SOCIAL IMPACT MEASUREMENT
2009-2018
This is the story of a bee. Actually, it is the story of many bees, many and buzzing.
Of worker bees, which day after day build and take care of their micro enterprises with ambition, tenacity and incessant activity.
And of worker bees, keen on giving a better tomorrow to themselves and their families, that is, to the community, after all.
But it is also our story, as we know bees. Or rather, we know entrepreneurs: many, industrious and necessary, just like bees, for the life of the ecosystem.
We also know people who ask for trust.
We trust those who deserve it: everyone, each of them. In PerMicro we give credit to the industrious flight of each bee.
Someone, with a lot of patience and competence, decided to observe us and study what in a good (or bad) way we have built over the course of 10 years.
In practice, this is the story of what we have achieved so far, told by those who, by profession, study bees and communities: that is, those who measure social impact.

Andrea Limone
President at PerMicro
1. METHODOLOGY

2. ENTERPRISES

3. RESULTS

4. SOCIAL IMPACT

5. FAMILIES

6. IMPATTO SOCIALE

7. RESULTS

8. CONCLUSIONS

EXISTING METHODOLOGY

LITERATURE ANALYSIS.
SCREENING ON THE EXISTING MEASUREMENT TOOLS.
DEVELOPMENT OF AN AD HOC METHODOLOGY.
SOCIAL IMPACT MEASUREMENT.

STUDY CASE: 2009-2014 LOANS
OUTPUT: MEASUREMENT 2009-2014

SIMPLIFICATION OF THE EXISTING METHODOLOGY BY THE SELECTION OF RELEVANT INDICATORS
STUDY CASE: 2015-2016 LOANS
OUTPUT: MEASUREMENT 2009-2016

FUTURE METHODOLOGY

JUNCTION PHASE BETWEEN EXISTING METHODOLOGY AND FUTURE METHODOLOGY
STUDY CASE: 2017-2018 LOANS
OUTPUT: MEASUREMENT 2009-2018

NEW METHODOLOGY DATA COLLECTION IN DIFFERENT MOMENTS OF THE LOAN DURATION AND ANALYSIS AT THE END OF THE LOAN
STUDY CASE: 2019 - ... LOANS
OUTPUT: MEASUREMENT 2019 - ...
1. METHODOLOGY

CHART OF THE METHODOLOGICAL STEPS

AD HOC METHODOLOGY

SCREENING OF EXISTING MEASUREMENT TOOLS

SIA + VALUE CHAIN

DATA PERMICRO
COLLECTION ANALYSIS

VALUE CHAIN DEFINITION
INDICATORS DEFINITION

SURVEY
DEFINITION
SUPPLY ANALYSIS

INDICATORS CALCULATION

OUTPUTS + OUTCOMES

MULTIPLIERS
MULTIPLIERS DEFINITION

SOCIAL IMPACT MEASUREMENT

per micro
il microcredito in Italia

ENTERPRISES

Jibril Jibo’s cocktail bar,
Veneshia
3. RESULTS

MICROLOANS TO ENTERPRISES

2.709 MICROCREDITS TO ENTERPRISES
15,577 AVERAGE AMOUNT DISBURSED TO ENTERPRISES
42,103,013 TOTAL AMOUNT DISBURSED TO ENTERPRISES

2.604 FINANCED ENTREPRENEURS

1,007 ENTREPRENEURS WERE SUPPORTED BY A MENTOR
2,604 ENTREPRENEURS WERE SUPPORTED IN BUSINESS PLAN DRAFTING
41,664 HOURS OF TRAINING ON BUSINESS PLAN IN PERMICRO BRANCHES

in collaboration with

TRAINING TO ENTREPRENEURS AND MONITORING

Michele e Giulia, Chia massage centre, Vesania
Marcellino, Bag Arca di Bari, Milano
Giulio, Micro-lab Mentor, and Giovanni, Teddix pilot plant, Pieve di Cento (BO)
3. RESULTS

