

WMI FACT BOOK: Loan Program Data Alailelai, Tanzania Loan Hub



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BACKGROUND on WMI

- WMI is a U.S. based non-profit organization that provides micro-credit to women in rural East Africa.
- Women use the loans to start and expand small businesses.
- WMI provides borrowers with training in financial literacy, business management, record keeping, and financial planning.
- Loan programs are administered by village level organizations and issued to lending groups of 20 borrowers, all of whom guarantee each other's loans. No collateral is required.

- After 24 months in the WMI loan program, borrowers graduate to financial independence and transition to a bank loan issued by a commercial institution.
- Women use their business profits to pay school fees, buy more food for their families, improve their homes, pay for health care, and expand their businesses.
- Since January 2008, WMI has issued 5,283 loans in nearly 500 villages in Uganda, Kenya and Tanzania.



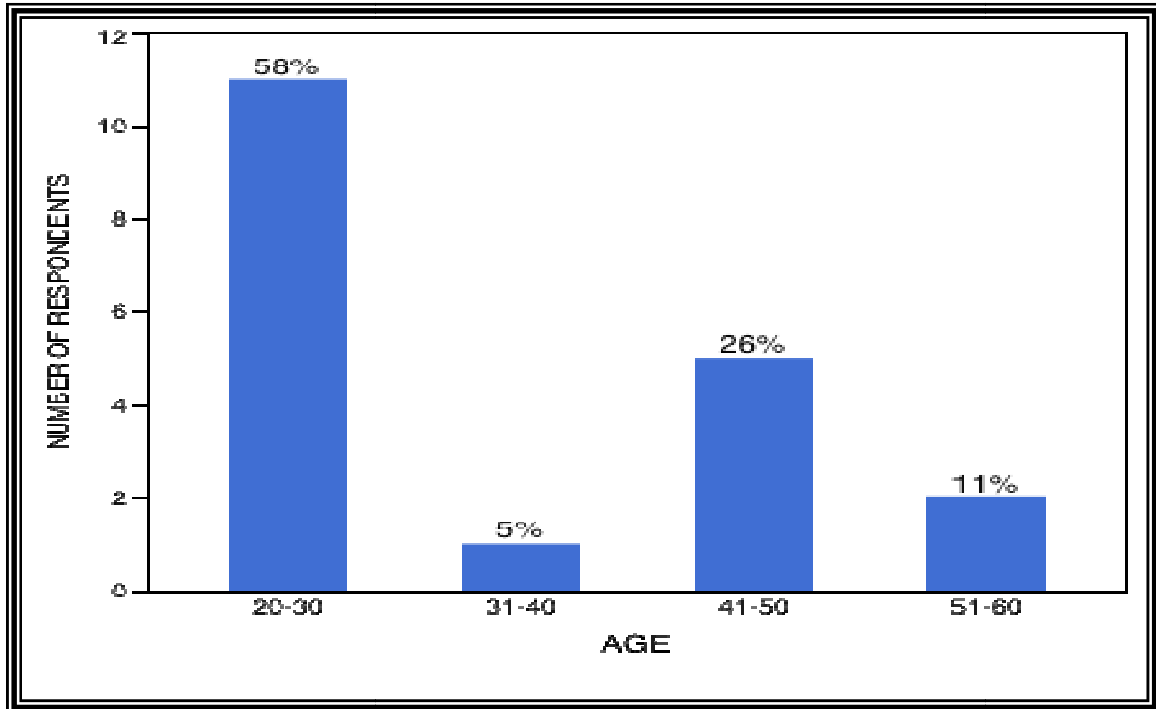
METHODOLOGY

- Olive Wolimbwa, WMI's Local Director in Buyobo, Uganda supervises overall loan issuance and data collection, with help from WMI's Assistant Local Director Jackline Namonye.
- Using a loan application and baseline survey, WMI collects borrower data whenever a new loan is issued.
- WMI administers a borrower survey every six months concurrent with follow-up loan applications.
- Local village women who are proficient in English administer the surveys.
- U.S. based staff analyze the data.
- The data presented in this fact book was collected from January 2012 to July 2012 from 20 borrowers.

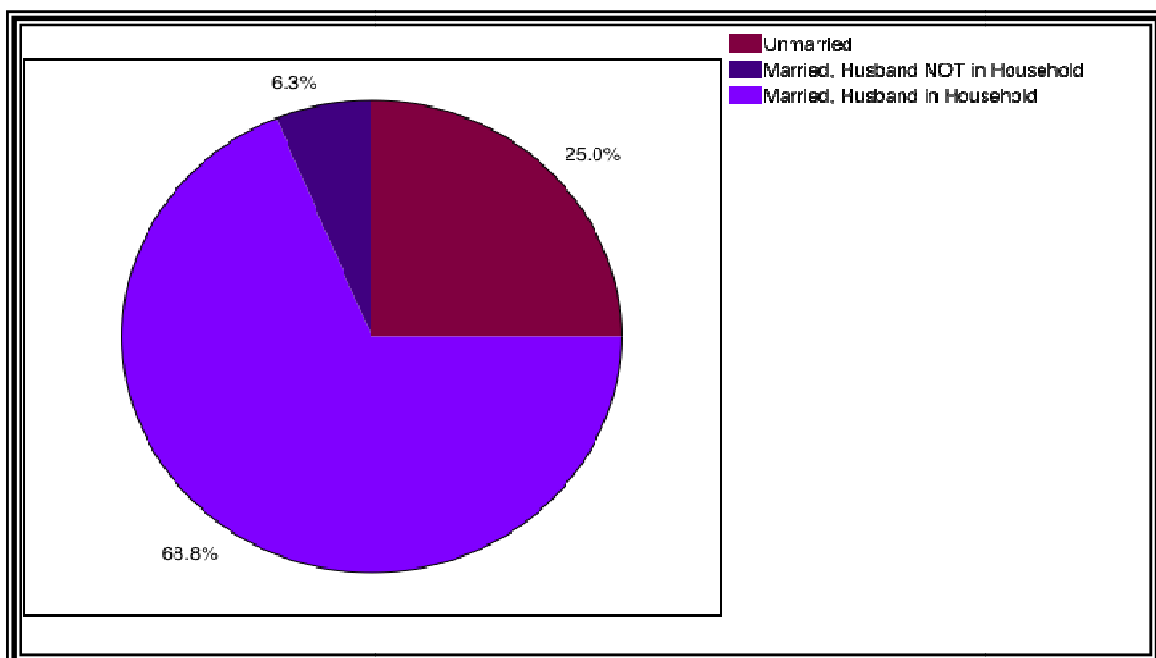
I. BASELINE DATA

A. DEMOGRAPHICS

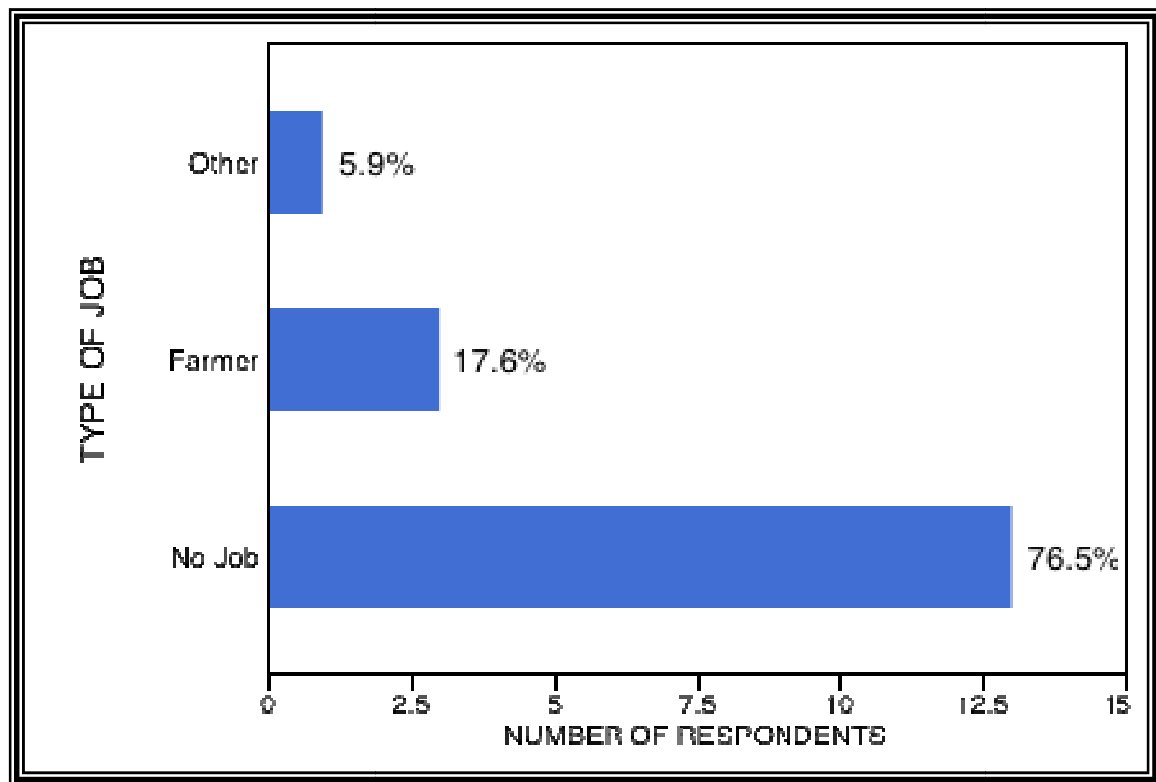
1. **Age Distribution** – Over 50% of borrowers are between the ages of 20 and 30.



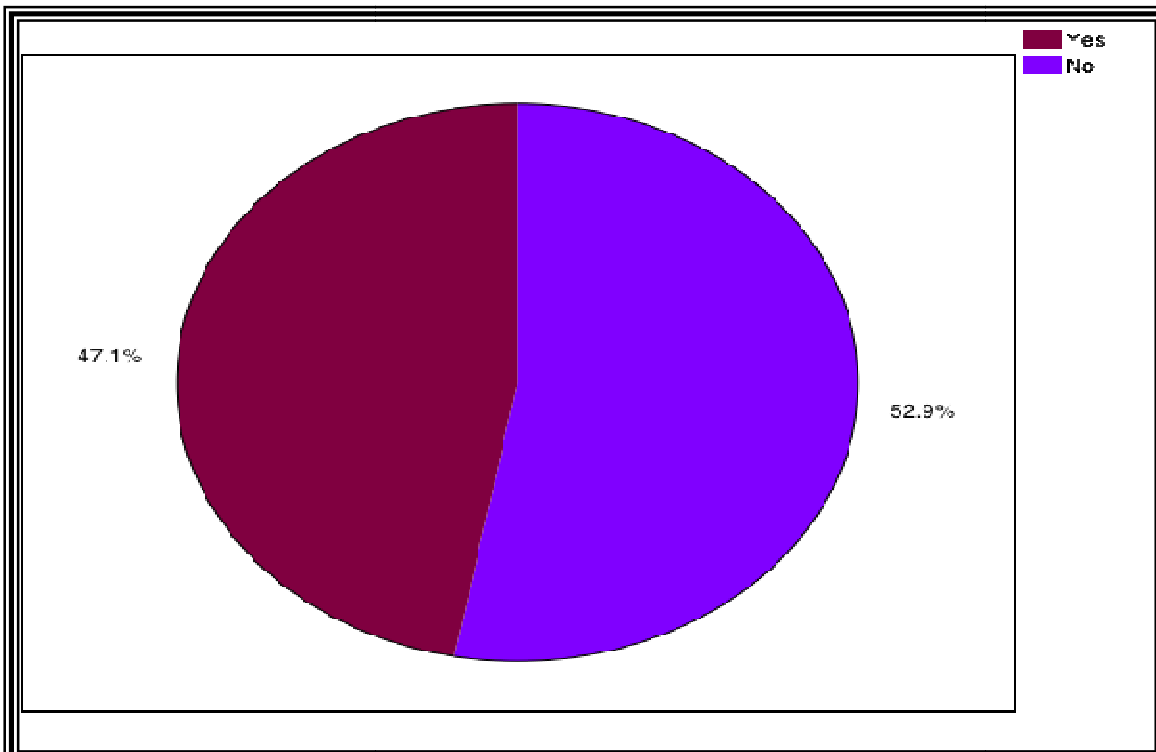
2. **Marital Status & Husband in Household** – Nearly 70% of borrowers are married with their husbands living in the household.



