data are through:

- ★ **Site visits.** As mentioned earlier, CDFIs who maintain close contact with borrowers through small business coaching can use periodic meetings as opportunities to verify and update actual job numbers in person.
- ★ **Back up paperwork.** Examples of backup paperwork include tax returns/990's, state employment filings, financials, and payroll records.
- ★ **Third party reviews.** CDFIs can hire a third party to review and sign off on actual job counts.

Only 19% of the Create Jobs for USA CDFIs that participated in the Jobs Count Review validate jobs data. This can be explained in part by the fact that the collection of actual jobs data itself is a relatively new activity for many CDFIs.

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 and some models have the added benefit projecting indirect and induced jobs.

In certain circumstances, using a model to project job creation can be very helpful. This is true for CDFIs that make sizeable construction loans or close large volumes of microenterprise loans annually. Projection models allow CDFIs to quickly estimate job creation for each loan. An added benefit to some models is their projection of indirect and induced jobs. These are defined as:

- ★ ***Indirect Jobs:*** The jobs created or retained by the businesses in support industries (e.g., for construction projects, construction materials suppliers, architects, engineers, and other businesses that support the construction project will experience an increase in demand and will create and retain jobs as a result).
- ★ ***Induced Jobs:*** The jobs created or retained by businesses that the workers spend their disposable income on (e.g., the new employees of the construction business will spend their wages at restaurants, grocery stores, etc.).

By adding direct, indirect, and induced jobs together, a CDFI can report a more complete impact on its community.

To satisfy the Create Jobs for USA jobs reporting requirement, CDFIs could request approval to use a projection model. These models had to be widely accepted and widely used by a government entity or professional association. Additionally, if the model used national averages to project local jobs, the CDFI should use a version that was customized to its local geography if such a version was available.

OFN approved the use of three models:

National Association of Home Builders (NHAB) Model

The NAHB model estimates the benefits of housing development to a local economy, through new income and jobs, as well as local taxes and other government revenue. NAHB developed the model in 1996 and has since updated it and developed variations for different types of housing projects.

The model is explained in an NAHB publication that CDFIs can use to identify the correct multipliers for its projects. The published NAHB model is applicable to projects nationwide; upon request, NAHB can and has adapted the model to specific local economies by adjusting key housing market variables.

As of 2012, the NAHB Housing Policy Department has produced more than 700 customized models. Its clients include state housing authorities and affordable housing developers.

The NAHB model is divided into three phases:

- ★ **Phase I (Construction):** Estimates jobs, wages, and local taxes generated by the actual development, construction, and sale of the home. Provides projection of direct and indirect jobs, which include on-site and off-site construction work, jobs generated in retail and sale of components, transportation to the site, and professional services required to build the homes and deliver them to their final customers.
- ★ **Phase II (The Construction Ripple):** When the wages that are earned through the construction activity are spent within the local community, this generates additional income for local residents, who spend more money on local goods and services. The jobs created or retained by businesses through this recycling of income back into the community are called induced jobs.
- ★ **Phase III (The Ongoing Impact):** Once the homes are built and occupied, the residents spend their income on local goods and services on an ongoing basis, which results in a permanent increase in jobs, wages, and local taxes collected.

The NAHB model does not distinguish between direct and indirect jobs, but it does break down the estimated jobs supported by industry (e.g., construction, manufacturing, transportation, communications, utilities, wholesale and retail trade) for all three phases.

In 2009 and 2010, NAHB produced four "typical case reports" for:

- ★ Building 100 single-family homes,
- ★ Building 100 multifamily homes,
- ★ $10 million of residential remodeling, and
- ★ Building 100 units of Low Income Housing Tax Credit housing.

CDFIs can access these publicly available reports on the NAHB website. With these reports, CDFIs can calculate multipliers that they can apply to their projects to estimate the projects' impacts on income, jobs, and government revenue. Because the data is based on national averages, the estimates may be less accurate if the project's market area does not bear resemblance to the national average.

To improve the accuracy of the job creation estimates, a preferred alternative to using multipliers from a Typical Case report is using multipliers generated by an NAHB report that has been tailored to a particular market area using inputs specific to a city, county, metropolitan area, or state. Often, local and state NAHB offices will order a local economic impact report to analyze home building activity in their region.

CDFIs can contact their local or state NAHB to see if they have a report for the CDFI's specific market area and if the report is publicly available. If a local report is not available, a CDFI can contact NAHB to order a customized report. As of December 2013, the fee for a customized report was $2,250. Website: www.nahb.org

IMPLAN Software

IMPLAN (IMpact analysis for PLANning) is an input-output model that is used to predict the impacts of an economic transaction within a specified region. These impacts include changes in jobs, household incomes, tax revenue, and gross regional product. Advanced customization modules allow users to tailor the IMPLAN software to study certain industries within a certain geographic area. IMPLAN is able to project the direct, indirect, and induced effects of spending activity; create separate results for construction and non-construction jobs; and break down jobs by industry. The employment estimates represent all full- and part-time jobs, which allow CDFIs to calculate FTEs.

More than 2,000 institutions, including government entities, universities, businesses, and nonprofit organizations, have used IMPLAN.

In 2012, NeighborWorks America (NWA) purchased IMPLAN to create a customized model that estimates jobs created through its network organizations' production activities (single family home construction, multifamily construction, and rehabilitation/repair). NWA's custom IMPLAN model closely parallels the Typical Case NAHB model, though it uses data at the state rather than national level to provide more region-specific projections. NWA disseminates state- and organization-level impact reports to its network on an annual basis so that organizations can better understand their impact, incorporate impact information in their marketing materials, and use the information in discussions with funders and government entities.

OFN uses IMPLAN to calculate the indirect and induced jobs resulting from the direct jobs reported by Create Jobs for USA CDFIs.

