

WMI FACT BOOK: Loan Program Data Gulu, Uganda District 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 financial 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 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 April 2011 to April 2012 from 38 borrowers.

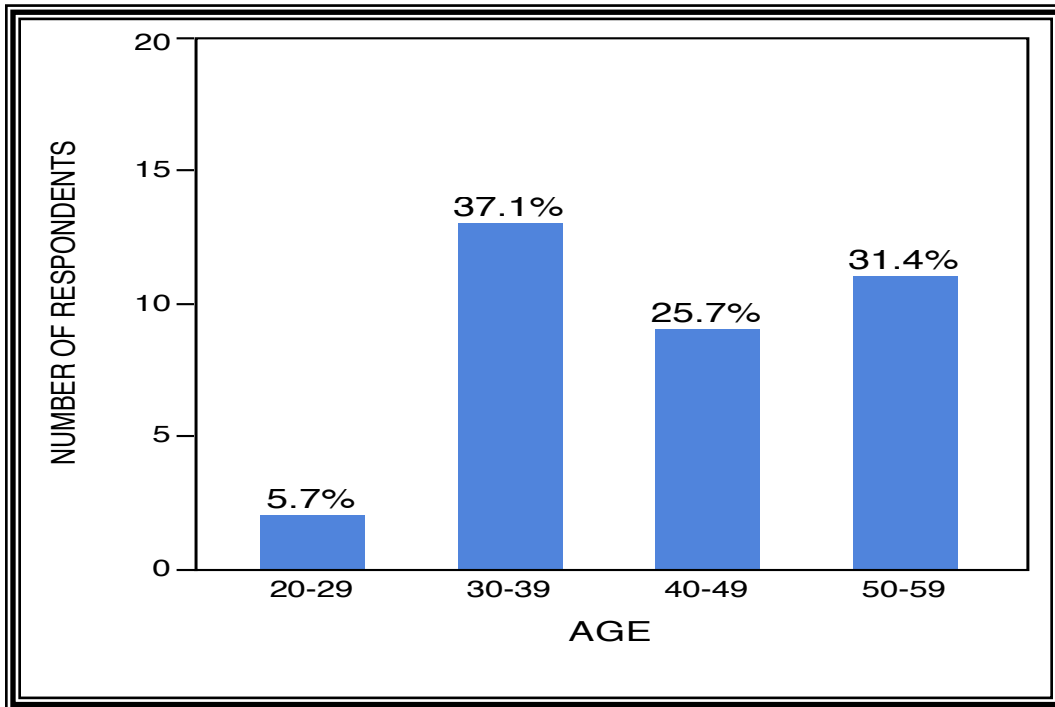


I. BASELINE DATA

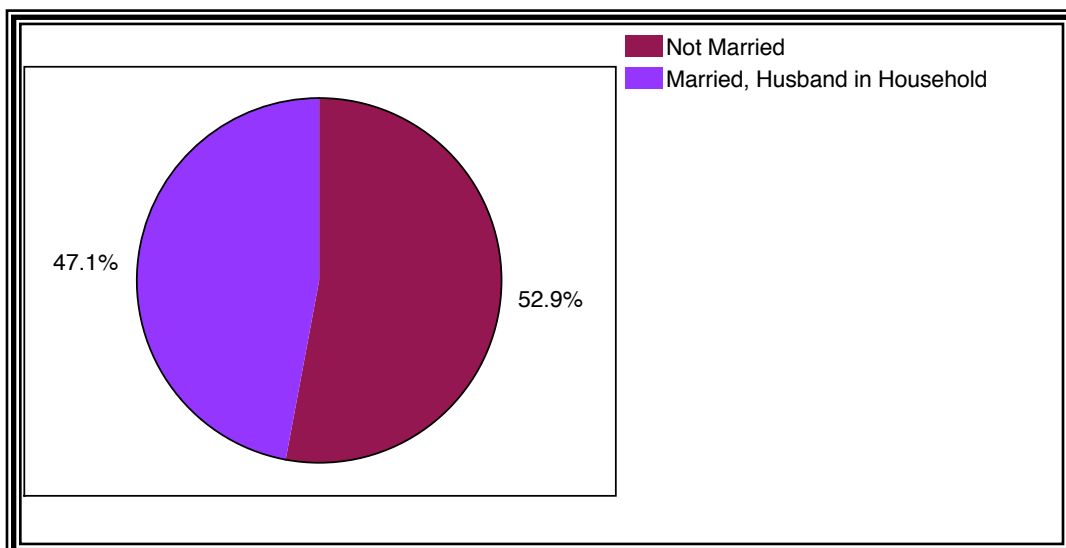