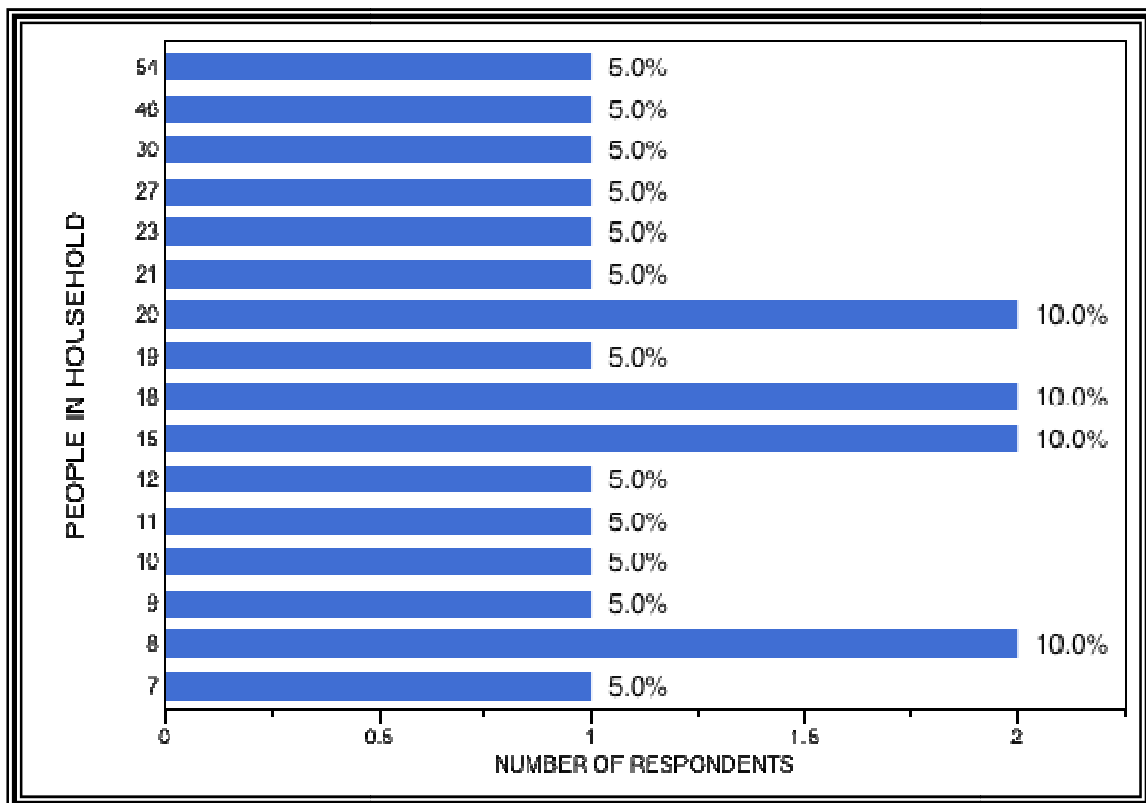
- 3. Husband's Employment** – Over 75% of borrowers report that their husbands have no job.



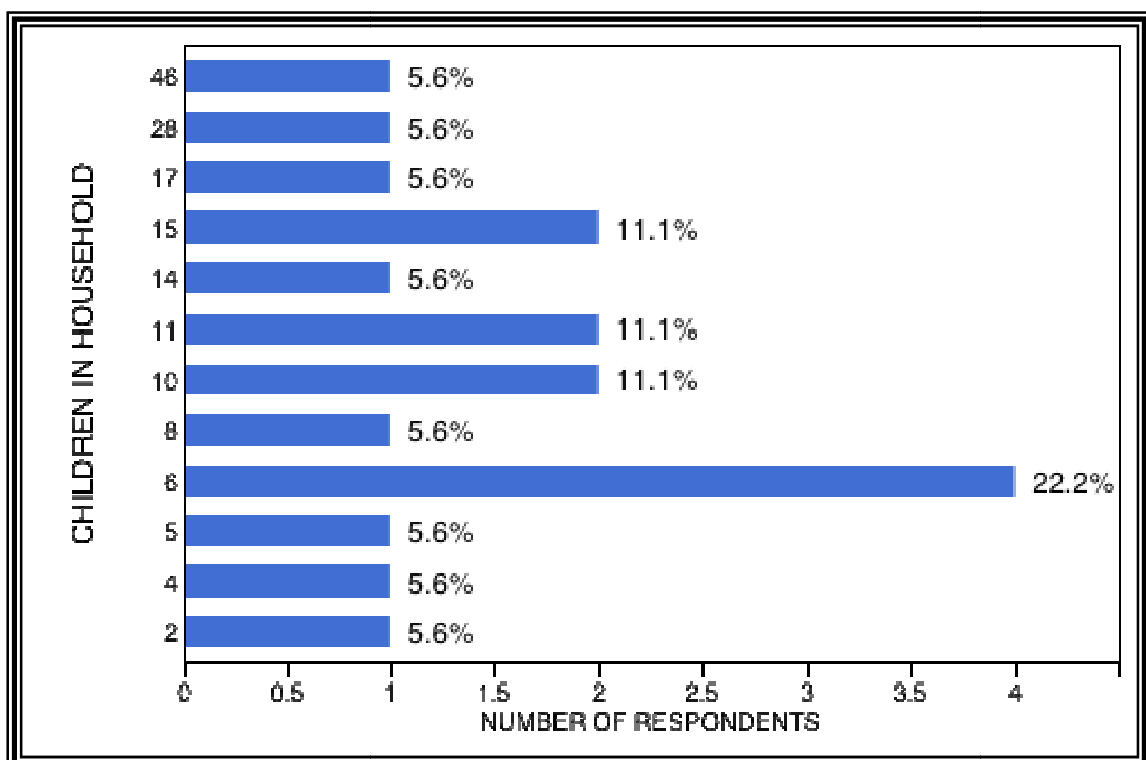
- 4. Husband's Financial Contribution** – Less than 50% of Borrowers' husbands contribute financially to the household.



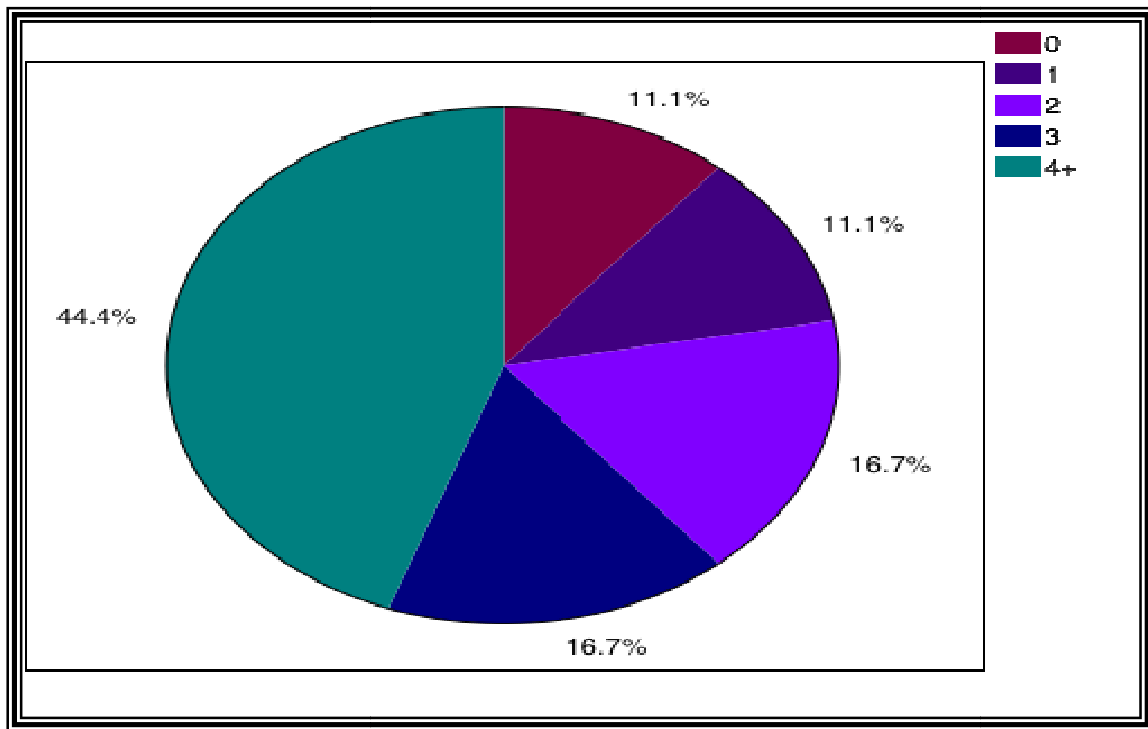
5. **People in Household** – Nearly 50% of Borrowers have 19 or more people in their households.



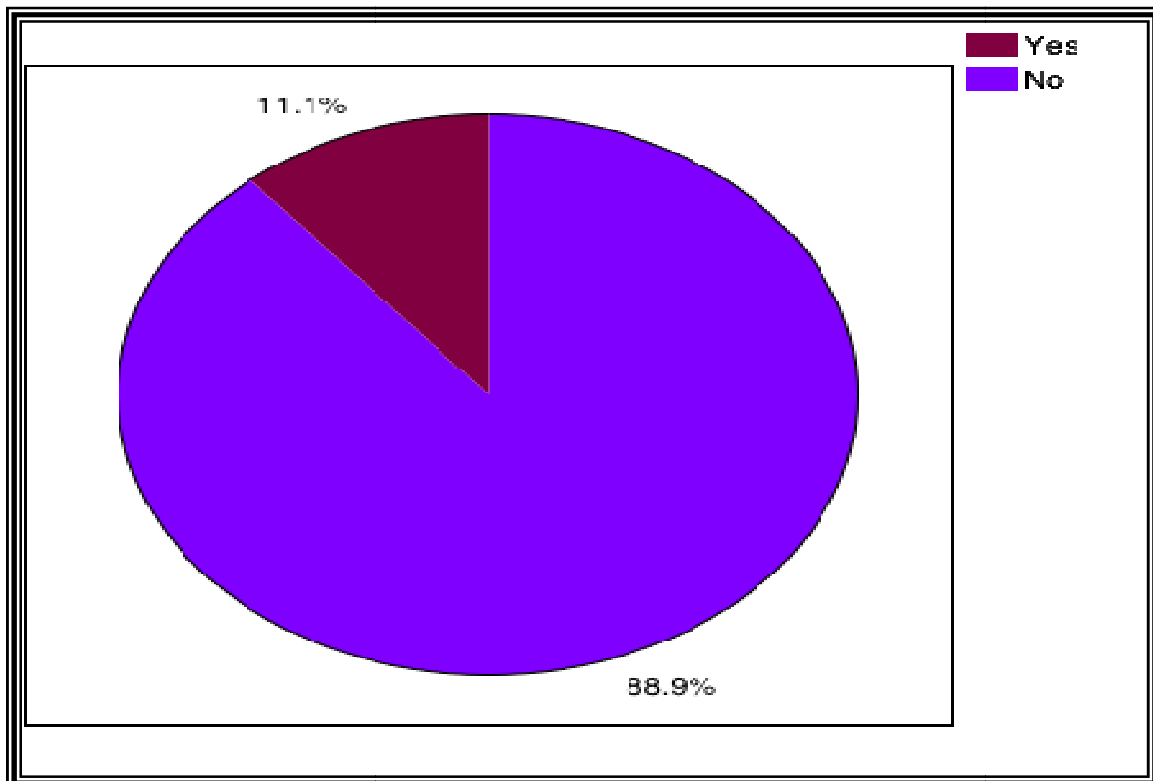
6. **Children in Household** – More than 50% of Borrowers have 10 or more children in their households.