CDFIs interested in using IMPLAN can purchase the current year's IMPLAN Data File for their area of interest. With the purchase of the data file, users are able to use the IMPLAN projection model free of charge. The cost for the 2012 IMPLAN Data File for one county is $390. For larger areas, organizations purchase the data for the counties that make up the larger area. Discounts are available for large purchases, and organizations can request date be pre-aggregated. Website: www.implan.com

MicroTest Client Outcomes Survey

MicroTest is a set of management tools developed by FIELD at Aspen Institute to help microenterprise practitioners gauge the performance of their programs and measure client outcomes. The MicroTest Client Outcomes Survey, developed in 2003 and fully launched in 2004, is an outcome evaluation protocol that is used to survey a randomly selected statistically significant number of clients about changes their businesses have experienced after receiving program services (e.g., microenterprise loan). In addition to jobs, the MicroTest Outcomes Survey includes questions on wages, business income, owner's draw, etc. MicroTest provides the survey tool along with instructions and guidance on managing the client survey process, conducting the interviews, and reporting the data back to MicroTest. Approximately 30 microenterprise programs throughout the U.S. use the MicroTest Client Outcomes Survey each year.

The benefit of the MicroTest Client Outcomes Survey is that a CDFI is not limited by its small staff or large volume of clients.

Using the Microtest randomization tool, it can select a group of borrowers that is representative of its lending portfolio and generate reliable job projections for borrowers who do not participate in the survey. The MicroTest Outcomes model determines the number of existing jobs and new direct jobs to be created. It does not project indirect or induced jobs, nor does it distinguish between non-construction and construction jobs (though one can assume most microenterprises produce non-construction jobs unless they are a construction firm). The model distinguishes between full- and part-time jobs, allowing CDFIs to calculate FTEs.

CDFIs that wish to participate in MicroTest and use the MicroTest Client Outcomes Survey must sign up for a Premium Plus subscription for $250/year and participate in a one-time training that covers microTracker data measures, definitions, and protocols. As of December 2013, training costs range from $800 to $4,800 depending on whether the training is on-line, group/in-person, or on-site, and whether additional capacity building and consultation is included. CDFIs can visit the FIELD at Aspen Institute's website to learn more about or participate in MicroTest. Website: www.fieldus.org/MicroTest/index.html

Conclusion

The number of jobs created is perhaps the single most common indicator used to measure CDFI impact. Likewise, it is a widely cited key macroeconomic indicator that most Americans can easily relate to. Yet measuring job creation is not easy. In this paper we identified many of the challenges to measuring it and offered some approaches for improving practice.

While this paper seeks to identify some of these challenges and to offer some approaches to improving practices, it is just one contribution to a broader dialogue on measuring the outcomes of small business financing. Related topics include measuring the quality of jobs created and retained; measuring changes in the performance of businesses financed; standardizing terms and definitions across all stakeholders including practitioners, private and public funders and investors, and policymakers; and reaching consensus on a reasonable set of indicators that CDFIs should collect and report on.

Contact us at createjobsforusa@ofn.org to share your feedback and contribute to the conversation.

Appendix A: Create Jobs for USA Definitions[1]

Jobs at Loan Close: The jobs at the business financed at the time the loan closed. For real estate projects, jobs at the business financed are the existing jobs associated with the phase of the project being financed (e.g., predevelopment, construction, permanent).

Jobs Retained: A subset of Jobs at Loan Close. Jobs Retained are the jobs that would have been lost if the loan had not closed. (By definition, the number of Jobs Retained cannot exceed the number of Jobs at Loan Close.)

Projected Jobs to Be Created: The jobs the business owner expects to create as a result of the financing, net of any expected job losses.

Actual Jobs Created: The new jobs the business owner reports to have been created since the loan closed net of any job losses during the same period. (Actual Jobs Created equals the actual number of jobs at a point in time after the loan closes minus the Jobs at Loan Close).

Full-Time Equivalent (FTE): A Full-Time Equivalent (FTE) job is the equivalent of at least a 35-hour workweek. In calculating the number of FTEs, part-time jobs should be aggregated to FTEs. Example: Two 20-hour jobs = 1 FTE. For construction or seasonal jobs, convert the job to an annual FTE.

Direct Jobs: The jobs that are created or retained by the business or construction projects the lender finances.

Indirect Jobs: The jobs created or retained by the businesses in support industries (e.g., for construction projects, construction materials suppliers, architects, engineers, and other businesses that support the construction project will experience an increase in demand and will create and retain jobs as a result).

Induced Jobs: The jobs created or retained by businesses that the workers spend their disposable income on (e.g., the new employees of the construction business will spend their wages at restaurants, grocery stores, etc.).

[1] Create Jobs for USA required CDFIs to report construction and non-construction jobs separately. We did this to separate short-term construction jobs from permanent employment.

Appendix B: Sample Policies, Procedures, and Guidelines

New Hampshire Community Loan Fund Counting Jobs at Community Businesses

The Community Loan Fund strives to collect and disseminate accurate and meaningful impact measurements of our lending and financing activities. Because we lend to a wide variety of community businesses, we have adopted policies and practices that account for their differences in scale and capacity. As our business lending program expands and matures, our data-gathering and reporting systems are evolving as well.

Jobs

It is the policy of the Community Loan Fund to collect information from our borrowers that will enable us to track changes in each borrower's work force during the life of its loan. This approach requires borrowers to report their employment numbers at the time of their loan application and annually for as long as they carry the loan.

The "baseline" measure: After a community business comes to the Community Loan Fund seeking financing and during our underwriting process we obtain a "baseline" jobs number from the business. The baseline is the number of full-time equivalent (FTE) employees at the business on a specified date selected by the borrower and the loan officer to provide a meaningful starting point for measuring the impact of the loan. The starting point might be the date of the loan application, the loan closing, or some milestone date in between, such as the end of a fiscal or calendar year.

The FTE count shall include all of the borrower's employees with adjustments made for part-time and seasonal workers. The baseline figure does not include changes in employment expected to result from the loan.

During the application and underwriting process, the loan officer will also request from the borrower the following:

- The number of FTE jobs the business expects to create or eliminate as a result of this financing, if any,
- The number of FTE jobs Retained by this financing. Retained jobs are jobs that the borrower believes would have been lost if not for this financing.

The loan officer will use the employment numbers as part of the credit memorandum presented to the loan review committee for consideration when it decides whether to approve the loan. If the loan is approved, the loan officer will record the baseline jobs data – including the anticipated jobs to be created or retained – in the Lending department's Loan Information Summary Form. At closing, the loan officer may update the baseline figures in the Summary Form if appropriate. The Loan Information Summary Form is then used by Lending when entering a new loan into the loan servicing software and it will be the permanent source of baseline data regarding jobs for the borrower.

