

2014 Grant Evaluation Report



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Notes from the CEO

Evaluation Introduction: July 14, 2015

When I first started MicroGrants about 9 years ago a trusted advisor said to me, “In the beginning, it will be easy for you to raise money, because you have a good reputation with donors. But if you want to sustain funding you will have to show, by evaluations, that these \$1000 grants are working---that they are producing positive results in the people’s journey toward self-sufficiency.”

That was sound advice, to be sure. I believe that all eight of our annual evaluations, including this year’s, have proved that we have produced positive results, for the most part. And sometimes negative results are even positive because I, and my cohorts, have often experienced that we learn more from our failures than from our successes.

One caveat, however, must be mentioned. When you’re dealing with the progress of the human animal whose lives are very complicated, you must not expect exact, predictable results. This is not like buying 15 gallons of gas for your car and expecting to drive 300 miles on it. Other factors will often change outcomes for the better, or worse.

But let’s remember the famous quote of Albert Einstein who said, “It’s the things that you can’t count that really count”. By “the things you can’t count” he was referring to the person’s attitude, hope, focus, industriousness, ambition, desire... The staffs of our partner agencies who work with our grantees all are convinced that our \$1000 grants have a positive impact on those qualities, even though we can’t measure it.

Thank you to our Yale intern, Roselyn Cruz, her supervisor, Mirela Miresan , PhD and Board Supervisor, Mitch Pearlstein, PhD.

Gratefully yours,

Joe Selvaggio, President and CEO

Executive Summary

Inspired by the work of micro-finance organizations, Joe Selvaggio established in 2006, the goal was to connect low-income people of potential to the necessary financial resources that could help them become self-sufficient. Instead of giving out micro-loans, MicroGrants gives grant money to carefully screened recipients. Since 2006, MicroGrants has given out more than three million dollars, removing grantees' barriers to self-sufficiency by investing in their transportation, education/job training, and small businesses. Although MicroGrants mainly serves the greater Twin Cities area, it also gives out grants in other cities in Minnesota, Illinois, and Florida. These chapters are locally funded in their respective areas.

Last year's evaluation results show that in 2014, MicroGrants offered 365 grants, averaging \$1000 given to recipients through like-minded nonprofit organizations. Partner agencies identify and recommend low-income people of potential and MicroGrants raises the funds and awards the grants. This report presents the results of the annual evaluation of MicroGrants' activity, based on surveys and interviews with the people served and data from collaborators.

The Numbers at a Glance:

- 96% of grantees surveyed considered that the grant was responsible for positive changes in their personal lives
- 97% of grantees surveyed reported being satisfied with what they accomplished with the grant
- 63% of grantees surveyed reported an increase in income as a result of receiving a micro grant
- 85% of grantees surveyed were employed

Transportation Grants:

- 71% of transportation grant recipients reported an increase in income as a result of receiving a transportation grant
- 65% of grantees reported that access to reliable and safe transportation or having a driver's license helped them find a job
- 30% of grantees reported that access to reliable and safe transportation or having a driver's license helped them maintain their job.
- 92% of grantees who either received a grant for a car repair or to purchase a used car still had access to reliable and safe transportation.

Business Grants:

- 90% of grantee businesses were still in operation at the time of the evaluation
- 61.5% of businesses were making a profit

Training Grants

- 85% of grantees who were pursuing a two year or four year degree either graduated or were on track to graduate

As seen by the results above, MicroGrants had another successful year in 2014 helping low-income people of potential remove barriers to self-sufficiency. Furthermore, MicroGrants continues to improve how it serves and works with low-income of potential. We believe that the recommendations provided at the end of the report will aid MicroGrants in their continuing work helping low-income people of potential achieve financial independence.

Introduction

The State of Poverty in the Twin Cities and Surrounding Areas

Although the Twin Cities is often lauded for its economic success and affordability, poverty still affects a significant portion of the Twin Cities population. From 2009 to 2013, the poverty rate was 22.5% in Minneapolis and 23% in St. Paul.¹ Furthermore, the percentage of low-income people, those whose incomes are 185% below the federal poverty line, also increased.³

Populations More Likely to be Affected by Poverty:
People of Color
Households with single mothers

Certain populations are more likely to be affected by poverty. Poverty especially affects communities of color, households headed by women, and recent immigrants. African-Americans are six times more likely to live in poverty than their white counterparts. Forty percent of African-Americans and Africans experience poverty, thirty-seven percent of American Indians experience poverty, and twenty percent of Latinos/Hispanics experience poverty.⁴ Single parent households led by women are ten times more likely to live in poverty than married couples.⁵ Immigrants who had lived in the Twin Cities for less than five years were three times more likely to experience poverty than native-born residents.⁶

Poverty also tends to be concentrated in certain parts of the city, creating Racially Concentrated Areas of Poverty (RCAP).⁷ In the Twin cities area, poverty is concentrated in North Minneapolis, with some RCAPs in South Minneapolis. St. Paul has several RCAP zones including the neighborhoods in the Greater East Side, North End, West Side, and Frogtown. While these zones have historically been affected by poverty, new places of concentrated poverty have emerged.

¹ “State and County Quick Facts” Minneapolis” United States Census Bureau Accessed July 2015 <http://quickfacts.census.gov/qfd/states/27/2743000.html>

² “State and County Quick Facts: St. Paul” United States Census Bureau Accessed July 2015 <http://quickfacts.census.gov/qfd/states/27/2758000.html>

³ Susan Brower “Poverty in the Twin Cities” Accessed July 2015 https://www.gtcuw.org/_asset/962154/PovertyTrendsInTheTwinCities_Updated1.pdf

⁴ Ibid

⁵ Ibid

⁶ Ibid

⁷ Metropolitan Council, “Racially Concentrated Areas of Poverty in the Region” in *Choice, Place, Opportunity: An Equity Assessment of the Twin Cities Region* <http://www.metrocouncil.org/METC/files/35/35358ee4-7976-42e6-999d-9e54790d45fe.pdf>

The increasing cost of living in the cities and the lack of affordable housing has led to the suburbanization of poverty in areas such as Brooklyn Center and Brooklyn Park. ⁸The suburbanization of poverty creates new obstacles for people living in poverty, as poverty alleviation organizations have traditionally focused on urban poverty.

Barriers to Self Sufficiency Affecting Low Income Populations

Lack of expansive and frequent public transportation, which thoroughly connects cities and suburbs, specifically hurts low-income communities. Low-income people who are not able to afford a car have their job prospects severely reduced by infrequent and inconvenient public transportation schedules. The lack of access to a car can also limit people's access to higher paying jobs in fields like construction and contracting, which require reliable transportation to various job sites. Even when jobs are available along the bus or train lines, long commutes can prevent people from being able to pick up their children from childcare, work overtime, and/or access resources that could help them improve their income potential.

People facing poverty often do not have discretionary income and cannot easily borrow money from financial institutions or friends and family. For these reasons, low-income people of potential have difficulty investing in transportation, education, and business opportunities that may help them become more self-sufficient. A relatively low investment of \$1,000 can help low income residents of the Twin Cities to overcome barriers to self-sufficiency. Investments in transportation, education/job training, and small businesses can help grantees increase their job prospects, income, and quality of life. They also make a more important societal contribution, as they reduce the dependency of the grantees on welfare subsidies.

How MicroGrants Works

Founded by social entrepreneur Joe Selvaggio in 2006, MicroGrants seeks to bridge the gap between low-income people of potential and the resources they need to become more economically self-sufficient. Since 2006, MicroGrants has served thousands of families, by offering grants that amount over three million dollars. MicroGrants differs from other micro-finance organizations in that it does not give out loans. It awards grants.