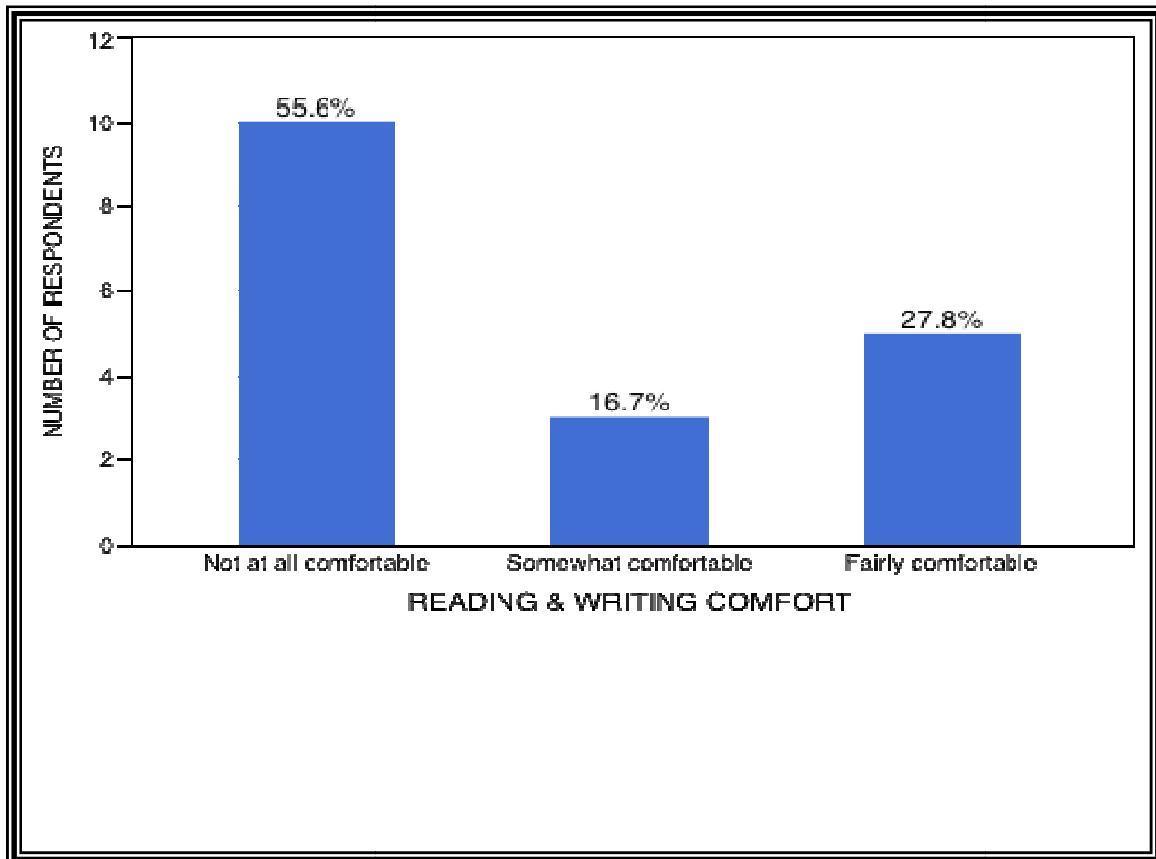
7. **Caring for Orphans** – Nearly 90% of Borrowers are caring for orphans. HIV/AIDS and other diseases have left many children parentless. It is more common for community members to take in orphans than to consign them to institutional care.



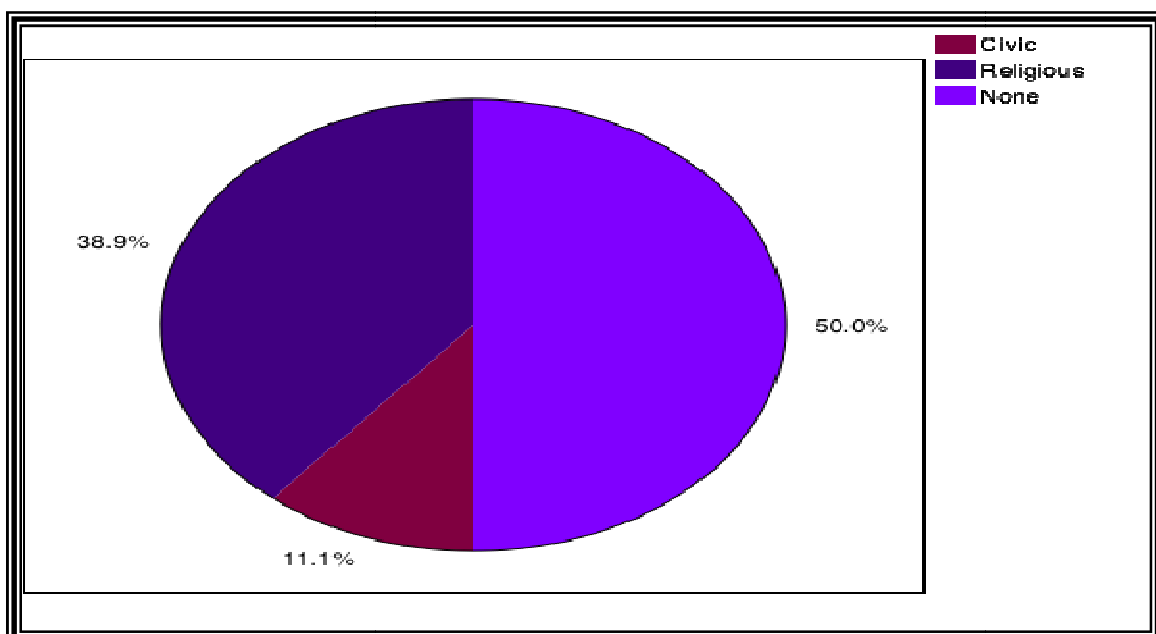
8. **Widowed** – Only 11% of Borrowers have ever been widowed.



- 9. Reading & Writing Ability** – Over 50% of Borrowers felt “not at all comfortable” with reading and writing; none said that they were “very” or “extremely” comfortable.

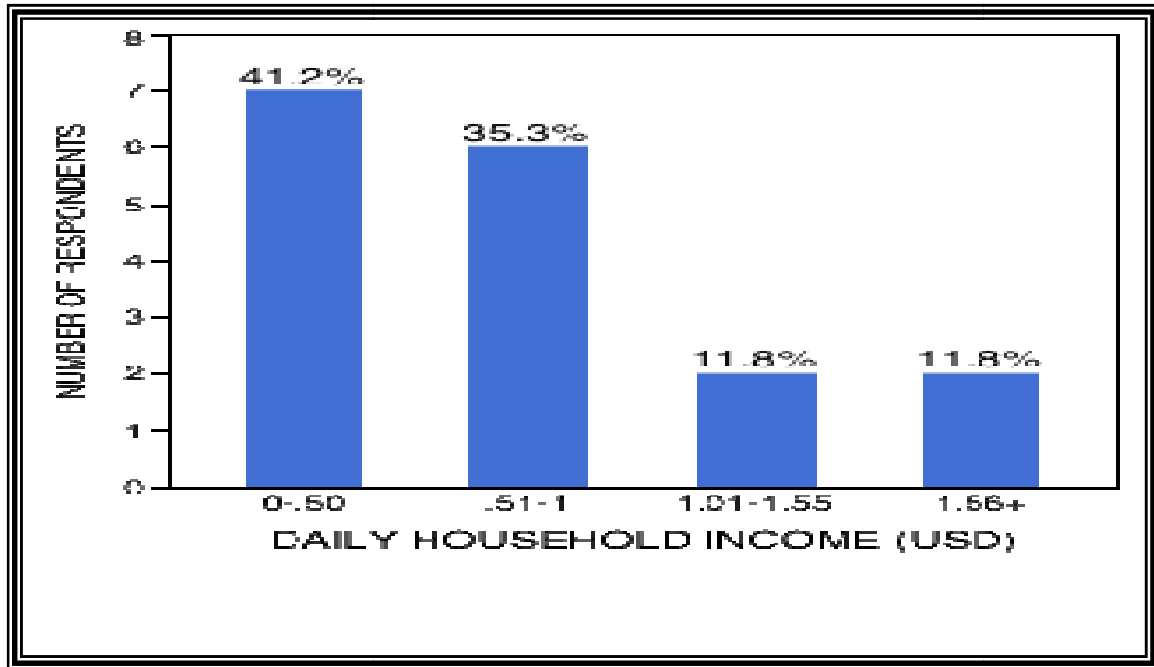


- 10. Community Involvement** – 50% of Borrowers belong to a community organization.

