

# ***Ahavat Yisrael Newsletter***

## **Greater Washington Area Chapter of Hadassah**

### **The Women's Zionist Organization of America**

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#### **Women's Microfinance Initiative Discussed at March Meeting**

After reading *Banker to the Poor* by Mohammed Yunus, neighbors **Robyn Nietert**, with a background in law, and **Elizabeth Gordon**, with a background in business, decided to create a microfinance initiative. Using connections through a Ugandan member of Robyn's church, they worked with the Bulambuli Widows Association to found the Women's Microfinance Initiative.

Unlike other groups, WMI does not require collateral, thus serving the population that Robyn called "the bottom of the pyramid," who cannot qualify for other loans. WMI borrowers are selected in groups of 20 women, who guarantee the loans of the others in their group. So far WMI has had 100% repayment; in one case, a borrower left the village with two payments still due, and the other 19 women paid her share. There are now 360 borrowers, and the program is expanding to more and more villages in Uganda and soon Kenya. Robyn and Betsy showed a poster of some of their borrowers at work—catering, tailoring, selling vegetables, and so on.



WMI provides training and loans for 2 years and considers it a success when women transfer to using a commercial bank. The first group of 20 women has just "graduated" to having bank loans guaranteed by WMI for 1 year, after which the women will qualify as bank customers on their own. In contrast, microfinance organizations that measure success by the number of borrowers have an incentive to retain their successful borrowers (while taking the collateral and further impoverishing those who fail).

Ahavat Yisrael members are invited to WMI's annual potluck dinner on May 2 from 6-8 pm at Carderock Clubhouse, Bethesda ([www.wmionline.org](http://www.wmionline.org) – or contact Janice at [jmehler@nas.edu](mailto:jmehler@nas.edu) for more information).