Annual Jobs Updates: For as long as a loan is outstanding, a designated Community Loan Fund employee will be responsible for seeking an annual update from the borrower for the number of full-time equivalent employees at the community business as-of June 30, the end of the Community Loan Fund's fiscal year. All loan commitment letters and final loan documents will

include a requirement that the borrower provide this information by July 31 of each year the loan is outstanding.

We will accept jobs reports from borrowers in the following ways:

- Payroll: Our preferred source of employment data is a payroll report from an employment period ending within a week of June 30th coupled with information about part-time employees' schedules.

- Written report or summary: Businesses that do not have a payroll service or payroll data in an organized report may report their employment figures in writing either in a narrative text or table. We will also accept a written report or summary from a business that is not willing to provide an updated payroll report. The report must come from a company official with access to payroll information and may be mailed or emailed to the Community Loan Fund. The report must include:

  – Number of hours that make up a full time position,

  – Number of full time employees

  – Number of part time employees and either the approximate number of hours each works or the total number of hours all part-time employees work per week or over the course of the preceding year.

Oral report or summary: – In rare cases, the Community Loan Fund will accept an oral report from a business owner or manager conveyed over the phone or in person. The receiving loan officer will record not only the jobs data but the form of the communication and the source of the information.

- Other Circumstances – Other circumstances may arise where we are unable to obtain information from a borrower. In some instances we may decide to not pursue updated jobs information or we may be able to make an independent assessment of the situation at the business. This will be rare and will be discussed between the program manager and the Compliance and Reporting Manager.

The updated jobs information will be calculated into a "FTE as of 6/30" number from which we will derive statistics about changes in employment among our active borrowers and the social impact of our lending activities. The Community Loan Fund will record these statistics in our loan servicing system and will use them to create our annual CDFI Fund TLR and the OFN

Annual Member Survey data.
The Community Loan Fund will use the following definitions:

  – Jobs Created: The change in number of full-time equivalent employees (FTEs) at a business or organization from the baseline to repayment of the loan (or the current period).

  – Jobs Retained: jobs that would have been lost without financing from the Community Loan Fund.

  – Jobs Maintained: The number of FTEs at a business or organization at the time of loan application (the baseline figure) or any lower number reported subsequently during the life of the loan.

  – Jobs Assisted: The sum of all Jobs Maintained plus all Jobs Created.

LISC
Helping neighbors build communities

Policies and procedures for jobs data collection and reporting to the Opportunity Finance Network

LISC is required to submit quarterly reports to OFN, beginning with the quarter ending on March 31st, 2012 and ending with the quarter ending on March 31st, 2014, which include the following four data points for loans closed during the quarter covered by the report:

1. Jobs at loan close – Existing or created construction and non-construction jobs at the business or organization that LISC financed at the time the loan closed.
2. Jobs retained – construction and non-construction jobs or positions that would had been lost at the organization that LISC financed at the time the loan closed.
3. Projected jobs to be created – The construction and non construction jobs expected to be created at the organization LISC financed within 12 months of loan closed.
4. Actual jobs created – These are the new jobs that the organization that LISC financed created since the loan closed.

LISC collects data on its loan portfolio through inclusion of information in the credit write-ups for such loans, submitted at the time that the loans are reviewed by LISC's Credit Committee for approval. The credit-write-up does not include the data points listed above.

To comply with the Grant requirements, LISC has implemented the following procedures to manually collect, analyze and report this data:

1. The Chief Financial Officer notifies all LISC Program Vice Presidents and Executive Directors for LISC urban and rural programs that LISC has received the Grant and outlining the LISC's strategy for the collection of this data including surveys of borrowers.
2. The Legal Department at LISC developed an additional reporting covenant for all LISC loans that close during the OFN grant reporting period as follows:

REPORTING COVENANT—CREATE JOBS FOR USA INITIATIVE

Misc. Reporting Covenant--CDC Sponsor is Borrower

(_) Promptly after request, Borrower shall furnish to Lender such additional information, reports, statements, and certificates

with respect to the Loan or the Project, or the operations or financial condition of Borrower, including reports on the number of jobs retained, projected to be created, and created through the Project and the Loan, as Lender may from time to time reasonably request.

Misc. Reporting Covenant—CDC Sponsor is Guarantor

(_) Borrower and Sponsor shall furnish or cause to be furnished to Lender such additional information, reports, statements, and certificates with respect to the Loan or the Project, or the operations or financial condition of Borrower and Sponsor, ***including reports on the number of jobs retained, projected to be created, and created through the Project and the Loan,*** as Lender may from time to time reasonably request.

3. The Grants and Contracts Management Department administers a survey that captures the four required data points for the OFN report. This survey is distributed monthly to the borrowers of all loans that close during each reporting period. GCM creates this report as follows:

    a) The Treasury department downloads a report for LISC's Program Action System detailing the loans closed during the prior month. The Treasury department reviews this report and ensures that only loans that qualify under OFN requirements are included in the report. Treasury then sends this report to the Grants and Contracts Management Department by the end of the month.

    b) The Grants and Contracts Management Department then directly contacts all borrowers for loans that closed during the reporting period asking them to complete the job survey. This survey includes information on construction and non-construction jobs created and retained. LISC Program Officers are the primary relationship managers with the borrower and are copied on this correspondence.

    c) GCM reviews and compiles the survey responses. If there are questions, GCM may follow up with the LISC Program Officer (who in turn may reach out to get additional clarification from the borrower) on the jobs data provided.

4. The Grants and Contracts Management department compiles survey data and prepares the draft Opportunity Finance Network report using the OFN specified report format. This draft report is reviewed by the Treasurer and/or EVP & General Counsel who oversees the Grants and Contracts Management Department. Such Department then submits the report electronically on a quarterly basis to the e-mail address createjobsforusa@opportunityfinance.net. The following LISC staff are copied on this correspondence: the Development Director, the Executive Vice President and General Counsel and the Vice President for Lending.

MACED Borrower Employment Tracking Guidelines

Purpose

To summarize expectations for MACED's Enterprise Development program staff to collect employment data from MACED borrowers.