MicroGrants helps low-income people of potential overcome barriers to employment by investing in transportation, education, and skill building through grants averaging \$1,000.⁹ Although most grants are \$1,000, MicroGrants occasionally gives out grants that are smaller or larger depending on specific situations of grantees. Furthermore, MicroGrants' unique approach and structure optimizes the value of donations. By working with partner agencies who identify and screen people in need, and who can provide mentorship and consulting to grantees, MicroGrants keeps overhead costs low, allowing 84 percent of donations to go directly to grant and program services.¹⁰

⁸ Shanon Prather, "Poverty nearly doubles in Twin Cities suburbs" *Star Tribune* June 21, 2015 Accessed July 2015 <http://www.startribune.com/growth-of-suburban-poor-accelerating-in-twin-cities/308710771/>

⁹ For more information, please consult the MicroGrant's website at <http://www.microgrants.net>

¹⁰ MicroGrants, "MicroGrants 2014 Annual Report" Accessed July 2015 http://www.microgrants.net/wp-content/uploads/2014/12/Microgrants-AR_2015_Final-NOdonor2.compressed.pdf

The MicroGrants Process

1. MicroGrants actively seeks and receives donations from private donors and foundations.
2. MicroGrants evaluates nonprofits interested in becoming potential partner agencies.
3. Partner agencies screen and recommend potential grantees who have been working with them through various programs.
4. MicroGrants reviews and screens grant applications to ensure that potential grantees fit MicroGrants' mission to spur economic self-sufficiency through strategic grant giving. If applicants are approved, MicroGrants writes checks to their name within a week of receiving the grant application. Checks are mailed to partner agencies that will oversee how grant money is spent.
5. Partner Agencies continue to provide mentorship and coaching to grantees to ensure that grantees maximize results.
6. Partner Agencies follow up with grantees through a four question (4Qs) questionnaire and then give the questionnaire responses to MicroGrants.
7. As part of MicroGrants' annual evaluation, interns, with the help of professionals, process and analyze all data collected through questionnaires and follow up with surveys and interviews with the grantees to evaluate the results and make suggestions for improvements to the program.

Some of the nonprofits MicroGrants works with. For a full list, please see the Appendix B.



2014 Grant and Service Breakdown

Although MicroGrants mainly focuses on giving \$1,000 grants to people of potential, it also funds additional services that help lift people out of poverty. In 2014 calendar year, 364 people received traditional MicroGrants for training and education, businesses, and transportation averaging \$1,000. Overall, however, MicroGrants served over 564 people through various grants and programs. All grants and programs further MicroGrants mission to help spur economic self-sufficiency. Figure 1 shows the various programs and services funded by MicroGrants in 2014, as a percentage of the 2014 grant budget. Table 1 presents each type of grant, specifying its purpose and the amount granted in 2014, as well as the agencies that helped identify the grant recipients.

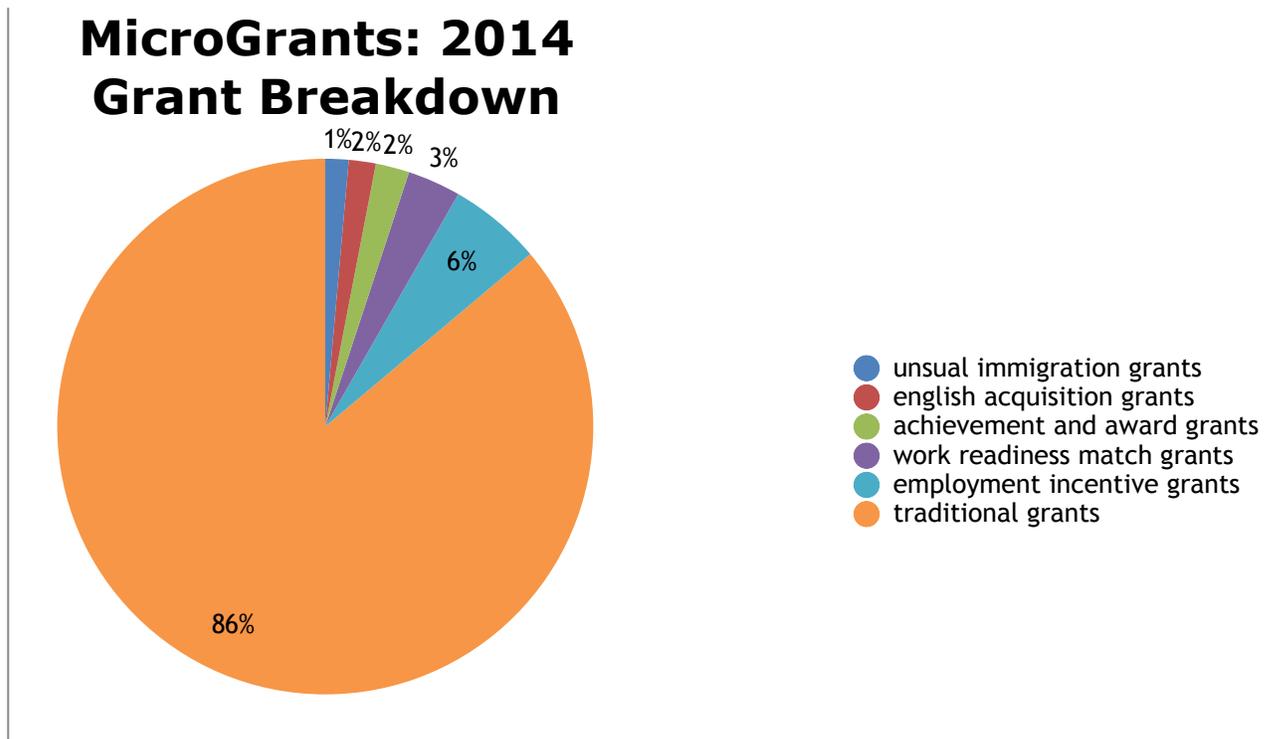


Figure 1 MicroGrants: 2014 Grant Breakdown

Table 1: MicroGrants' Grants and Services

Type of Grant/ Program	Purpose	Partner Agencies	Grant Amount/ Percentage of Budget.
Special immigration grants	a rare exception to assist agencies to help immigrant communities	American Dream Law	\$6,015.00 (1.4%)
English acquisition grants	to help members of the Latino community who do not speak English or have very limited English abilities learn English in order to help them interact with their community, children's school, and even help their employment prospects	Partnership Academy, which hosts English classes	\$7,000 (1.63%)
Achievement and award grants	to reward successful grantees and help them with future endeavors	Project Pride for Living/ MicroGrants	\$8,700 (2.03%)
Work readiness match grants	to assist low-income people become work ready after receiving job training. Grant money helps recipients buy appropriate clothes for job interviews and pay for expenses related to job search such as the cost of transportation.	MicroGrants matches \$100 to PPL's donation of \$100. Recipients receive \$200 in total.	\$13,800 (3.21%)
Employment incentive grants	to incentivize job retention in at risk populations. Grants were given to recipients who maintained a steady job for six months	MicroGrants did a pilot year with job training graduates of PPL. Program is currently not in place in 2015 and is currently under review.	\$24,000 (5.59%)
Education, training, transportation, and miscellaneous grants (traditional \$1000 grants)	to help low income people with potential reach levels of self-sufficiency	Various Partner Agencies, Joe Selvaggio	\$369, 792.58 (86.14%)

This report mainly addresses the impact of MicroGrants' traditional grants given through partner agencies in 2014. This report includes data from grants given outside of Minnesota through other branches in Florida and Illinois.

Traditional Grants Awarded in 2014

Traditional grants are grants averaging \$1000 that are given directly to low-income people of potential to remove barriers to self-sufficiency related to transportation or education. Furthermore, MicroGrants aids small businesses. The majority of grants given out in 2014 were transportation. Figure 2 presents the distribution of traditional grants offered in 2014. The types of grants by need fulfilled are described below.