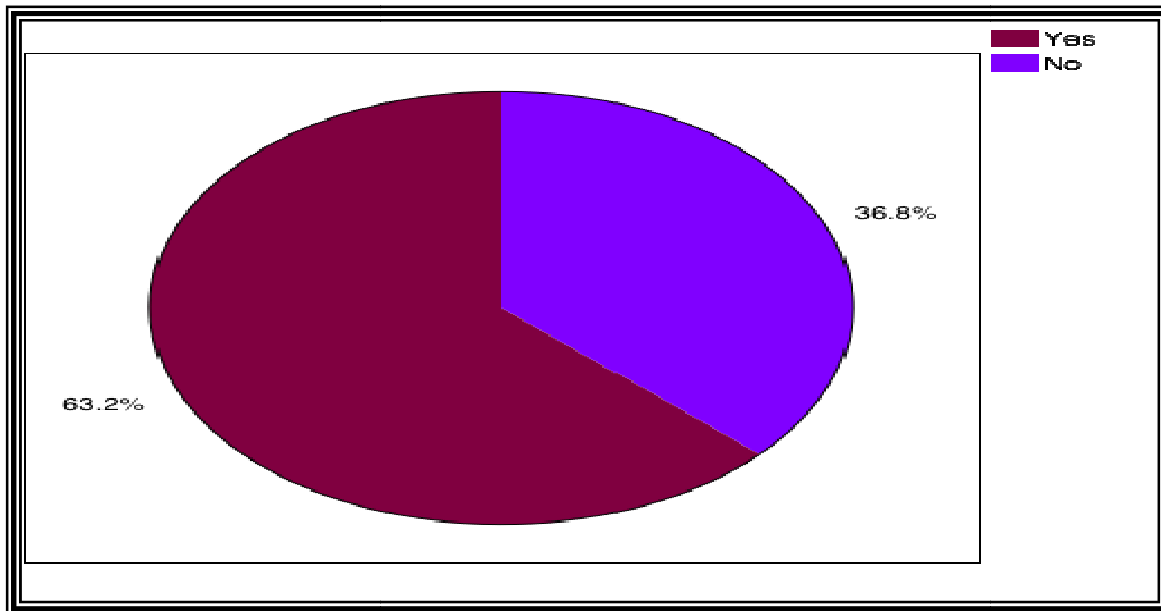


B. STANDARDS OF LIVING

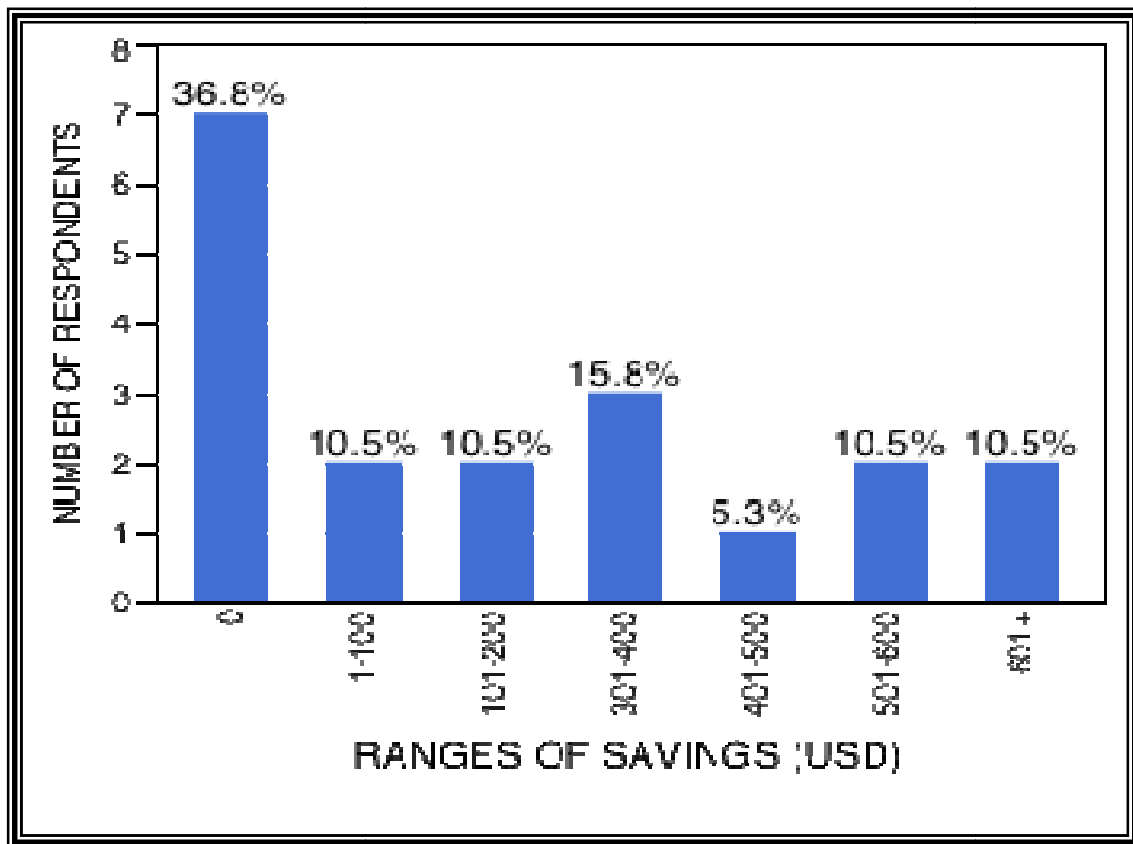
1. **Daily Household Income** – More than 75% of Borrowers' **households** subsist on less than \$1/day. The poverty line set by the World Bank is defined as an **individual** subsisting on less than \$2/day. The Borrowers' average household size is 19 people, meaning that 100% of Borrowers live below the poverty line.



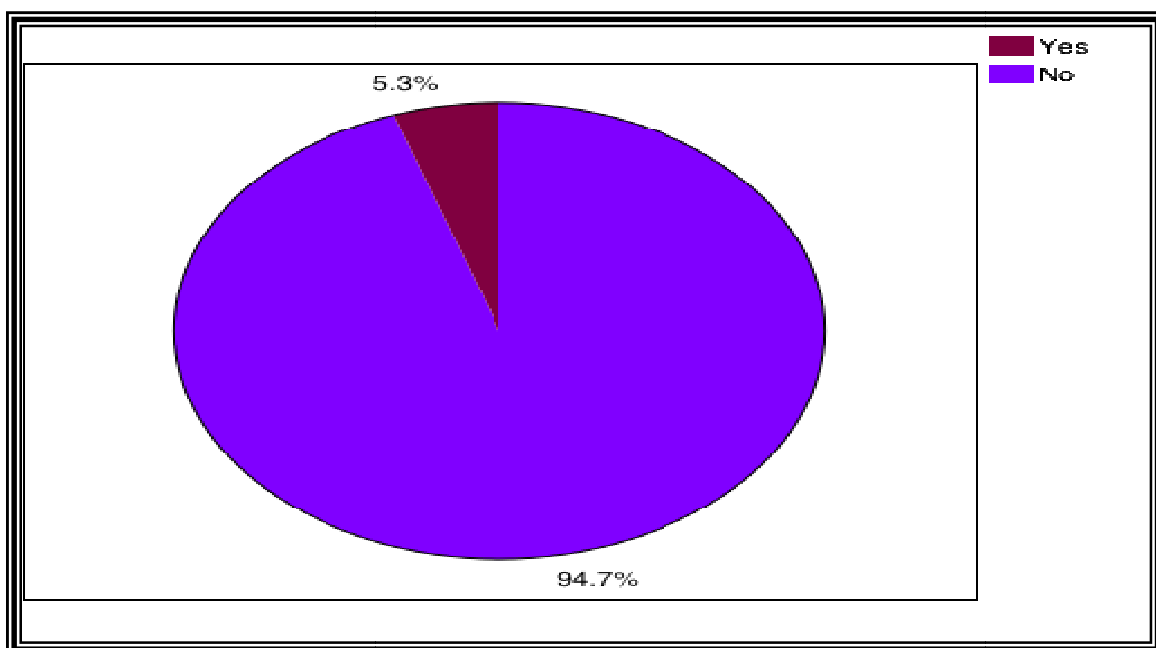
2. **Savings** – More than 60% of Borrowers have savings, reflecting a strong savings culture.



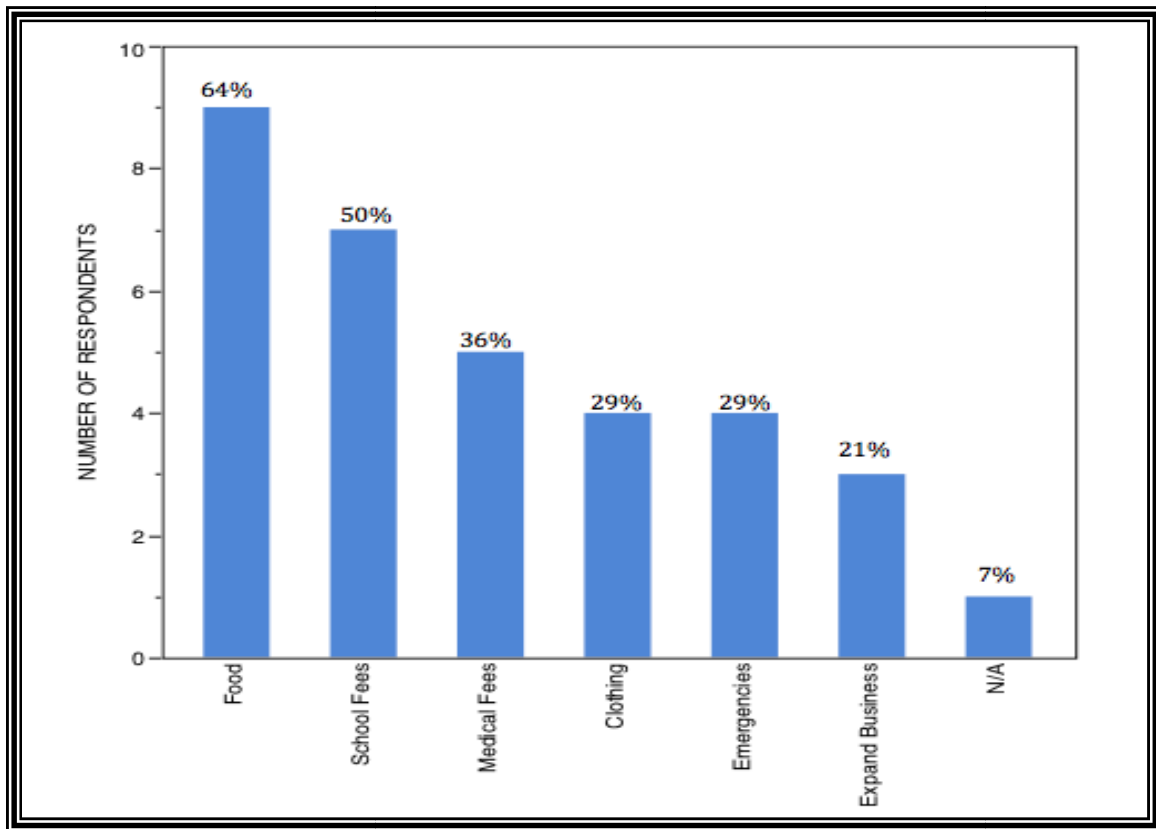
3. **Ranges of Savings** – 45% of Borrowers have less than \$400 in savings. Lack of savings leaves families and households unable to survive medical crises and other emergencies that require financial resources.



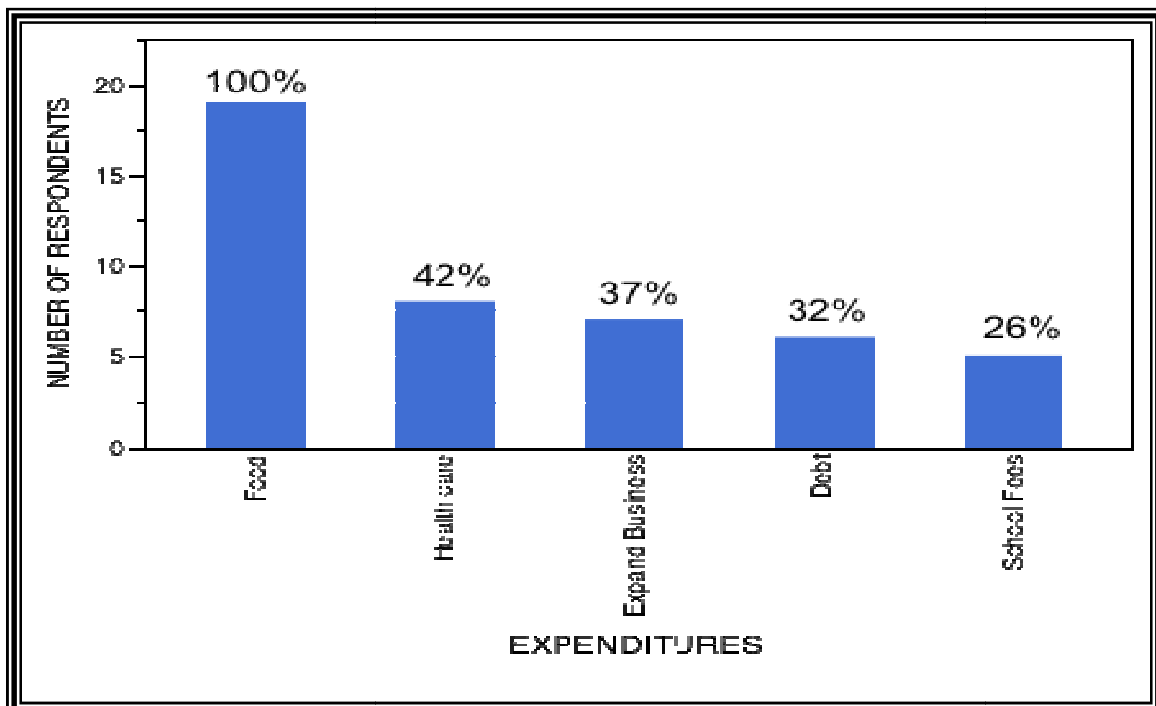
4. **Bank Usage** – Only 5% of Borrowers keep their savings in a bank. Lack of access to conventional banking cripples poor women's abilities to operate their businesses.



5. **Reasons for Saving** - The top three reasons Borrowers save are to pay for food, school fees and medical fees.