MICROLOANS TO ENTERPRISES

CREDIT ACCESS AND PROFESSIONAL GROWTH

26% OF ENTREPRENEURS ACQUIRED NEW SKILLS

43% OF ENTREPRENEURS IMPROVED THEIR JOB SITUATION/POSITION

33% OF ENTREPRENEURS HAD ACCESS TO TRADITIONAL BANKING SYSTEM

36% OF ENTREPRENEURS EXPANDED THEIR NETWORK

42% OF ENTREPRENEURS IMPROVED THEIR RELATIONSHIP WITH TRADITIONAL BANKS

GROWTH OF THE ENTREPRENEUR’S WELFARE

83% OF ENTREPRENEURS SATISFIED THEIR NEED

26% OF ENTREPRENEURS HAVE ENHANCED THEIR SKILLS

53% OF ENTREPRENEURS HAVE AN AVERAGE INCOME HIGHER THAN 738€/MONTH

AFTER THE FINANCING RECEIVED BY PERMICO
3. RESULTS

MICROLOANS TO ENTERPRISES

JOBS CREATION AND STRENGTHENING EMPLOYMENT

- 60% of new positions hired are young people
- 44% are women
- 24% are migrants
- 47% are unemployed
- 81% of the new people hired improved their contractual terms
- 3,322 workers have kept their jobs in the enterprise

IN AVERAGE EVERY HIRING ENTERPRISE CREATED 1.2 NEW JOB POSITIONS

MICROLOANS TO ENTERPRISES

SUSTAINABILITY OF BUSINESS

AFTER THE FINANCING RECEIVED BY PERMICRO

- 74% of existing companies increased their revenues
- 57% of financed entrepreneurs managed to launch a start-up
4. SOCIAL IMPACT

SOCIAL WELFARE ENHANCEMENT AND INCREASE OF FINANCIAL INCLUSION

830 out of 2,604

ENTREPRENEURS WERE NOT BANKABLE AND HAD ACCESS TO CREDIT THROUGH TRADITIONAL CHANNELS

IMPACT ON PUBLIC WELFARE

78,894,894€

GOVERNMENTAL REVENUES INCREASE

ANNUAL DATA 2009-2014 [12,437,260] * #LOANS 09-14 = 2.8 YEARS
ANNUAL DATA 2015-2016 [14,574,695] * #LOANS 15-16 = 2.1 YEARS
ANNUAL DATA 2017-2018 [7,181,466] * #LOANS 17-18 = 1.9 YEARS

PUBLIC EXPENDITURE SAVINGS

14,671,892€

13,763,397€ REDUCTION OF FINANCIAL AIDS
+ 908,495€ REDUCTION OF ADMINISTRATIVE COSTS
6. RESULTS

5. FAMILIES

MICROLOANS TO FAMILIES

16.574 MICROcredits TO FAMILIES \times 5.050\text{€ AVERAGE AMOUNT DISBURSED TO FAMILIES} = 84.532.069\text{€ TOTAL AMOUNT DISBURSED TO FAMILIES}

14.783 FINANCED PEOPLE

- Salim, houseworks for the family house in Bangladesh, Lecco
- Nia and Madieta, Georgian caregivers, Firenze
- Thusha Tharikara, Sri Lankan singer, Milano
6. RESULTS

MICROLOANS TO FAMILIES

FINANCED PEOPLE OF WHICH:

- **9,306** people received a microcredit for housing purposes.
- **1,360** people received a microcredit for personal car/van/motorbike.
- **1,158** people received a microcredit for medical expenditures.
- **2,229** people received a microcredit for family expenditures.
- **837** people received a microcredit for other purposes.

**WOMAN EMPOWERMENT**

55% of permicro loan seekers is represented by women and the majority of them are migrants.

5% of permicro loan seekers is represented by young women under 35. Half of them has more than one child.

Nick and Andrea, Rome student and teacher. Pescara.
**RESULTS**

**MICROLOANS TO FAMILIES**

**HOUSING AND MEDICAL CARE**

- 7,249 people solved their housing need.
- 1,007 people no longer live in a situation of "housing deprivation".*
- 1,108 people had access to medical care.
- 85% of total applicants with this purpose.
- 90% out of total respondents for this need.

*HOUSING DEPRIVATION INDEX*:
Percentage of people living in overcrowded houses and having at least one of the following three problems:
- a) structural problems (ceilings, fixtures, etc.);
- b) not having a bath / shower with water current;
- c) brightness problems.