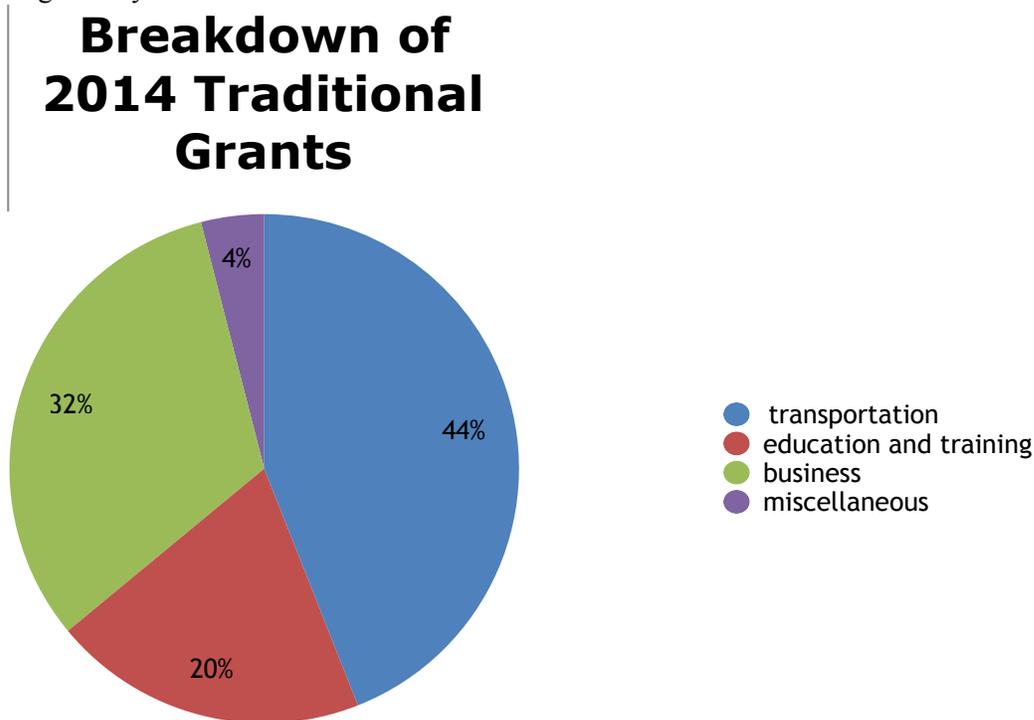


Figure 2: Breakdown of 2014 Traditional Grants

Transportation grants help remove transportation-related barriers to self-sufficiency. As mentioned above, helping grantees get access to a car can increase their job prospects. MicroGrants can help people purchase used cars if that will help them become more self-sufficient. Low-income people also have difficulty saving for emergencies, as they often live paycheck to paycheck. Car troubles or expensive car tows can have vast economic impacts for low-income people, including job loss. On rare occasions, MicroGrants will help grantees pay fees or fines that deter grantees from having access to their own cars. Paying these fines and fees through a micro grant is a good investment because it can help prevent car and job loss. MicroGrants can also help recipients obtain a driver's license or pay for driver's license reinstatement fees, as having a valid driver's license is necessary for many jobs.

In 2014, MicroGrants issued 159 transportation grants, representing the majority (44%) of the traditional grants. Transportation grants were categorized into investment in a car, access to a car, commuter help, and licenses (see Figure 3).

- Investment in a car (127): The micro grant was directly invested in a car. The grantee used the grant to either repair a car or buy a used car.
- Access to a car (1): The micro grant was used to help a grant recipient obtain access to his/her car, for example paying towing or lot fees
- License Fees (29): The micro grant was used to help reinstate a driver's license or pay for driving lessons.
- Commuter Help (2): Another way to help grant recipients remove transportation as a barrier to self-sufficiency, which does not fall within any of the other categories.

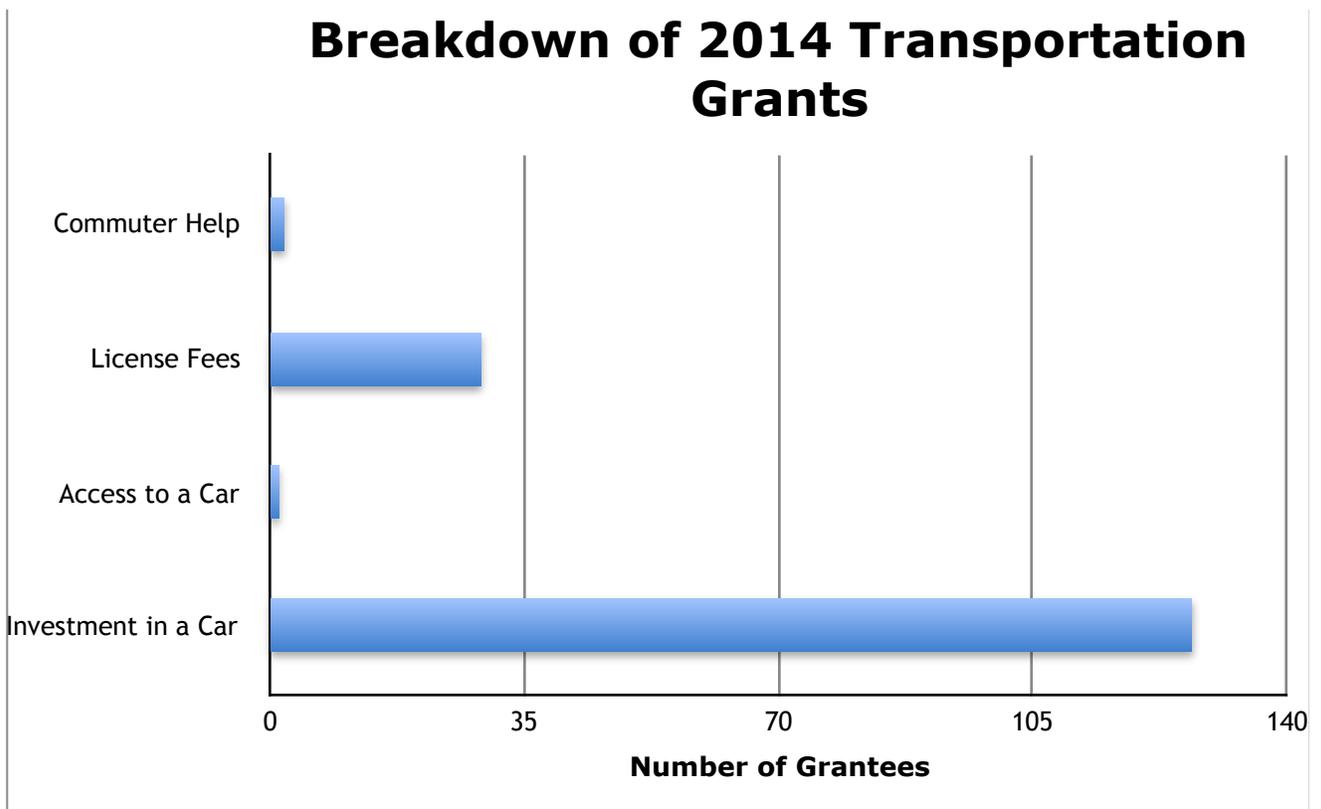


Figure 3: Breakdown of 2014 Transportation Grants

Business grants help small business owners either start a business or improve an already existing business. Business grantees often work extensively with financial advisors through various partner agencies. While business grants vary greatly from paying for essential assets to helping pay for self-development courses for business owners, business grants cannot be used to pay for ongoing business expenses. MicroGrants seeks to fund business opportunities that will help business owners become self sufficient, therefore MicroGrants does not pay for ongoing expenses that will only delay the failure of a business.

In 2014, MicroGrants issued 118 business grants.

Education and training grants help grant recipients learn new skills for a job, get an inexpensive license through short term vocational programs, or provide support for long term educational goals by funding tuition, textbooks, or computers - expenses not covered by higher education financial aid.

In 2014, MicroGrants issued 73 education and training grants. Education and training grants were categorized into skill building, licenses and certifications, and support for education, as described below. The majority of training grants given in 2014 supported the education of recipients (see Figure 4).

- Skill building (12): The micro grant was used to help grantees obtain new skills that will improve their employment prospects.

- License and certifications (16): The micro grant was used to help grantees pay the fees to obtain a certification or license. Usually, the grantee has already gone through proper training and just needed help covering exam fees.
- Support for education (45) : The micro grant was used to pay for tuition, books, or equipment necessary to pursue a two year or four year college degree.

