

WMI FACT BOOK: Loan Program Data

Bududa District (Bumwalukani) Loan Hub

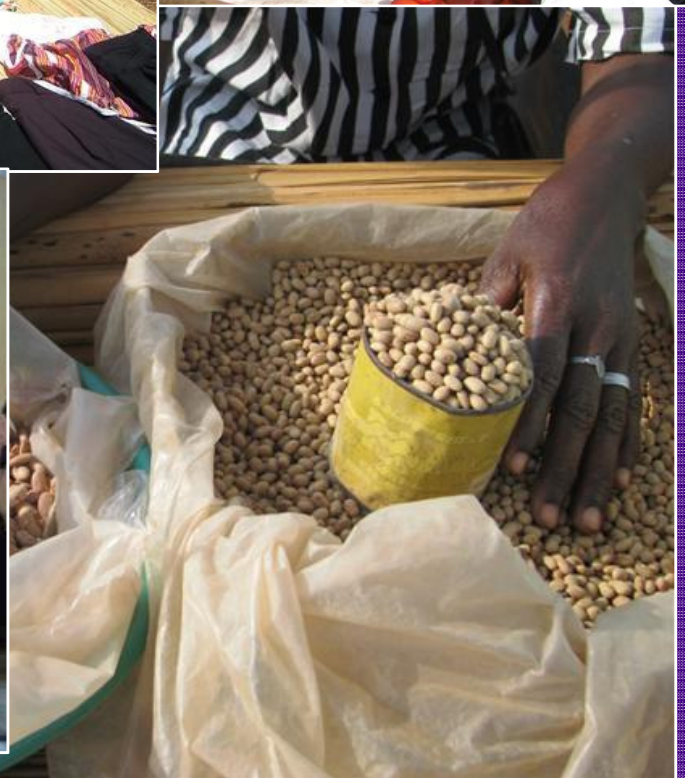


TABLE OF CONTENTS

WMI Background and Methodology	5
I. Baseline Data (120 data sets)	
A. Demographics	
1. Age Distribution	6
2. Marital Status & Husband in Household	6
3. Husband's Employment	7
4. Husband's Financial Contribution	7
5. People in Household	8
6. Children in Household	8
7. Caring for Orphans	9
8. Widowed	9
9. Reading & Writing Comfort Level	10
10. Community Involvement	10
B. Standard of Living	
1. Daily Household Income	11
2. Savings	11
3. Ranges of Savings	12
4. Bank Usage	12
5. Reasons for Saving	13
6. Top Expenditures	13
7. Type of House & Ownership (& Land Acquisition)	14
8. Number of Rooms in House	14
9. Household Amenities	15
10. Livestock	15
11. Lighting Source	16
12. Cooking Fuel	16
13. Toilet Facilities	16
C. Family Health & Welfare	
1. Water Source	17
2. Water Safety	17
3. Food Consumption	17
4. Illness in Household	18
5. Major Health Issues.	18
6 a. HIV/AIDS Self Testing	19
b. HIV/AIDS Family Testing	19
c. HIV/AIDS Prevalence & Treatment	19
7. Malaria in Household	20
8. Mosquito Nets	20
9. Mosquito Net Price	21
10. Medical Payment Difficulty	21
11. Shoes for Children	22
12. Uniforms for Children	22

II. Six Month Loan Impact Data (73 data sets)

A. Business Operations

1. Increases to Daily Income	23
2. Monthly Savings	23
3. Recordkeeping Practices	24
4. Who Keeps the Records?	24
5. Business Types	25
6. Family Contributions	25
7. Paid Employees	26
8. Most Significant Business Challenges	26
9. Improvements in Skills & Personal Growth	27
-Business Skills Improvement	
-Personal Skills Improvement	
-Literacy & Numeracy Skills Improvement	

B. Standard of Living Improvements

1. Health, Nutrition & Water Improvements	28
2. Livestock & Household Purchases	28
3. Home Improvements	29
4. Land Acquisition	29
5. More Shoes for Children	30
6. More Uniforms for Children	30

III.12 Month Loan Impact Data (59 data sets)

1. Increases to Daily Income	31
2. Monthly Savings	31
3. Reasons for Saving	32
4. Livestock & Household Purchases (& Land Acquisition)	32
5. Recordkeeping Practices	33
6. Who Keeps the Records	33
7. Family Help	34
8. How Families Help	34
9. Paid Employees	35
10. Most Significant Business Challenges	35
11. Business Strategies	36
-Do you ever keep your product off the market until prices rise?	
-Do you look for markets where you can get higher prices for your product or service?	
-Does your business deal with any large organizations?	
-Do you have any other businesses?	
12. Improvements in Skills & Personal Growth	37
-Business Skills Improvement	
-Personal Skills Improvement	
-Literacy & Numeracy Skills Improvement	
13. Health & Nutrition Improvements	38
14. Loan Payment Difficulty	38
15. Home Improvements	38

IV. Transition to Bank Loans	(11 data sets)	
1. Increases to Daily Income	.	39
2. Monthly Savings.	.	39
3. Paid Employees.	.	39
V. Borrower Narratives	.	40
VI. Summary	.	41



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 over 5,000 loans in nearly 500 villages in Uganda, Kenya and Tanzania.



METHODOLOGY

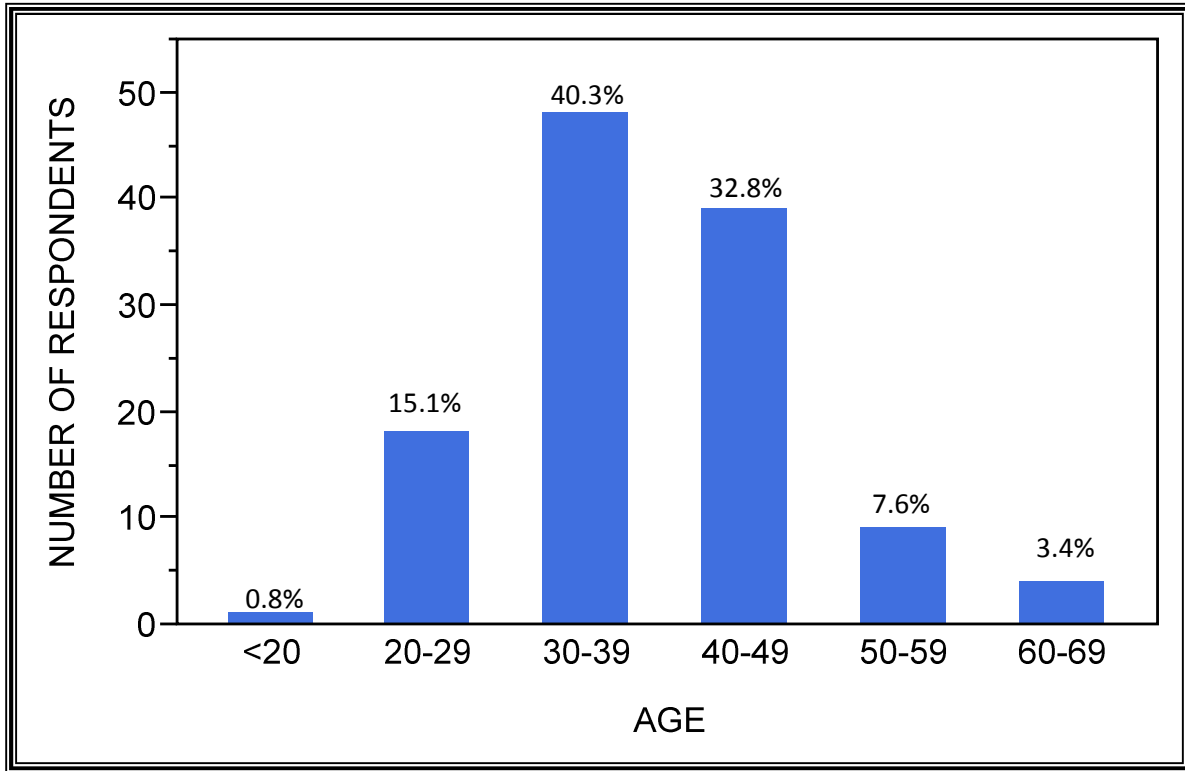
- Olive Wolimbwa, WMI's Local Director in Buyobo, Uganda, supervises overall loan issuance and data collection, with help from WMI's Assistant Local Director Jackline Namonye.
- Using a loan application and baseline survey, WMI collects borrower data when a new loan is issued.
- WMI administers a borrower 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 April 2011 to April 2012 from approximately 120 borrowers.



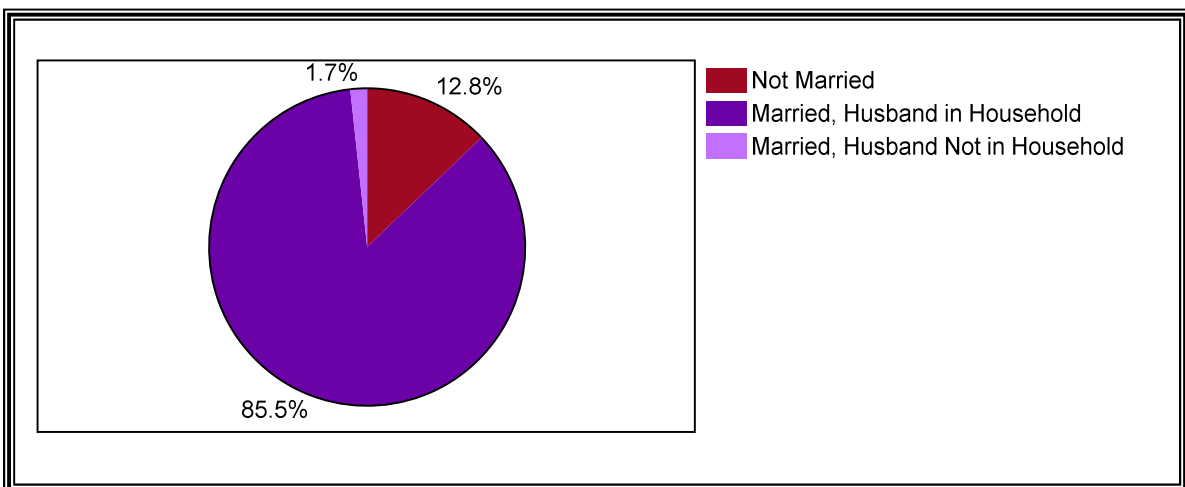
I. BASELINE DATA

A. DEMOGRAPHICS

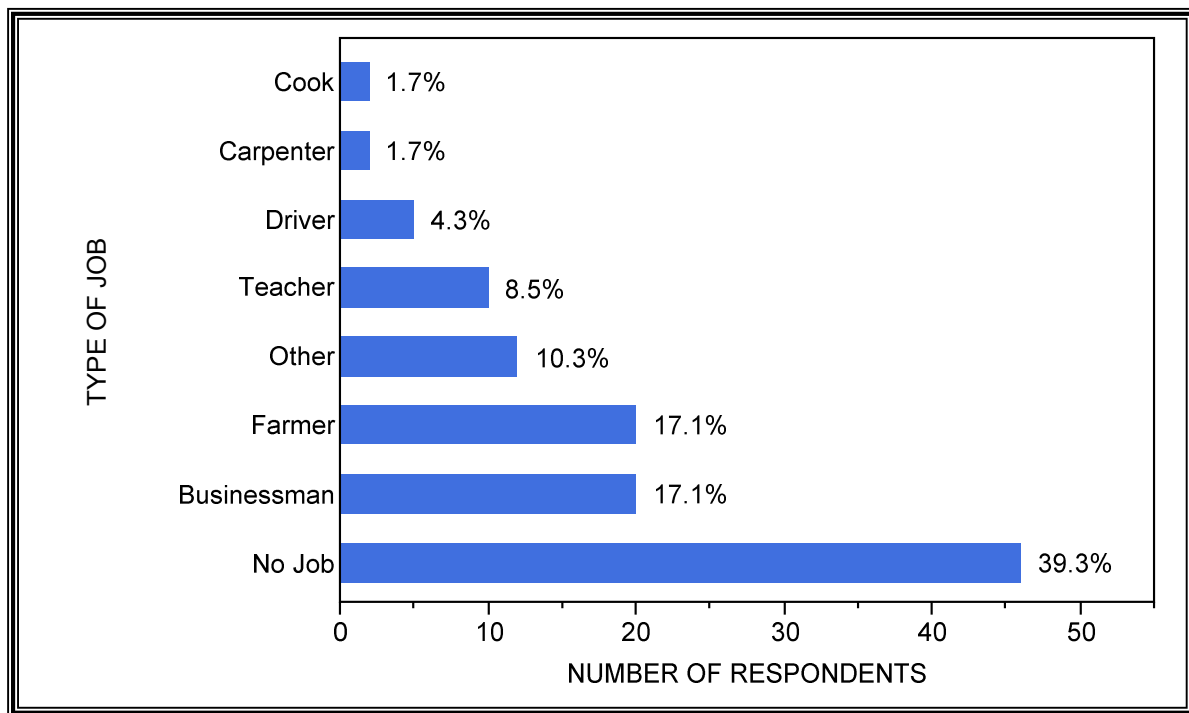
1. Age Distribution – Nearly 75% of Borrowers are between the ages of 30 and 50.



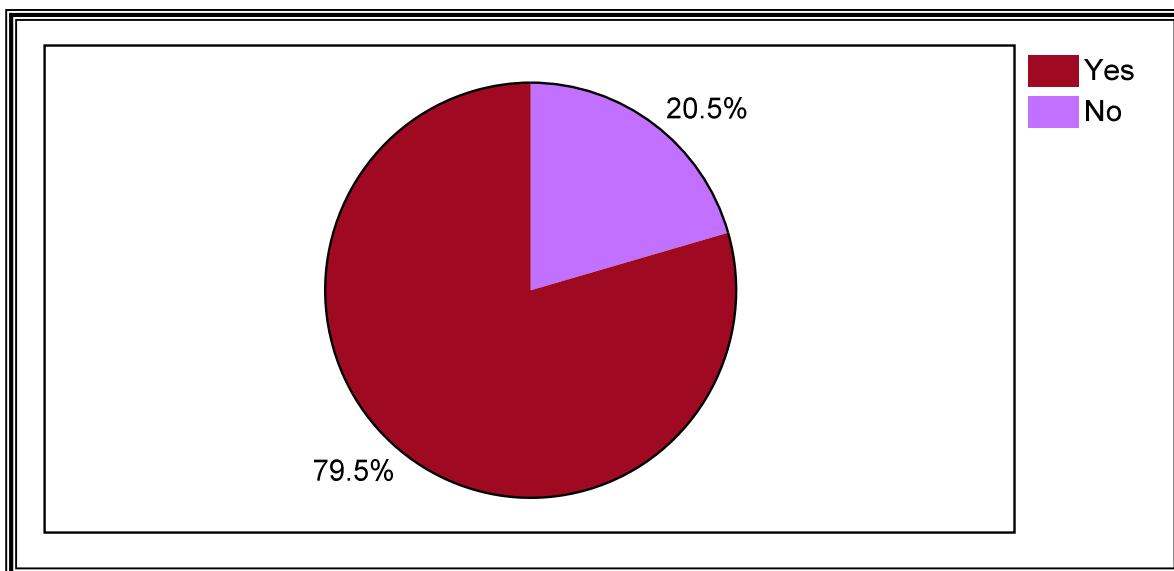
2. Marital Status & Husband in Household – More than 85% of Borrowers are married with their husbands living in the household.



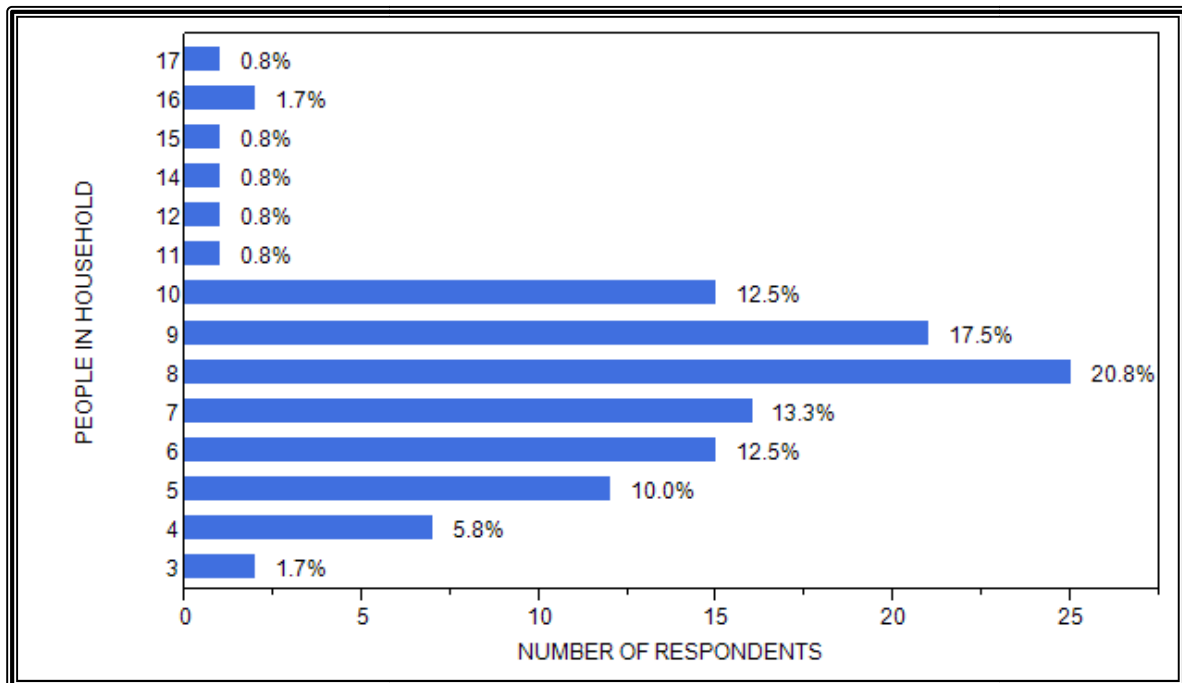
3. Husbands' Employment – Nearly 40% of Borrowers report that their husbands have no job.



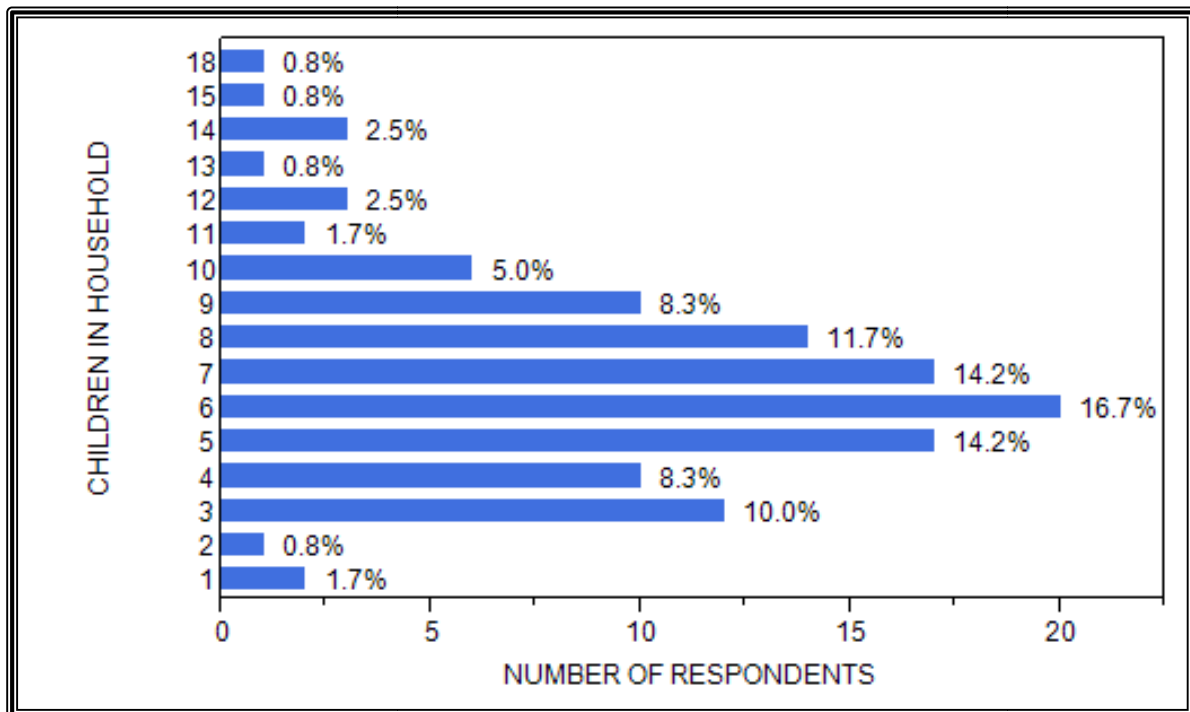
4. Husband's Financial Contribution – Nearly 80% of Borrowers report that their husbands contribute financially to the household.



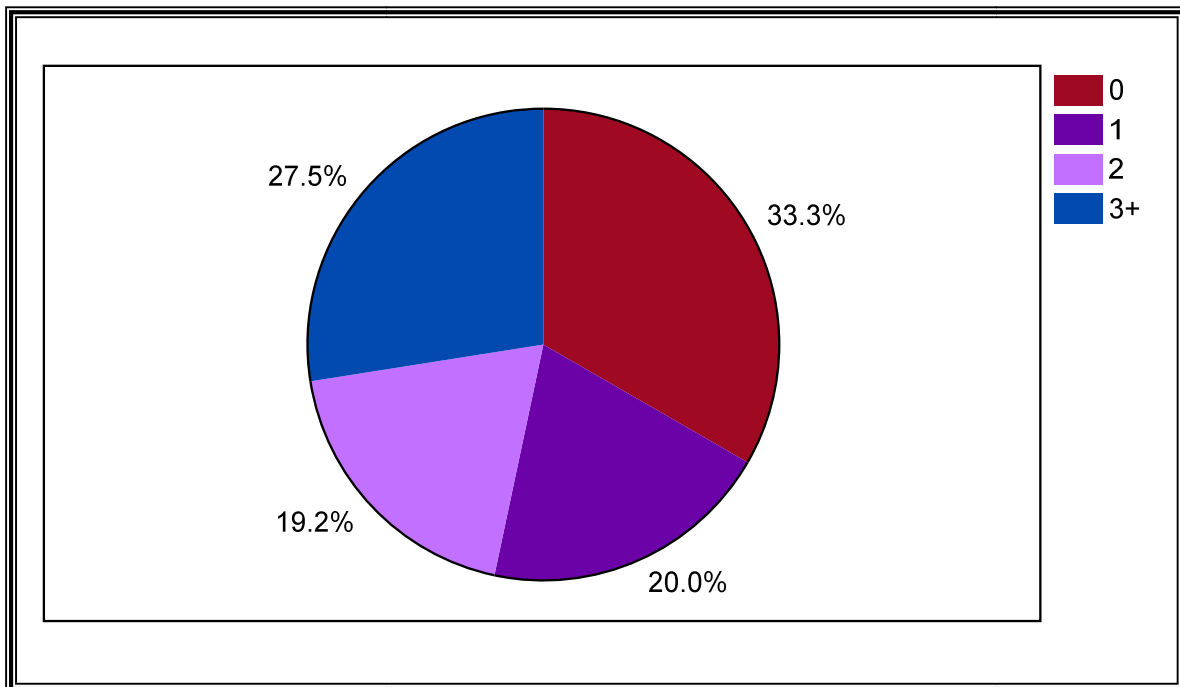
5. People in Household – Nearly 70% of Borrowers have seven or more people in their households.