**MEANS OF TRANSPORTATION AND FAMILY NEEDS**

- 1,034 people bought their own means of transportation.
- 415 people now using their own means of transportation, while before the loan they did not.
- 2,464 people managed to pay their family’s expenses.
- 96% out of the total applicants for this purpose.
6. RESULTS

MICROLOANS TO FAMILIES

WELLNESS AND FAMILY INCOME

3.069 people who have been reached in Italy by relatives/friends from the country of origin

31% families whose family income grew after the funding received from Permicro

3.130 people who have improved their skills in managing family income

22% of the financed people

1.630 people who increased the amount sent to the family after the funding received from Permicro

18% of the financed people
6. RESULTS

MICROLOANS TO FAMILIES

ECONOMIC DIFFICULTY AND FINANCIAL INCLUSION

AFTER THE FINANCING RECEIVED BY PERMICRO

OF PEOPLE CAN GET THROUGH THE MONTH WITHOUT DIFFICULTY OUT OF THE TOTAL APPLICANTS FOR THIS PURPOSE

2,152

15%

OF PEOPLE NO LONGER LIVE IN CONDITIONS OF “SEVERE MATERIAL DEPRIVATION” AS PREVIOUSLY DECLARED

SUBJECTIVE ASSESSMENT OF ECONOMIC DIFFICULTY

PEOPLE HAD ACCESS TO TRADITIONAL FUNDING

3,492

OF PEOPLE IMPROVED THEIR RELATIONSHIP WITH BANKS

FINANCIAL INCLUSION

381 PEOPLE NO LONGER LIVE BELOW THE POVERTY LINE* THANKS TO PERMICRO’S LOAN

650 PEOPLE NO LONGER LIVE IN CONDITIONS OF “SEVERE MATERIAL DEPRIVATION” THANKS TO PERMICRO’S LOAN

41,55% OF PEOPLE NO LONGER LIVE IN CONDITIONS OF “SEVERE MATERIAL DEPRIVATION ” ON THE TOTAL OF APPLICANTS WHO PREVIOUSLY DID

POVERTY REDUCTION

*IES: ABSOLUTE POVERTY INDEX: Percentage of people belonging to families with an overall consumption expenditure lower than the absolute poverty threshold value on the total number of resident people go to look at what is the absolute poverty threshold and ask people if their spending exceeds this threshold value.

The absolute poverty threshold represents the monetary value, at current prices, of the basket of goods and services considered essential for each family, defined on the basis of the age of the members, the geographical distribution and the type of municipality of residence.

A family is absolutely poor if it incurs a monthly consumption expenditure equal to or less than this monetary value. Please note that:

a) the family size cannot exceed 12 members;

b) the “large municipalities” also include the municipalities on the outskirts of the metropolitan area;

c) the data have been available since 2005.

Calculations of the absolute poverty threshold on the website www.istat.it/it/prodotti/contenuti-interattivi/calcolatori/sglza-di-povera
7. SOCIAL IMPACT

Access to credit

- 43% has requested a loan to a traditional bank after the loan received by Permicro.
- 65% obtained the loan, of which 59% declared it was possible thanks to Permicro's influence.
- 59% reported that the microcredit had a positive effect on their economic welfare.

Poverty line and increase of economic inclusion

- 2.6% crossed over the poverty line.
7. SOCIAL IMPACT

ADDITIONAL REVENUES FOR THE GOVERNMENT

9,009,435€
AMOUNT IRPEF REVENUE

7,778,561€
AMOUNT OF FISCAL REVENUE CAUSED BY CONSUMPTION INCREASING

IMPROVED SOCIAL AND FINANCIAL INCLUSION

80%
H ave SATISFIED THE NEED FOR WHICH THEY REQUESTED A LOAN

3,492€
PEOPLE WERE NOT BANKABLE BUT, AFTER THE LOAN, THEY HAD ACCESS TO THE TRADITIONAL CREDIT CHANNELS
PERMICRO is the first company in Italy specialized in the supply of credits and microcredit to subjects excluded from traditional credit channels due to insufficient credit history or precarious working position. The impact it generates with respect to access to credit is therefore important.

In nearly 10 years, nearly 850 entrepreneurs and more than 3,400 families have gone from being non-bankable to bankable. Among the impacts, the one linked to benefits for the public administration in terms of increase in state revenues (in total about 80 million thanks to microcredit to businesses and about 16 million in 10 years thanks to loans to families) and a reduction in public expenditure (in total about 15 million euros).

This has generated benefits for entrepreneurs and families in terms of socio-economic results: alongside the increase in financial inclusion it is in fact important to highlight the increase in social well-being that was generated by the possibility of receiving a microcredit from PERMICRO.
THE RESEARCH WAS CARRIED OUT BY CENTRO TIRESIA OF THE POLITECNICO DI MILANO.