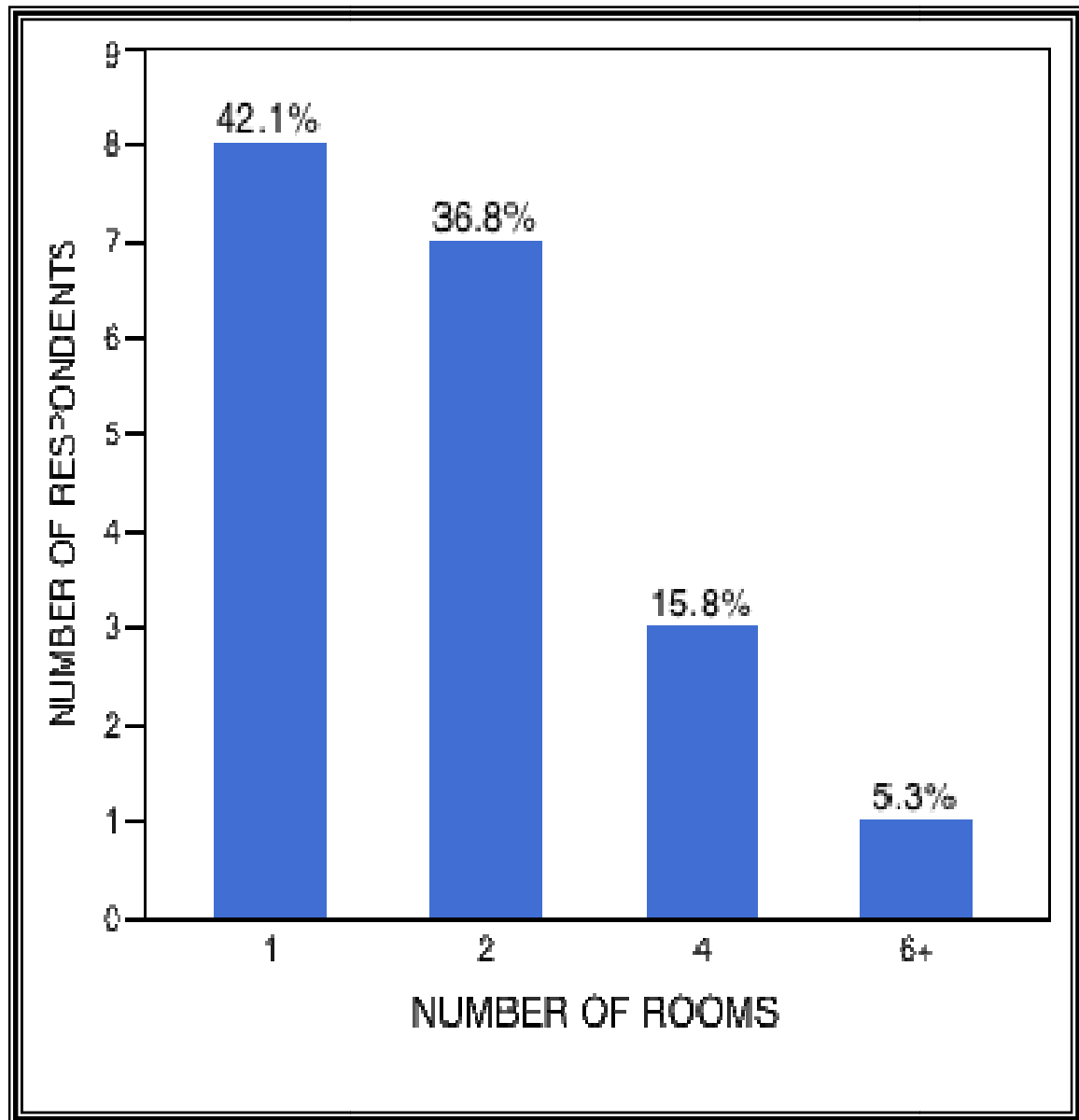


6. **Top Expenditures** – Borrowers' top three expenditures are food, health care and business expansion.

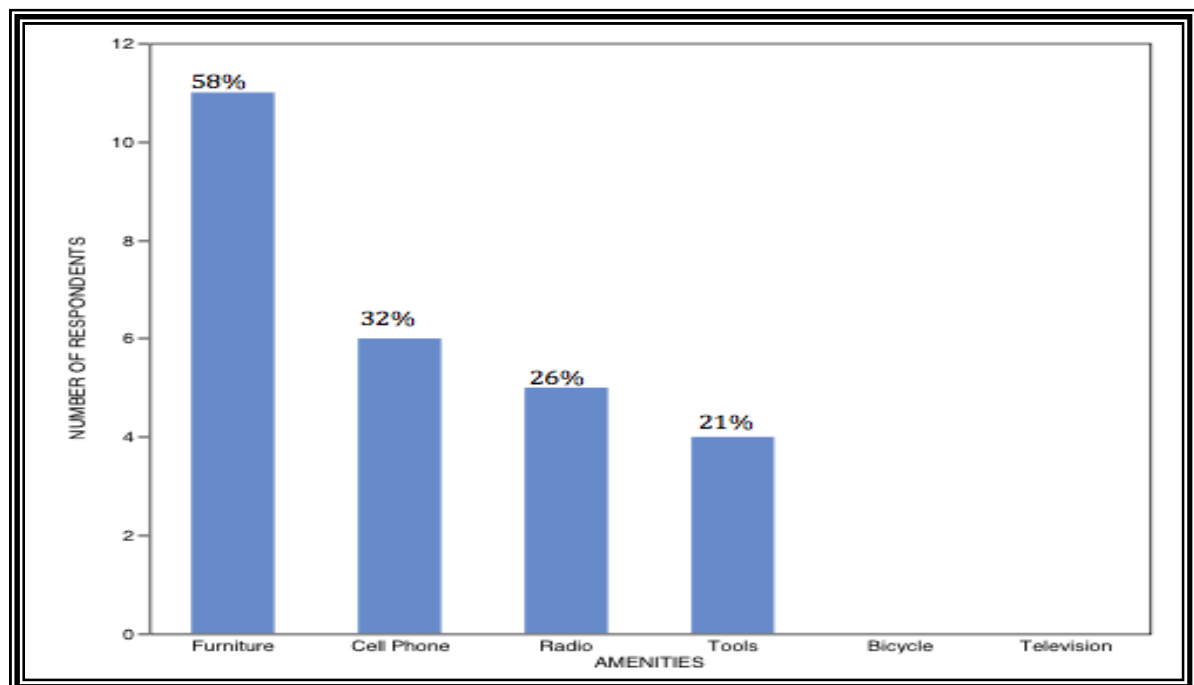


7. Type of House and Ownership – All of the Borrowers own a home.

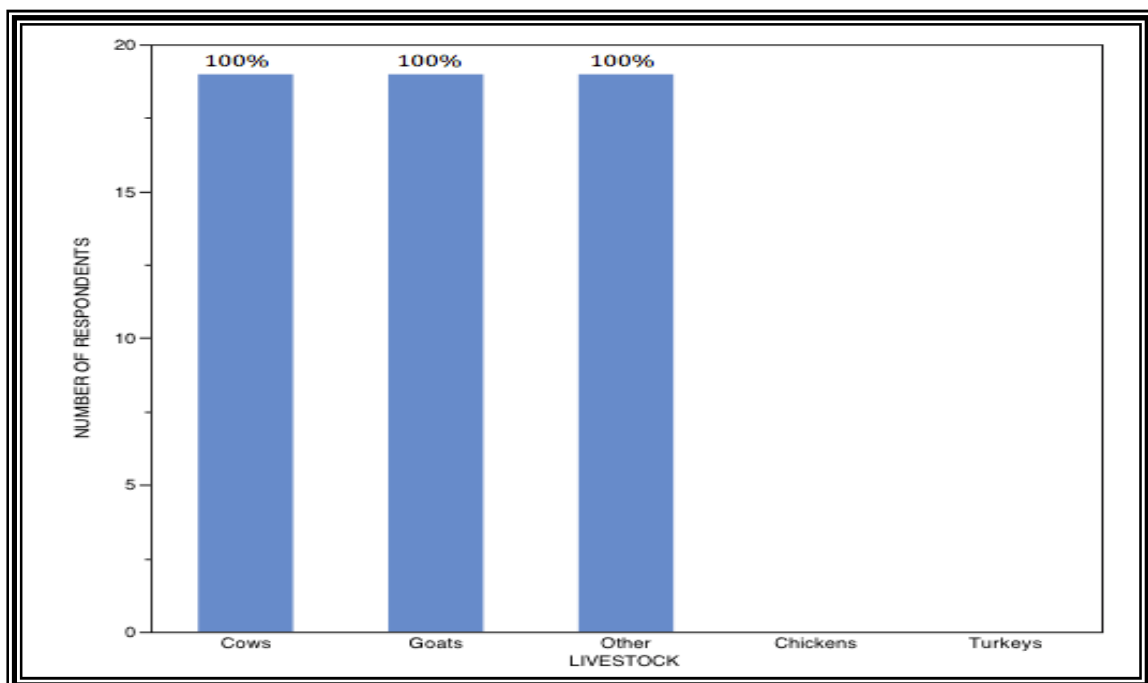
8. Number of Rooms in House – Nearly 80% of Borrowers live in a home with two or fewer rooms.



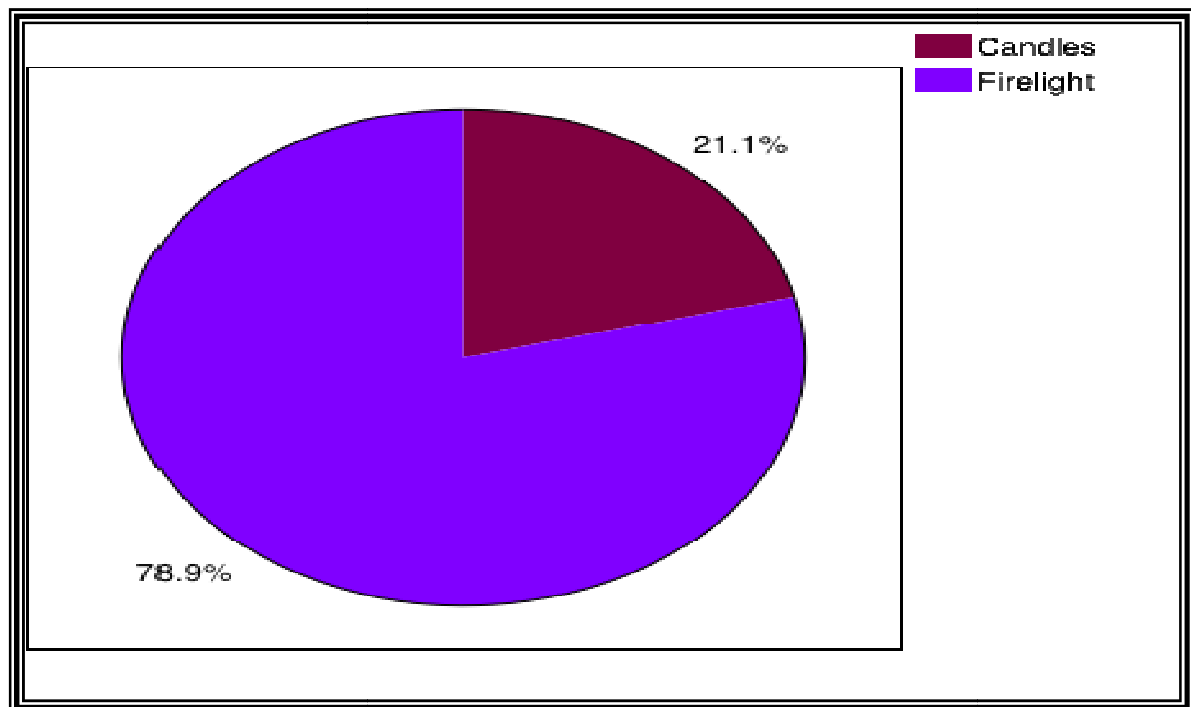
- 9. Household Amenities** – Many Borrowers have some furniture, cell phones and radios, while few have tools and none have a bicycle or television. Cell phone use is becoming more common, even in extremely rural areas. Radio is the predominant medium for the distribution of news and information.