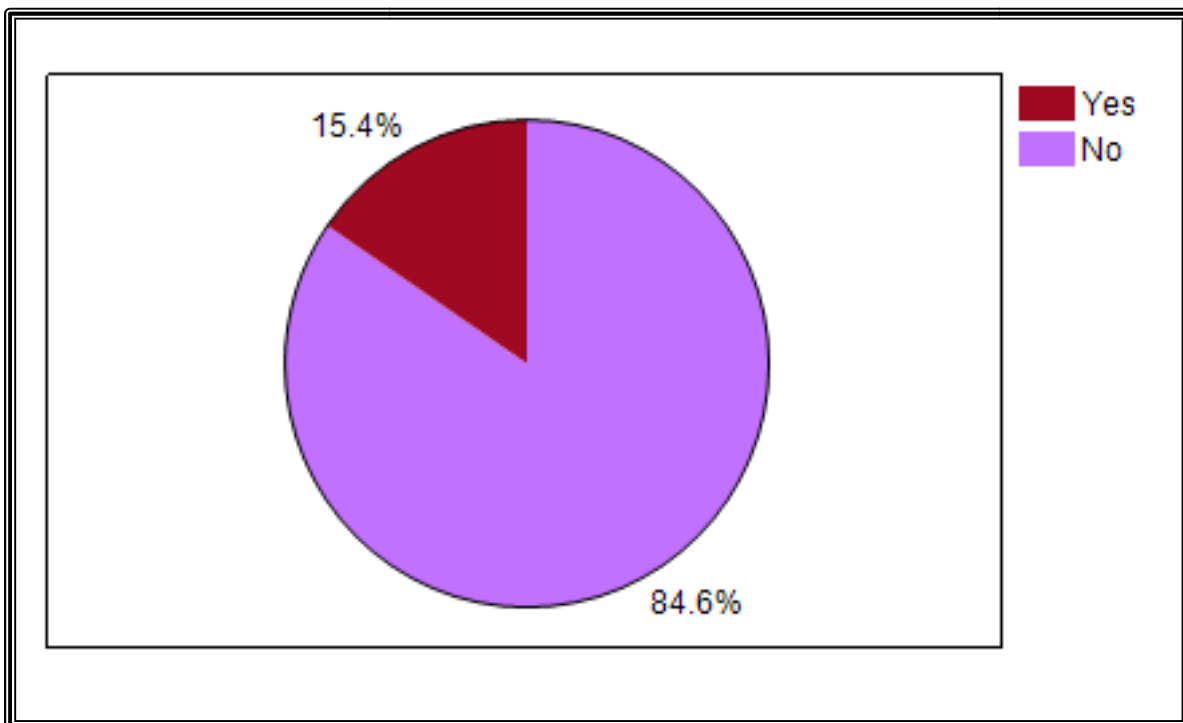
6. Children in Household – 65% of Borrowers have six or more children.



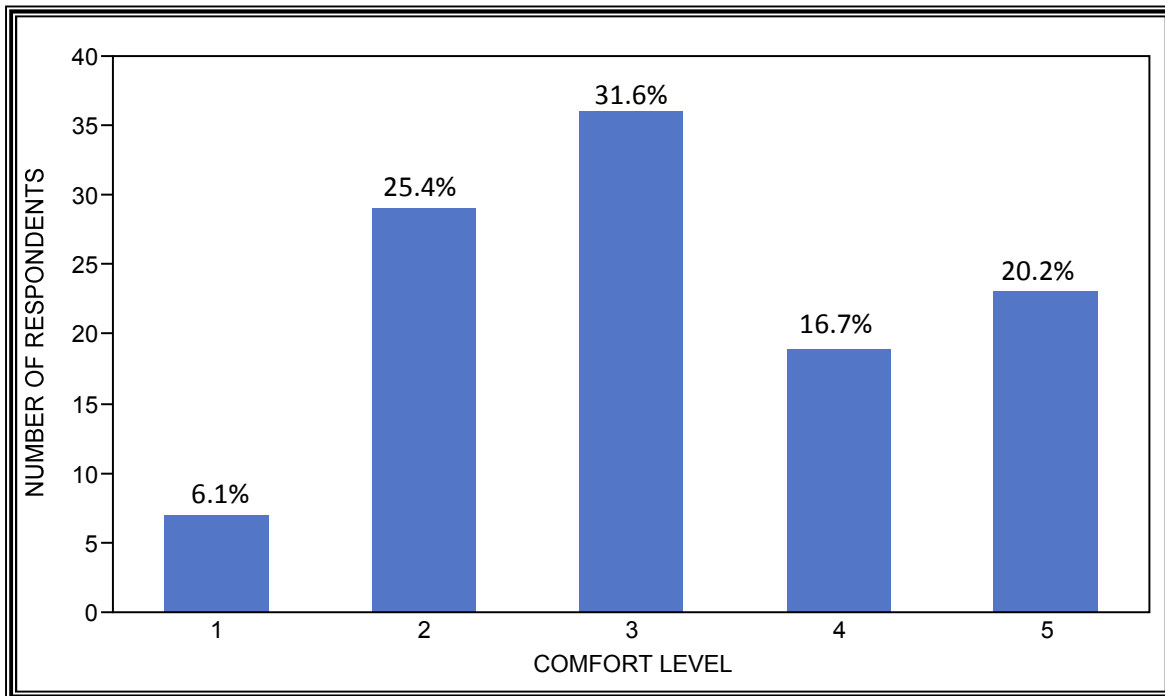
7. Caring for Orphans – More than 65% of Borrowers are caring for orphans. HIV/AIDS and other diseases have left many children parentless. It is more common for community members to take in orphans than to consign them to institutions.



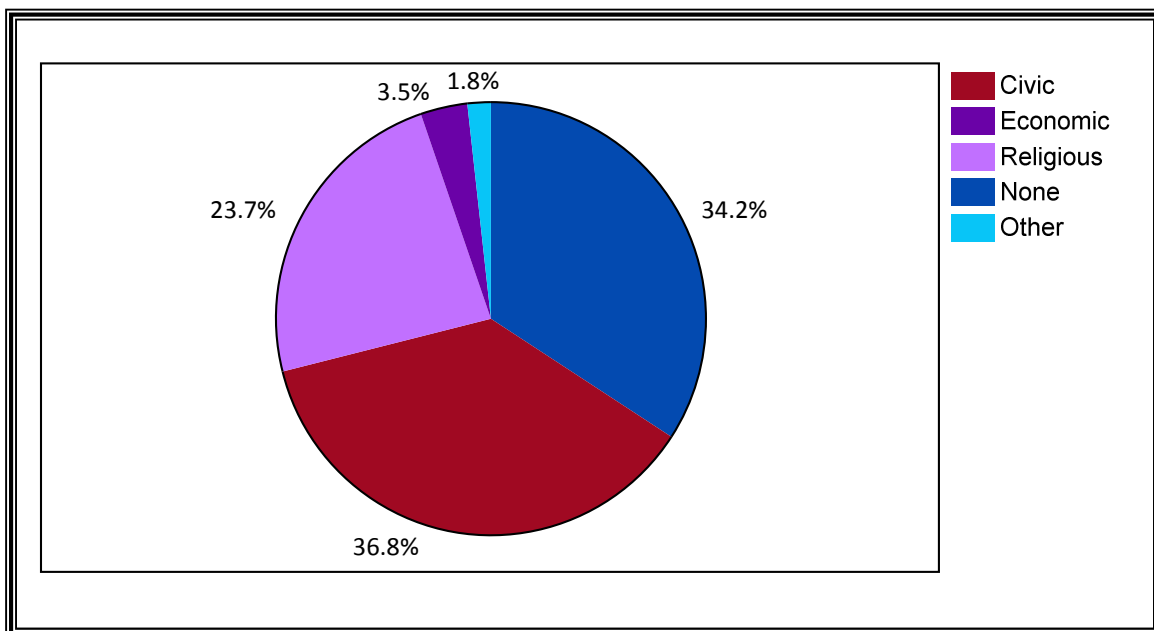
8. Widowed – More than 15% of Borrowers have been widowed.



9. Reading & Writing Comfort Level – Nearly 65% of Borrowers consider their reading and writing skills average or below average on a scale of 1 to 5 (with 1 being the least and 5 being the most comfortable).

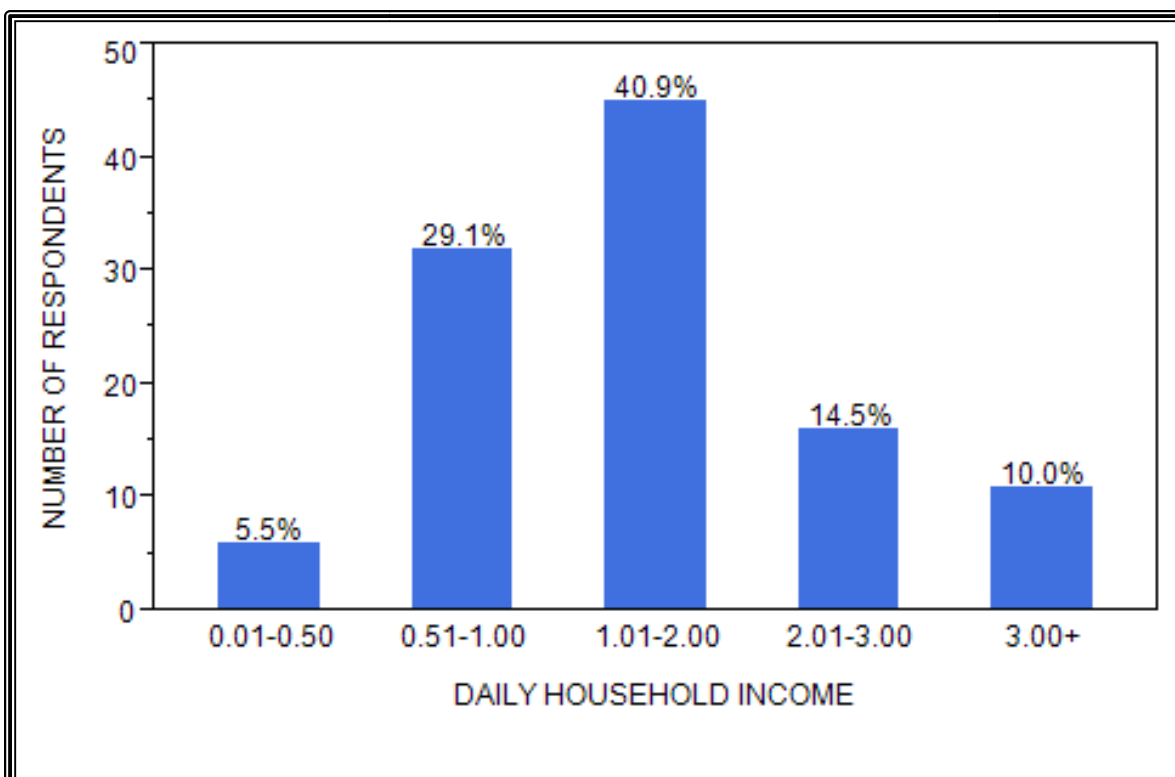


10. Community Involvement – More than 65% of Borrowers belong to a community organization.

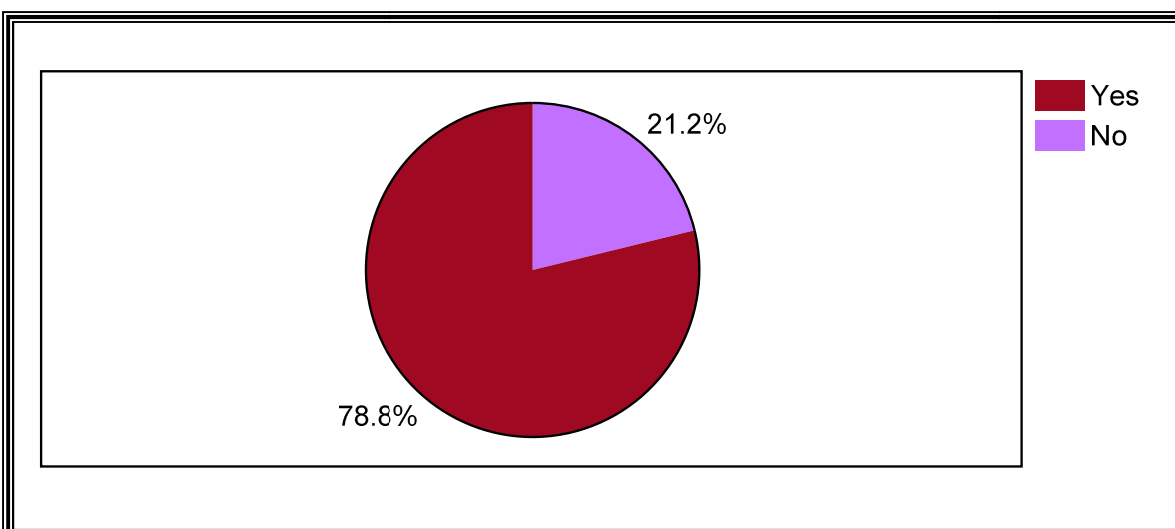


B. STANDARD OF LIVING

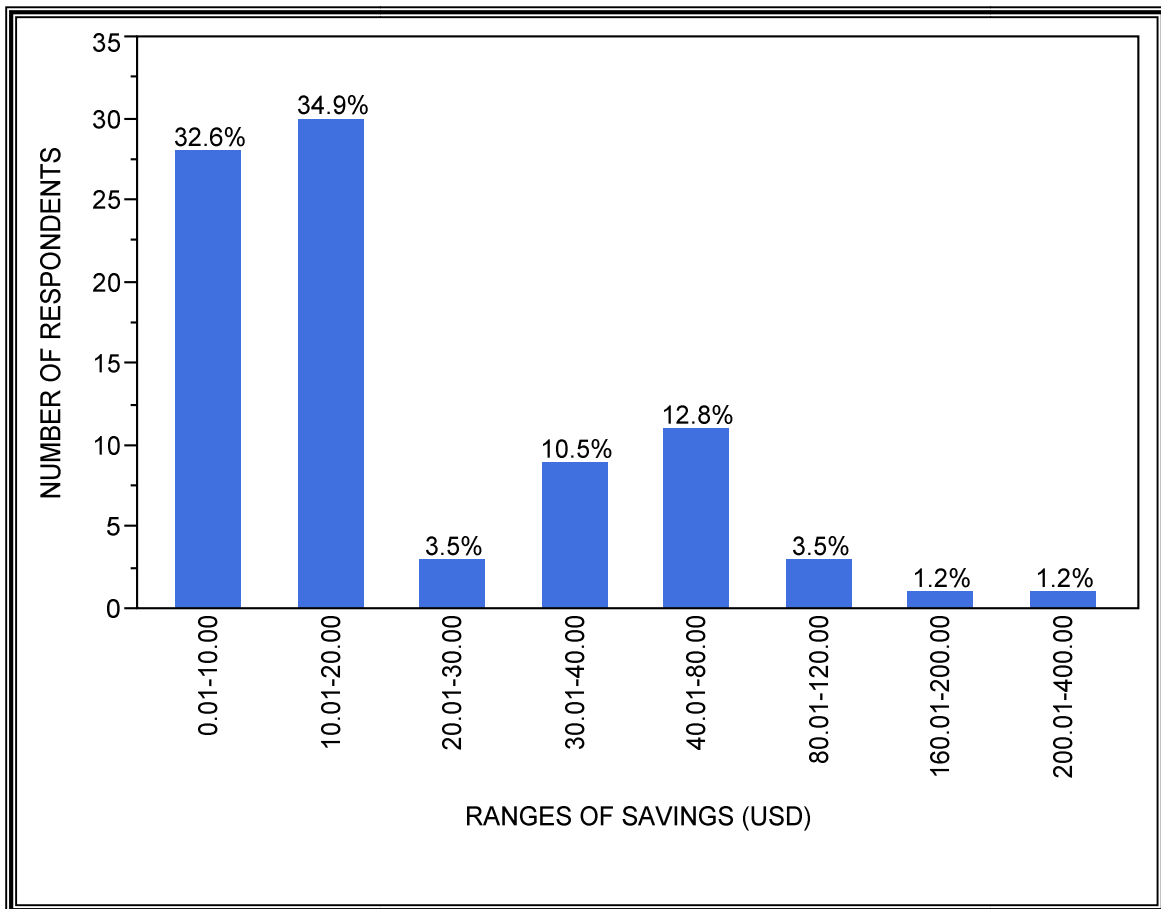
1. **Daily Household Income** – More than 75% of Borrowers' **households** subsist on less than \$2/day. The poverty line set by the World Bank is defined as an **individual** subsisting on less than \$2/day. Borrowers' average household size is 8 people, meaning that nearly 100% of Borrowers live below the poverty line.



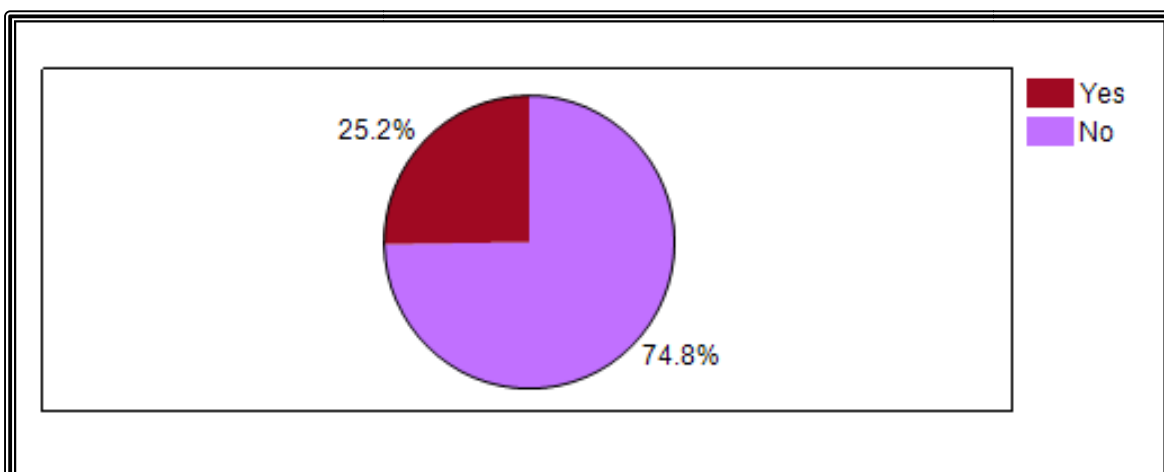
2. **Savings** – Nearly 80% of Borrowers have savings, reflecting a strong savings culture.



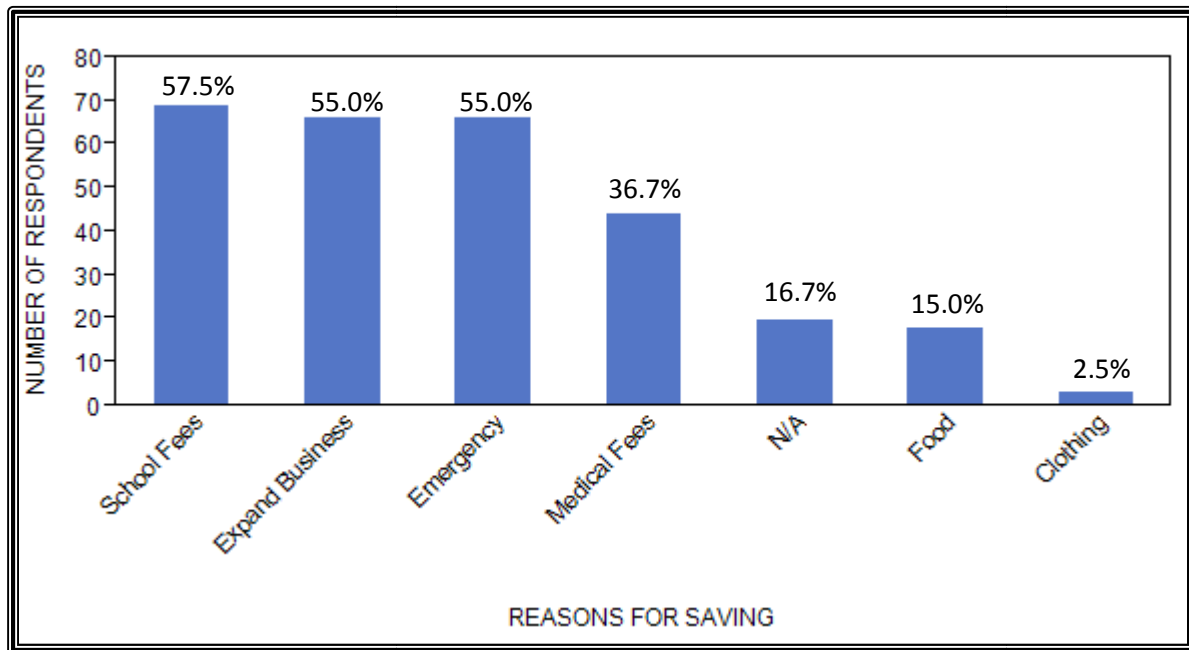
3. Ranges of Savings – Although most Borrowers save, more than 80% of Borrowers have accumulated less than \$40. Lack of sufficient savings leaves families and households unable to survive medical crises and other emergencies that require financial resources.