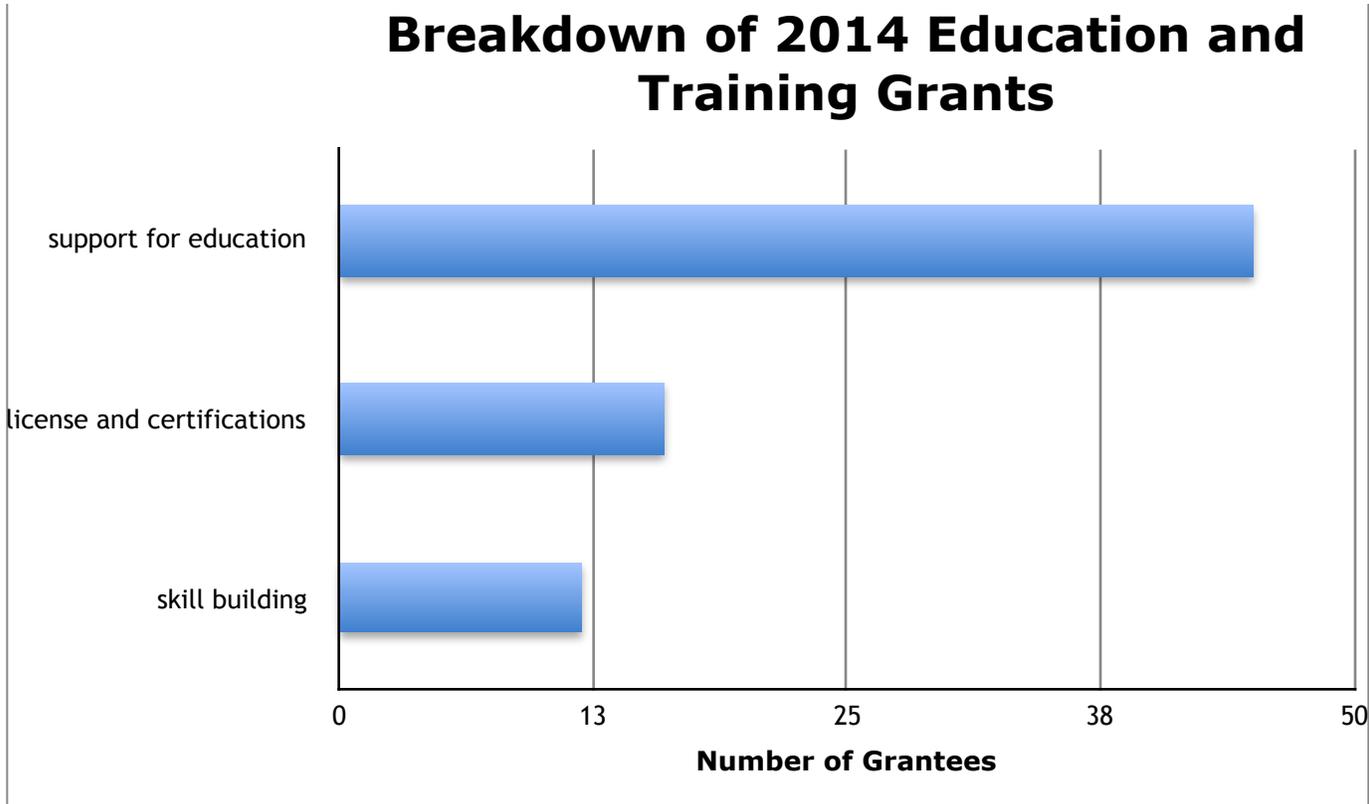


Figure 4 Breakdown of 2014 Education and Training Grants

Miscellaneous Grants

On rare occasions, MicroGrants gives out grants that do not fit into either the transportation, training, or business categories but still help low-income people of potential by removing barriers to self-sufficiency. MicroGrants gave out 15 miscellaneous grants in 2014. In 2014, such grants have been used, for example, to pay restitution fees and expungement fees to help grantees remove a criminal record as a barrier to employment.

Grant Recipient Demographics

During 2014, MicroGrants gave out 365 traditional grants to 364 people. One person received two grants from the Florida branch. The information included below was self-reported by grantees on their grant application. Not all applicants provided complete information. Percentages below are based on responses received for each specific question. This section describes the distribution of participants by gender, race, age, location, income, household type, education, health insurance, and use of public assistance.

Most grant recipients were women (62%), and 38% were men. Some of our partner agencies focus on working with women. The largest demographic group of grantees were African-American women in their twenties and thirties. The majority of 2014 grantees were African American (48%) or African (24%) and more than half were between 30 and 49 years. The largest number of program participants were located close to Minneapolis and Saint Paul respectively. The geographical distribution of grant recipients could be also influenced by the location of the partner agencies.

Figure 5 shows the distribution of grantees by ethnicity, Figure 6 illustrates their distribution by age, and Figure 7 depicts the geographical distribution of the grant recipients in the Twin Cities area.