- 10. Livestock** – All Borrowers have some type of livestock. Chickens are the least expensive livestock, but are prone to disease. Goats are more expensive, and resist disease better. Cows are the most desirable livestock because they are an ongoing source of dairy products.

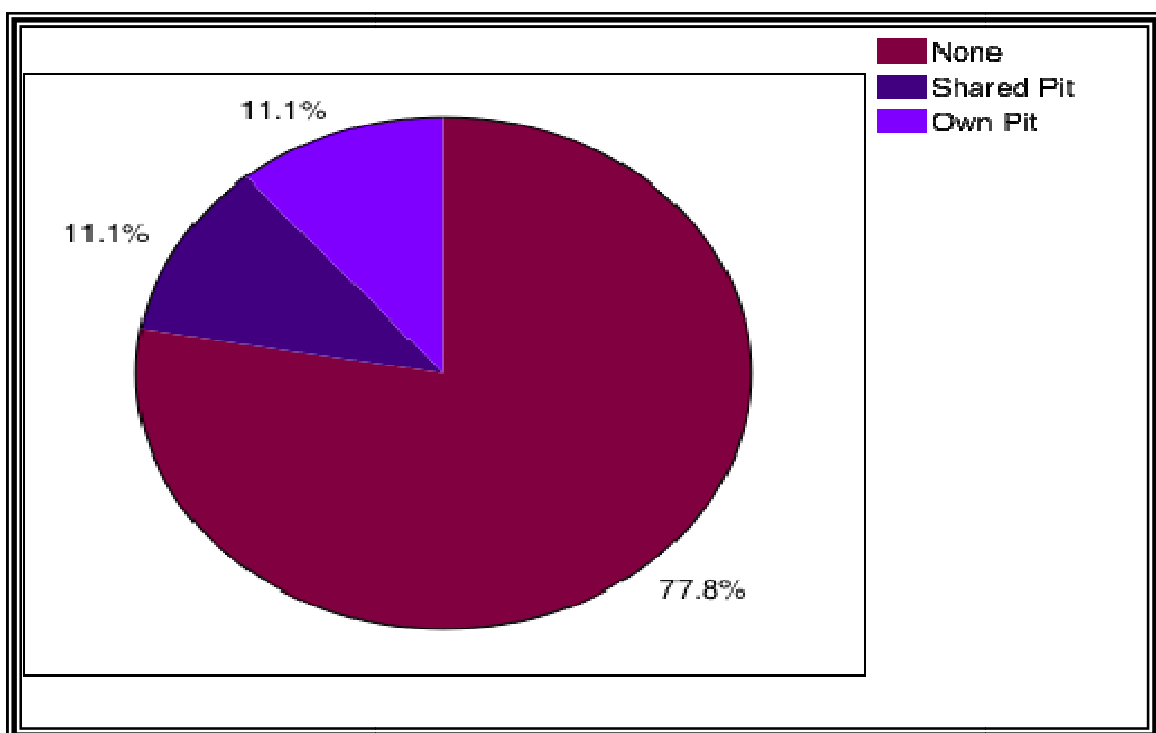


11. Lighting Source – 100% of Borrowers use candles or firelight as their source of lighting.



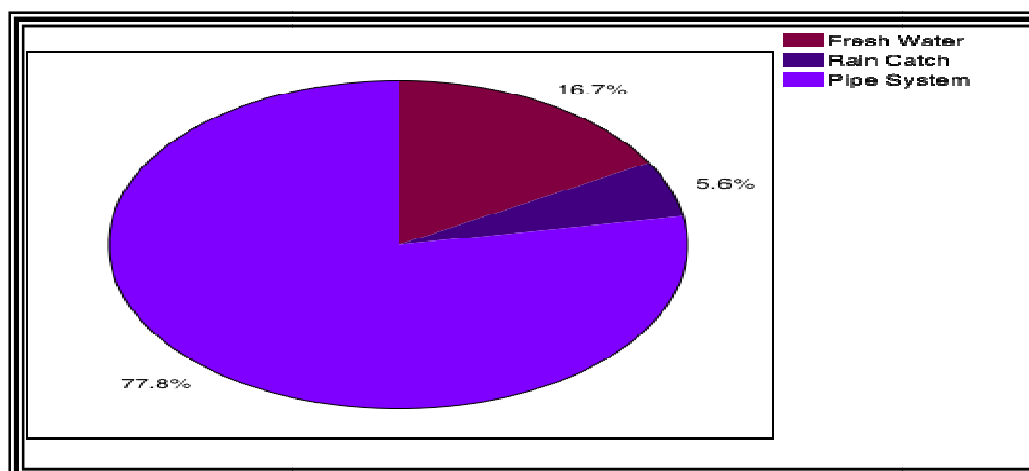
12. Cooking Fuel – 100% of Borrowers use wood that their families collect as their cooking fuel.

13. Toilet Facility – Nearly 80% of Borrowers report that they have no toilet facility at all.



C. FAMILY HEALTH AND WELFARE

1. **Water Source** – Nearly 80% of Borrowers get their water from a pipe system.



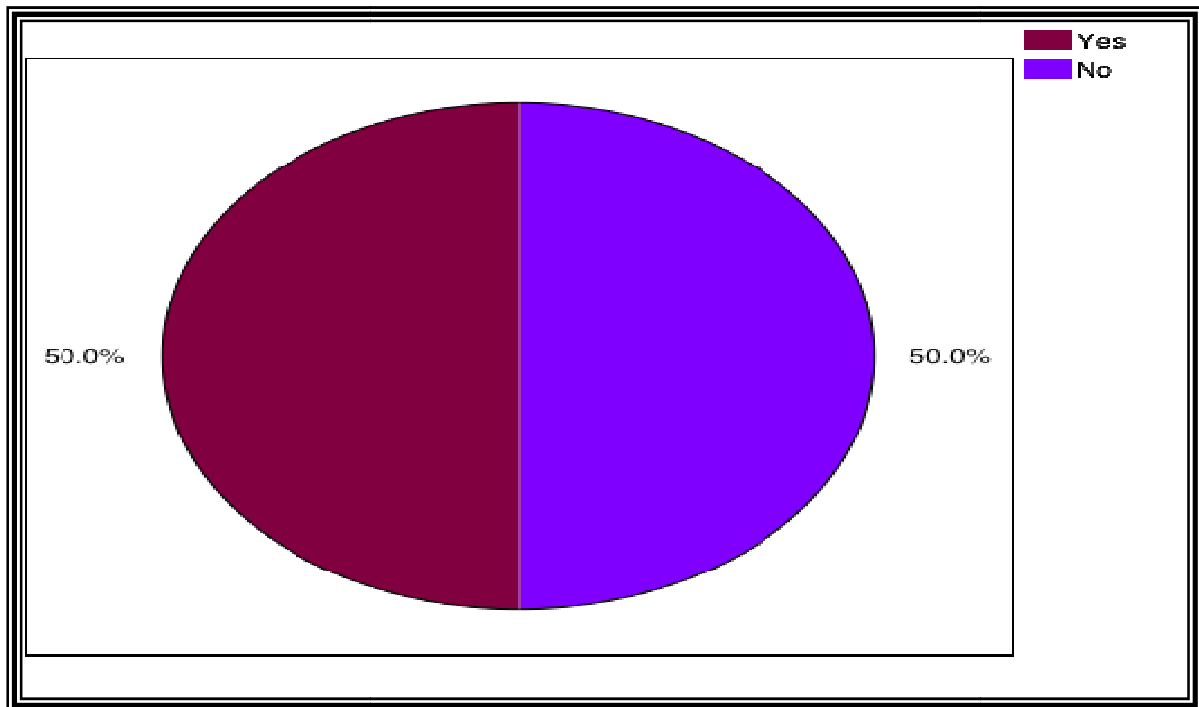
2. Water Safety

How often do you boil your water before drinking?	<ul style="list-style-type: none"> • 72% never boil their water • 6% sometimes boil their water • 22% always boil their water
On a scale of 1-5, with 1 being not safe and 5 being very safe, how do you rate the safety of your drinking water?	<ul style="list-style-type: none"> • 0% give their water a rating of 1 • 22% give their water a rating of 2 • 50% give their water a rating of 3 • 17% give their water a rating of 4 • 11% give their water a rating of 5

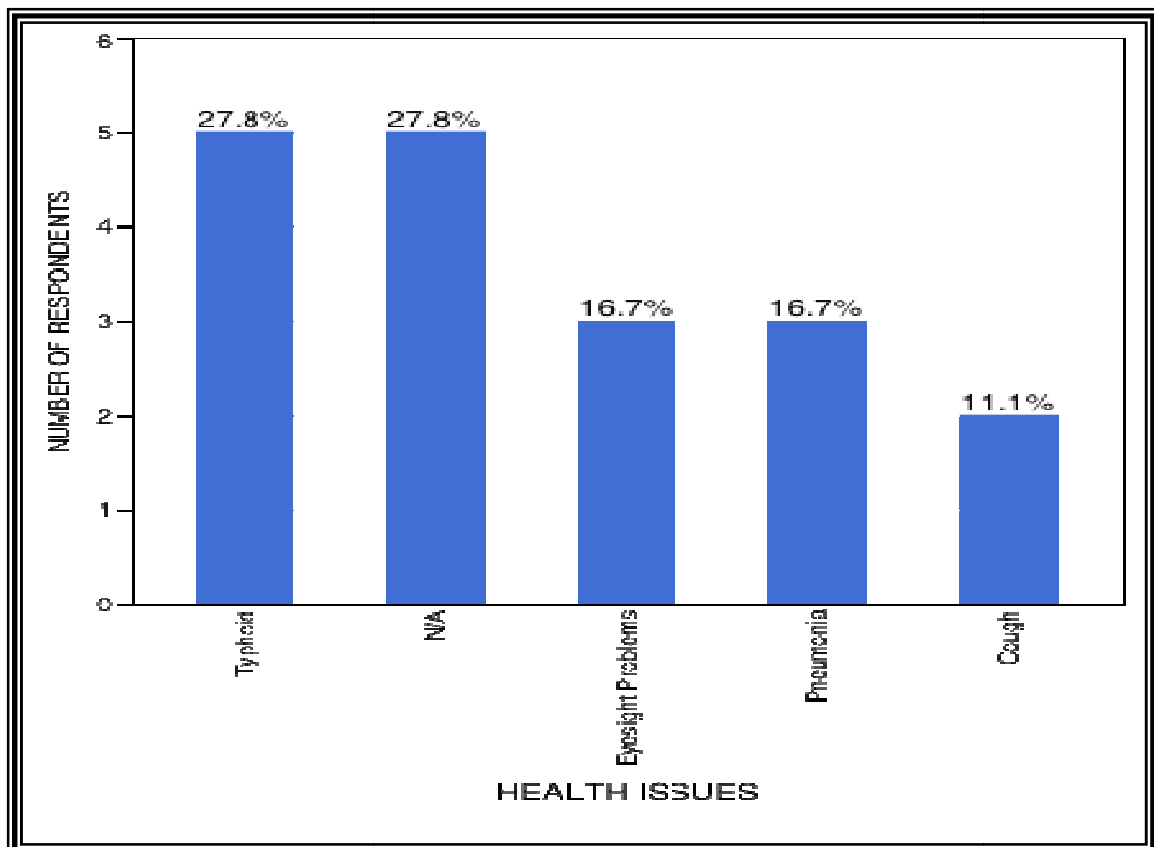
3. Food Consumption

How many meals does your family eat per day?	<ul style="list-style-type: none"> • 47% - 2 meals per day • 53% - 3 meals per day
How many meals per day include food that you grow?	<ul style="list-style-type: none"> • 6% - 0 meals per day • 11% - 1 meal per day • 83% - 2 meals per day
How many meals per day include food that you buy?	<ul style="list-style-type: none"> • 59% - 1 meal per day • 29% - 2 meals per day • 12% - 3 meals per day
What types of food does your family eat most often?	<ul style="list-style-type: none"> • 53% - ugali • 53% - other • 35% - rice
What types of food does your family buy most often?	<ul style="list-style-type: none"> • 74% - maize flour • 37% - rice • 26% - other