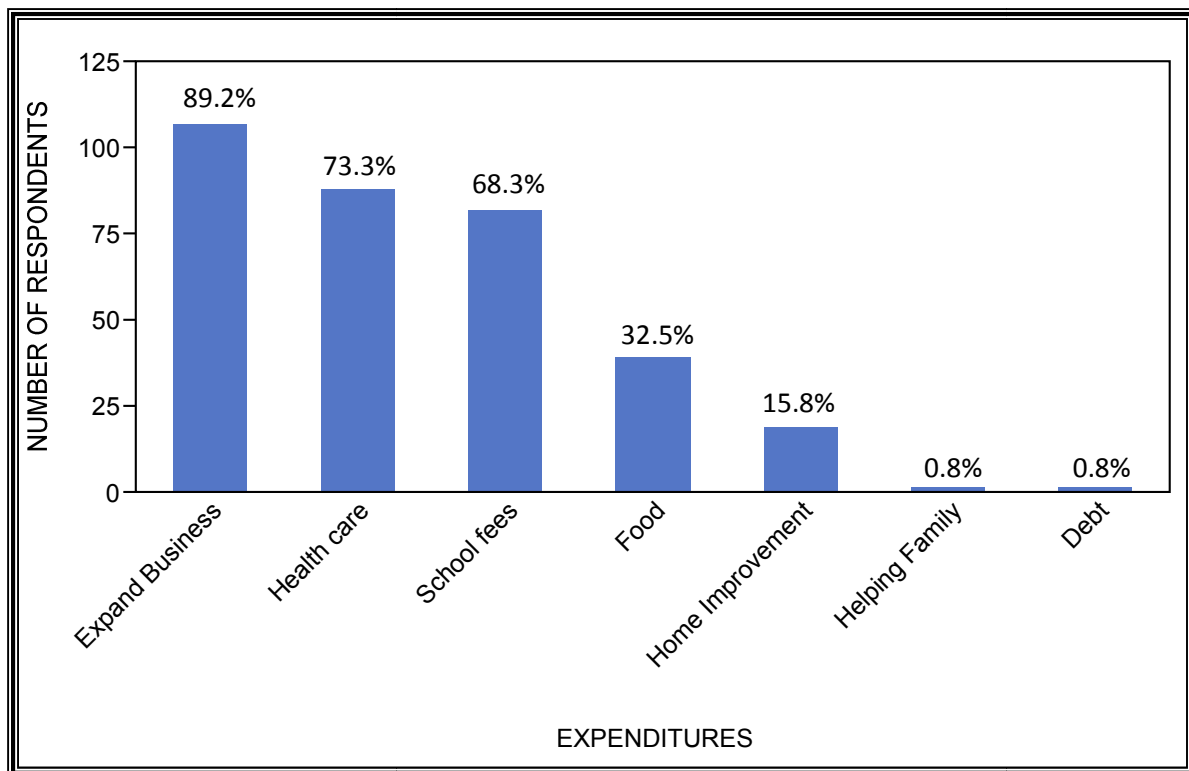
4. Bank Usage – Nearly 75% of Borrowers do not keep their savings in a bank. Lack of access to conventional banking cripples rural women's ability to operate businesses.



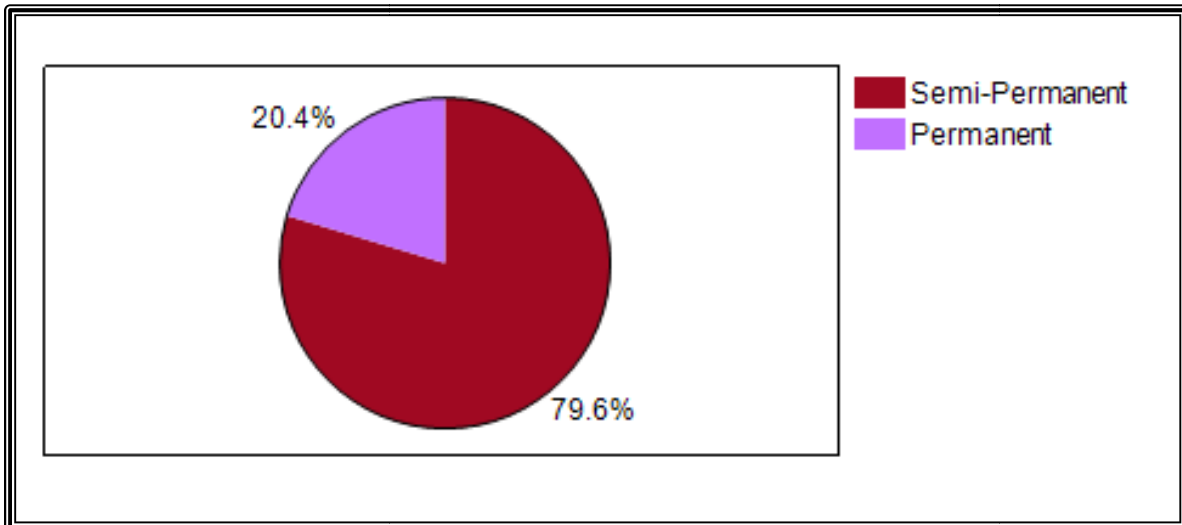
5. Reasons for Saving – The top three reasons that Borrowers save are to pay for school fees, to expand their businesses, and to provide for emergencies.



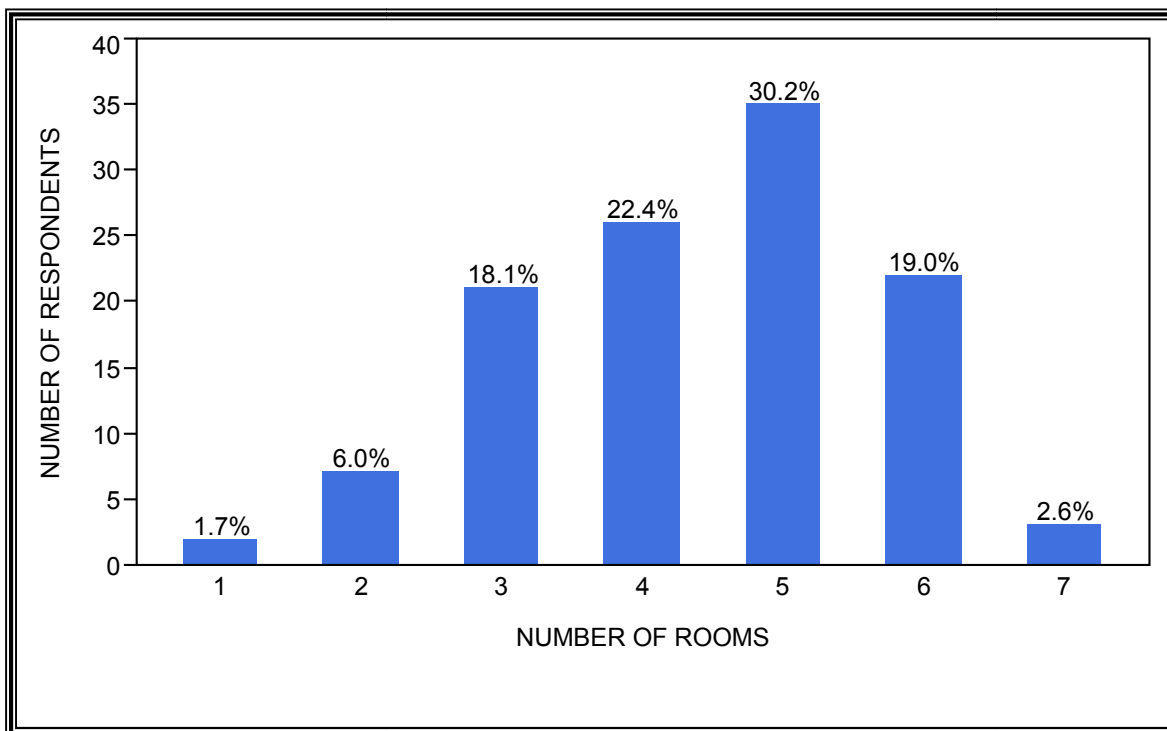
6. Top Expenditures – Borrowers' top three expenditures are business expansion, health care and school fees.



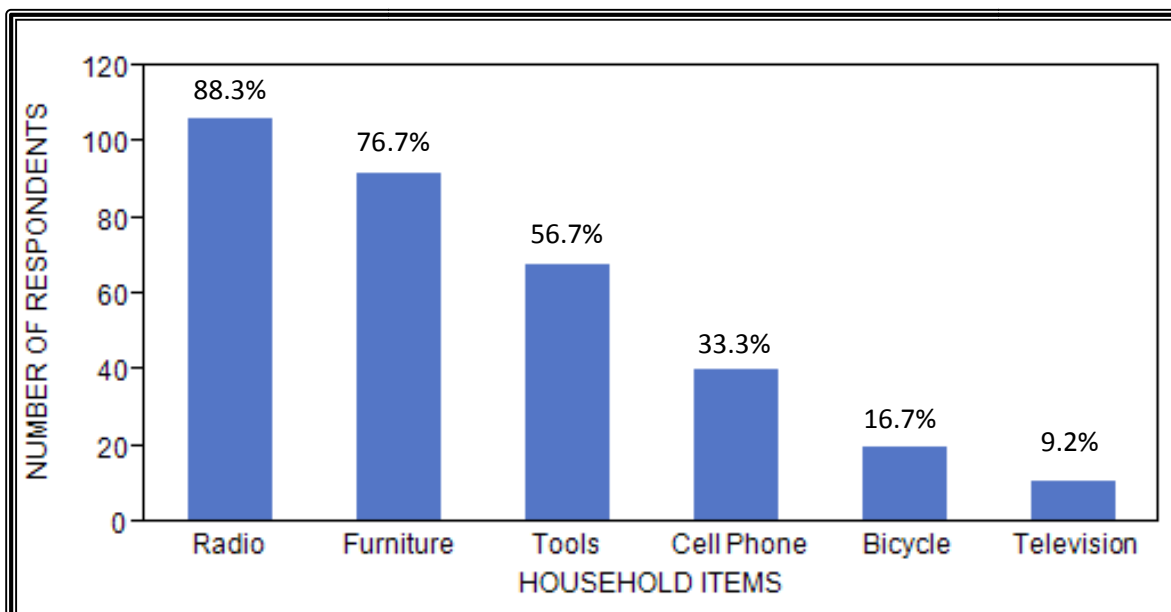
7. Type of House & Ownership – Nearly 80% of Borrowers own a semi-permanent house. The walls are constructed of dirt and dung, and the floors are mud. The roofs are typically tin sheets. Nearly 100% of Borrowers report owning some land, which can be a farming plot not associated with their homes.



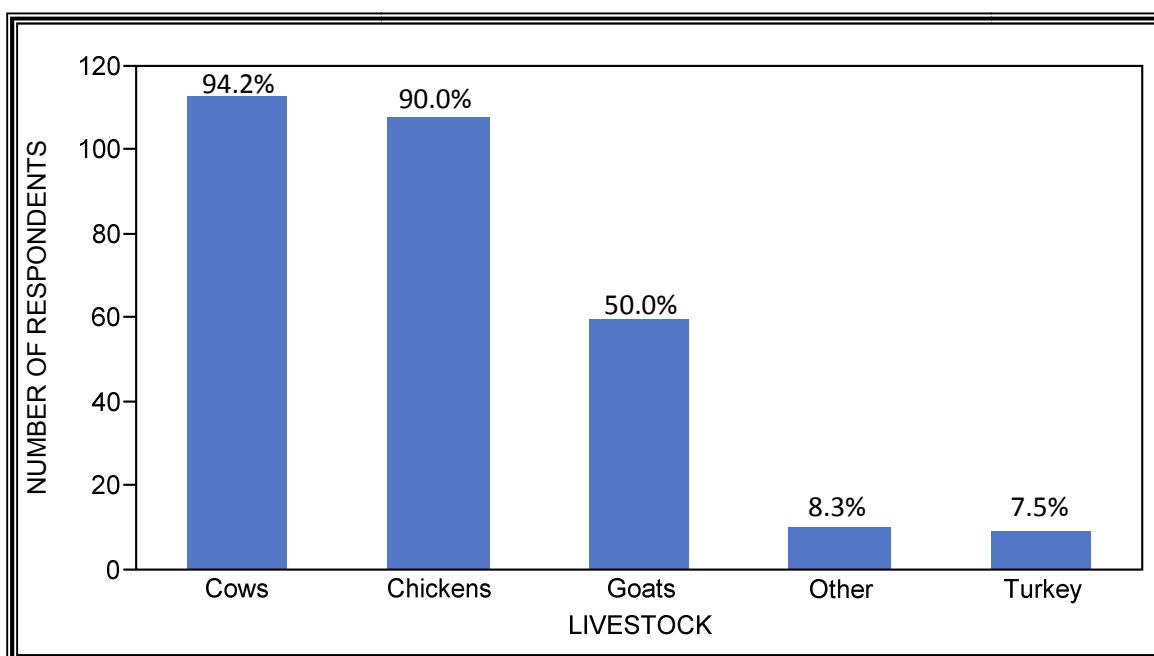
8. Number of Rooms in House – Nearly 50% of Borrowers live in homes with four or fewer rooms. Kitchens are typically located outside, behind the house.



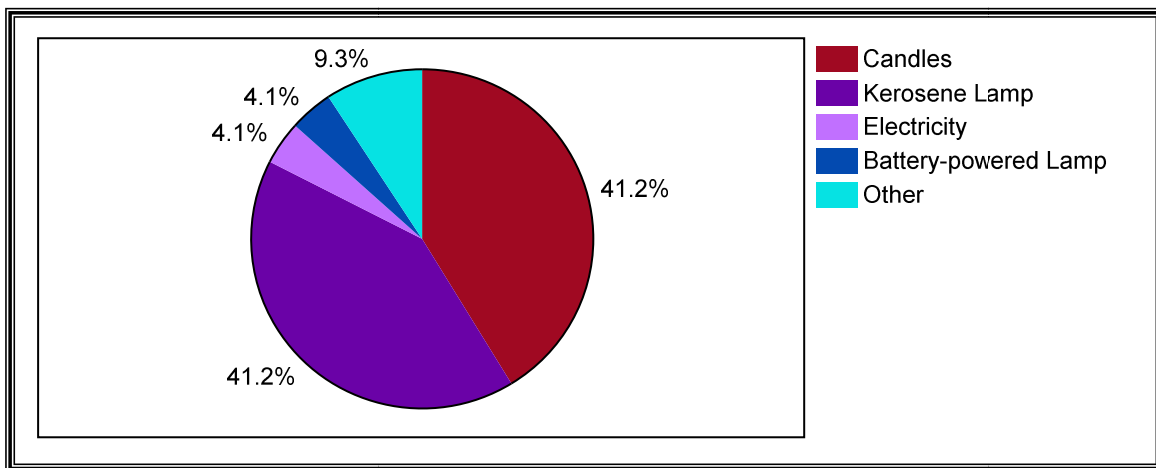
- 9. Household Amenities** – Most Borrowers have radios, furniture and tools, while fewer have cell phones, bicycles or televisions. Radios are the predominant medium for the distribution of news and information. Cell phone use is becoming more common, even in extremely rural areas.



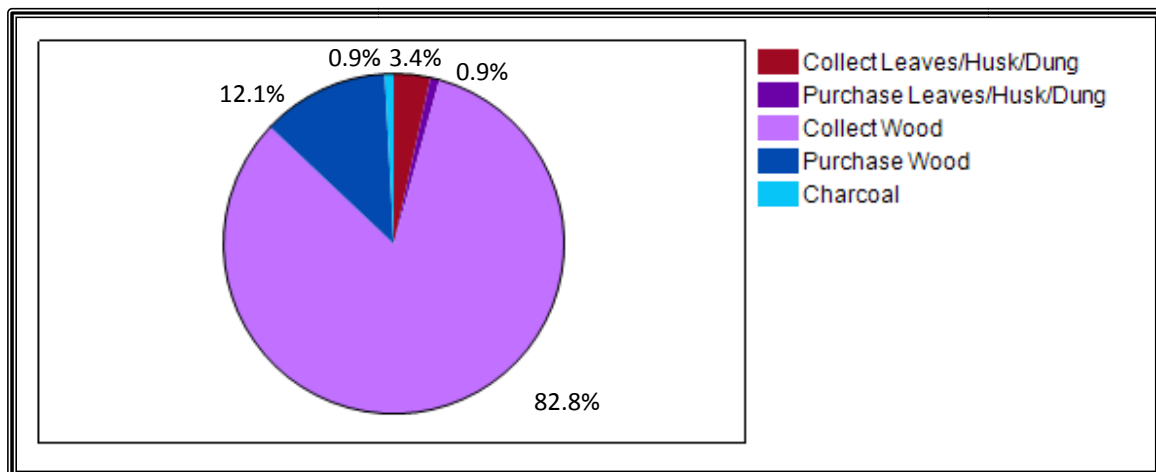
- 10. Livestock** – Nearly all Borrowers have some type of livestock. Chickens are the least expensive livestock, but are prone to disease. Goats are more expensive, but resist disease better. Cows are the most desirable livestock because they are an ongoing source of dairy products.



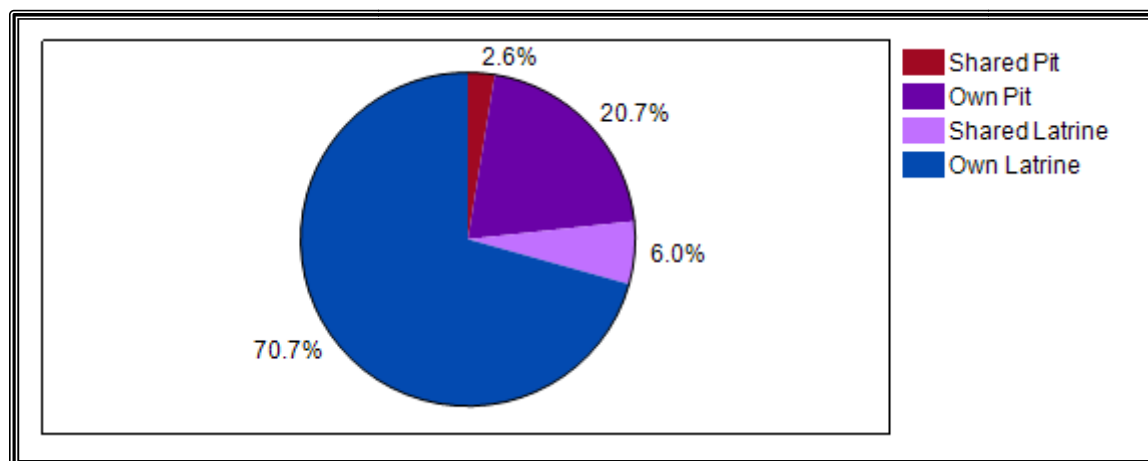
11. Lighting Source – More than 80% of Borrowers use candles or kerosene lamps as their lighting source.



12. Cooking Fuel – Nearly 95% of Borrowers use wood as their cooking fuel.

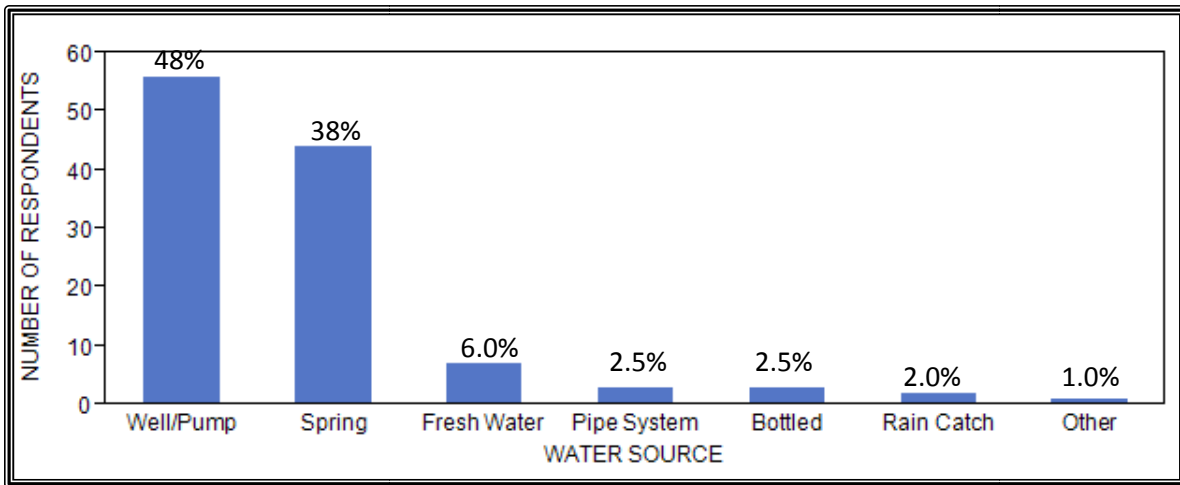


13. Toilet Facilities – More than 70% of Borrowers have their own latrine.



C. FAMILY HEALTH & WELFARE

1. Water Source – More than 85% of Borrowers get their water from a well/pump or a spring.



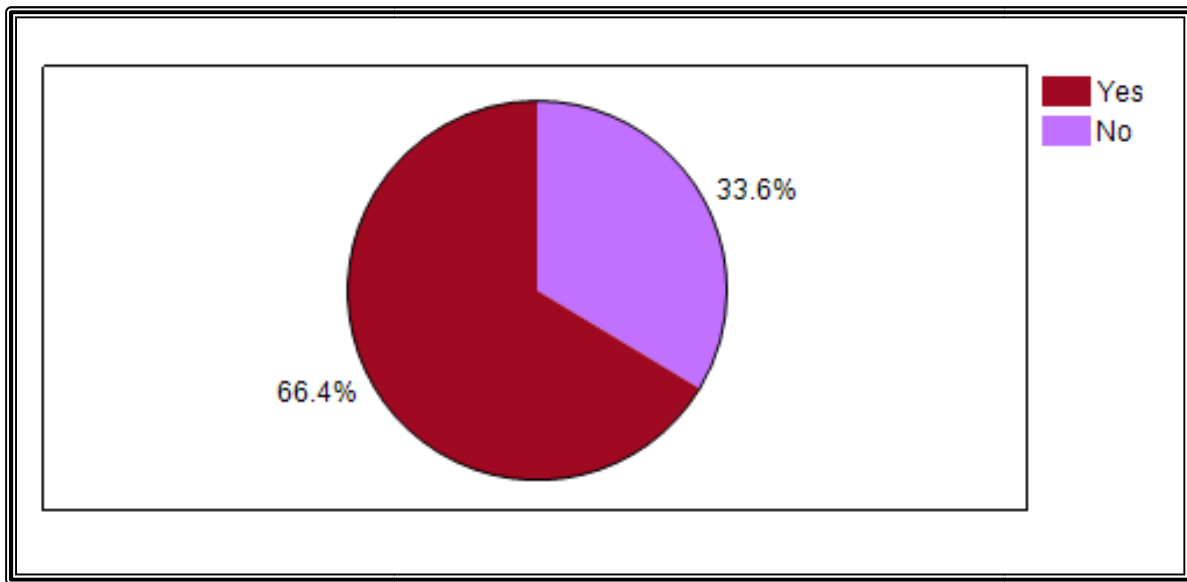
2. Water Safety

How often do you boil your water?	<ul style="list-style-type: none"> • 16% never boil their water • 16% sometimes boil their water • 5% often boil their water • 63% 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"> • 4% give their water a rating of 1 • 15% give their water a rating of 2 • 23% give their water a rating of 3 • 22% give their water a rating of 4 • 36% give their water a rating of 5