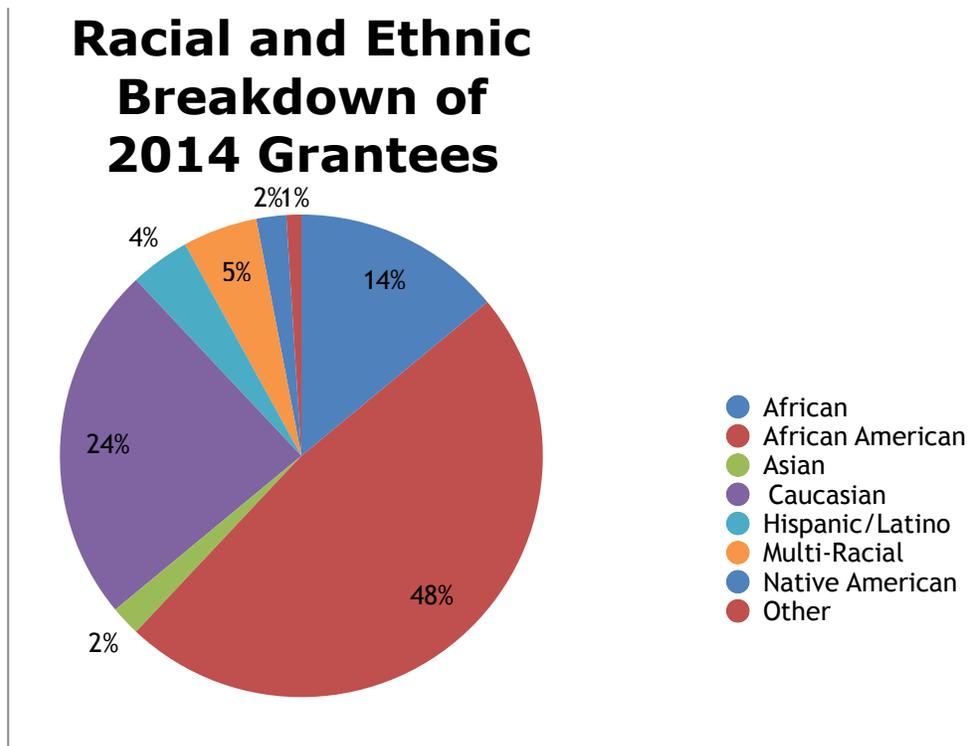


Figure 5 Racial and Ethnic Breakdown of 2014 Grantees

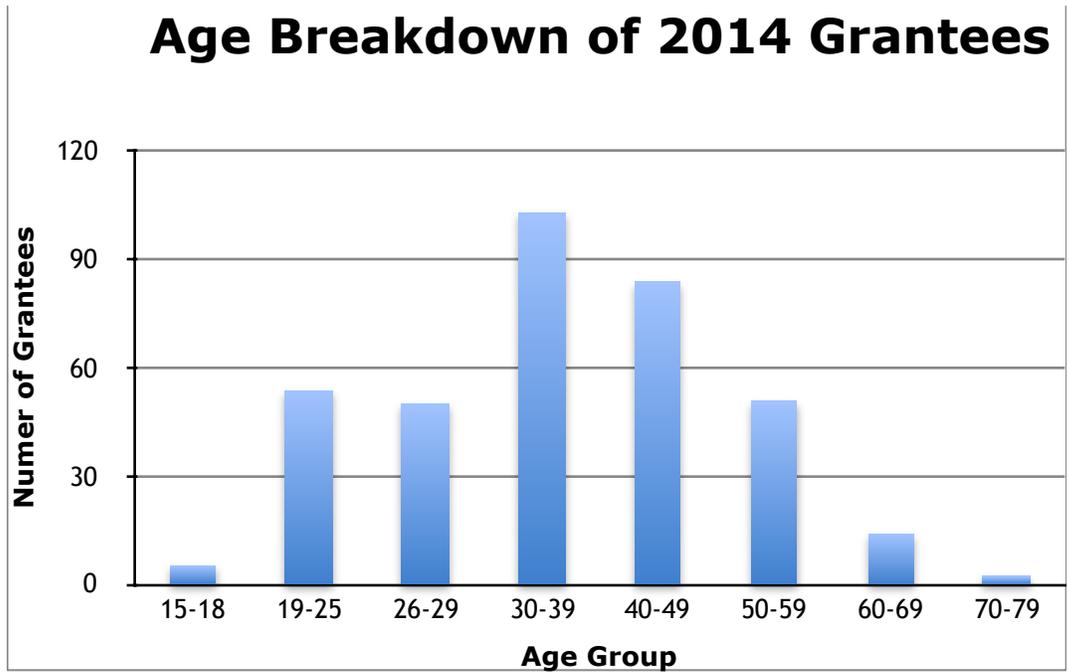


Figure 6 Age Breakdown of 2014 Grantees

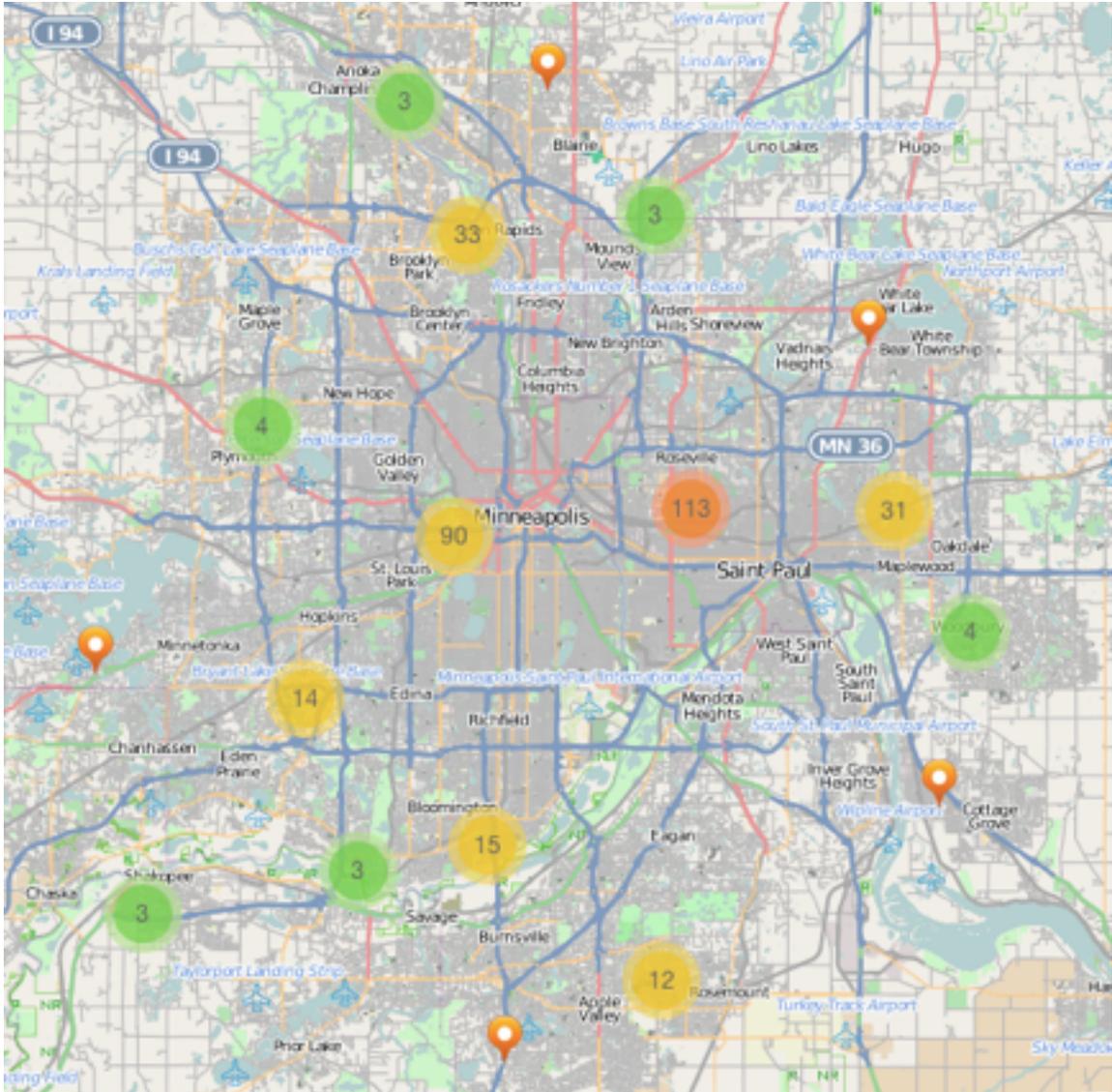


Figure 7 Map of Grant Recipients in Twin Cities and Surrounding Areas

The majority of grant recipients reside within the Twin Cities metropolitan area. A couple of grant recipients were from other parts of Minnesota - Duluth and St. Cloud respectively.

Twenty grants were given out by MicroGrants' Florida chapter in the cities of Lehigh Acres, Naples, Fort Myers, and Punta Gorda. One grant was given in Cicero, Illinois and one in Las Vegas, Nevada. The grant given in Nevada was an exception.

The average hourly wage reported by grantees was \$11.49 per hour, with a median of \$11. The wages ranged from \$6.50/hour to \$35/hour, although the \$35/hour was an outlier. The average annual grantee income was \$18,020, with a median income of \$20,000.

Grantees reported making from \$2,000 to \$36,000 a year. These figures are approximations as they were calculated using grantee's reported weekly, monthly, and annual income.

About 29% percent of the grantees represented single households with at least one dependent. 75.8% of the responding grantees reported having health insurance before receiving the grant and 40.49% were on some form of public assistance. Most program participants had at least a high school diploma or GED (see Table 2)

Table 2 Education Status Reported by Grantees in 2014

Level of Highest Education Reported	Number of Grantees
No HS Diploma	39
HS Diploma/GED	93
Some College or Post Secondary Education	122
2 year College Degree	51
4 year College Degree/Bachelors Degree	35
Vocational Training	6
College Unspecified	2

The top three obstacles to employment and self-sufficiency identified by the program participants were:

- Education/Skill Level
- Transportation
- Incarceration/Criminal Record

MicroGrants addresses the obstacles to employment and self-sufficiency by giving out grants for education/training, transportation, and for criminal record expungement. While MicroGrants mainly focuses on removing education and transportation as a barrier to self-sufficiency, it also helps recipients who have criminal records through these grants as some grantees have multiple obstacles to self-sufficiency. Some business recipients started their own businesses after having a difficult time obtaining a job because of their criminal background.

Methodology and Evaluation Results

This evaluation report was conducted by using self-reported information by grantees through grant applications, four question questionnaires, surveys, and interviews. A copy of survey questions can be found in appendix C and a copy of the four question questionnaire can be found below.

The evaluation included the following steps:

1. Partner Agencies followed up with the grantees they sponsored through a four question questionnaire and then gave the questionnaire responses to MicroGrants.
2. Four question responses were read, digitized, and recorded in an Excel spreadsheet.
3. The description of grant recipients was developed using the demographic information provided in the 4Q answers.
4. Grants were divided into coded categories and subcategories based on information provided in the grant application and four questionnaire responses. Subcategories were created after looking at different types of grant applications, in order to see if there were

particular grants that were more successful than others. When a grant could fall into more than one category, the grant was categorized based on where the majority of the grant was spent.

5. A survey was created by improving the surveys used in previous evaluation cycles. The changes were limited by the need to collect similar data from grantees in 2014, so that data could be compared year to year.
6. The phone numbers of grantees were retrieved from online and paper applications.
7. The survey was administered by phone.
8. Data was processed and analyzed by category of grant, highlighting the economic and wellbeing aspects of the grant impact.
9. Suggestions were made for improvements to the program.

