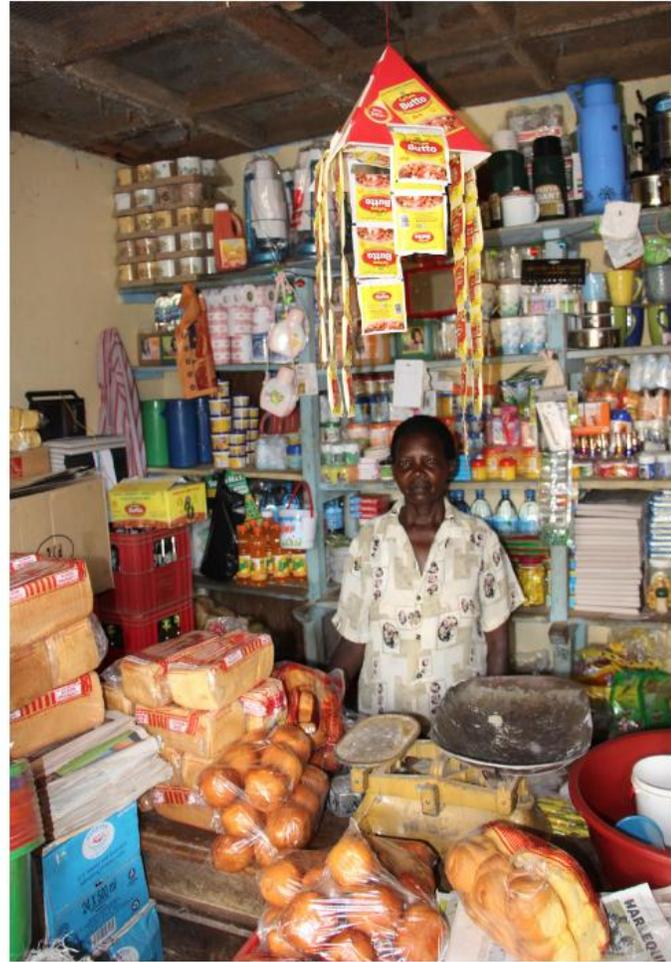


Women's Microfinance Initiative

2014 Longitudinal Study on Business Operations



Credits: Data collected by Jackline Nemonye. Report compiled by Amanda Conklin and Morgan Nelson. Background information provided by Ian White, Kristi Hill, Britta Burtis, Dana Silver, and Melissa La Reau. Editing provided by Karynne Campbell, Rianna Aylward, and Carolyn Freeman. Photos by Robyn Nietert and Melissa LaRue



Introduction:

The Women's Microfinance Initiative (WMI) was established in 2008 with a mission to provide business training, business loans and financial inclusion for impoverished rural women in East Africa. WMI worked with an established community based organization, the Buyobo Women's Association, in Buyobo, Uganda, to launch the first rural loan hub. The loan program began with a group of 120 borrowers who received their first business loans and training during 2008. With support and capital provided by WMI, women launched businesses selling fresh produce and poultry, operating drug stores and retail shops, making furniture and jewelry, and selling second hand clothes and shoes. According to yearly surveys, the original 120 borrowers in the WMI loan program Buyobo have reported higher standards of living than their village counterparts who do not participate in the loan program. This includes improved household conditions in areas such as home-improvements, household furnishings, health and education; improved personal traits such as self-confidence and organizational skills; and, improved and gender relations and community relations. These graduates of the WMI loan program characterize themselves as leaders in their communities.

Background:

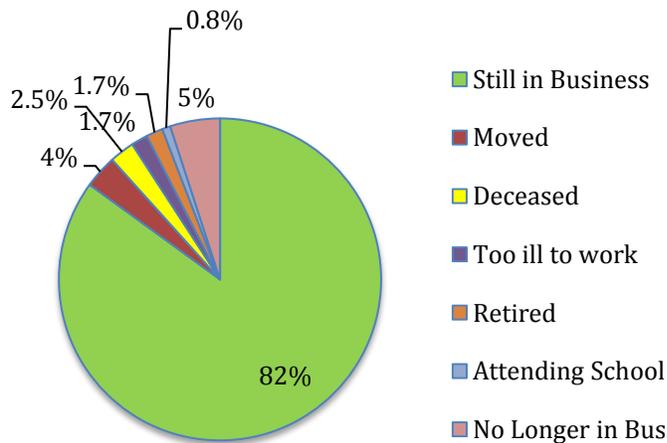
WMI's first loan cycle began in January 2008 with just 20 village women in Buyobo, Uganda. Additional borrowers were added each quarter during the year until 120 women had received loans and training by the end of 2008. The WMI loan program provided four loans, in six-month cycles, over a period of two years, followed by graduation from the program and the opportunity to transition to independent banking and obtain a business loan directly from PostBank Uganda (PBU). Just over six years after entering the WMI loan program, these first participants have continued to reap the benefits of becoming independent businesswomen. A survey conducted in 2014 reflects that the vast majority of the original 120 borrowers are still in business. These findings demonstrate the effectiveness and sustainability of the WMI loan program.



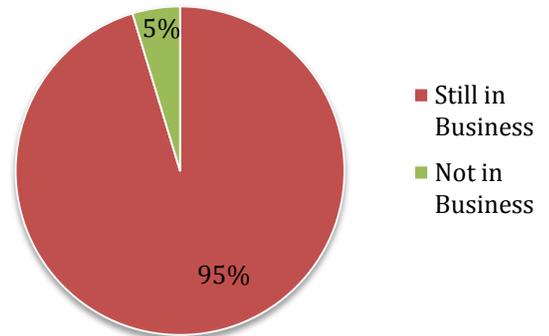
Findings:

The following pie charts indicate the current business status of WMI's first group of borrowers - those who received business loans and training in 2008.

2014 Status of Original Borrowers



2014 Status of Original Borrowers Who Are Still Able to Work



Twelve of the first 120 businesses have ceased operation because the borrowers were deceased, too ill to work, had moved out of the area, retired or had gone back to school. Of the 108 original borrowers from 2008 who are still in the village and able to work, a total of 102 are still operating their businesses – an extremely impressive 95%.

The U.S. Small Business Administration reports that only about half of new businesses survive five years or more. Only about a third survives more than 10 years. The ladies in Buyobo have far surpassed the five year business survival rate. They are entering their seventh year of business operations and at their current rate they are poised to exceed the ten year business survival rate by almost 200%.

Why do WMI borrowers have such a high success rate when it comes to sustaining their businesses? We believe the loan program's local support structure and village-level operations contribute significantly to the borrowers' success. Also, the extensive, on-going business training gives the borrowers a solid foundation from which they can manage and expand their operations. Consolidating loan program operations in discrete rural areas creates a vibrant network of business-women who can share experiences, brainstorm problems and support one another in their drive to succeed.