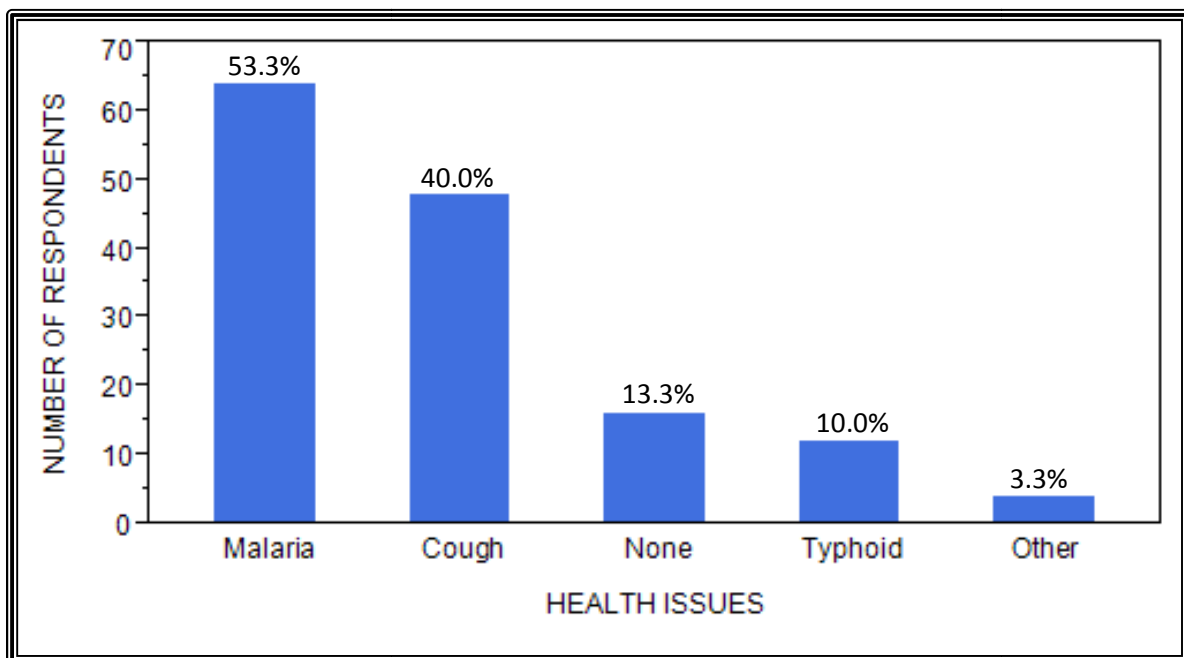
3. Food Consumption

How many meals does your family eat per day?	<ul style="list-style-type: none"> • 22% eat 2 meals per day • 77% eat 3 meals per day • 1% eat 4 meals per day
How many meals per day include food that you grow?	<ul style="list-style-type: none"> • 20% - 1 meal per day • 50% - 2 meals per day • 30% - 3 meals per day
How many meals per day include food that you buy?	<ul style="list-style-type: none"> • 3% - 0 meals per day • 45% - 1 meal per day • 32% - 2 meals per day • 20% - 3 meals per day
What foods do you eat most frequently?	<ul style="list-style-type: none"> • 51% - pasho • 33% - cassava • 30% - bananas
What foods do you buy most frequently?	<ul style="list-style-type: none"> • 49% - pasho • 41% - maize • 19% - rice

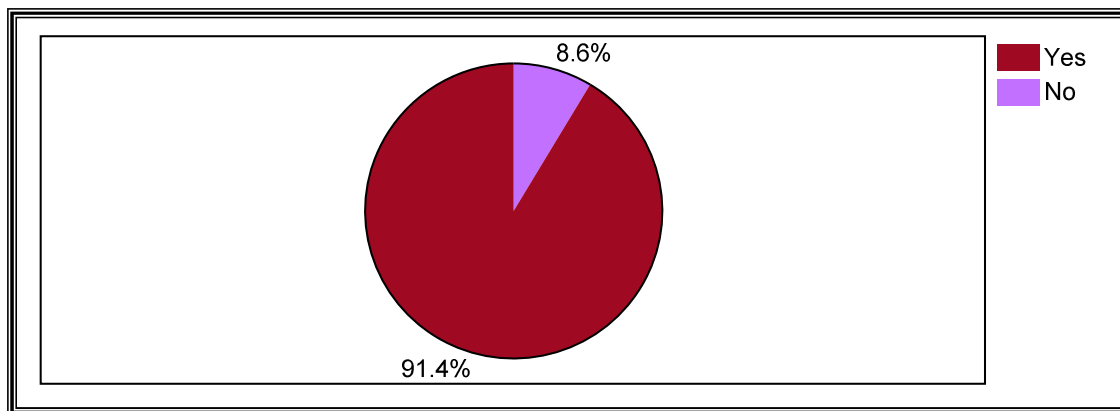
4. Illness in Household – More than 65% of Borrowers report that at least one member of their household is regularly sick and cannot attend work or school.



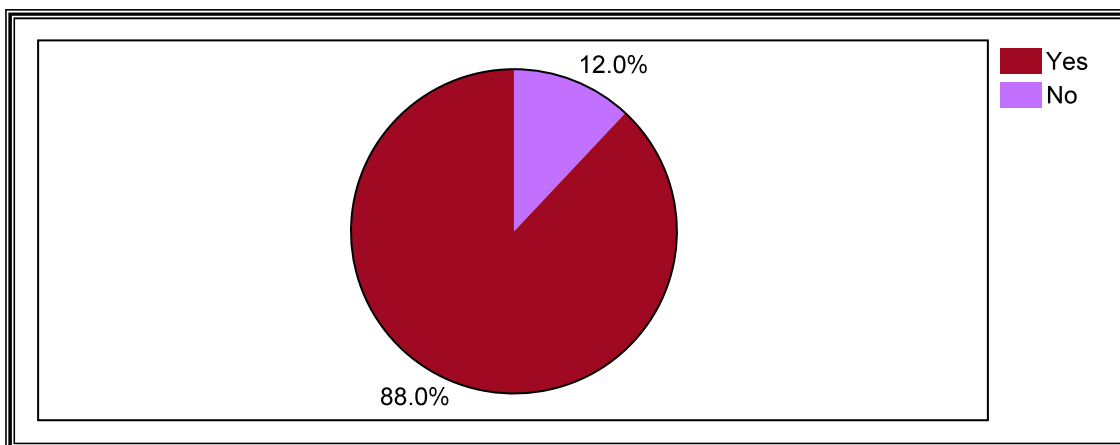
5. Major Health Issues – The most common illness in Borrowers' households is malaria, followed closely by cough.



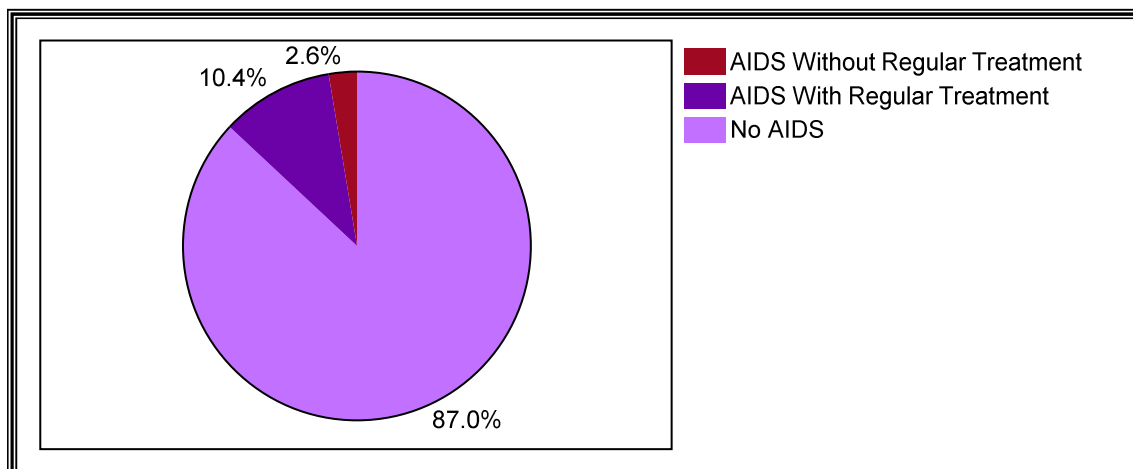
6a. HIV/AIDS Self Testing – More than 90% of Borrowers have been tested for HIV/AIDS.



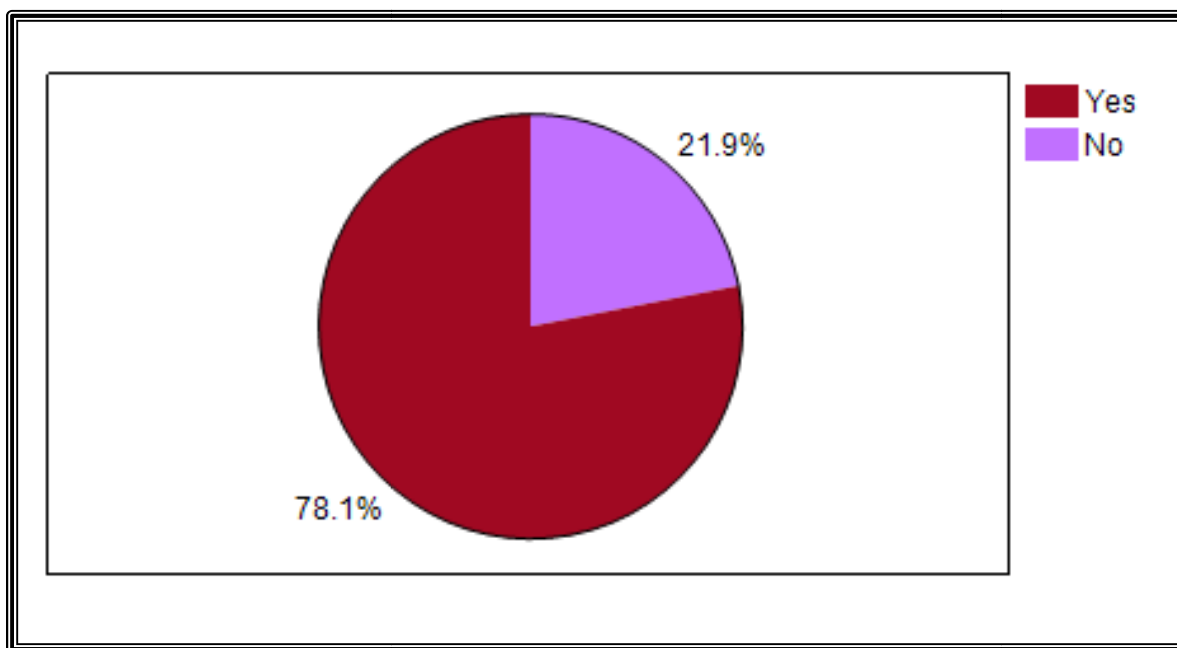
6b. HIV/AIDS Family Testing – Nearly 90% of Borrowers have family members who have been tested for HIV/AIDS.



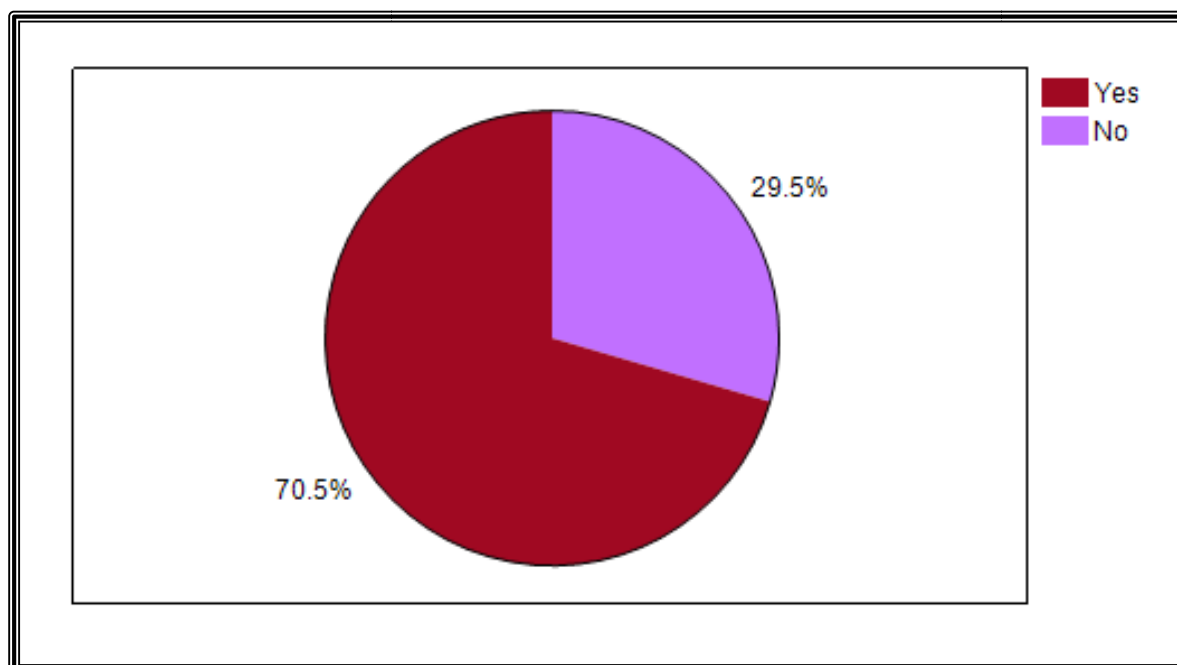
6c. HIV/AIDS Prevalence & Treatment – Most Borrowers/family members with HIV/AIDS receive regular treatment.



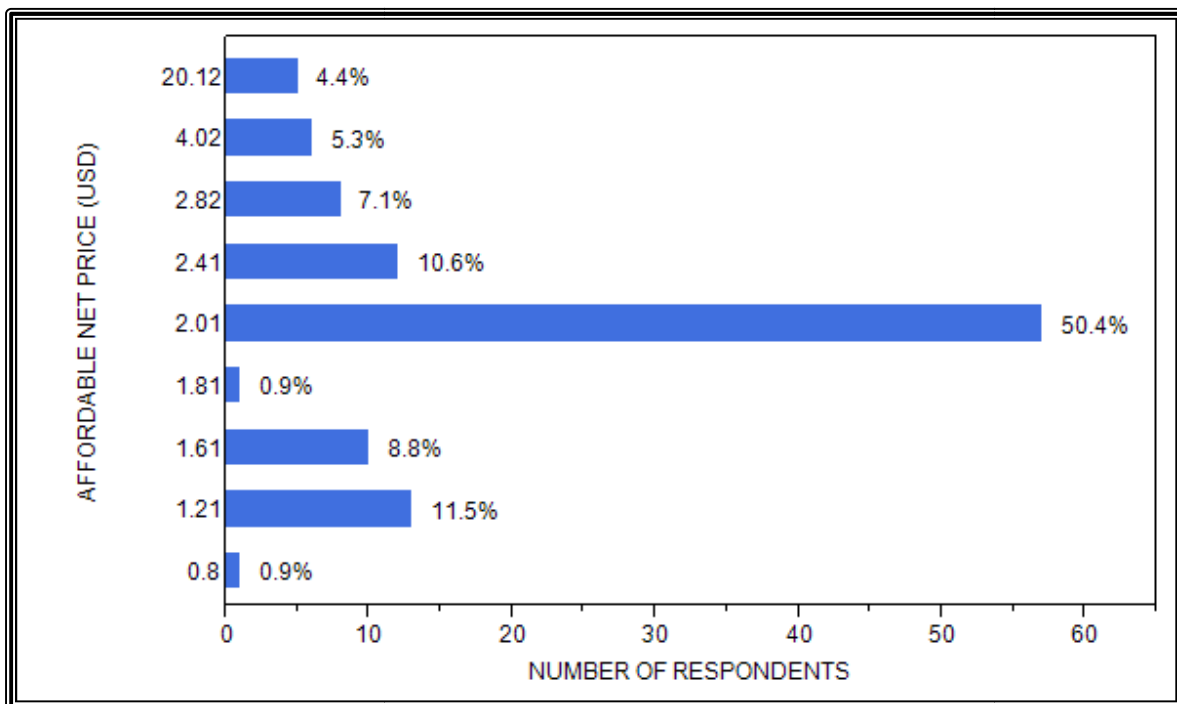
7. Malaria in Household – Nearly 80% of Borrowers reported cases of malaria in their households in the last six months – 120 Borrowers reported 269 cases.



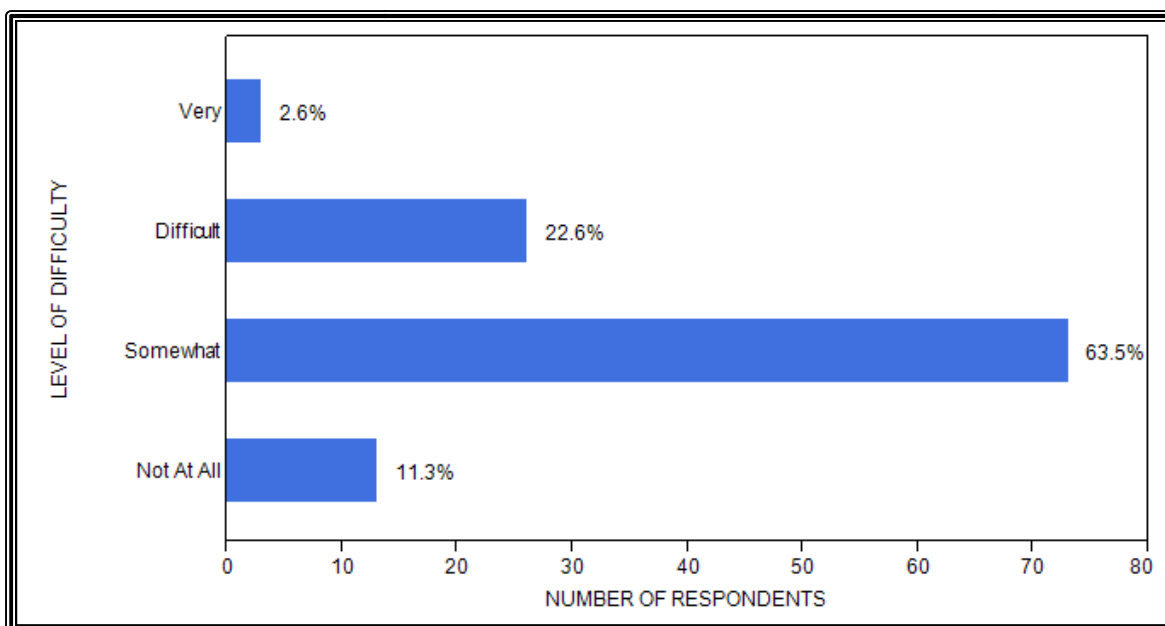
8. Mosquito Nets – Just under 30% of Borrowers report that at least one member of their household does not sleep under a mosquito net.



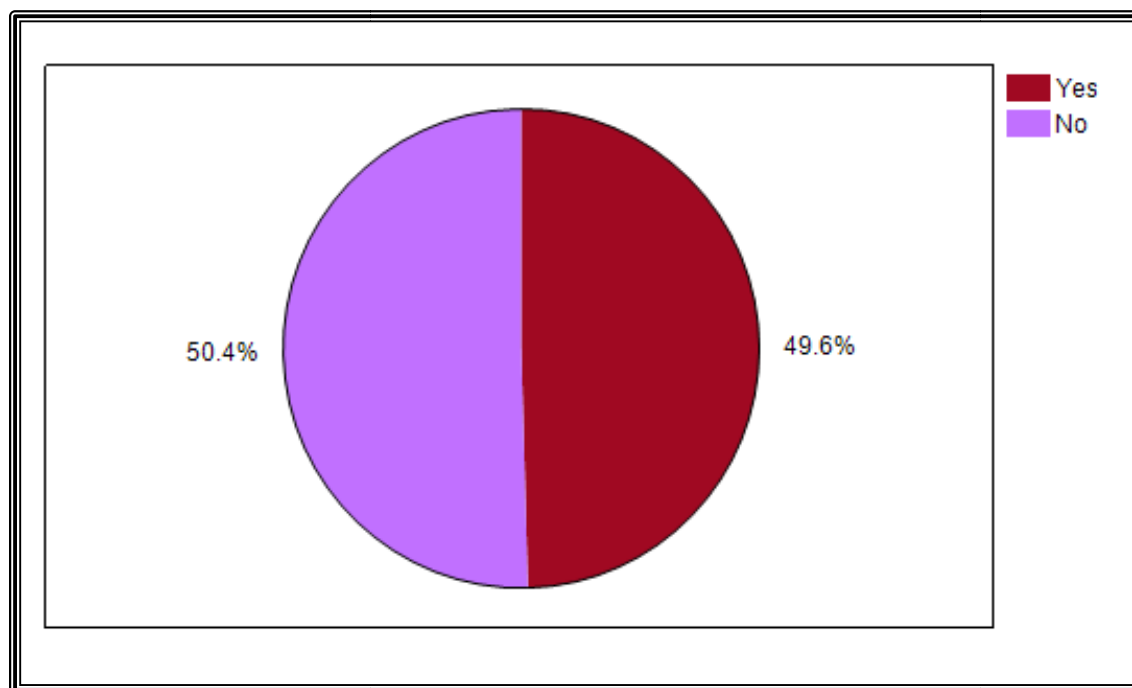
9. Mosquito Net Price – Nearly 85% of Borrowers report they **cannot** afford to pay more than \$2.41 for a mosquito net. The average net price is \$5.