A description of the data collection instruments and an analysis of their strengths and weaknesses are included below.

Four Question (4Q) Questionnaires

Four question questionnaires are given three to six months after recipients receive their grants. Four question questionnaires are given out to grant recipients by partner agencies, which relay information back to MicroGrants through emails or paper copies of responses. MicroGrants staff notes whether grant recipients completed a four question questionnaire in their annual grantee spreadsheet.

The Four Questions

Note: The fourth question is optional.

1. What did you state that you wanted to accomplish when you applied for a micro grant?
2. What did you actually achieve or accomplish?
3. Would you please explain the differences, if any, between what you said you wanted to accomplish and what you actually accomplished?
4. Please write your own story--in your own words -- on one sheet of paper. Tell us how the micro grant changed your life, impacted the lives of your family/and or your community. If we use your story as a feature in our Newsletter or Annual Report because it inspired us or we learned from it, you will receive a \$500 grant.

Four question responses are open-ended. Based on the feedback received through the four questions, grants were categorized by accomplishment and impact in order to standardize answers from responses. The categories included:

- goals being accomplished,
- goals partially accomplished,
- changed priorities and goals, and
- goals not accomplished.

In some instances, MicroGrant recipients did not use the grant money as they intended to use it in their grant application, but instead changed goals or priorities to some that still fell within MicroGrants' mission. For example, a business owner might have initially applied to purchase an ice cream machine but later realized a smoothie machine might be a better investment after looking at the demand of his/her clients for that product. While the grantee did not purchase an ice cream machine as intended, the grantee still spent the grant money to improve his/her business in order to become more self-sufficient.

Based on the grantee responses, the economic impact of the grant was divided in the following categories: situation improved, prevented disaster, no change in situation, situation worsen, and long-term educational goal.

- Situation improved: the grantee reported an increase income, finding a new job, or an increase in sales.
- Prevented disaster: the grantee reported that the micro grant prevented his/her from losing their job or help them keep their job.
- No change in situation: the grantee reported that the micro grant did not improve his/her financial situation or help prevent a financial disaster.
- In progress: the grantee reported that they are in progress of accomplishing their goals.
- Situation worsened: the grantee reported a loss of income after receiving the grant
- Long term educational goal: the grantee is currently in the process of pursuing a long term educational goal. The micro grant helped the grantee pursue their long term educational goal and the grant was not meant to help improve the person's short-term financial situation.

The value of the Four Questions data collection instrument

The 4Q questionnaire has important strengths. The questionnaires are distributed by partner agencies to ensure a higher response rate. Partner agencies have relationships with grantees before recommending them for grants. Grant recipients continue to work with their partner agencies for grant consulting/progress checks and for other programs. Because grantees have developed relationships with their partner agencies, they are more likely to answer the four question follow up. The four questions are open ended, which allows MicroGrants to see the myriad of ways that a micro grant impacts the lives of grantees that cannot necessarily be captured in a short survey.

Shortcomings and Biases

While the open-ended nature of the questions provides a wealth of information, it is also the cause of this instrument's major weakness. The open-ended questions are often not answered by the grantees based on the measurable goals that the grant was intended to cover. Sometimes, grantees have difficulty distinguishing and measuring to determine the difference between short term and long-term goals. For example, grantees sometimes mention that they want to make their children proud of them by being a role model. While these answers are important, they do not explain whether grantees were able to accomplish the short-term goals of the grant. And the grantees' answers to the four questions do not always address the questions asked.

MicroGrants financially incentivizes grantees to tell compelling stories in the fourth question. Even though agency staff has stated that they have never had problem verifying information provided by grantees, a promise of a financial incentive to grantees, most of whom are low-income, might generate bias by determining grantees to exaggerate the success of their results.

Results of 4Q

199 grant recipients returned 4Qs (54% response rate)

The analysis of the 4Q data shows the positive impact of the grants:

- 84% of grantees who filled out 4Q reported having accomplished, partially accomplished, or on track to accomplish their goals
- 3% of grantees changed their goals
- the micro grant improved the situation of 42% of grant recipients.
- the micro grant helped prevent a disaster for 15% of grant recipients.

Based on feedback received from the four question questionnaire, it was impossible to assess the exact economic impact of most grants.

Telephone Survey

The survey was created in June of 2015 in order to collect quantitative data regarding whether a micro grant had an economic and noneconomic impact in the lives of grantees. The survey was created by consulting previous annual evaluation reports and using the survey conducted in 2014, in order to collect similar data from grantees so that data could be compared year to year. MicroGrants' staff, who best know grantees and their situations, have been consulted.

The phone numbers of grantees were retrieved from a spreadsheet generated from grant applications submitted online. For applications that were submitted by fax, phone numbers were retrieved from paper applications. Attempts were made to call all business, transportation, and training grant recipients. When possible, multiple attempts to contact the grantees have been made. Some grantees could not be reached through the phone because of wrong or disconnected phone numbers. Attempts were also made to email grantees to receive responses.

A copy of the survey and the description of the full process of calling grantees can be found in Appendix C.

The value of the telephone survey data collection instrument

Telephone surveys are quick and easy to conduct, while giving a human touch to the data collection process. Most calls took about three to five minutes. Surveys offered the chance to ask direct questions about the economic impact that the grant had in the life of grantees. The data obtained was easy to process.

Shortcomings and Biases

The data collected through the telephone survey could be biased towards the positive results, since there is a possibility that grantees that could not be reached at all, because of disconnected phone numbers could be worse off.

Results of telephone surveys

The data collection process was quite successful. 149 of 364 grantees answered the survey, giving a response rate of 41%, much higher than the usual response rate of such surveys.¹¹ Not all grantees answered all questions. Percentages were calculated using the number responses for each question. Below are the highlights of the results, followed by more specific information by type of grant. The results are impressive and demonstrate the quality of work done by MicroGrants and their partner agencies in improving the lives of the people they serve.

- 63% of grantees reported that they experienced a substantial increase of quality of life since receiving a micro grant.
- 96% of grantees reported that the micro grant was responsible for positive changes in their personal lives
- 86% of grantees were employed at the time of the survey
 - 61% had a full-time job
 - 25% had a part-time job
- 63% of grantees reported an increase in income as a result of receiving the micro grant
- 97% of grantees reported being satisfied with what they accomplished with the grant

¹¹ Pew Research Center "Assessing the Representativeness of Public Opinion Surveys" May 15, 2012 Accessed August 10, 2015 <http://www.people-press.org/2012/05/15/assessing-the-representativeness-of-public-opinion-surveys/>

A. Transportation Grants

53 out of 149 transportation grant recipients completed the survey (35%). The highlights are:

- 71% reported an increase in income as a result of receiving a transportation grant
- 65% of grantees reported that access to reliable and safe transportation or having a driver's license helped them find a job
- 30% of grantees reported that access to reliable and safe transportation or having a driver's license helped them maintain their job.

43 out of 127 transportation grantees who received money to invest in a car completed the survey (33%).

Of those surveyed:

- 95% were able to gain or maintain a form of reliable and safe transportation.
- 92% still had access to reliable and safe transportation.
 - 75% were still using the same vehicle that the micro grant either helped the grant recipient repair or purchase
 - 12.5% were using a different car than one initially funded by the micro grant but reported that the initial micro grant investment helped them get their current form of transportation

9 out of 29 license fees grantees completed the survey (31%). 62% of grantees reported being able to get a driver's license.

B. Business Grants

65 out of 118 business grant recipients completed the survey (55%). The results were quite impressive, taking into account that the general rate of success in small businesses is quite low.¹²

- 90% of grantees businesses were still in operation
- 61.5% of businesses were making a profit

While the percentage of grant-awarded businesses making profits may appear low, it is still remarkable for the type of small businesses that MicroGrants funds - new ventures, which usually do not make a profit within their first year.

C. Training Grants

29 of the 73 training grant recipients completed the survey (39%).

6 out of 16 license and certification grantees answered the survey (37.5%).

- 4 out of 6 license and certification grantees either got their certificate or were in the process of completing their certification

6 out of 12 skill grantees answered the survey (50%)

- 5 out of 6 grantees were able to acquire new skills or were in the process of getting new skills

17 out of 45 support for education grantees answered our survey (37%)

- 85% of support for education grantees either graduated or were on track to graduate.