Jobs Metrics Defined

Our primary jobs related indicators are jobs created and jobs saved. "Jobs created" means number of new full-time equivalent (FTE) jobs that are projected by the borrower to be created within 12 months because of a MACED loan. "Jobs saved" means number of borrower's existing FTE jobs that are projected by the borrower to be saved from loss within a 12-month period because of a MACED loan. "Jobs pre-close" is also tracked and represents the number of borrower's existing FTE jobs just prior to the impact of receiving, or not receiving, a MACED loan. Any dollars loaned by MACED or other lenders are assumed to have employment impact regardless of use of loan proceeds. However, projected jobs created or saved are estimates provided by the borrower and should always be recognized as such. MACED records and annually tracks our borrowers' current FTE employment as well as employment data by average income ranges of employees, benefits, and number of employees that are women, veterans or other disadvantaged persons. FTE jobs reported by the borrower are assumed to include employees expected to work 35 or more hours every week. Employees expected to work anytime less than 35 hours per week are considered part time and, for the purpose of this jobs tracking, are always treated as 0.5 FTE.

Tracking Systems

Jobs data is a key performance metric that is recorded in MACED's Development Impact Data System (DIDS), the centralized, organization-wide database that tracks:

- Organization and program development
- Progress on the Five-Year Plan established at the outset of fiscal year 2011
- Monthly performance on annual team goals

DIDS tracks activity at the program and organizational levels, aggregating data by program and providing the capability to combine data from across programs into measures of organizational progress on indicators designed to reflect MACED's impact.

In addition, the Enterprise Development (ED) program uses an internal data tracking system called the DataBank (DB). This IT system allows the ED program staff to track loan demographic information of entrepreneurs and enterprises (including FTE jobs, average pay ranges and benefits paid to employees). Project Specialists are required to update client records as they collect data throughout the course of underwriting loan requests and for an annual survey.

The most common points of interactions with loan applicants and post borrowers where we collect jobs data are:

1. Loan application–at initial in-take of loan request
2. Loan proposal document–presented to internal authority or the loan committee for approval
3. Borrower's Employment Statement–completed & signed by the borrower before or during loan closing

The following table outlines jobs data that is collected over an annual period from point of loan application to close and then annually as part of a our client survey process.

Data Collection Process and Instruments at MACED

	Data Items	Loan Application Form	Loan Proposal Form(s)	Employer Certification Form	Loan Closing/Disbursement Checklist	Annual Survey
	Current FTE Jobs	collect	input DB	at close	review	update DB
Jobs						
	# FTE employed - women	collect	input DB	at close	review	update DB
	# FTE employed - minority persons	collect	input DB	at close	review	update DB
	# FTE Employed - low income persons		input DB	at close	review	update DB
	Projected FTE jobs created (12 months):		input DB	at close	input DB	
	Projected FTE jobs created low-income (12 months):		input DB	at close	input DB	
	Projected FTE jobs created women (12 months):		input DB	at close	verify	
	Projected FTE jobs created minorities (12 months):		input DB	at close	verify	
	Projected FTE Jobs retained (12 months):		input DB	at close	verify	
	Jobs retained low-income (12 months):		input DB	at close	verify	
	Employer paid benefits (multiple entries, list of benefits)	collect		at close	verify	update DB
	Projected avg wages per new job created (12 months)		input DB	at close	verify	

Data Collection Expectations

Review loan application for completeness. Project Specialist who conducts initial review of loan applications should make sure that the applicant has completed the form. Please follow-up with applicant if the form is not complete. The loan request remains a Stage 2 (Incomplete Application) in our loan pipeline.

Verify assumptions and plans for projected jobs created or saved in loan proposal. Project specialists are responsible for conducting a site visit or more in-depth interview with the loan applicant to make sure that the total jobs and projected jobs created or saved are accurately represented in the loan proposal document. The Project Specialist should test business plans and projections provided by the applicant to ensure the number is realistic as well as ask for clarification from the entrepreneur about his or her expectations.

Ensure signature on Employment Certification Form at loan closing. Project Specialist will double check with the borrower before the closing to ensure accuracy in the number of projected FTE jobs created or saved so the borrower can sign the Employer Certification form at the time of close. Once a loan is closed, the Loan Fund Administrator will double check all documents to verify that they are completed and will then enter jobs data into the DataBank system (Stage 4 in loan pipeline system).

Jobs Data Reporting

The Senior Underwriter is responsible to aggregate lending performance by loan and across the portfolio. Jobs metrics are collected from reports out of the DataBank (Impact Report) and manually entered into the DIDs system. Any disparities are resolved before entry in the DIDS system to ensure accuracy. The Senior Underwriter and Enterprise Development Director utilize both DIDS and DataBank to report loan performance and impact metrics to funders and other stakeholders. Jobs collection and reporting data systems are reviewed annually.

Annual Survey & Analysis

The Enterprise Development program reviews goals versus. performance on a regular basis throughout the year, this includes jobs data. It is MACED's practice to conduct an annual survey of our portfolio of borrowers. The Enterprise Development Director is responsible to make sure that the survey is completed and typically has support from the Senior Underwriter and a paid intern or contractor.

The annual survey includes a snapshot of a borrower's current FTE employment metrics at the time of the survey. These results are compiled in a survey spreadsheet (by borrower) and are compared to the initial or last jobs data entry for each borrower in the DataBank. These data points at different times are the primary method that MACED uses to analyze job creation or job declines by business and across our portfolio; however, job growth/declines are not a key performance metric tracked in DIDS. Project Specialist may be asked to follow up with borrowers during the year and update their demographic information in the survey collection spreadsheet and the total employment (FTE) figure in the borrower's DataBank record.

Fiscal Year End Close Out

MACED's fiscal year ends on April 30. The DIDs system for impact performance reporting must be completed for the prior fiscal year by May 31. Therefore, Enterprise Development staff may be asked to help fill in any missing jobs metrics data not captured in the Annual Survey or in the course of regular site visits with borrowers. It is important to "lock-in" projected jobs metrics for each fiscal year to provided consistent reporting to the MACED board of directors, investors and stakeholders.

CAPITAL IMPACT
PARTNERS

Credit and Development Activity Guidelines

Purpose: This guideline sets standard operating procedures for data collection including what data must be collected, verification process, and security. The purpose is to ensure electronic databases and reports are accurate.