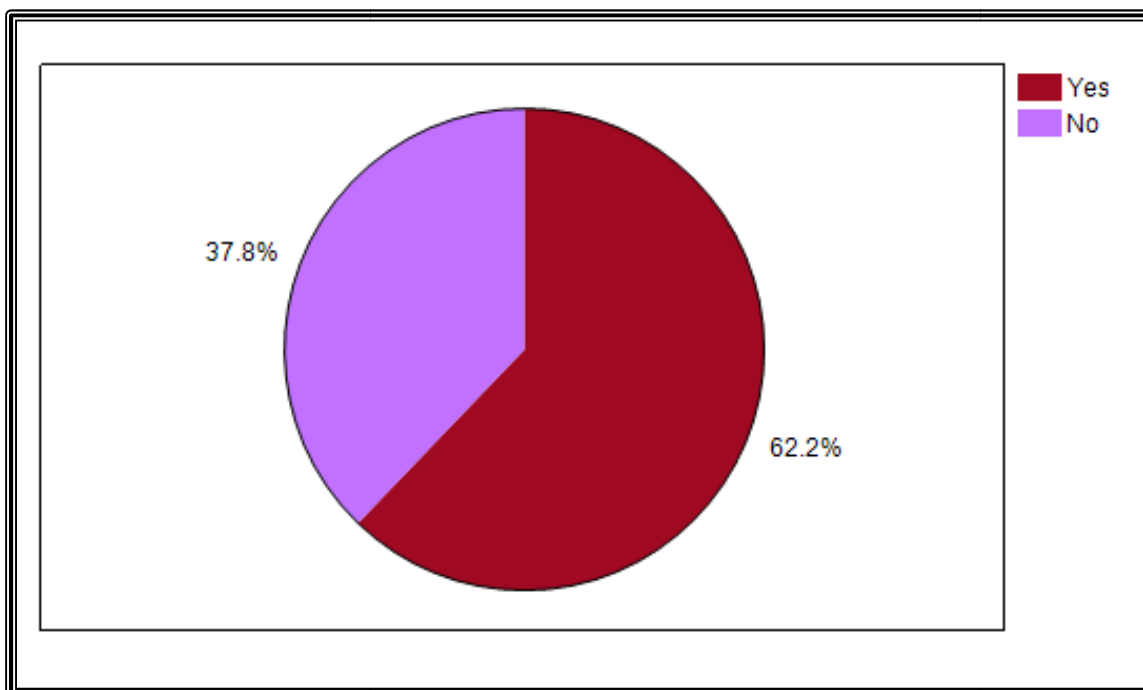
10. Medical Payment Difficulty – More than 25% of Borrowers find it “difficult” or “very difficult” to pay their medical bills.



11. Shoes for Children – More than 50% of Borrowers cannot provide shoes for all of the children in their household.



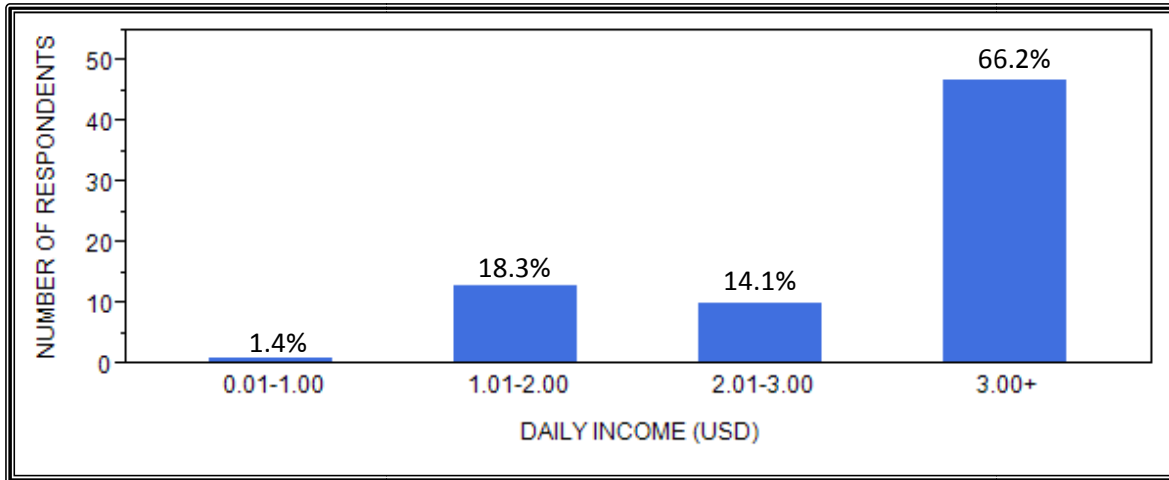
12. Uniforms for Children – Nearly 40% of Borrowers cannot provide uniforms for all of the children in their household.



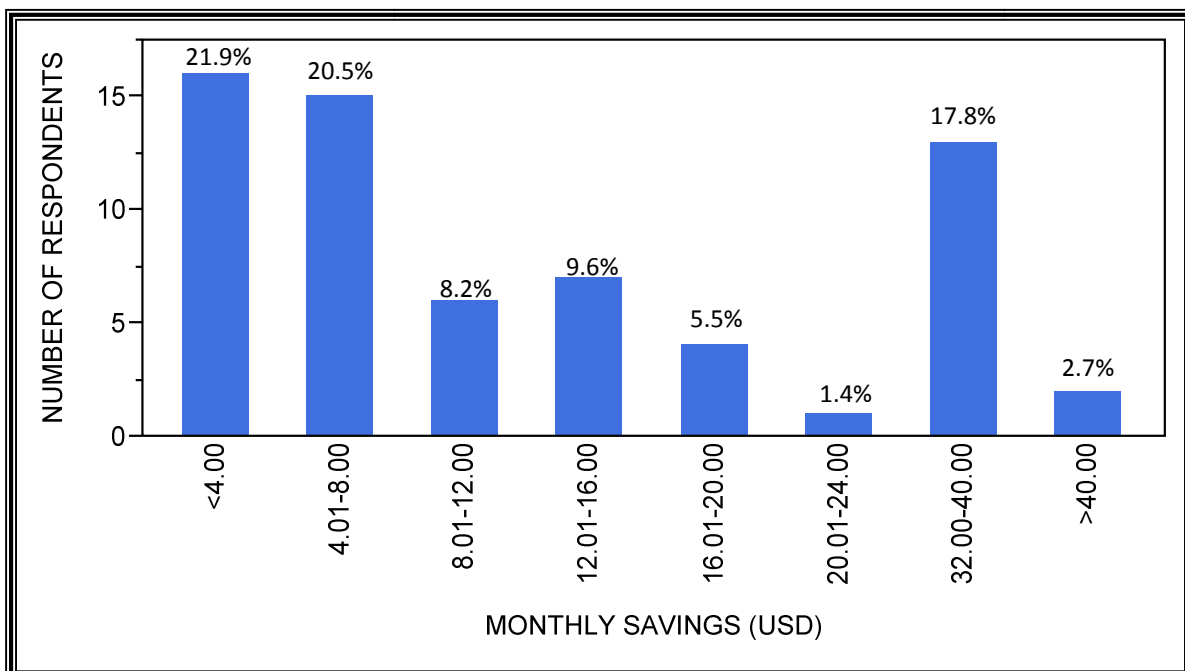
II. SIX MONTH LOAN IMPACT DATA

A. BUSINESS OPERATIONS

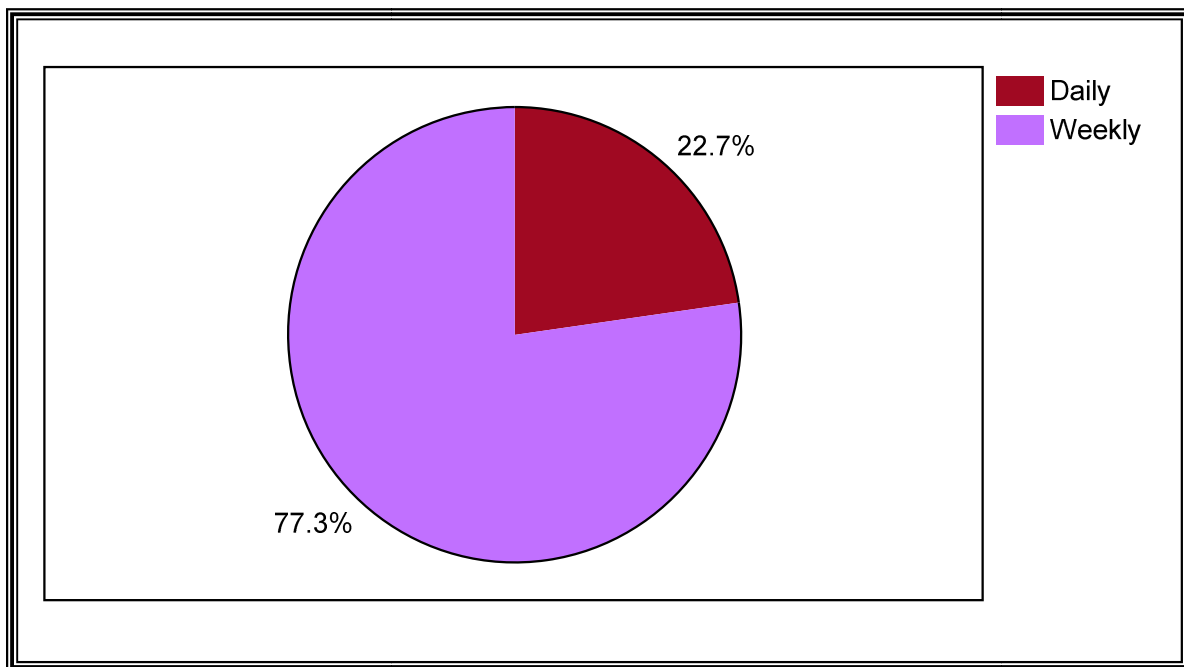
- 1. Increases to Daily Income** – Previously, more than 75% of Borrowers had household incomes of less than \$2/day. Six months later, more than 80% of Borrowers make more than \$2/day.



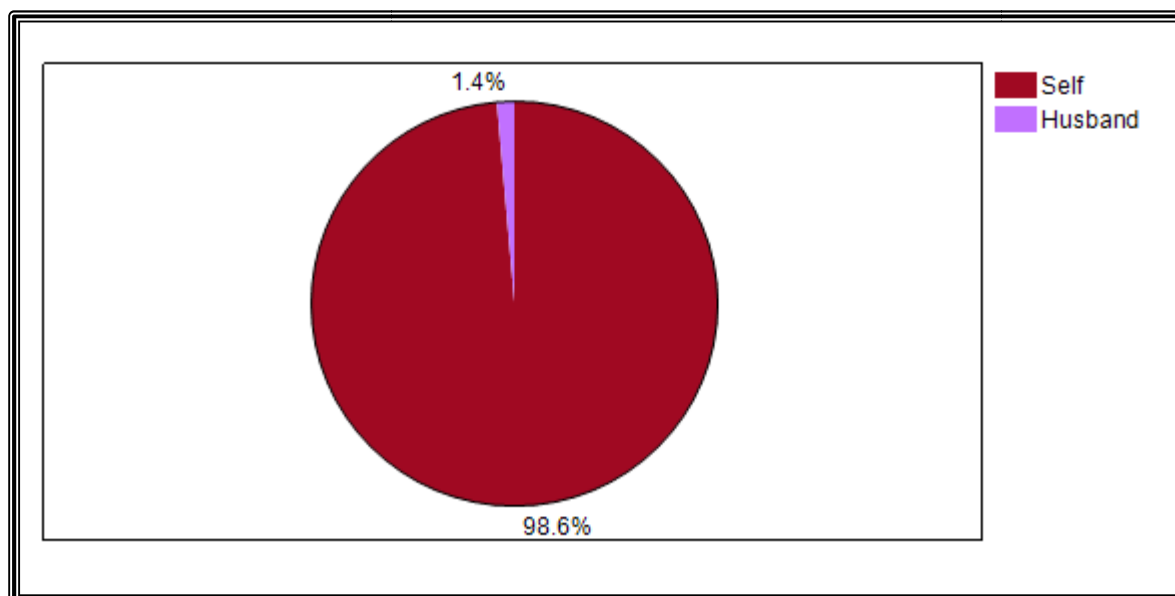
- 2. Monthly Savings** – Prior to starting a business, nearly 70% of Borrowers had accumulated less than \$20 in household savings. Six months after starting their businesses, 100% of Borrowers are saving on a regular basis, with a majority of Borrowers saving more than \$8 a month. The majority of Borrowers report that they spend their savings on livestock.



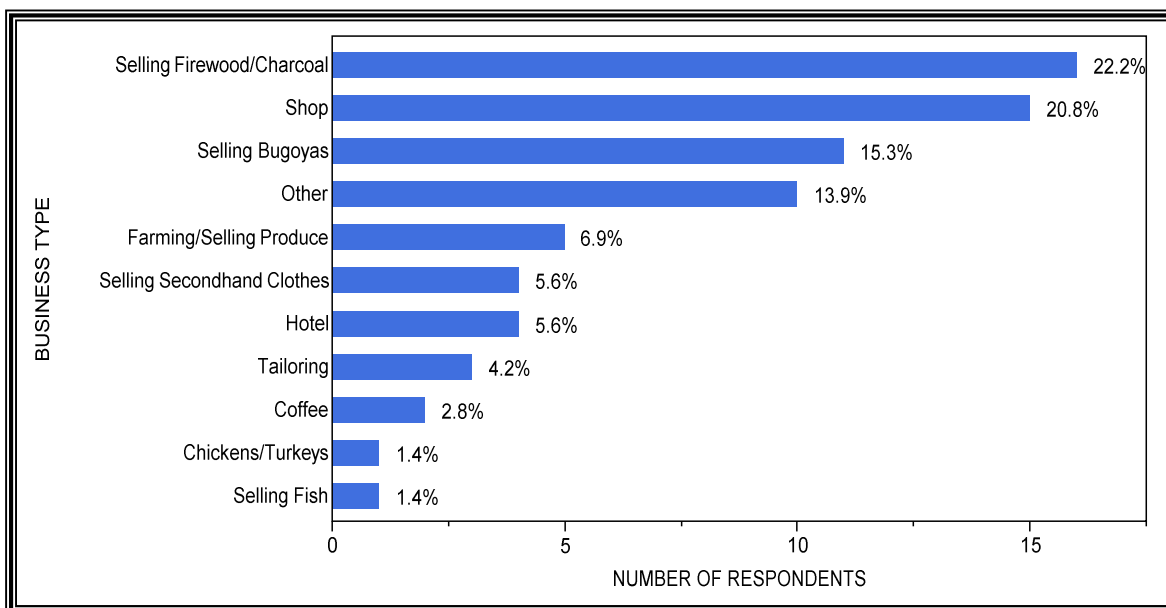
3. Recordkeeping Practices – All Borrowers exhibit exemplary recordkeeping practices, maintaining their books on a daily or weekly basis.



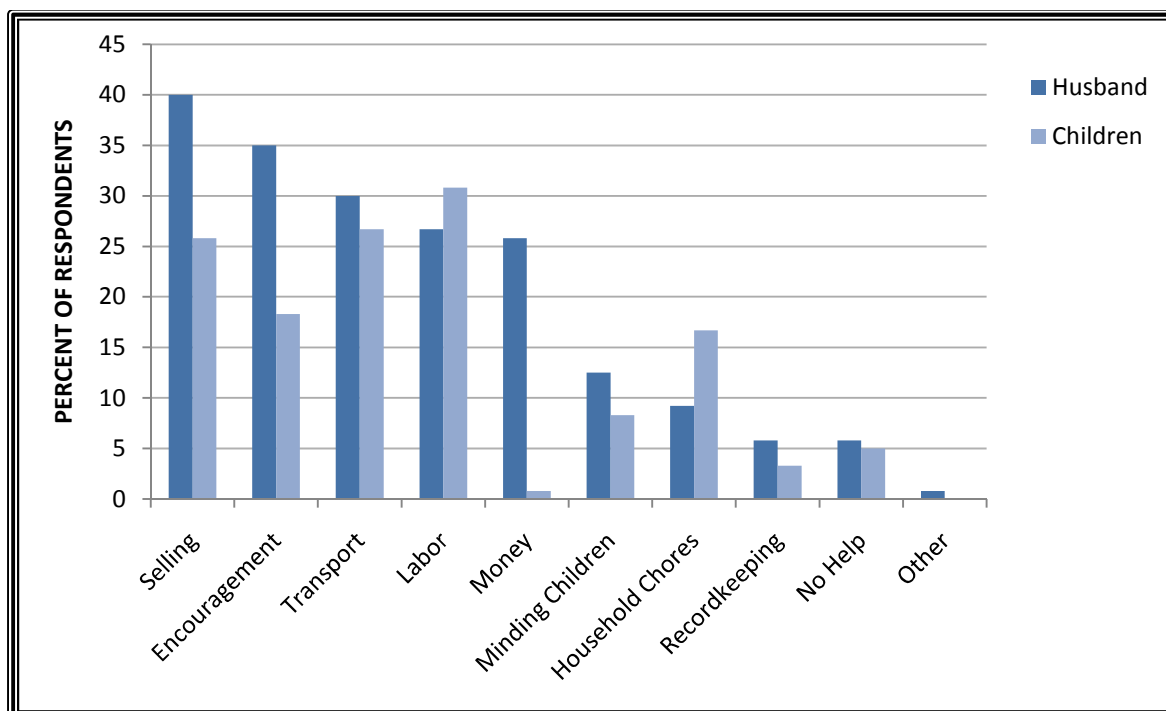
4. Who Keeps The Records? – Nearly 100% of Borrowers maintain their business records themselves.



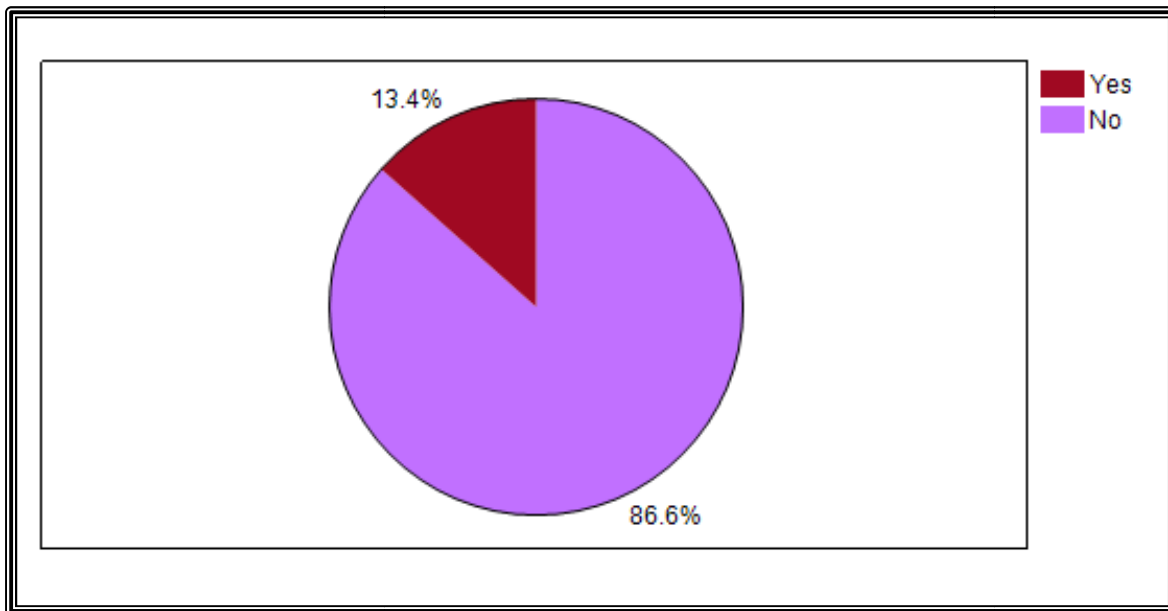
5. Business Types – Although businesses evolve over time, most Borrowers begin their business careers selling firewood/charcoal, running small shops, and selling bugoyas (bananas).



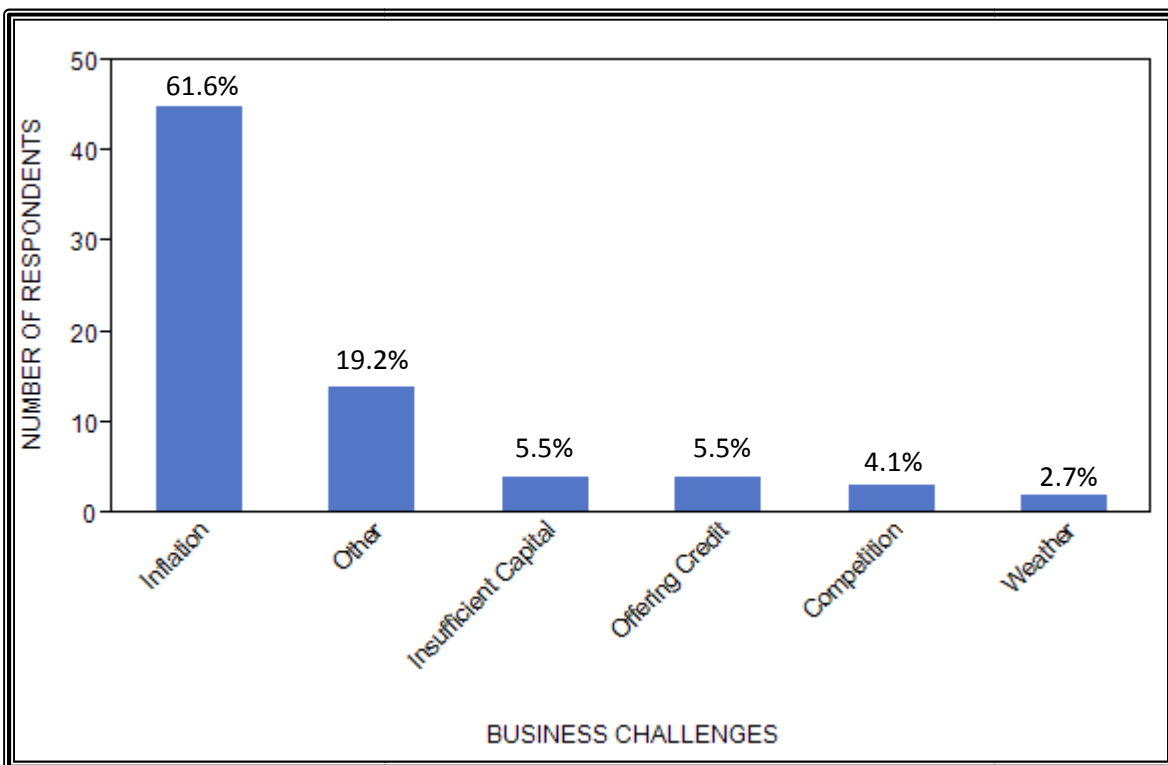
6. Family Contributions – Family members contribute significantly to business operations in a variety of different ways.



7. Paid Employees – After just six months, nearly 15% of Borrowers are employing help in their business, thereby providing jobs for local villagers.