¹² Statistic Brain Research Institute "Startup Business Failure by Industry" Accessed August 10, 2015
<http://www.statisticbrain.com/startup-failure-by-industry/>

Stories of success

While the results listed above are quite impressive, most of the effects of the awarded micro grants are not quantifiable. Some of the most compelling stories of the grantees have been included in Appendix A.

Conclusion

MicroGrants had a very successful year in 2014, continuing to serve low-income people of potential in the Twin Cities Area, Minnesota, and Florida. The data collected and analyzed through MicroGrants' annual evaluation illustrates that a well designed and managed process of giving out \$1,000 grants really works. Investments in transportation still pay off, MicroGrants funded businesses are still in operation, and students pursuing a two or four year college degree are on track to graduate.

Although quantitative data is useful in measuring the impact that grants had in the lives of grantees, the value of the services offered by MicroGrants cannot be so easily quantified. Grantees have reported that a micro grant was responsible in helping them improve their self-esteem, motivation, family life, and mental health. As one of the grantees stated: *“The micro grant has changed my life in such a unique way by giving me hope. I'd lost all hope that I could accomplish my goals due to lack of financial resources, age disability and depression. There's a stigma attached to people who are low-income, disabled, and a senior as well.”*

This evaluation shows that a small group of committed and enthusiastic people who know how to attract funds and support from others are able to change their lives and bring hope to individuals, families, and communities. The model designed by MicroGrants works. The following section presents some suggestions for further improving it.

Recommendations

Online Grant Application:

In order to facilitate more accurate and timely data collection, MicroGrants might want to look into limiting paper applications and accepting applications only through its online application system. MicroGrants might also look into requiring that everyone who requests some form of funding (such as match grants and incentive grants, if they are to be continued) fill out an online application.

Partner Agency Screening:

Grantees that benefit from mentoring have more chances to succeed. Since the lean operations of MicroGrants do not allow for in-house mentoring programs, an option would be to screen the partner agencies and give a preference to those that offer solid mentoring programs.

Partner Agency Referral System:

As an alternative to the recommendation above, MicroGrants might want to consider implementing, in collaboration with partner agencies, a partner agency referral system. That would require participating partner agencies to disclose information about their services and their guidelines for taking on clients to other partner agencies. That will allow MicroGrants to better assist grant recipients needing additional support. For example, business grantees often wanted more business consulting. One grantee even used the micro grant to pay for business consulting, even though several partner agencies could offer such services.

Business Grants Screening Guidelines:

a. Businesses that receive extensive consulting from knowledgeable sources tend to be more successful. MicroGrants may want to continue to fund partner agencies that offer extensive business consulting and limit giving business grants to partner agencies that do not mentor or support grantees after receiving the grant. If a partner agency referral system is created, partner agencies that do not provide business consulting can refer potential grantees to partner agencies with extensive small business coaching and mentoring experience.

b. Grants for go-sees or job shadowing are very hard to oversee. It is also very hard to measure the impact of these grants. MicroGrants may want to look into limiting grants for go-sees or job shadowing.

c. While MicroGrants does a great job in helping low-income people of potential start new businesses, there have been a few occasions in which grantees delayed the process of starting a new business or failed to do so. To prevent these occurrences, MicroGrants could focus on giving grants to people who already have some form of personal investment or infrastructure in their business. Grantees who have already invested in their new business are more likely to succeed with their plans.

Transportation Grant Support

While most transportation grants are successful, some grantees expressed the need for additional guidance in purchasing used cars or deciding not to repair a car that would continue to break down. MicroGrants could increase the impact of the transportation grants by building a partnership with a mechanic or a nonprofit that specializes in addressing transportation needs of low-income populations, who could better assist grantees in car repair and purchasing decisions.

Alumni Network

The real value of such an empowering program like the one offered by MicroGrants shows in the long-term success of its graduates. To follow up with the graduates, MicroGrants might want to establish an alumni network, using a social network (professional social networks like LinkedIn would be a preferred choice). That could create a good support platform for those who benefited from the micro grants. Besides, surveys to study the long term impact of the grants would be easier to administer, and participation of alumni in fundraising events would have increased chances of success.

Peer-to-Peer Support and Mentoring

Some of the graduates of the program have impressive results and are accomplished professionals who could and most probably would be willing to help others that encounter challenges in their lives. Such successful graduates would be great mentors for the new grantees and even for their fellow alumni.

MicroGrants could even put together a directory of businesses of graduates (maybe a coupon or discount booklet) and offer it to the new grantees. That way, success stories have a new meaning, and fellow grantees can help each other - supporting business or offering deals.

Appendix A: Stories from Our Grantees

Maile Siemon, business grantee



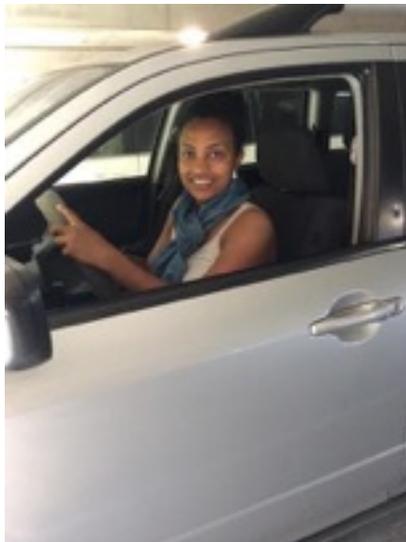
Maile Siemon stumbled into entrepreneurship. Maile began her business, Powderhorn Pets, a sustainable neighborhood based petcare business, after deciding to take care of a friend's dog. On her dog-walking route, she met a dog walker who needed someone to temporarily take care of her business while she went away in vacation. After taking care of pets during some of the harshest weeks of winter, Maile decided that she wanted to start her own business. She absolutely loves taking care of pets because she loves forming bonds with animals and also enjoys that her business keeps her active.

Unfortunately, tragedy struck Maile's home when her puppy climbed the fence of her home and was hit by a car. Due to this incident, Siemon did not accept dogs in her home as she did not feel that her home was safe enough for pets to stay the night.

After working with Women's Venture, Maile was recommended for a micro grant to help her build a fence around her home. The \$1,000 grant allowed her to begin the work needed for the fence. Now properly fenced, Siemon's home can accept dogs for in-house daycare, which tends to be a more financially lucrative service.

While the new business opportunities are important, Maile appreciates the peace of mind the fence brings. She now knows no other dog that she takes care of will suffer the same fate as her deceased pet. Siemon is grateful that MicroGrants has allowed her to bring pets into her home as she thoroughly enjoys her business.

Tsega Woldemichael, transportation grantee



Tsega Woldemichael is a single mother of two young children ages four and eight. When her car broke down, she said it threatened her livelihood, as her jobs are not on the bus line. As the sole provider of her children, she needed a vehicle to be able to go to her two jobs, pick up her children from childcare and school, and also to continue her education.

Tsega currently works as a cashier and as a patient care assistant. Having reliable transportation has allowed Tsega to continue to support her family and also help her pursue her goal of becoming a certified nursing assistant.