Capital Impact Partners collects data from customers for two primary purposes: in order to provide reporting back to funders and investors regarding specific projects and in order to measure the impact of our work. Capital Impact Partners does not collect information for impact purposes that would be deemed Nonpublic Personal Information (NPI).

Data: In general, Capital Impact collects information such as the following:

- Demographic characteristics of clients of customers, including projected numbers;
- Details of financing projects including other funding sources and final budgets;
- Jobs at customer site, including those to be created by construction and/or expansion of customer;
- Outcomes of the customer's clients, when available (such as graduation rates and health quality indicators);
- Annual revenues;
- Details on benefits provided to employees and broad wage information;
- Demographic characteristics of employees and owners / managers (depending on customer organizational type);
- Rental costs or sales information, as applicable to housing and commercial real estate projects;
- Programs and activities provided by customers; and
- Information necessary to prepare reports as required by investors and funders.

Collection process: Data from customers is generally collected at three points: once at the initiation of an activity such as a closed loan. Data is then updated when the project is completed, and again annually after a customer's fiscal year-end until loan maturity. Some customers may be required to provide data as of December 31, in order to match information provided by Capital Impact at our year-end.

Sources of data: Most impact data is collected by primary contacts between Capital Impact and the customer. Data may be collected over the phone, via email, fax or mail. For social impact related to lending at closing, MS Word forms are available to share with customers. Annual metrics are currently collected via an MS Excel document. Both types of documents are available on the shared drive, based on sector. All forms are maintained and updated as necessary by the Director of Impact Evaluation.

These forms (and any related emails or other documentation with impact data) should be considered the primary sources of data. However, the source of record for impact will be the Salesforce database. The exception to this is the annual metrics forms. These will be considered the source of record until the Salesforce database is completed.

Quality control: Impact data should be collected and reviewed by the Loan Officer by the loan closing date. Data completeness is critical for producing meaningful, functional reports that are used to inform decision-making. Primary contacts should review data collection forms to ensure completeness and accuracy.

Annually, the Director of Impact Evaluation will review the forms used for data collection and provide training to all staff responsible for collecting impact data from customers.

The Data Governance Committee (DGC) is responsible establishing & maintaining procedures governing data elements as well as access procedures and data retention. The DGC will also define primary sources of record and resolve conflicts involving shareable data. Finally, the DGC will create definitions and business protocols in a Data Dictionary available to all users.

Current standing members of the DGC are the Chief Information Officer, the Senior Systems Analyst and the Director of Impact Evaluation. Additional members are added depending on need and the issue under review.

The Director of Impact Evaluation has separate but related responsibilities such as: analyzing and improving data quality, consulting with all staff on use of data, maintaining data integrity (with DGC), providing customized reporting and developing definitions of common data and associated metadata. Any questions regarding data collection procedures should be directed to the Director of Impact Evaluation.

Excerpt from Kentucky Highlands Investment Corporation Job Data Collection Policy

Job Data Collection Prior to Investment and/or at Closing:

Kentucky Highlands Investment Corporation strives to create and retain jobs in Southeast Kentucky through loans to small businesses and technical assistance provided to existing and potential borrowers. For investments to be presented to the Kentucky Highlands Board of Directors, Investment Analysts will collect job data during the application and due diligence process. This data should include both the number of jobs prior to investment and projected jobs to be created and/or retained as a result of the Kentucky Highlands investment. This information will be provided to the Kentucky Highlands Board of Directors when the loan is presented for approval.

In addition, a formal job survey (sample attached) is to be completed by all borrowers at the time of each loan or investment closing. This survey shows the number of individuals the borrower currently employs, including both full-time and part-time employees, plus projected employment. This job data is recorded and compiled for use in monthly reports to the Board of Directors, as well as reports to various funders.

Annual Job Collection:

The Lending Department requests job data, as well as financial and wage information on an annual basis using a survey (sample attached) that all borrowers, current and prior, must complete at the end of each of Kentucky Highlands' fiscal years. The survey is sent to all borrowers via fax, email, or mail in April each year, to be completed using employment data as of March 31. These surveys are collected by the Lending Department and entered into an excel spreadsheet to calculate job creation and retention for the Kentucky Highlands fiscal year. This information is provided to the Administrative Department to update the report for the Board of Directors.

At the end of each fiscal year the employment data is entered into another excel spreadsheet which indicates the employment for each portfolio company over the life of Kentucky Highlands, beginning with 1968 (sample attached). This spreadsheet calculates jobs created and retained, but uses the highest employment reached for each company vs. net jobs created using the Kentucky Highlands monthly job report.

Northern California Community Loan Fund

Lending Impact Worksheet

Borrower: _____

Project: _____

Loan Number: _____

Close Date: _____

Loan type (check one)

___ Business

___ Community Facility

___ Housing

___ Other: _____

In order to satisfy reporting requirements to its loan fund investors, NCCLF collects social impact data, including job creation and retention figures, for each project we finance. Borrowers must report these figures on this worksheet as of the loan close date. NCCLF will collect jobs data again twelve months after the loan close date. Borrowers may also be contacted by Opportunity Finance Network, an investor and third-party auditor, to verify the jobs figures NCCLF reports.

Please don't hesitate to contact NCCLF staff for assistance filling out this form.

The borrower representative responsible for reporting job creation and retention for this loan is:

Jobs

As of the loan close date above, the borrower representative reports the following job data related to the financed project. All figures are twelve-month full-time-equivalent units (FTEs), where full-time is defined as at least an average of thirty-five hours per week. (Example: A six-month-long, forty-hour-per-week position plus three year-long, twenty-hours-per-week positions equals a total of two FTEs.)