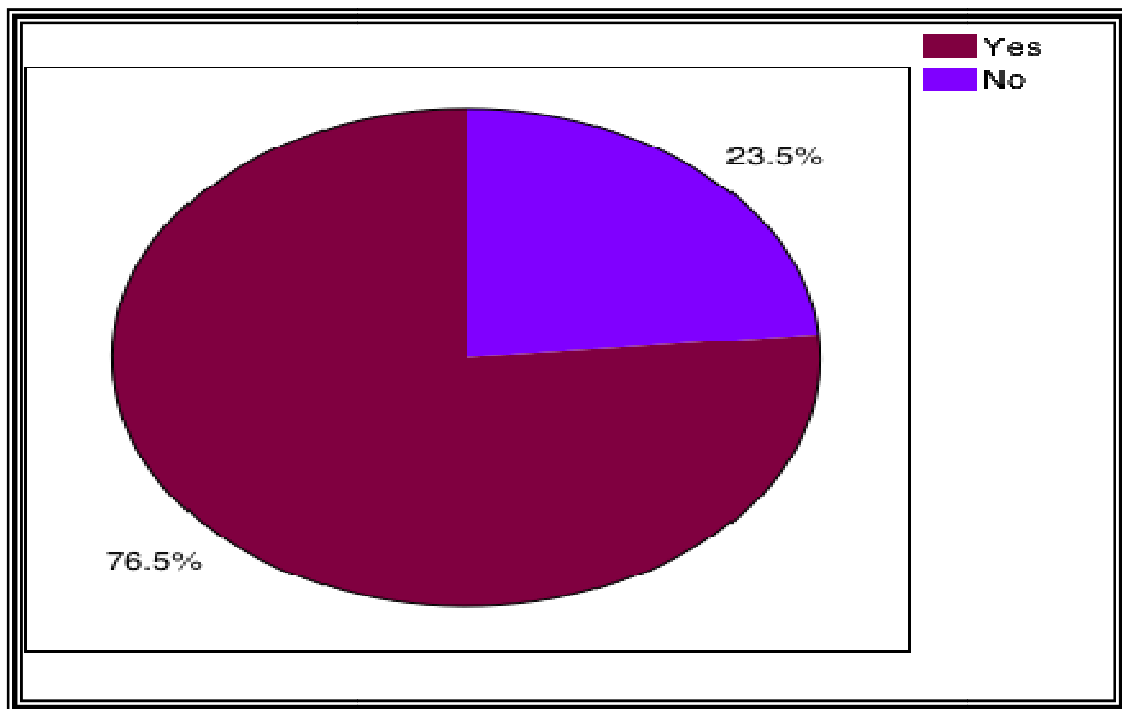
4. **Illness in Household** – 50% of Borrowers report that at least one member of their household is regularly sick and cannot attend work or school.



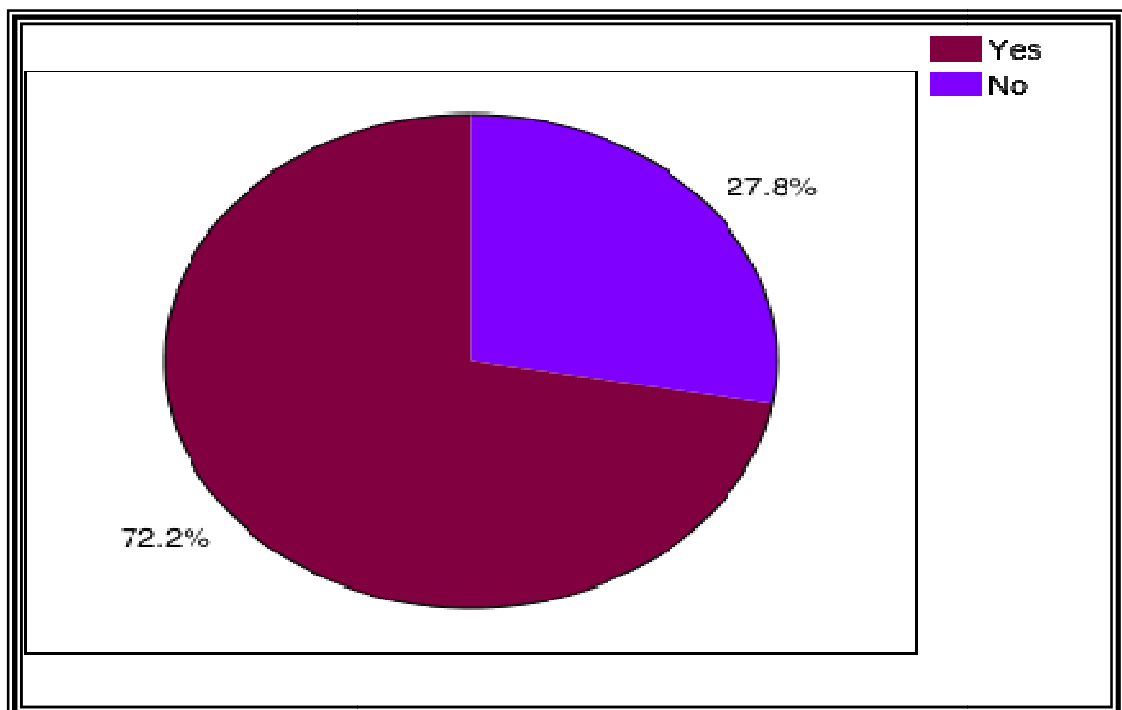
5. **Major Illnesses** – The most common illness in Borrowers' households is typhoid.



6a. HIV/AIDS Self-testing – Nearly 80% of Borrowers have been tested for HIV/AIDS.

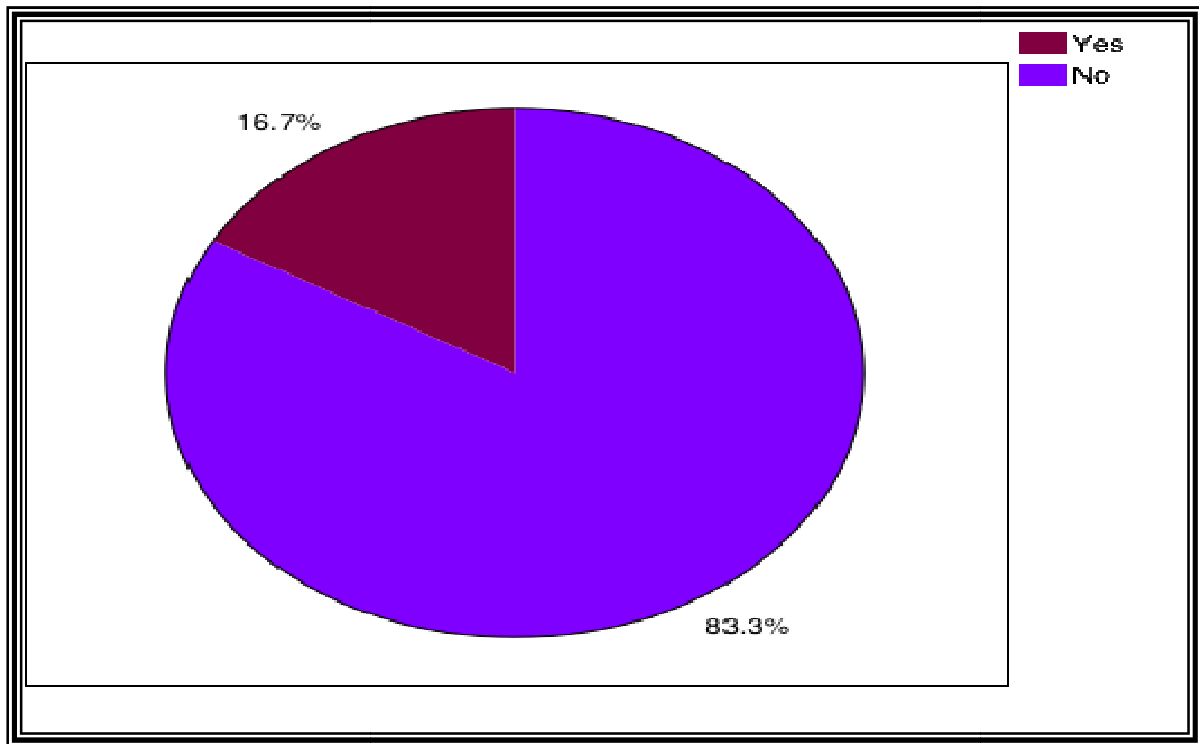


6b. HIV/AIDS Family Testing - Nearly 75% of Borrowers have family members who have been tested for HIV/AIDS.

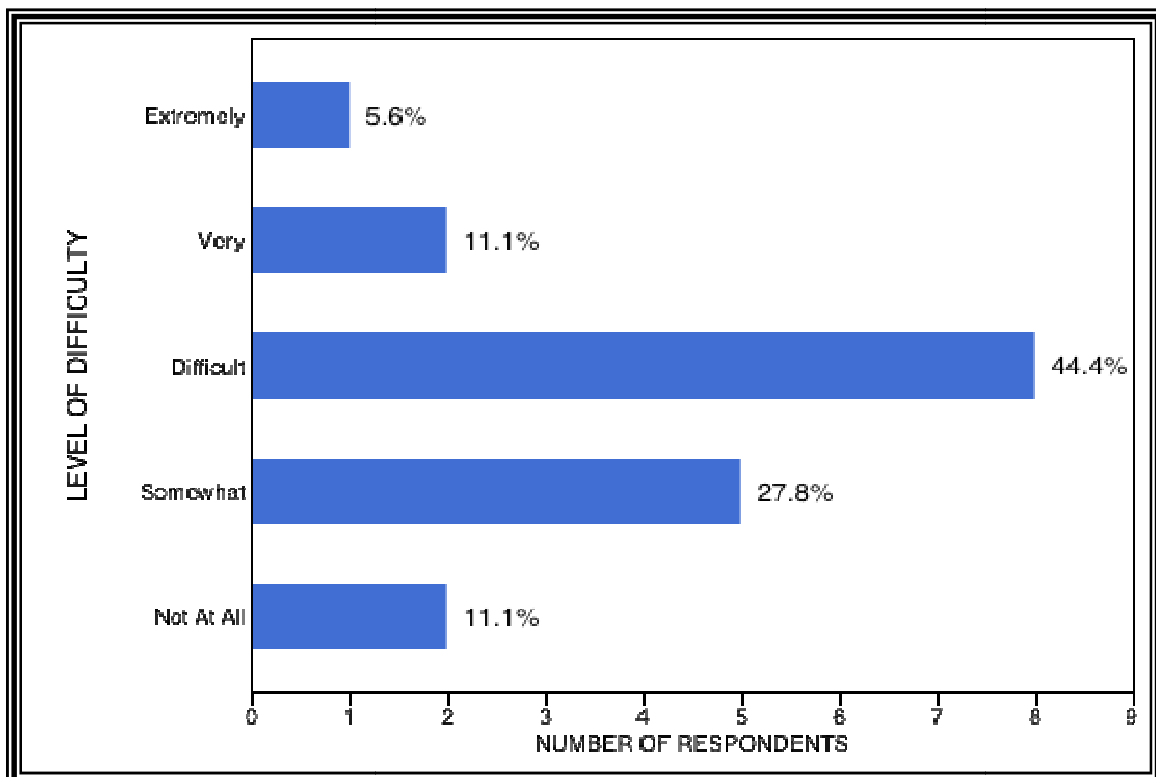


6c. HIV/AIDS Prevalence and Treatment – No Borrowers report that they or their family members have HIV/AIDS.