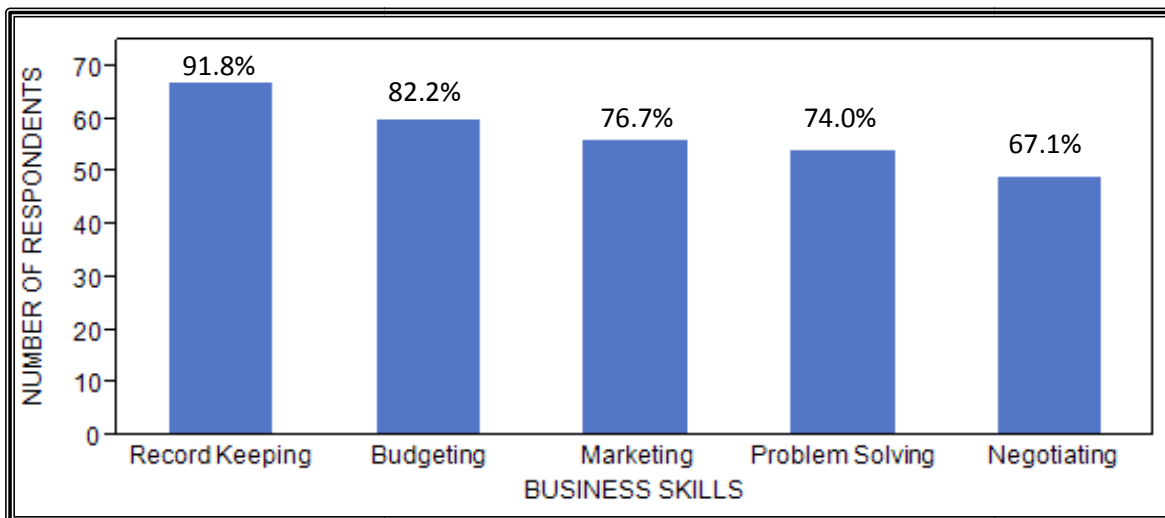


8. Most Significant Business Challenges – A plurality of Borrowers cited inflation as their most significant business challenge. Inflation leads to increased costs for inventory, making it more difficult for Borrowers to operate a business.

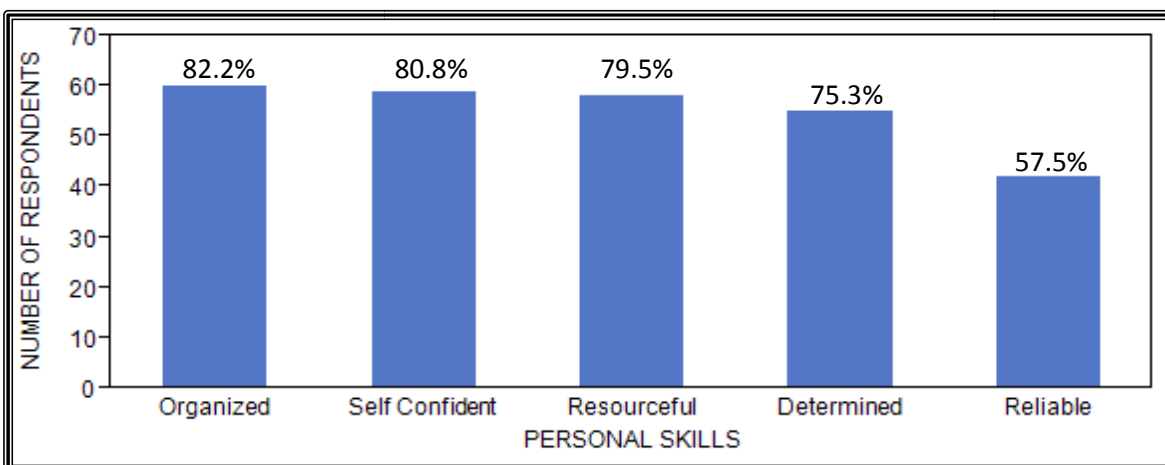


9. Improvements in Skills and Personal Growth – Operating a business improves Borrowers' skill sets in many areas.

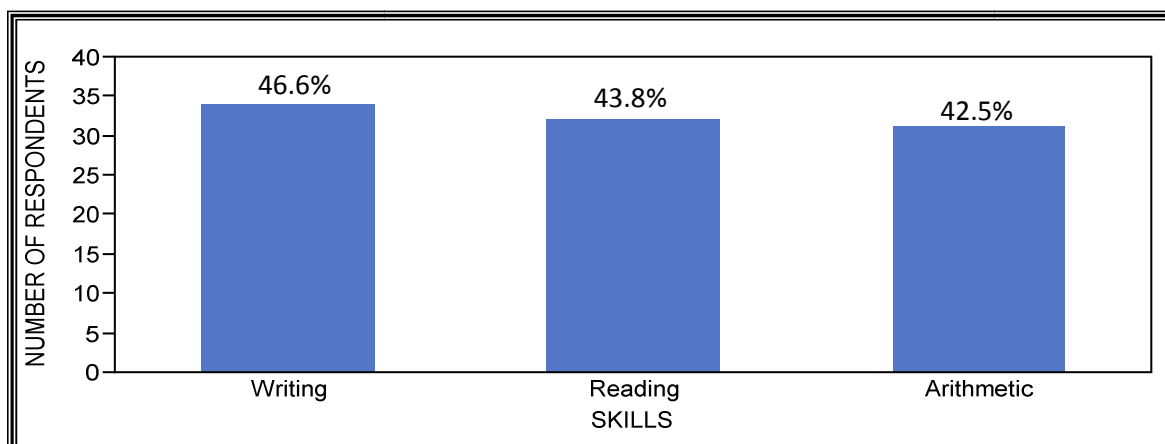
Business Skills Improvement



Personal Skills Improvement

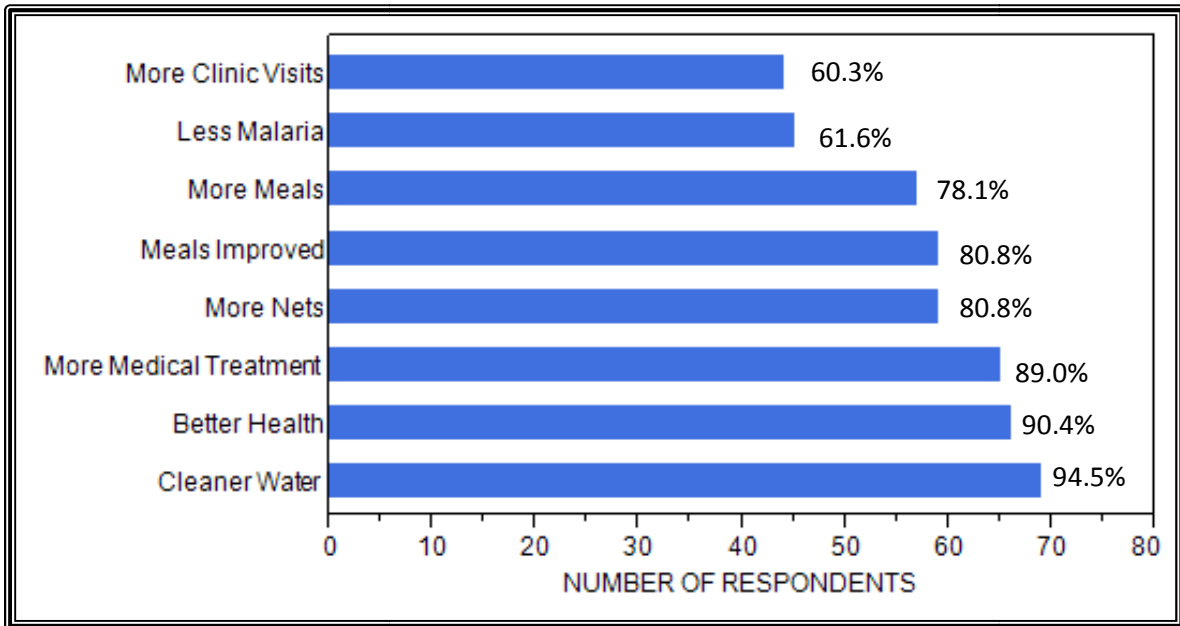


Literacy & Numeracy Skills Improvement

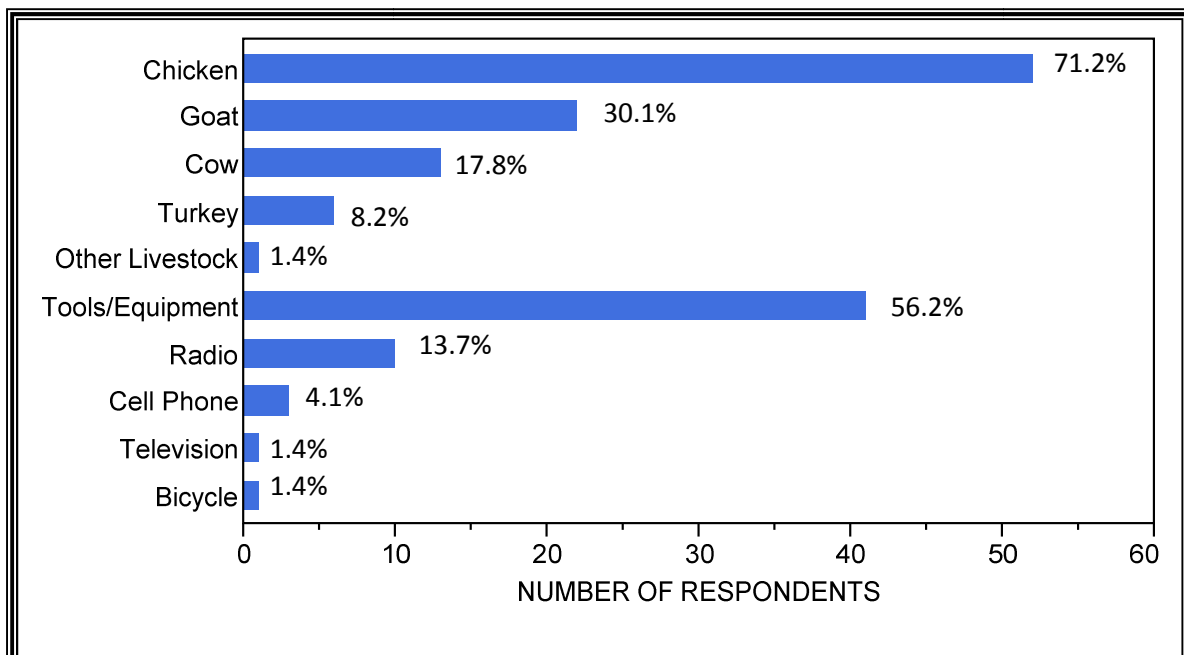


B. STANDARD OF LIVING IMPROVEMENTS

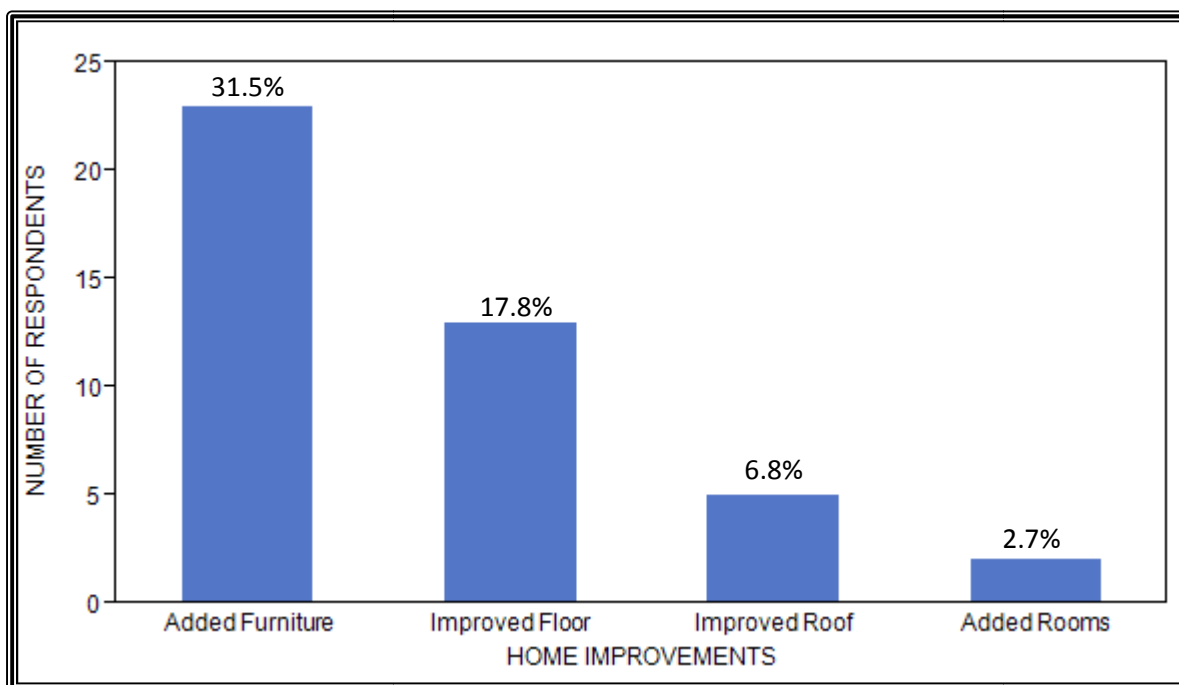
- 1. Health, Nutrition & Water Improvements** – Borrowers now provide more frequent and more nutritious meals for their families. More mosquito nets mean less malaria, and better access to medical treatment improves family health.



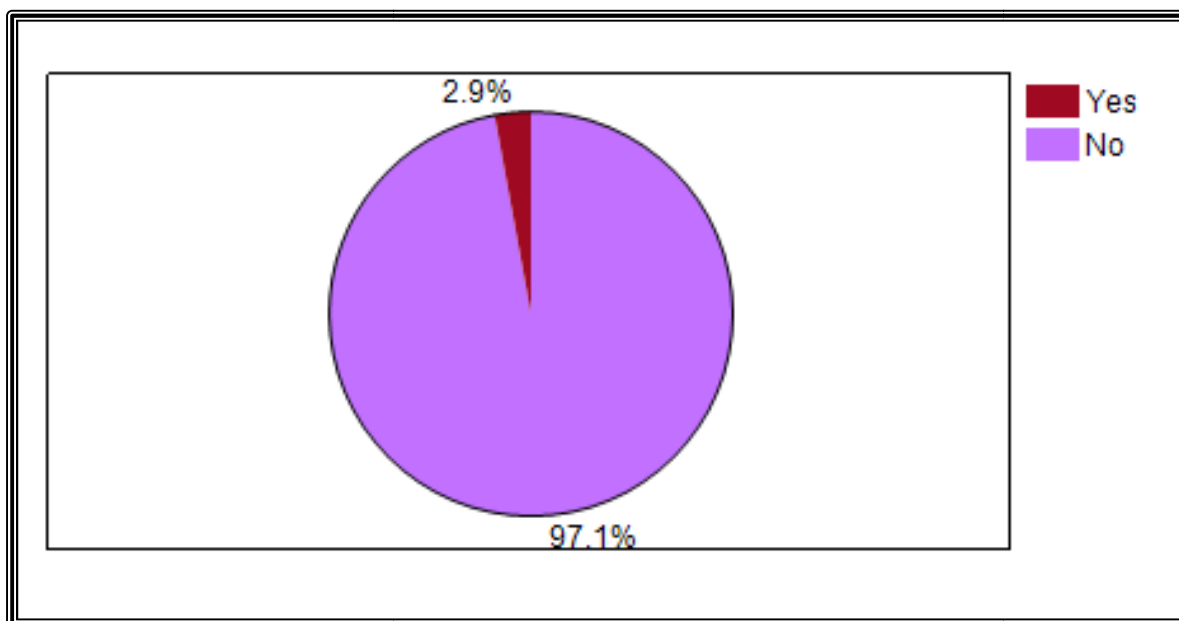
- 2. Livestock & Household Purchases** – Many Borrowers buy livestock as an investment or form of savings, selling it when they need funds.



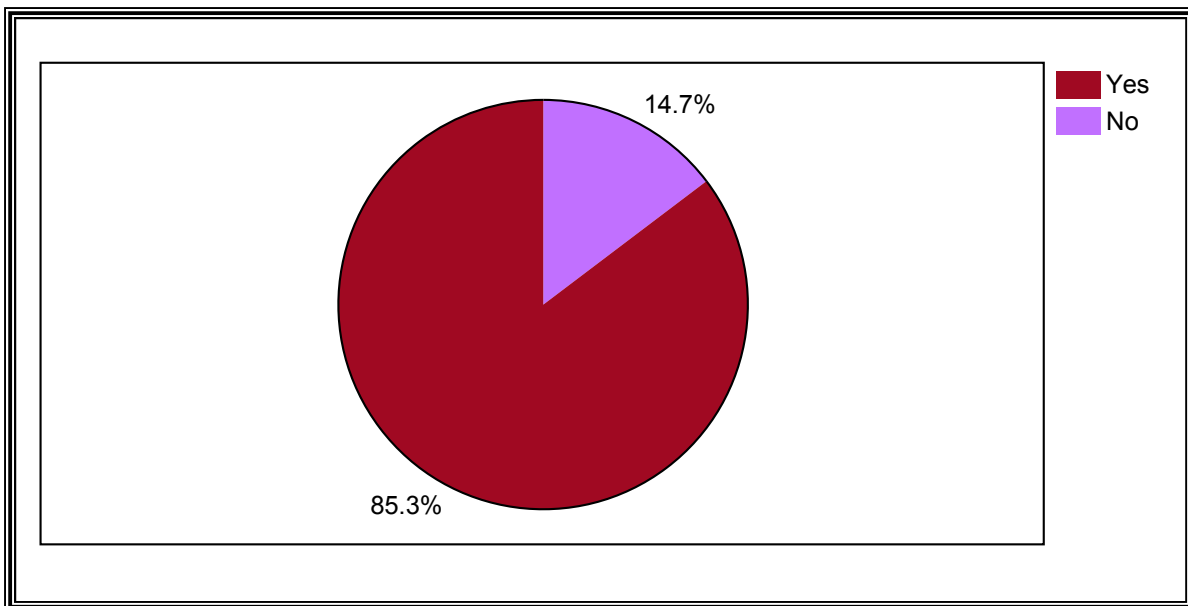
3. Home Improvements – Borrowers spend less of their business income on home improvements than they do on medical care or nutrition, which are more fundamental needs. In addition to the information on the graph below, nearly 25% of Borrowers report switching their lighting source from candles to a kerosene lamp.



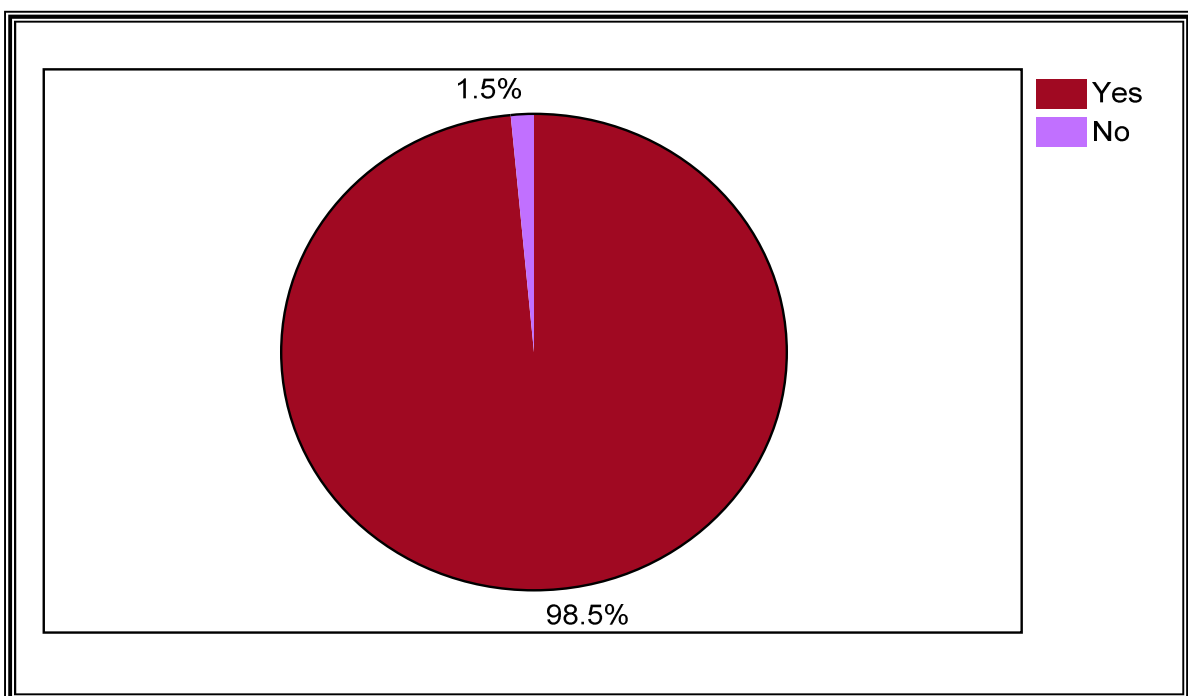
4. Land Acquisition – Nearly 100% of Borrowers originally owned land, and barely three percent chose to purchase additional land after starting their businesses.



5. More Shoes for Children – Prior to starting their businesses, more than 50% of Borrowers could not provide shoes for all of their children. Six months after starting their businesses, more than 85% of Borrowers had purchased more shoes for their children.

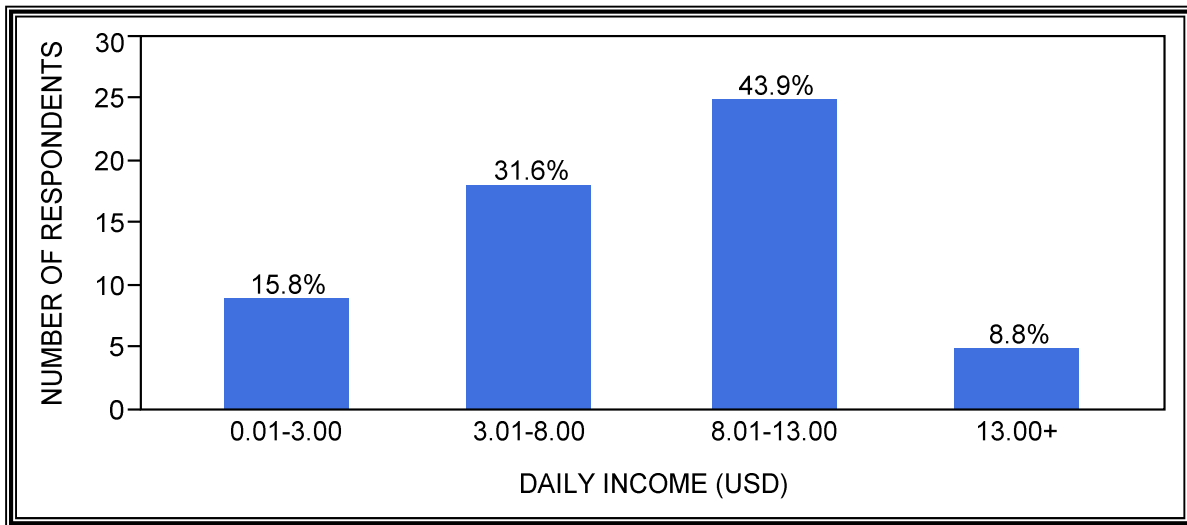


6. More Uniforms for Children – Prior to starting their businesses, nearly 40% of Borrowers could not provide uniforms for all of their children. Six months after starting their businesses, nearly 100% of Borrowers had purchased more uniforms for their children.