Nonconstruction jobs

1. Current number of FTE nonconstruction jobs in the borrower's organization: _____

2. Estimated number of FTE nonconstruction jobs in the borrower's organization that would have been

lost if the loan had not closed (retained jobs): _____ Explanation for estimate, if any:

_____

_____ .

3. Projected number of FTE nonconstruction jobs in the borrower's organization expected to be created

within the next twelve months, net of any expected job losses: _____ Explanation for projection, if

any:

_____

_____ .

4. Projected number of FTE nonconstruction jobs in the borrower's organization expected to be created

after the next twelve months, net of any expected job losses: _____ Explanation for projection, if any:

_____

_____ .

Construction jobs

4. Number of FTE construction jobs currently at work on the borrower's project at the loan close date: _____

5. Estimated number of these existing FTE construction jobs that would have been lost if the loan had not closed (retained jobs): _____ Explanation for estimate, if any:

_____

_____ .

6. Projected number of FTE construction jobs expected to be created within the next twelve months, net of any expected construction job losses: _____ Estimation for projection, if any:

_____

_____ .

7. Projected number of FTE construction jobs expected to be created after the next twelve months, net of any expected construction job losses: _____ Estimation for projection, if any:

_____

_____

Hartford Community Loan Fund

Hartford Community Loan Fund Inc.
Projected Jobs Created for CJUSA Compliance
Jobs Data to be collected at Loan Close

Instructions:

Report the number of Full Time Equivalent (FTE) jobs. FTE jobs are the equivalent of a 35 hour workweek, over on
Part-time jobs should be aggregated into full-time equivalents.
Report Construction and Non-Construction jobs separately. Non-Construction Jobs are
the permanent jobs at the property being developed such as property managers.
Report only Direct Jobs. Direct Jobs are the jobs that are created or retained by the construction project financed,
not non-construction jobs related to construction (e.g. architects, engineers, contractor's office workers

Report **Jobs at Loan Close** if the construction project is in process when the loan closes.	
Non-Construction Jobs at Loan Close (FTE):	_____
Construction Jobs at Loan Close (FTE):	_____
Report **Jobs Retained** if any of the **Jobs at Loan Close** would have been lost if the loan did not close	
Non-Construction Jobs Retained (FTE):	_____
Construction Jobs Retained (FTE):	_____
Report the jobs the business owner (or Borrower) expects to create	
Projected Non-Construction Jobs to be Created within 12 months (FTE):	_____
Projected Construction Jobs to be Created within 12 months (FTE):	_____
Report the jobs the business owner (or Borrower) expects to create	
Projected Non-Construction Jobs to be Created after 12 months (FTE):	_____
Projected Construction Jobs to be Created after 12 months (FTE):	_____

Completed by: _____

Date: _____

Bridgeway Capital

INFORMATION INTAKE FORM

THIS FORM IS FOR INFORMATION PURPOSES ONLY. IT IS NOT A LOAN APPLICATION.

In order to meet the needs of many business owners and entrepreneurs, we must carefully review and evaluate the effectiveness of our programs. Thank you for taking the time to complete this intake form. Information is used for evaluation purposes and is required by many of our government and private funding sources and sponsors.

BUSINESS INFORMATION	
Trade Name of Business	Date Business Established
Legal Name of Business	Date Incorporated and State
Business Address (including City.State.&Zip)	Business Phone
	Business Fax

BUSINESS EMPLOYEE INFORMATION	
Current employees	
# Full-time	# Part-time*
Average hourly wage - Full-time	Average hourly wage - Part-time
# with benefits - Full-time	# with benefits - Part-time
# who are women - Full-time	# who are women- Part-time
# who are minorities- Full-Time	# who are minorities- Part-time
Projected NEW employees (within the next 12 months) if you receive financing	
# of Full-time	# of Part-time
Average hourly wage- Full-time	Average hourly wage- Part-time
# with benefits - Full-Time	# with benefits- Part-time
Job loss if you do not receive financing	
If you do not receive financing for your business, will jobs be lost? Yes ☐ No ☐ If yes, how many full-time jobs will be lost? How many part-time jobs will be lost?	If yes, explain why jobs will be lost, and how financing will enable you to retain them.

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*OFN Best Practice Recommendation: Add average number of hours worked for part-time employees.

Kentucky Highlands Investment Corporation
Information Required by Funding Sources

Return by Email/Fax to:
Email Address/Fax Number:

From: _____

Company Name: _____

Email Address: _____

Most Recent Fiscal Year End (Month/Year): _____

1. **Total Number of employees as of March 31, 2012:** _____

2. **Permanent Jobs as of March 31, 2012**
   a. Number of Full-time Employees (at least 35 hours per week) _____

   b. Number of Part-time Employees _____

   Part-time Employees Details

   _____ Job(s) @ _____ Hours Per Week

   _____ Job(s) @ _____ Hours Per Week

   Job(s) @ ___ ___ Hours Per Week

3. **Temporary/Contract Jobs as of March 31, 2012**
   a. Number of Full-time Temporary Employees _____

   Total Projected Duration of Job _____

   b. Number of Part-time Temporary Employees _____

   Part-time Temporary Employee Details

   _____ Job(s) @ Hours Per Week

   Total Projected Duration of Job _____

   Job(s) @ Hours Per Week

   Total Projected Duration of Job _____

4. Total Employees (sum of 2a+2b+3a+3b should match #1. Above) _____

Note: Please verify any previous year information we have supplied, per our records, and make corrections as necessary.

5. Number of Jobs at 3/31/12 with Ownership, Profit Sharing and/or Employee decision making opportunities: _____

6. Type of Benefits - Please indicate which of the following benefits are paid or partially paid by the Company:

Health insurance	Dental insurance	Long Term Disability
Life insurance	Sick leave	Vacation
Retirement	Holiday pay	Other

7. Total Annual Payroll and Employee Withholding:
(Please use information from Form W-3)

Calendar Year 2011:	Total Wages, tips & other comp. (Box 1)	_____
	Federal income tax withheld (Box 2)	_____
	State income tax withheld (Box 17)	_____
	Local income tax withheld (Box 19)	_____
Calendar Year 2010:	Total Wages, tips & other comp. (Box 1)	_____
	Federal income tax withheld (Box 2)	_____
	State income tax withheld (Box 17)	_____
	Local income tax withheld (Box 19)	_____

Gross Sales: Fiscal Year 2011 _____
Fiscal Year 2010 _____

Net Income (Loss): Fiscal Year 2011 _____
Fiscal Year 2010 _____

8. Company Federal, State and Local income taxes paid for Fiscal Year 2011:

Federal _____ State _____
Local _____

9. Type of Business

Service	Health Care	Manufacturing
Retail	Transportation	Economic Development

Other (Please Explain) _____

Hartford Community Loan Fund Inc.