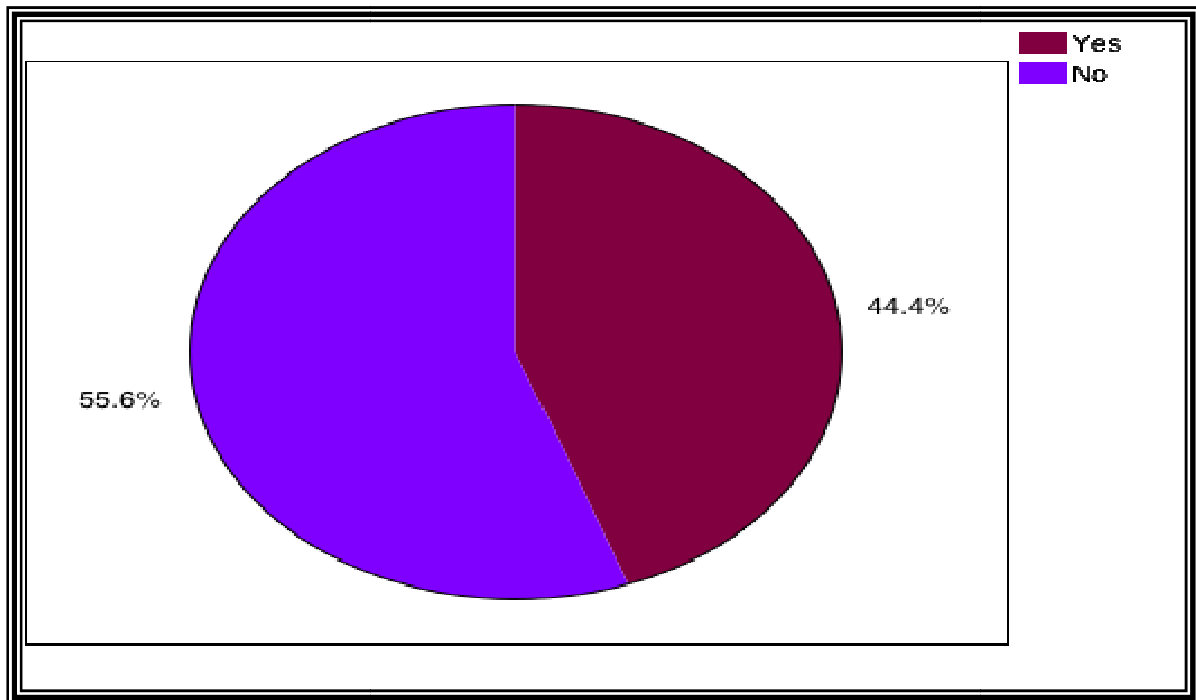
7. **Malaria in Household** – Nearly 20% of Borrowers report cases of malaria in their household in the last six months. 18 Borrowers reported 5 cases.



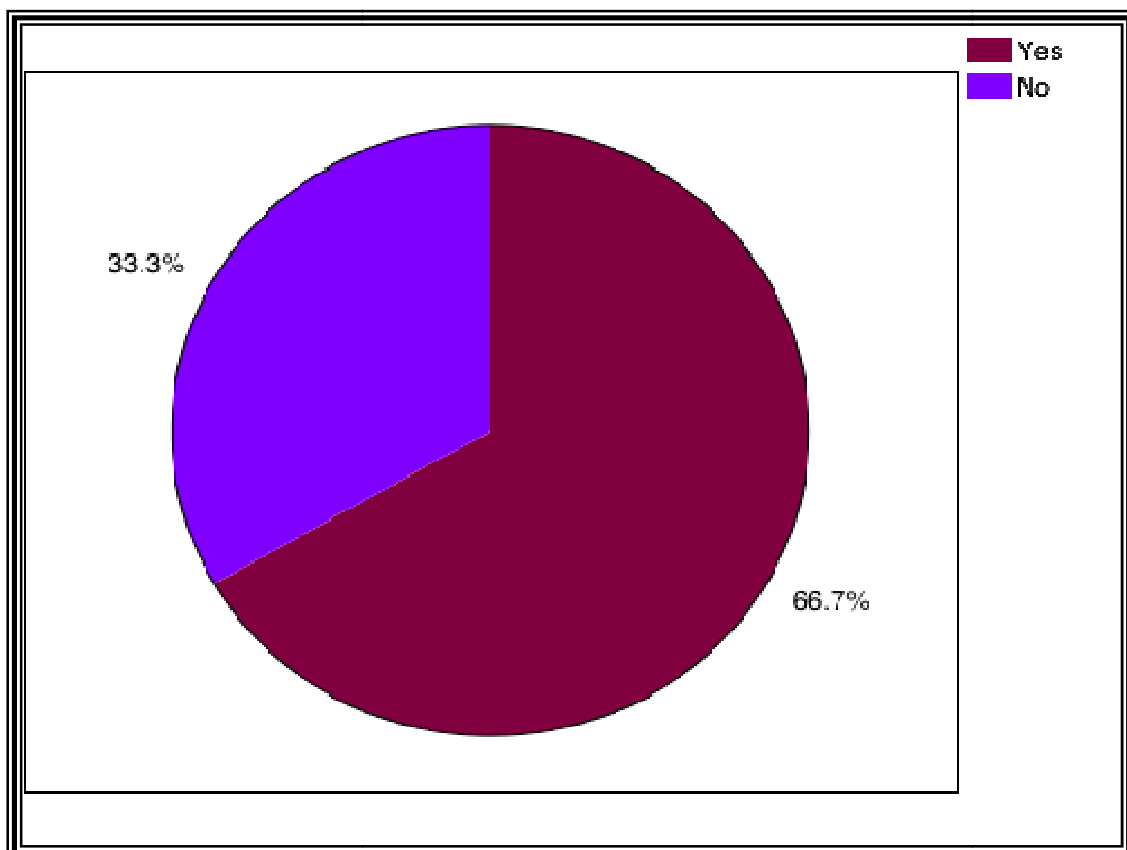
8. **Medical Payment Difficulty** – More than 60% of Borrowers find it “difficult”, “very difficult”, or “extremely difficult” to pay their medical bills.



9. **Shoes for Children** – More than 55% of Borrowers cannot provide shoes for all of the children in their household.



10. **Uniforms for Children** – One third of Borrowers cannot provide school uniforms for all the children in their household.



II. SIX MONTH LOAN IMPACT DATA

Increases to Daily Income – Before the loan, no Borrowers had household incomes of more than \$2/day. Six months later, the five reporting Borrowers indicated that they make more than \$2.50/day, with four making more than \$3/day.

Monthly Savings - Prior to starting a business, nearly 40% of Borrowers had no savings. Six months later, the five reporting Borrowers are saving on a regular basis.

Recordkeeping Practices – Four of the five Borrowers reported exemplary recordkeeping practices, maintaining their books on a daily or weekly basis.

Family Contributions – Two of the Borrowers report that their husbands help with the business and two report that their children help.

Most Significant Business Challenges – Most Borrowers cited transportation difficulties as their most significant business challenge.

Improvements in Skills and Personal Growth – Four out of the five reporting Borrowers said that they now see themselves as more determined, self-confident, resourceful, reliable and organized. Their skills have improved in marketing, budgeting, problem solving, recordkeeping and negotiating. All five Borrowers reported that their arithmetic skills have improved, and three reported that they have improved their literacy skills as well.

Health & Nutrition Improvements – Borrowers are now able to provide more meals and medical treatment for their families. 100% use cleaner water and most have improved their source of lighting.

Livestock & Household Purchases – Four of the five reporting Borrowers acquired goats, two acquired tools and one acquired a cell phone.

Land Acquisition – One of the reporting Borrowers purchased land.

More Shoes and Uniforms for Children – All five reporting Borrowers were able to provide more shoes and school uniforms for their children.

III. BORROWER NARRATIVES

1. Has your loan made your life better?

- “By paying school fees and debt.”

2. How has your business had a positive effect on your family?

- “It has improve my family life.”

3. Are you happier since getting your loan?

- “I learn how to do business.”

IV. SUMMARY

Demographics

WMI serves a wide range of Borrowers, with most between the ages of 20 and 40. Nearly 30% are over 40 – older Borrowers often have more experience running businesses and frequently have connections in local villages. Most Borrowers are married with husbands living in the household. Husbands living in the household are able to provide emotional and economic support, creating a more stable environment for business operations. The typical household has 15-20 people, including 10-11 children. Large families traditionally provided security for parents in their old age. Additionally, many families take in orphans, increasing their household size.

Household Living Standards

More than 75% of Borrowers' households subsisted on less than \$1/day when entering the loan program. The poverty line set by the World Bank is defined as an individual subsisting on less than \$2/day. The Borrowers' average household size is 19 people, meaning that 100% of Borrowers lived below the poverty line before entering the loan program. Six months after entering the loan program, the five reporting Borrowers indicated that they make more than \$2.50/day, with four making more than \$3/day.

Prior to starting a business, nearly 40% of Borrowers had no savings. Six months later, 100% of Borrowers were saving on a regular basis. When entering the loan program, the vast majority of Borrowers did not have bank accounts or access to formal financial services. When graduating from the WMI loan program 24 months later, Borrowers can become customers of a commercial bank.

Most Borrowers own a semi-permanent home with mud floors, dirt and dung walls, and a metal roof. Most homes have one or two rooms. Meals typically consist of ugali (a porridge made of maize flour and water), rice and maize flour.

The most common cooking fuel is wood, frequently collected by hand. A typical female villager will spend approximately one third of her time collecting wood and cooking, which takes away from time spent on business operations. Wood burning creates pollution, is extremely inefficient, and has significant health risks including respiratory diseases. Uganda has the highest percentage of households in Africa that rely on purchased or collected wood for domestic fuel. The reliance on wood burning has caused widespread deforestation, which can lead to deadly mudslides and crop loss. Most Borrowers use candles or firelight as their source of lighting, and most have no toilet facility.

After entering the loan program, Borrowers almost uniformly report more and better meals and purchase of livestock (especially goats). They also reported home improvements like tools and cell phones.

Family Health & Welfare

When entering the loan program, 50% of Borrowers reported that at least one person in their household was regularly sick and could not attend work or school. Nearly 20% reported at least once case of malaria in their household in the last six months. In addition to physically affecting families, malaria can also take a significant economic toll, particularly on the poor and those who do not have access to medical care. The illness often perpetuates a cycle of negative effects, burying households in expense and misfortune. Due to their weak immune systems, young children and pregnant women are the most likely to contract malaria. While pricey for many, insecticide-treated mosquito netting serves as an effective barrier to the disease, and can reduce child mortality rates in highly impacted areas by as much as 20%.

80% of Borrowers and 75% of their family members have been tested for HIV/AIDS. HIV/AIDS infection rates in East Africa are extremely high, making testing essential. Sub-Saharan Africa carries the highest burden of HIV infections and HIV/AIDS related mortality in the world. Sub-Saharan Africa is the only region in the world where women are disproportionately affected by the HIV epidemic in comparison with men. This is occurring in a context of poverty, food insecurity, poor economic performance, and gender inequality. After receiving their loans, Borrowers more and better access to health care.

Before entering the loan program, Borrowers were unable to provide shoes and school uniforms for all the children in their households. After entering the loan program Borrowers reported purchasing more shoes and uniforms for their children. Lack of shoes leaves many children vulnerable to preventable diseases that are contracted from direct contact with contaminated soil. Parasitic infections are particularly prevalent and, according to the Center for Disease Control, cause severe digestive issues, anemia, retarded cognitive development, and even death. Shoes greatly reduce the risk of these infections as well as lacerations and other diseases.

The vast majority of Borrowers have improved their business skills and feel more resourceful, organized and self-confident since entering the loan program. Many also improved their literacy and numeracy skills. Psychological studies show that self-confidence and self-esteem are directly related to one's perceived competence in areas that one considers important. According to psychologists, people with high self-esteem are more likely to be successful, while those with low self-esteem are at a higher risk for economic failure.