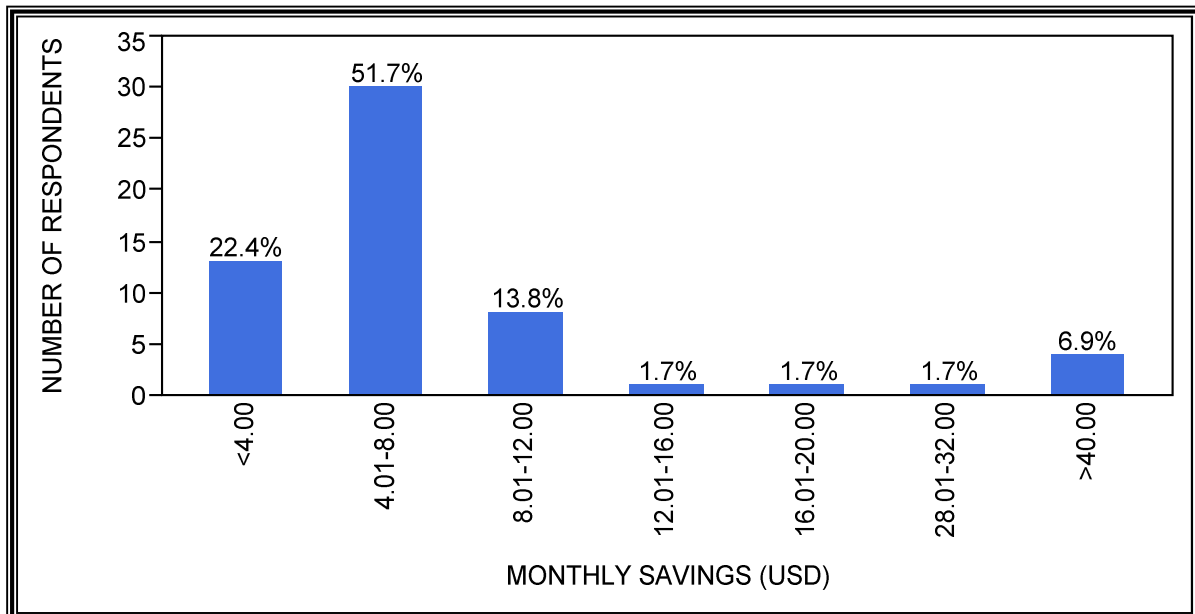


III. 12 MONTH LOAN IMPACT DATA

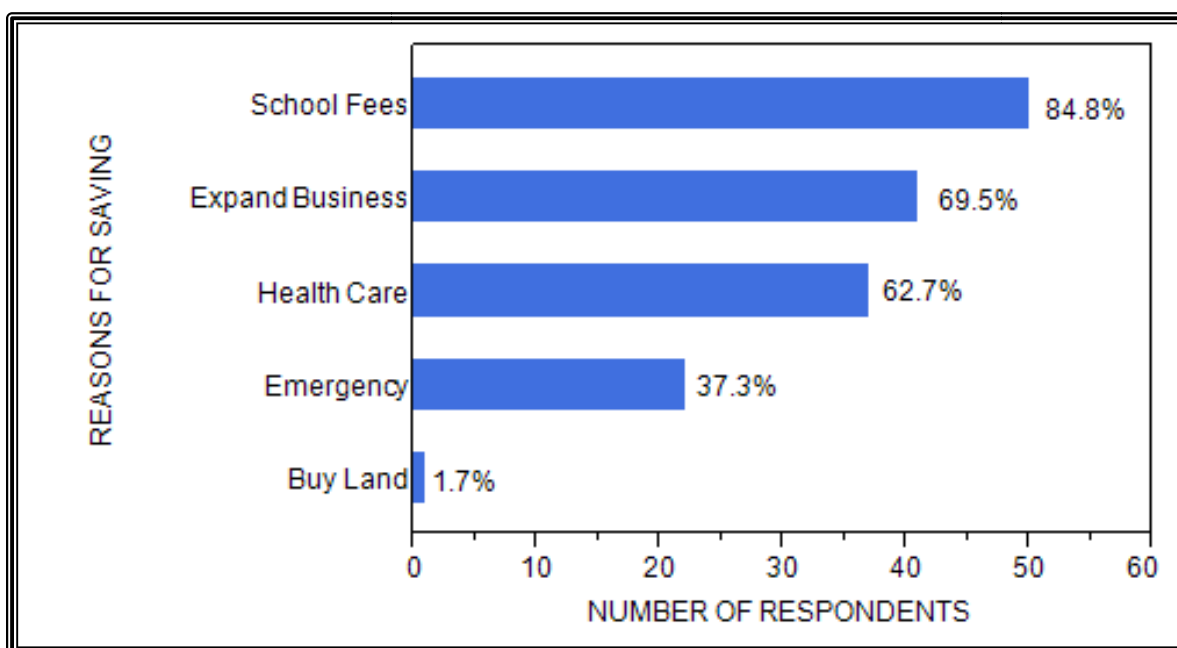
1. Increases to Daily Income – Six months after starting their businesses, nearly 35% of Borrowers made less than \$3/day, with none making more than \$13/day. At 12 months, the number of Borrowers making less than \$3/day fell to just over 15%, while nearly 10% of Borrowers now make more than \$13/day. Additionally, nearly 2% of Borrowers reported making more than \$20/day.



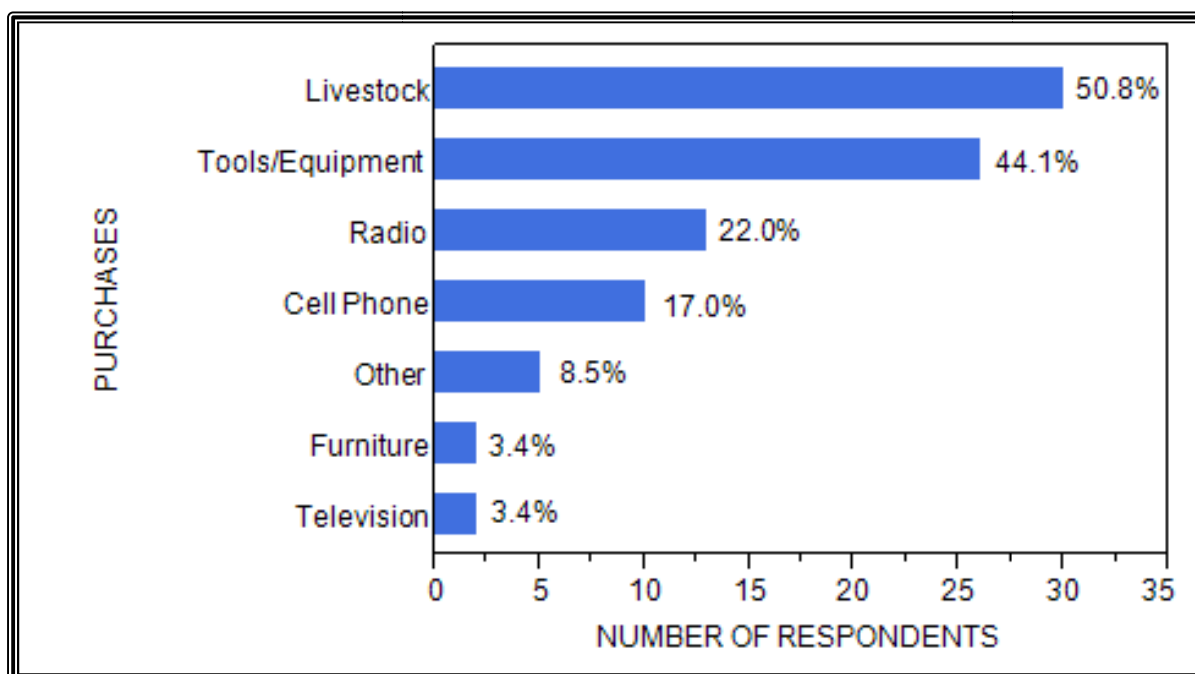
2. Monthly Savings



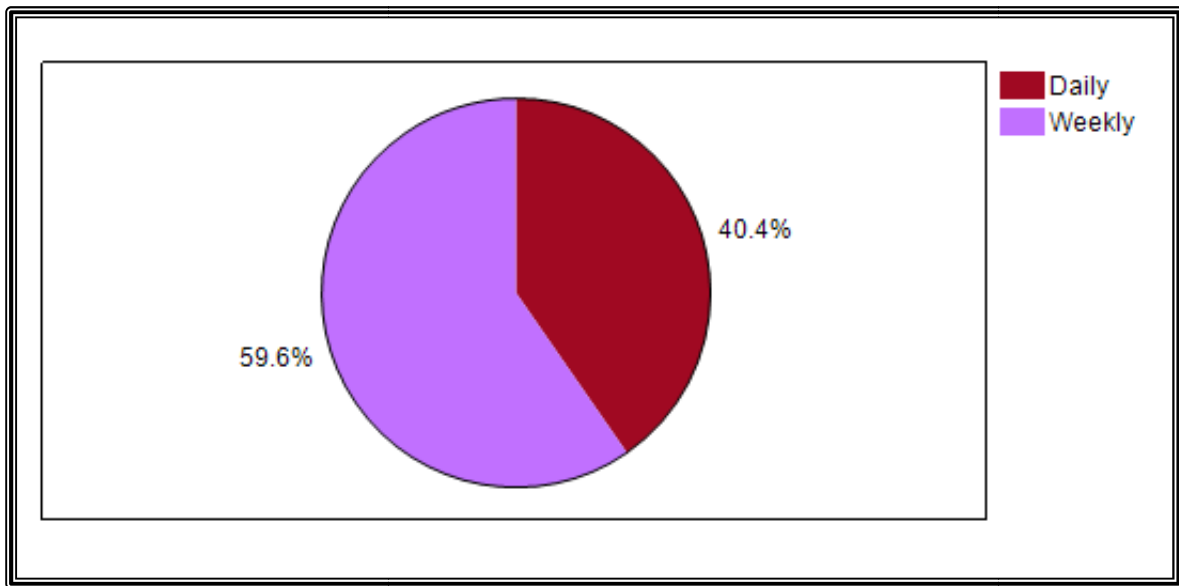
3. Reasons for Saving – Borrowers' top reasons for saving are school fees, business expansion, and health care.



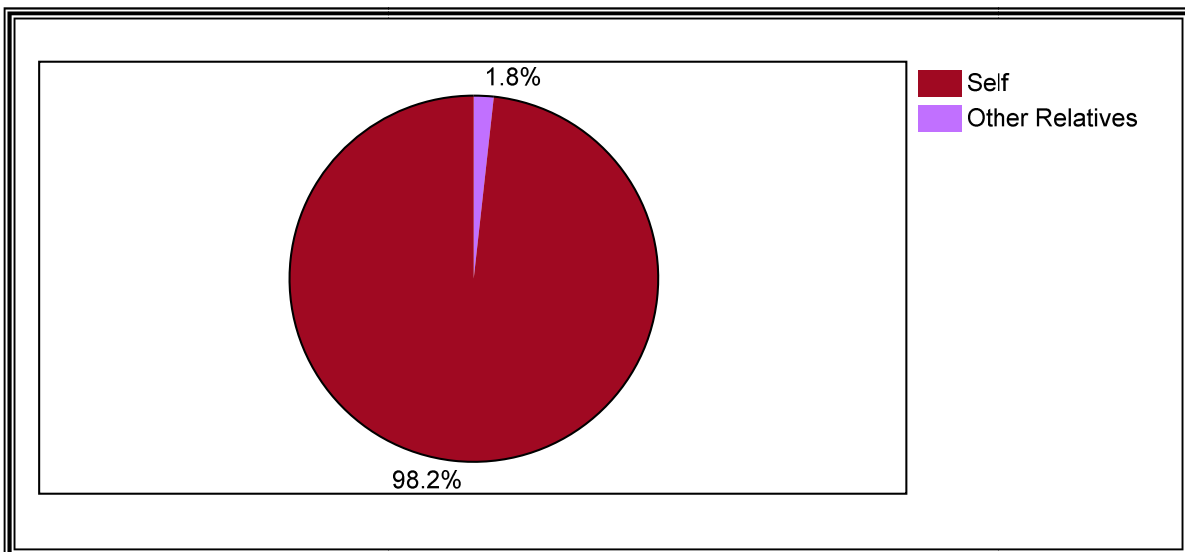
4. Livestock & Household Purchases – Livestock continues to be Borrowers' top purchase. Additionally, nearly 15% of Borrowers bought land.



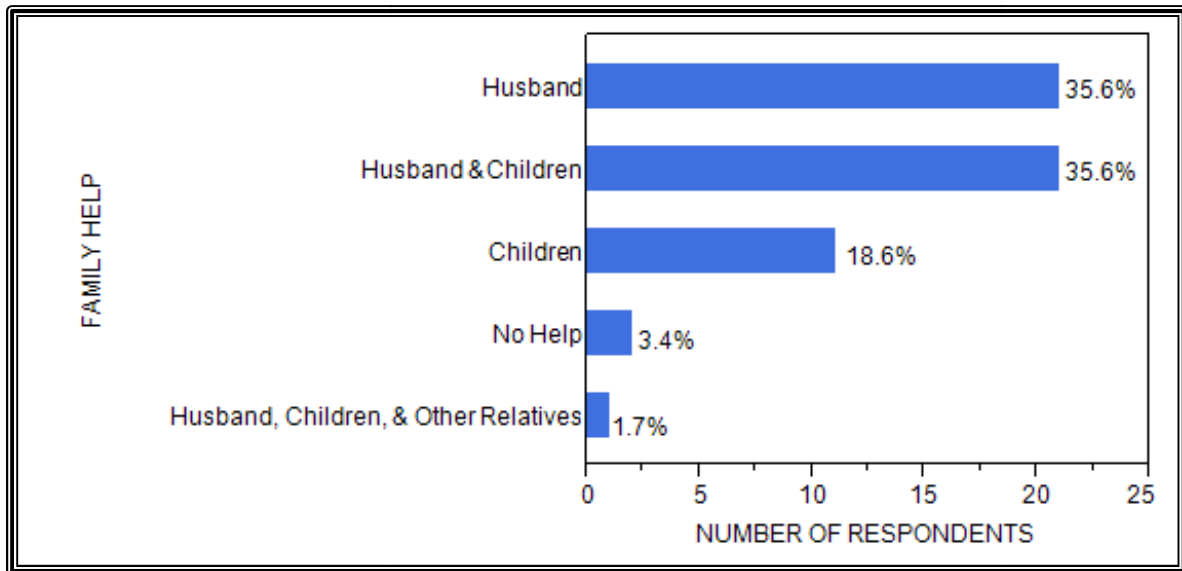
5. Recordkeeping Practices – Borrowers continue to exhibit exemplary recordkeeping practices.



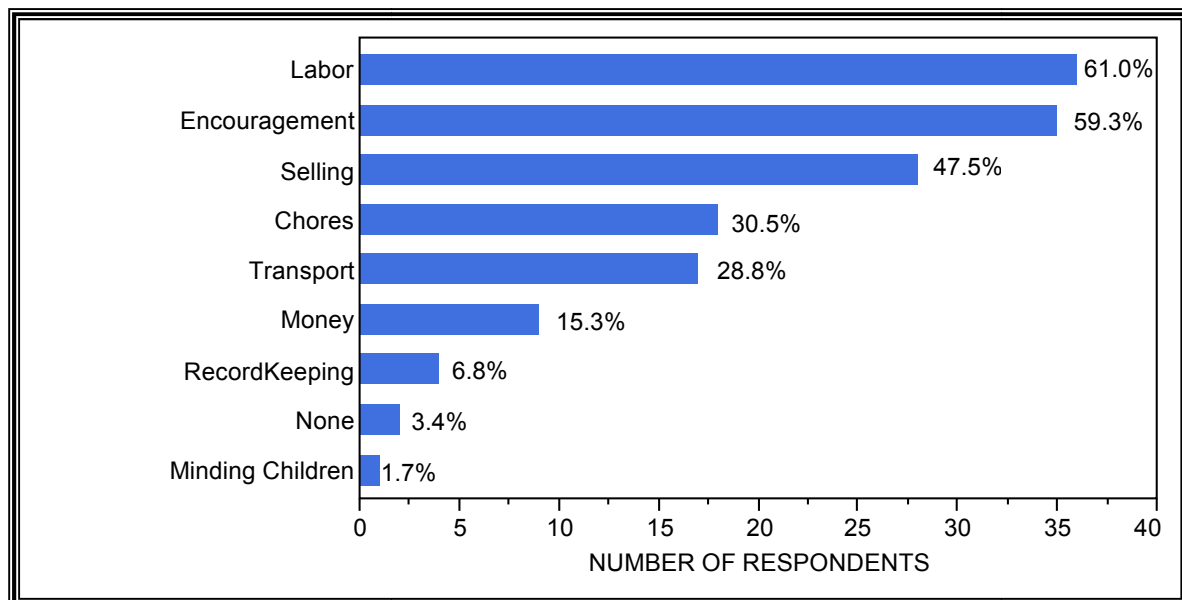
6. Who Keeps the Records?



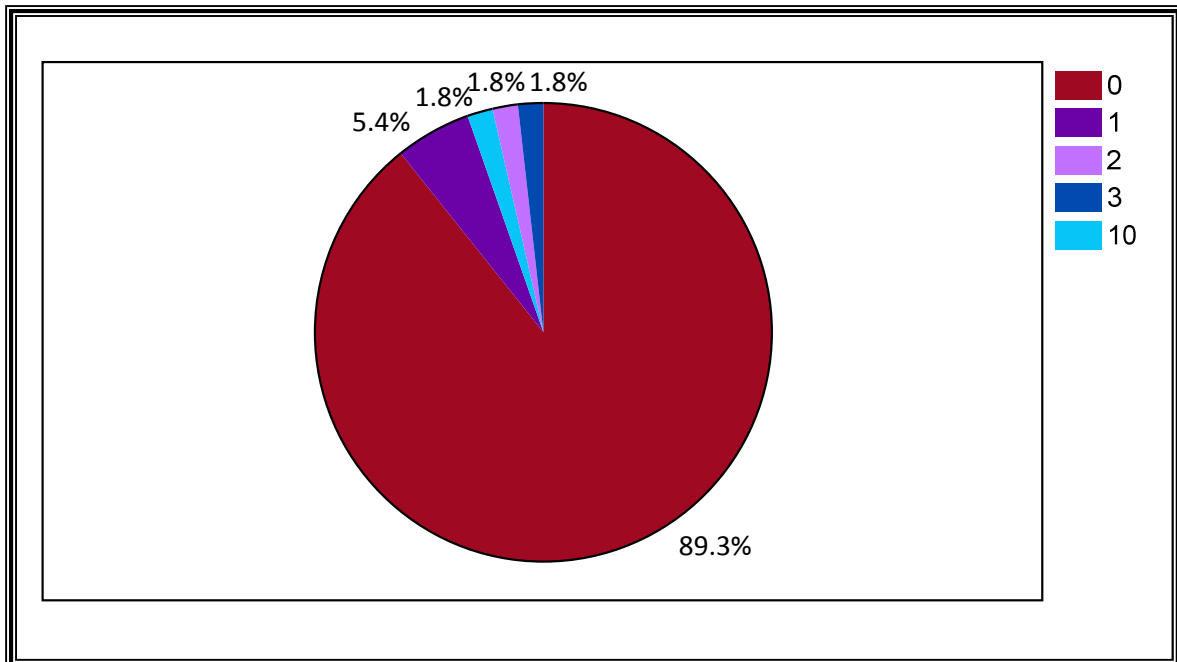
7. Family Help – There is a very high rate of family participation in the businesses.



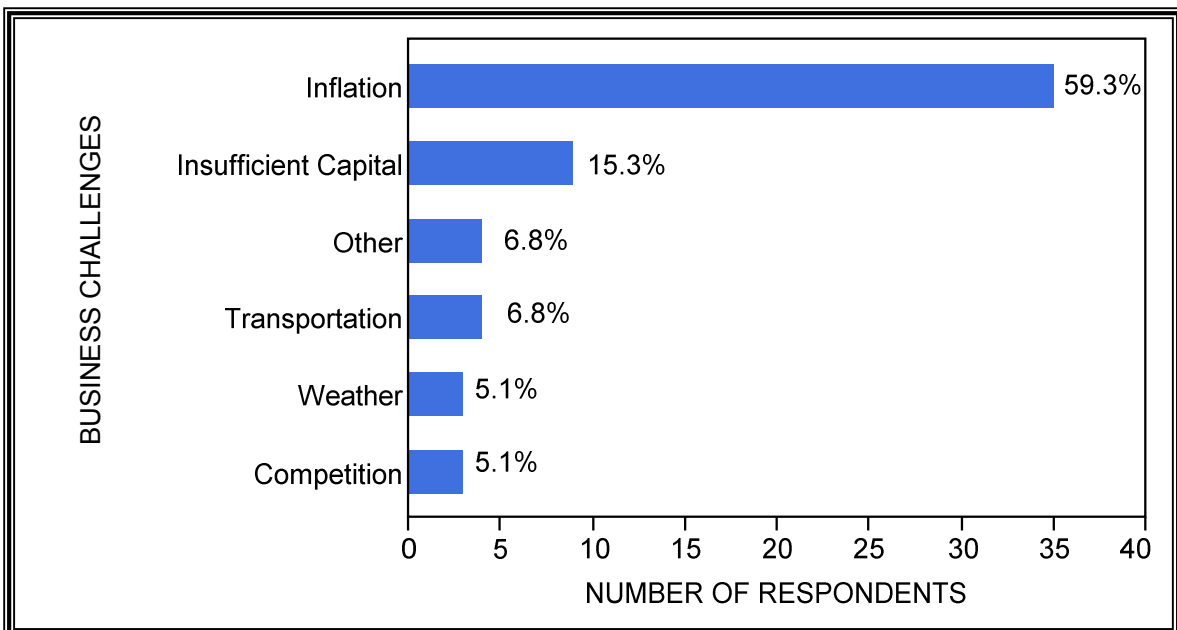
8. How Families Help



9. Paid Employees – Just over 10% of Borrowers have paid employees.

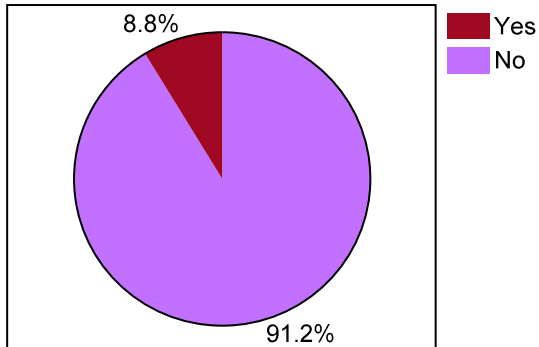


10. Most Significant Business Challenges – Inflation continues to be the most significant business challenge.

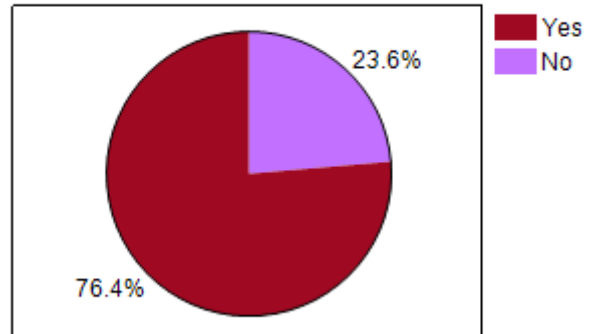


11. Business Strategies – Borrowers adopt a variety of strategies to optimize business performance:

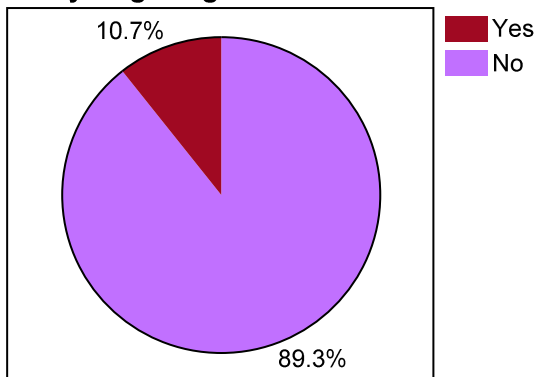
Do you ever keep your product off the market until prices rise?