[SAMPLE REPORT]

Hartford Community Loan Fund Inc.

Job Creation Calculator for Construction Rehab Loans

To calculate "Actual Jobs Created" for CJUSA compliance

To be completed each time construction funds are advanced

Borrower:	
Project Address:	
Loan #:	
Covering time period funded by Draw #:	1

Actual Jobs Created are the new jobs created since the loan closed

A full-time work week is at least 35 hours. A full Man Day, then, is at least 7 hours of work.

Hartford Resident: Report Y (Yes), N (No) or U (Unknown) for each worker

Contractor	Employee	Man-Days Worked	Hartford Resident
Plumber	1	3	Y
	2	3	Y
	3	3	N
	4	3	N
Carpenter	1	6	Y
	2	6	Y
	3	4	N
Fence	1	1.5	N

	All Employees	Hartford Resident
Total Man-Days Worked:	29.5	18
Annual Full Time Equivalents (FTE) - Construction Jobs:	0.113	0.069

Assumes 260.9 Man Days per 1 FTE Job

260.9 is the number of week days (work days) per year, not including Holidays

Inspector: _____

Date: _____

Hope credit union enterprise corporation

HEC ANNUAL BUSINESS IMPACT SURVEY

Directions: Please complete this form and return it. All information provided is confidential, and the results are reported in an aggregated form without identifying specific companies. This is not an audit and information collected will not be used to evaluate the outstanding loan.

Business Name: **Date:**

Name of Contact Person:_____ **Phone:**_____

Email Address:

I. EMPLOYEE INFORMATION

1) Please indicate the number of **full-time employees** (year-round employees working on average at least 32 hours per week), including owners working in the business at year-end 2013:

_____Total number of full-time employees

a. Total number by **gender***:

_____Male

_____Female

b. Total number by **race***:

_____African American

_____Caucasian

_____Hispanic

_____Other

c. _____Total number of full-time employees who lived within approximately **10 minutes** of work

d. Total number by **wage category** (include bonuses, tips, and salary)*:

_____ $15,000 and below (less than about $7.25/HR)

_____ $15,001 to $24,000 (about $7.25/HR to $11.54/HR)

_____ $24,001 to $33,000 (about $11.54/HR to $15.87/HR)

_____ $33,001 to $42,000 (about $15.87/HR to $20.20/HR)

_____ $42,001 to $50,000 (about $20.20/HR to $24.04/HR)

_____ Over $50,000

2) Please indicate the **benefits** offered to full-time employees by your business at year-end 2013:

Benefit/Incentive	Do you offer? Yes	No	Number of employees affected
a. Paid Health Insurance	☐	☐	_____
b. Retirement Contributions	☐	☐	_____
c. Long-term Disability Insurance	☐	☐	_____
d. Paid Child Care	☐	☐	_____
e. Paid Education	☐	☐	_____
f. Paid Sick Days/Holidays/Vacation	☐	☐	_____
g. Other_____	☐	☐	_____

*Note: Sections a, b, and d should each equal the total number of full-time employees listed above.

3) Please indicate the number of **part-time employees** (year-round employees working on average less than 32 hours per week), including owners working in the business at year-end 2013:

_____Total number of part-time employees

4) What is the **wage range** for all hourly workers (after any preliminary probationary period; do not include bonuses or other benefits)?

_____Minimum hourly wage ($ amount)

Maximum hourly wage ($ amount)

II. BUSINESS INFORMATION

1) Please indicate the **most pressing issue** currently facing your business:
   - ☐ Cost of Healthcare
   - ☐ Cost of Insurance
   - ☐ Slow Economic Growth
   - ☐ Maintaining a Good Credit Rating for Borrowing Eligibility
   - ☐ Relying on Your Real Estate as Collateral
   - ☐ Not Having Sufficient Equity or Operating Capital to Comply with Lender Requirements
   - ☐ Marketing Challenges
   - ☐ Workforce Development Challenges
   - ☐ Other (please specify) _____

2) Approximately what were the total **revenues** generated for the business in 2013? _____

3) Approximately how many **customers** did your business serve in 2013? _____

   If your business provides **direct assistance** to the community, please report the number of clients served in 2013. _____

   If your business provides **child care services**, please report the number of child care slots occupied in 2013. _____

   If your business provides **health care services**, please report the number of patients served in 2013. _____

   If your business provides **housing or rental properties**, please report the total number of units. _____

III. NEIGHBORHOOD INFORMATION

4) On a scale of 1-10, with 1 being very poor and 10 being outstanding, please rate the **current conditions** of the neighborhood in which your business is located? _____

5) Since operating your business in your community, have you seen your **neighborhood conditions** improve or decline?

   ☐ Improve ☐ Decline

6) Has there been any additional public or private **investment** in the neighborhood in the past year?

   ☐ Yes ☐ No

7) Other than directly providing jobs, how, if at all, has your business had an **impact** on its neighborhood?

   _____

IV. FINANCING INFORMATION

8) Could you have carried out your project without **financing** from HOPE?

   ☐ Yes ☐ No

9) **What outcomes did your organization expect to achieve as a result of this financing?** If applicable, please describe how the financing was intended to lead to improved outcomes for the individuals and communities your business or organization serves.

   _____

   _____

10) **Were the outcomes achieved (if not, why not)?** If applicable, please describe how the funding resulted in improved outcomes for the individuals

   _____

   _____

11) To what **extent** do you agree with the following statements about the financing your organization received from HOPE:

   The financing received was exactly what we needed.
   ☐ Strongly Agree ☐ Agree
   ☐ Disagree ☐ Strongly Disagree

   The financing we received filled a critical gap for which there were no other readily available alternatives.
   ☐ Strongly Agree ☐ Agree
   ☐ Disagree ☐ Strongly Disagree

   The financing we received opened up other streams of money that would not have been otherwise available to us.
   ☐ Strongly Agree ☐ Agree
   ☐ Disagree ☐ Strongly Disagree

   The financing we received was critical in helping us maintain our current level of programs or services.
   ☐ Strongly Agree ☐ Agree
   ☐ Disagree ☐ Strongly Disagree

   The financing we received was critical in helping us expand our current level of programs or services.
   ☐ Strongly Agree ☐ Agree
   ☐ Disagree ☐ Strongly Disagree