Appendix B: Partner Agencies

Minnesota:

Partner Agency	Grants Given	For more information
African Development Center (ADC) works within the African communities of Minnesota to start and sustain successful businesses build assets and promote community reinvestment.	34	http://www.adcminnesota.org/
Bridge for Youth helps young people experiencing homelessness	2	http://www.bridgeforyouth.org/
Daily Work provides coaching to struggling job seekers.	8	http://daily-work.org/
Emerge Community Development serves individuals and families by helping connect people who need jobs and housing with the services they need to be successful.	10	http://www.emerge-mn.org/
Goodwill Easter Seals of MN assists people with barriers to education, employment and independence in achieving their goals.	15	http://www.goodwilleasterseals.org/
Jeremiah Program , assists single mothers and children to break the cycle of poverty by providing a campus community where they can prosper through programming that actively supports women in completing postsecondary education by providing safe affordable housing, life skills education, empowerment training, and early childhood education.	23	http://www.jeremiahprogram.org/
Metropolitan Consortium of Community Developers (MCCD) is an association of community development organizations committed to expanding the wealth and resources of neighborhoods through housing and economic development initiatives.	22	http://www.mccdminn.org/

<p>Metropolitan Economic Development Association (MEDA) offers one-on-one business consulting, training, leadership development, government contracting assistance, access to financing, networking with peers, minority certifications assistance, strategic planning, and more.</p>	9	http://meda.net/
<p>MicroGrants Discretionary Fund- Joe Selvaggio or a member of the MicroGrants staff occasionally approves micro grants and provides consulting to grantees</p>	26	
<p>Midtown Global Market develops and maintains a public market that builds upon the economic, social and cultural assets within the surrounding community and welcomes the diverse peoples of this community to share and celebrate together the healthy foods, arts, crafts and other aspects of their heritages.</p>	6	http://www.midtownglobalmarket.org/
<p>MIGIZI Communications advances a message of success, well-being, and justice for the American Indian community</p>	4	http://www.migizi.org/
<p>Neighborhood Development Center (NDC) works in the low-income communities of St. Paul, Minneapolis, surrounding suburbs, and Greater Minnesota to help emerging entrepreneurs develop successful businesses that serve their community, and to help community groups build a stronger neighborhood economy.</p>	16	http://www.ndc-mn.org/
<p>Project Pride for Living (PPL) works with lower-income individuals and families throughout the Twin Cities metro area helping them to achieve greater self-sufficiency through housing, employment training, education and support services</p>	30	http://www.ppl-inc.org/
<p>People Responding in Social Ministry (PRISM) is a community-funded social service agency that provides families in need with food, financial assistance, transportation and other services in times of financial hardships</p>	14	http://prismmpls.org/

<p>Salvation Army Booth Brown House is the home of the Foyer Program, a transitional living program for 16-25 year olds.</p>	5	http://salvationarmynorth.org/community/booth-brown-house/
<p>Summit Academy OIC (SAOIC) is an educational and vocational training center that empowers adults and prepares youth residing in the most economically depressed neighborhoods in the Twin Cities to become educated, employed, contributing members of their community.</p>	50	http://www.saoic.org/
<p>Twin Cities Rise provides employers with skilled workers – primarily men from communities of color in the Twin Cities area – by training under- and unemployed adults</p>	40	http://twincitiesrise.org/
<p>Think Small seeks to advance quality care and education of children in their crucial early years.</p>	2	http://www.thinksmall.org/
<p>Women Achieving New Directions is part of RESOURCE through the Employment Action Center. WAND seeks to improve the lives of single and working mothers.</p>	5	http://www.eac-mn.org/WomenProg/WAND
<p>WomenVenture is dedicated to helping women gain economic prosperity and are national leaders in guiding, training and networking women to achieve their true potential.</p>	3	http://www.womenventure.org/
<p>Wilder Foundation promotes the social welfare of persons resident or located in the greater Saint Paul metropolitan area by all appropriate means</p>	15	https://www.wilder.org/

Florida:

Partner Agency	Grants Given	For more information
Habitat for Humanity brings people together to build homes, communities, and hope.	1	http://www.habitatcollier.org/
Providence House provides a faith-based, transitional housing and self- sufficiency program for motivated single women with young children who are homeless or at risk of being homeless.	2	http://www.providencehousenaples.org/
Grace Place provides pathways out of poverty by educating children and families.	2	http://www.graceplacenaples.org/
St. Matthews's House works to eliminate the elements of poverty at their base.	6	http://stmatthewshouse.org/
Goodwill Southwest Florida Microenterprise serves people with disabilities and disadvantages by offering life-changing opportunities to achieve independence.	9	https://goodwillswfl.org/microenterprise/

Appendix C: MicroGrants Survey

MicroGrants Survey

Disclaimer about MicroGrants survey: Introductory paragraph might have changed slightly depending on the call. At times, grantees were not sure of MicroGrants' relation to their partner agency, so the interviewer explained how it worked. Questions might have been simplified or explained to grantees who needed it. A rough translation in Spanish was provided for grantees who desired it. The first nine questions are asked of every grant recipient. Additional questions are asked of grant recipients depending on the type of grant they received.

Hello,

May I speak with (grant recipient's name)?

My name is Roselyn Cruz and I am calling on the behalf of MicroGrants. You are receiving this call today because in 2014 you received a grant for (state purpose of grant) through (partner agency).

I am conducting a survey to see how MicroGrants has impacted the lives of grantees and to see what we could improve. The survey will take no more than three to five minutes of your time.

If you choose to take this survey, your name will be entered in a raffle to win a gift card. If you win, I will contact you about retrieving your prize.

Do you think you have time to take the survey? If not, what would be the best time to call back?

While your answers will be recorded with your name, your name and any of your contact information will remain anonymous in my report of our findings. Any criticisms and concerns about partner agency or our organization will be kept anonymous. Please feel free to be as honest as possible.

If you have trouble understanding any questions, please let me know. Please answer to the best of your ability

General Questions

1. Since receiving the micro grant, has your quality of life increased?
 - a. substantially
 - b. somewhat
 - c. not at all

2. Was the grant responsible for any positive changes in your personal life?
 - a. substantially
 - b. somewhat
 - c. not at all

3. Are you currently employed or self-employed?
 - a. full-time
 - b. part-time
 - c. no
- 3a. If unemployed, what are some of the obstacles to finding employment?

4. Do you have health insurance at this time?
 - a. yes
 - b. no

5. Are you on governmental assistance at this time, including food stamps?
 - a. yes
 - b. no

6. As a result of receiving this grant. Has your income
 - a. increased
 - b. stayed the same
 - c. decreased

7. Your household
 - a. makes enough money to save
 - b. makes enough money to meet basic needs
 - c. does not make enough money

8. Are you satisfied with what you accomplished with the grant?
 - a. yes
 - b. no

- 8a. If no, what could you, your partner agency, or MicroGrants have done differently?

9. On a scale of 1-5, 5 being the highest, how would you rate your (partner agency's) effectiveness in helping you get the most of your micro grant?

1. not effective at all
2. little effective
3. effective
4. very effective
5. extremely effective

Questions for Business Grant Recipients

1. Is your business still in operation?

- a. yes
- b. no

2. Is your business making a profit?

- a. yes
- b. no

3. Has the micro grant helped your business

- a. substantially
- b. somewhat
- c. not at all

4. Do you think you make more money as a business owner than you would if you worked for someone else?

- a. yes
- b. no
- c. I am not sure.
- d. I have conditions that prevent me from working for someone else

Questions for Transportation Grant Recipients

For investment in a car:

1. Did the grant allow you to either gain or maintain a form of reliable and safe transportation?

- a. yes
- b. no

1a. If a car was purchased: Did you use other funds besides the micro grant to purchase a car?

- a. yes
- b. no

2. Do you currently have reliable and safe transportation?

- a. yes, same as funded by the micro grant
- b. yes but different from micro grant
- c. no

If grant recipients answer b, ask question 2b.

2b. Did the micro grant car help you get your current transportation?

3. Do you have auto insurance?

- a. yes
- b. no

4. Did access to a car
 - a. help you find a job
 - b. maintain your job
 - c. help with personal problems
 - d. did not help at all

For help with driver's licenses:

1. Were you able to obtain a driver's license?
 - a. yes
 - b. no

2. Did obtaining a driver's license
 - a. help you find a job
 - b. maintain your job
 - c. help with personal problems
 - d. did not help at all

Questions for Education and Training Grants

Skills

1. Were you able to learn (skill grantee specified wanting to learn in application) with the micro grant?
 - a. yes
 - b. no

2. If yes, did those skills
 - a. help you find a job
 - b. maintain your job
 - c. help with personal problems
 - d. did not help at all

Licenses and Certifications

1. Were you able to get _____ license or certification?
 - a. yes
 - b. no

2. If yes, did _____ certification/license
 - a. help you find a job
 - b. maintain your job
 - c. help with personal problems
 - d. did not help at all

Support for Education

1. Are you on track to finish your degree program?
 - a. yes
 - b. no
 - c. I have completed my degree program.

If grantee has completed their degree program

2. Did obtaining your degree
 - a. help you find a job
 - b. maintain your job
 - c. help with personal problems
 - d. did not help at all