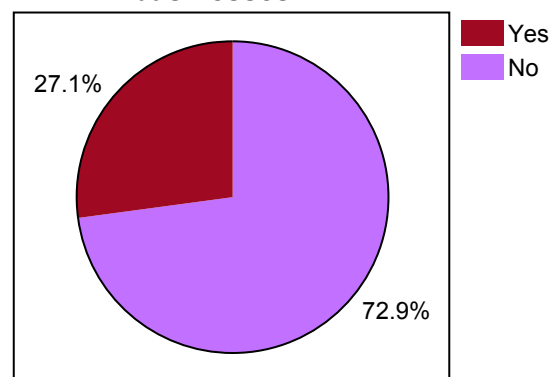
Do you look for markets where you can get a higher price for your products or service?



Does your business deal with any large organizations?

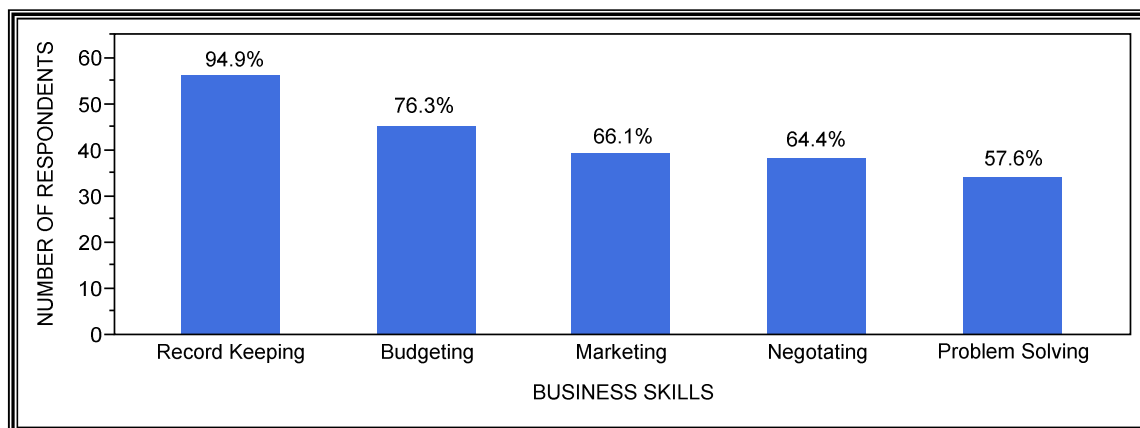


Do you have any other businesses?

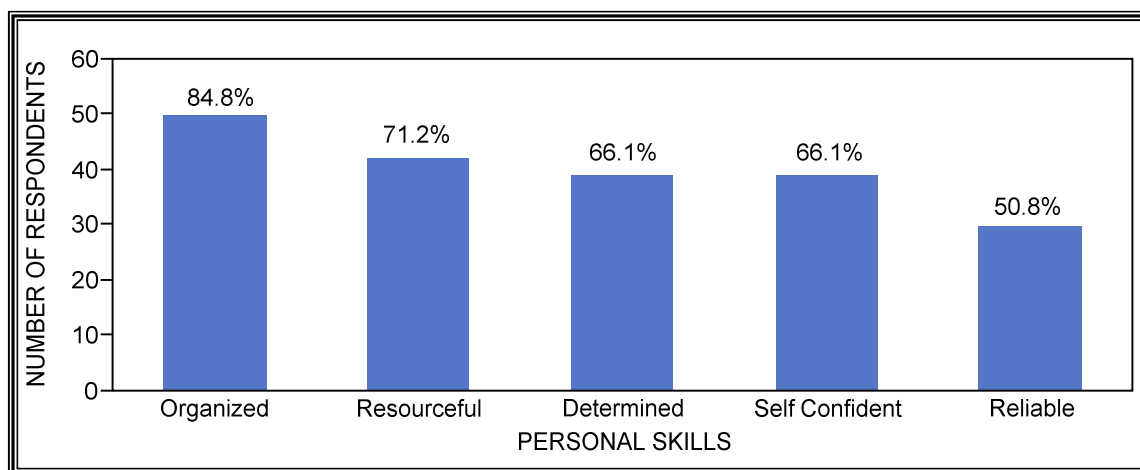


12. Improvements in Skills & Personal Growth

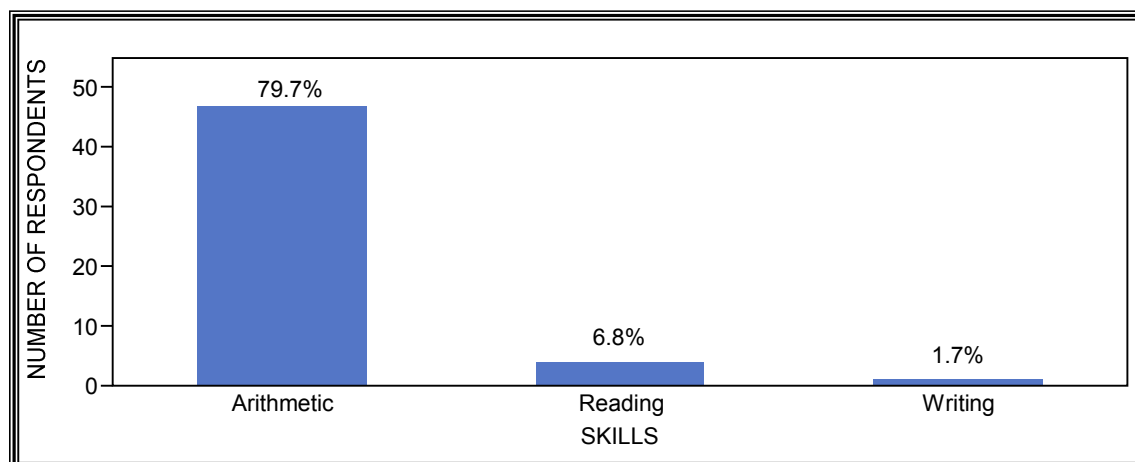
Business Skills Improvement



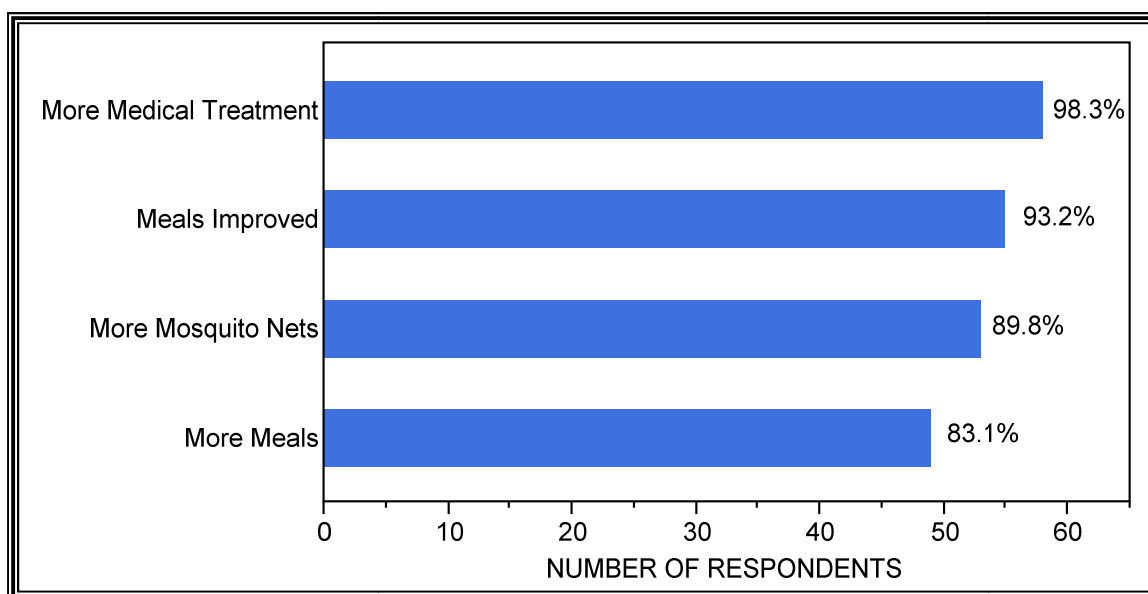
Personal Skills Improvement



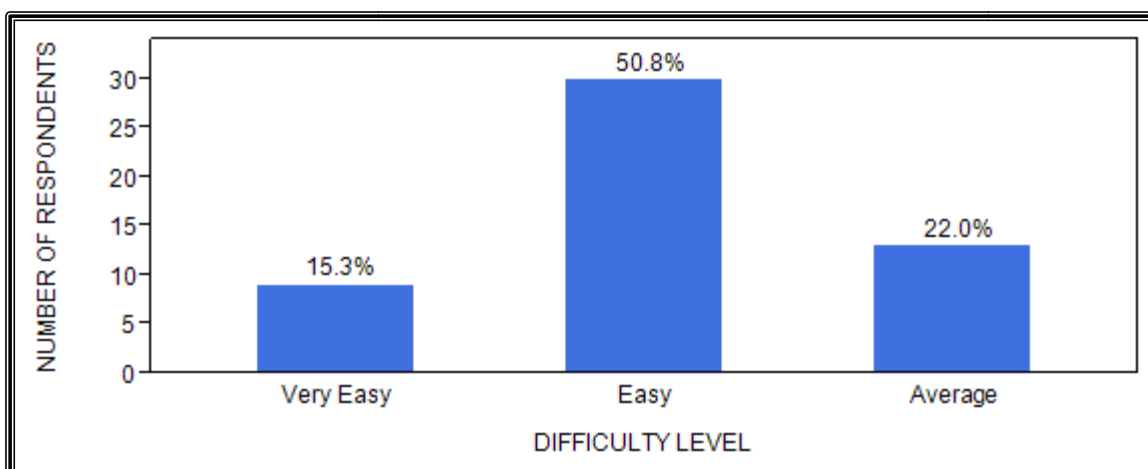
Literacy & Numeracy Skills Improvement



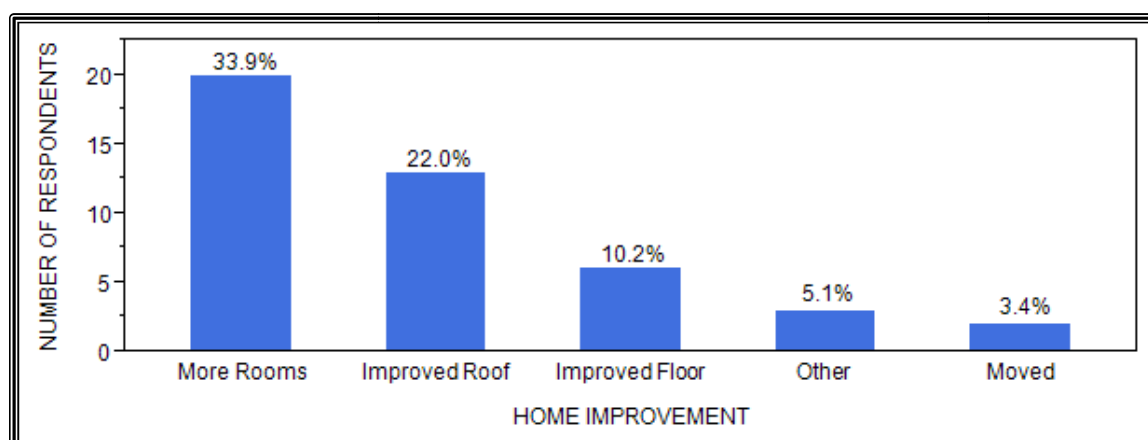
13. Health & Nutrition Improvements – At 12 months, a vast majority of Borrowers continue to improve the health and nutrition in their households.



14. Loan Payment Difficulty – Borrowers do not find it difficult to repay their loans.

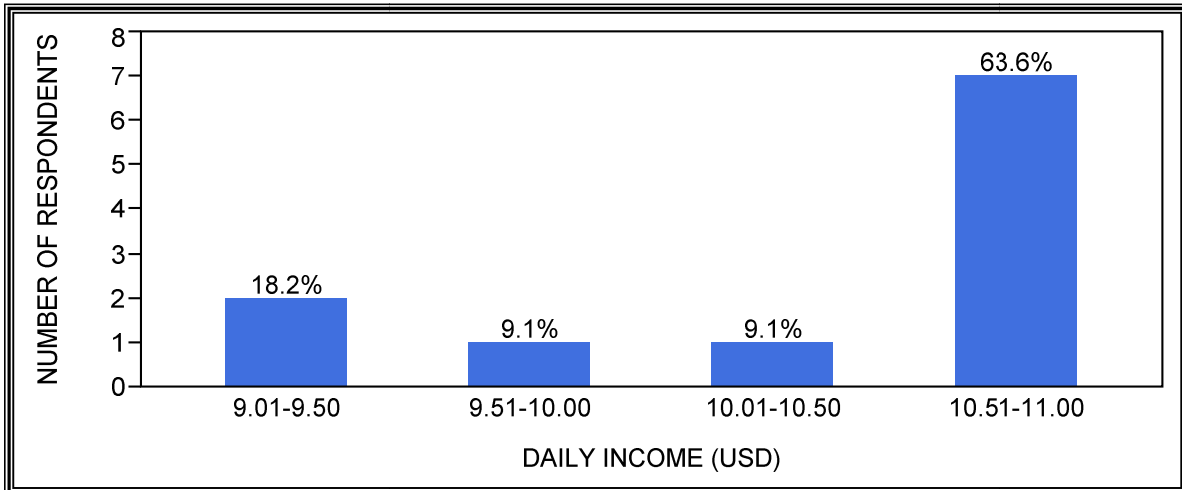


15. Home Improvements

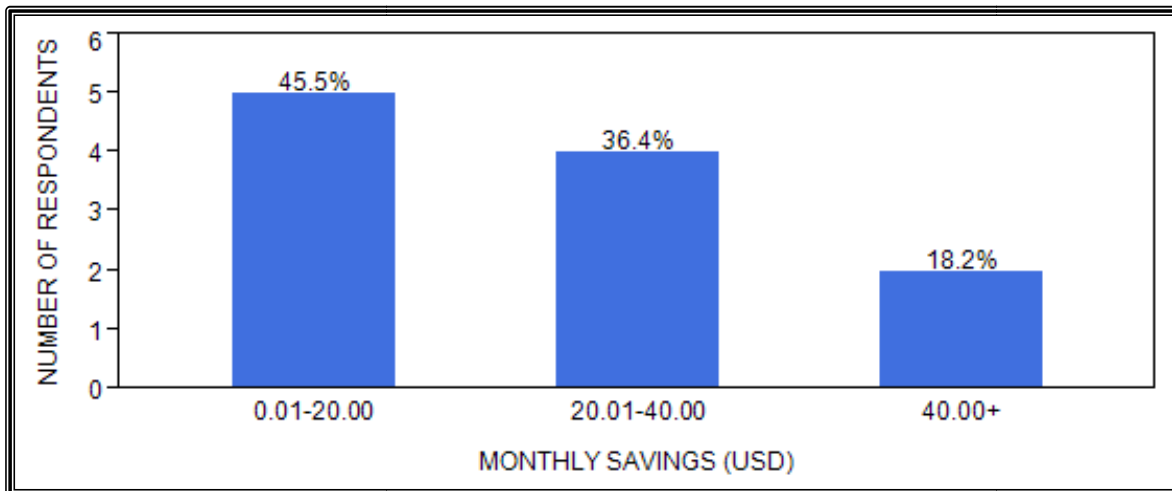


IV. TRANSITION TO BANK LOANS (24 MONTHS)

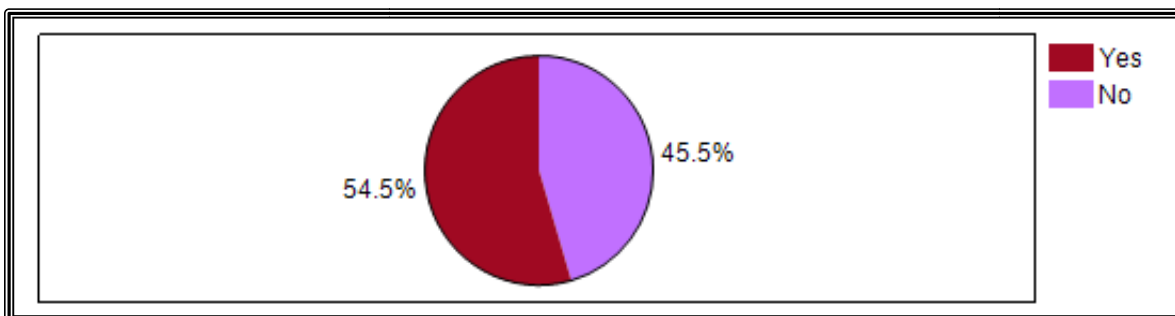
- 1. Increases to Daily Income** – At 24 months, all Borrowers make more than \$9/day, whereas just over 35% did so one year ago.



- 2. Monthly Savings** – At 24 months, a majority of Borrowers have more than \$20 in savings, whereas less than 10% did one year ago.



- 3. Paid Employees** – At 24 months, nearly 55% of Borrowers have paid employees, an increase from 10% one year ago.



V. BORROWER NARRATIVES

1. Has your loan made your life better?

- “There is joy in the family.”
- “Don't have much thoughts about money. Also protected from money temptations.”
- “I have a happy mood and I look like a lady now.”

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

- “My children have got balanced food and I do solve my problems smoothly.”
- “It has become easy to pay school fees.”
- “It has prevented malaria and bought nets.”

3. Are you happier since getting your loan?

- “I can solve my problems by myself.”
- “I can read, write and buy clothing for myself and family.”
- “I am always busy and I am able to save.”
- “The business skills obtained have improved upon my business that I get more customers than ever.”

4. Have you seen any changes in your village because of the loan program?

- “Many community members are admiring to join MAWDEG [Maya Agiri Women's Development Economic Group] because of what they see from me.”
- “Women are now active and friendly. Also so cooperative.”
- “The poverty in my village has reduced because they get small things near.”
- “At least women have got what to do to bring a change to their families.”

VI. SUMMARY

Demographics

WMI serves a wide range of Borrower age groups, with most between the ages of 30 and 50. Nearly 45% of Borrowers are over the age of 40; older Borrowers often have more experience in running a business and frequently have extensive connections in their local villages. Most Borrowers are married with their husbands living in the household. Nearly 75% of Borrowers report that their husbands help with the business. Husbands living in the household are able to provide emotional and economic support, creating a more stable environment to run a business operation. Businesses where the entire family is involved typically have a higher success rate. A typical household has seven or more people, often with six or more 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 \$2/day before entering the WMI loan program. The poverty line set by the World Bank is defined as an individual subsisting on less than \$2/day. Borrowers' average household size is eight people, meaning that nearly 100% of Borrowers lived below the poverty line.

Six months after entering the loan program, more than 80% of Borrowers made more than \$2/day. At 12 months, nearly 85% of Borrowers made more than \$3/day. At 24 months, when Borrowers transition to bank loans, all Borrowers made more than \$9/day, whereas only 35% did so one year ago.

Prior to starting a business, nearly 70% of Borrowers had accumulated less than \$20 in household savings. At six months, a majority of Borrowers had saved more than \$8/month. At 24 months, a majority of Borrowers had saved more than \$20/month. When entering the loan program, the vast majority of Borrowers did not have a bank account, nor did they have access to formal financial services. When graduating from the WMI loan program after 24 months, Borrowers can become customers of a commercial bank.

Most Borrowers own a semi-permanent home with mud floors, dirt and dung walls and a tin roof. Most Borrowers' homes have five or fewer rooms. Meals typically consist of pasho, cassava and bananas. Pasho is a paste made of maize flour and water, and cassava is a starchy gourd with little nutritional value. 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 used candles or kerosene lamps as their lighting source and had their own latrine for toilet facilities.

After entering the loan program, Borrowers almost uniformly report more and improved meals, increased livestock purchases (especially chickens and cows) and home improvements like furniture and radios. A small percentage of Borrowers were able to install electricity in their homes.

Family Health & Welfare

When entering the loan program, more than 65% of Borrowers reported that at least one member of their household was regularly sick and could not attend work or school. Nearly 80% of Borrowers reported cases of malaria in their households in the last six months – 120 Borrowers reported 269 cases – and just under 30% of Borrowers reported that at least one member of their household did not sleep under a mosquito net. 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%. After receiving their loans, Borrowers reported fewer cases of malaria in their households, increased net purchases and better access to health care.

More than 90% of Borrowers have been tested for HIV/AIDS and nearly 90% of their family members have also been tested. HIV/AIDS infection rates 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.

Before entering the loan program, Borrowers were unable to provide shoes and school uniforms for all of 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 organized, self-confident and resourceful since entering the loan program. Many have also improved their literacy and numeracy skills. Additionally, all Borrowers evaluated themselves as happier since they received their loans. 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.