EMPLOYMENT INFORMATION DATA COLLECTION FORM

Borrower Name: _____

Information Requested: Number of full time and full time equivalent employees

FOR THE WEEKLY PERIOD 9/23/12 TO 9/29/12

	Number of Full Time Employees (FT) (number of individuals working 35 hours per week or more)	**Number of Full Time Equivalents (FTE)** (sum all part-time employees' weekly hours and divide by 35)
Male employees		
Female employees		
Total by Gender		
Caucasian employees		
Non-Caucasian employees		
Total by Race		
Employees earning annualized wages less than $20,000		
Employees earning annualized wages between $20,000 and $45,000		
Employees earning annualized wages greater than $45,000		
Total by Annual Income		

Verified by: _____ Date: _____
(Borrower signature)

Appendix E: Jobs Count Examples, Excerpt from Create Jobs for USA Supplemental Reporting Guidance

1. Three Typical Loans

Example 1: The Awardee makes a loan to a manufacturing, service, or retail business to help the business expand. The expansion involves buying new equipment or leasing more space, but does not include construction. The business borrower plans to hire a specified number of new employees as a result of the financing for expansion. The business would have continued to operate without your financing.

> The Awardee reports Jobs at Loan Close (non-construction), Projected Jobs to Be Created (non-construction), and within a year of loan closing, the Awardee must verify Actual Jobs Created (non-construction) and report them. The Awardee would not report Jobs Retained.

Example 2: The Awardee makes a construction loan to a real estate developer for a project (housing or non-housing). The Awardee reports construction and non-construction jobs as follows:

> Construction Jobs: Report Jobs at Loan Close (construction) if the construction project is in process when your loan closes. Report Jobs Retained (construction) if any of those construction jobs would have been lost if you hadn't closed your loan. Report Projected Jobs to Be Created (construction). Within a year of loan closing, verify with the borrower and report the Actual Jobs Created (construction).
>
> Non-construction Jobs: Report the jobs at the property being developed. These include property managers for a housing facility, social service providers in a supportive housing project, and teachers in a charter school, among others. Report all 4 jobs figures, as applicable. Important: Do not report the non-construction jobs related to construction (e.g., architects, engineers, and the developer's or general contractor's office workers). All of these are considered to be ***Indirect Jobs.***

Example 3: The Awardee makes a loan to a manufacturing, service, or retail business to help the business expand. The expansion includes construction, which could be leasehold improvements to existing or new space, rehabilitation of existing space, or construction of new space. The Awardee plans to hire a specified number of new employees as a result of the expansion. In addition, the construction financed by the Awardee will employ a specified number of construction workers. The business would have continued to operate without your financing.

– The Awardee would report jobs at the business financed as in Example 1 above: Jobs at Loan Close (non-construction), Projected Jobs to Be Created (non-construction), and within a year of loan closing, the Awardee must verify Actual Jobs Created (non-construction) and report them.

– The Awardee would not report Jobs Retained.

– *To the extent possible, the Awardee will also report the construction jobs as explained in Example 2 above.*

2. More Detailed Job Count Examples

The following examples are based on specific loans that Create Jobs for Awardees have closed or plan to close. The examples explain which jobs to include when you report the 4 jobs figures (Jobs at Loan Close, Jobs Retained, Projected Jobs to Be Created, Actual Jobs Created). As stated above, depending on the business or project financed and the type of financing, all four types of jobs may be associated with the loan, only some of the types may be associated with it, or zero jobs may be associated with it.

Examples 4-7: Real Estate Project Financing

Acquisition and Pre-development Financing: Report only the jobs related to the acquisition phase or the pre-development phase of the project, if any and if it is feasible for you to project and collect these data. These jobs include contractors that perform work associated with the acquisition or pre-development activities such as lawyers, appraisers, architects, engineers, and others. (Note: These types of non-construction jobs are considered to be Direct Jobs only when the loan is for Acquisition and Pre-development purposes; when the loan is for Construction, these types of non-construction jobs are considered to be Indirect Jobs and should not be reported.) Do not report jobs that will be created during the construction phase or other future phases of the project.

Construction Financing: Report construction jobs and non-construction jobs. Non-construction jobs are the permanent jobs at the property being developed such as property managers at an affordable housing site, health care workers at a health care facility, and teachers at a charter school. Do not report the non-construction jobs related to construction (e.g., architects, engineers, and the developer's or general contractor's office workers). All of these are considered to be Indirect Jobs.

If you make a loan to a non-construction business for construction/renovation purposes (e.g., a loan to a manufacturing business for purposes of an energy-efficiency retrofit), count the construction jobs as well as the non-construction jobs at the business you financed.

Permanent Financing: Count the jobs at the property financed, if any. Jobs at the property financed include property managers at an affordable housing site, health care workers at a health care facility, and teachers at a charter school. If the Awardee financed a previous phase of the same project and already reported the jobs at the property financed, do not report these same jobs again.

Financing a Developer for Multiple Real Estate Projects: If you are financing a developer who will use your funds for multiple projects, count the jobs related to the projects the developer uses your financing for, if any (see Acquisition and Pre-development Financing, Construction Financing, and Permanent Financing above for the types of jobs to count for each phase of financing). Do not count the jobs at the developer's business because these are considered to be Indirect Jobs.

Example 8: Bridge Loans (for real estate and other financing): Count only those jobs that are directly impacted by your loan. For example, if you are providing a bridge loan to a nonprofit that is awaiting its permanent source of financing, you may count jobs at the nonprofit as Jobs Retained if you and the nonprofit leadership believe those jobs would have been lost without your bridge loan. If you are providing a bridge loan for a real estate rehabilitation project and the construction will take place after your loan is repaid, do not count the projected construction jobs.

Example 9: Operating Line of Credit: This type of loan may or may not have any Jobs to Be Created, Jobs Retained, or Actual Jobs Created, depending on the use of the Line of Credit and the particular circumstances of the business. If the Line of Credit prevents the business from downsizing or failing, then count Jobs Retained. If the Line of Credit results in better cash flow management which allows the business to hire more staff, count Projected Jobs to Be Created and Actual Jobs Created.

CREATE
Jobs *for* USA

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