I. BASELINE DATA

A. DEMOGRAPHICS

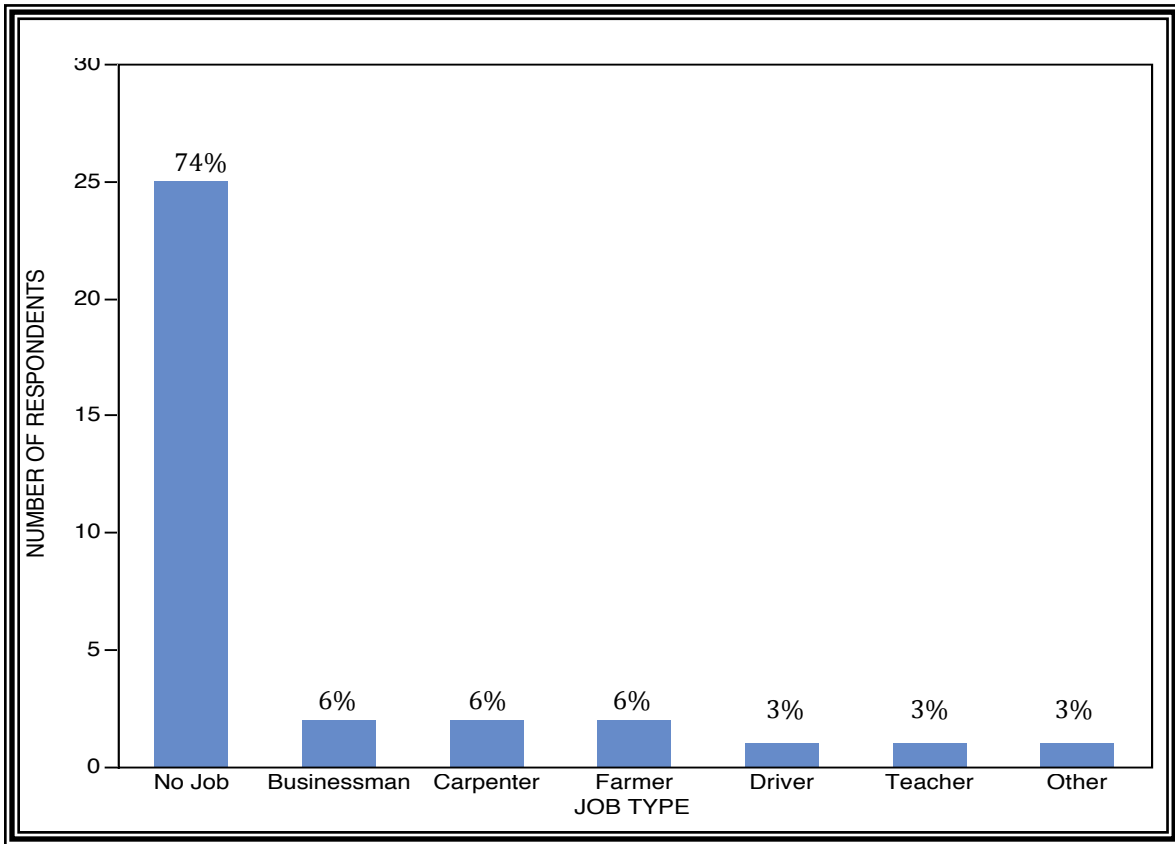
1. **Age Distribution** – Nearly 65% of Borrowers are between the ages of 30 and 50.



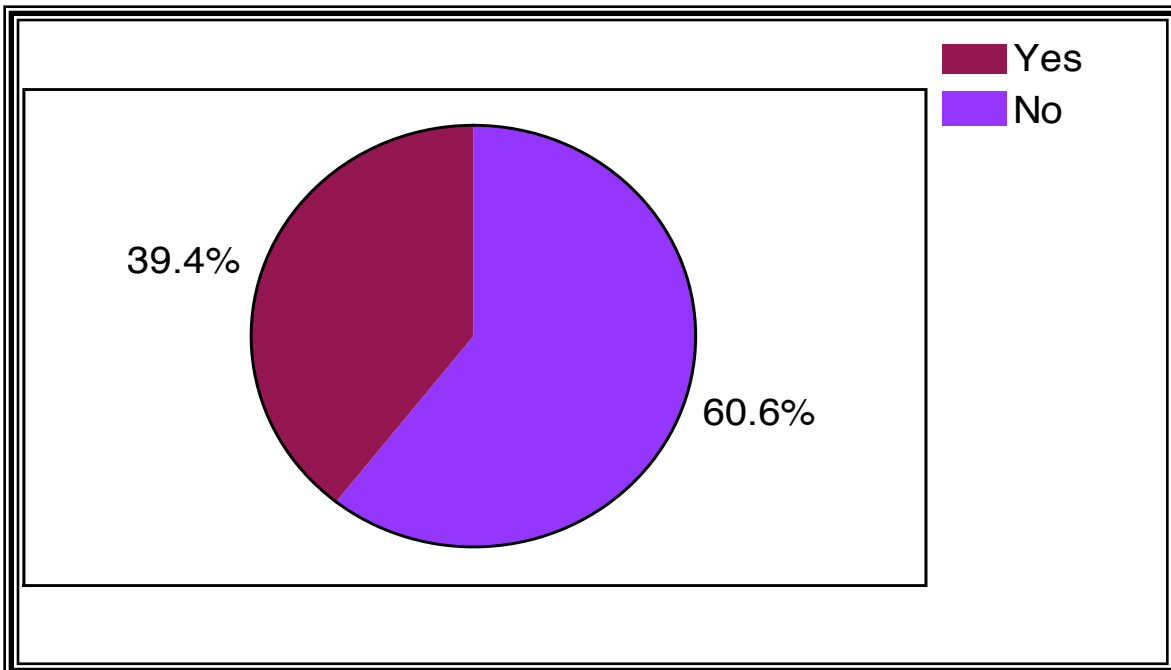
2. **Marital Status & Husband in Household** – More than 50% of Borrowers are not married. All married Borrowers' husbands live in the household.



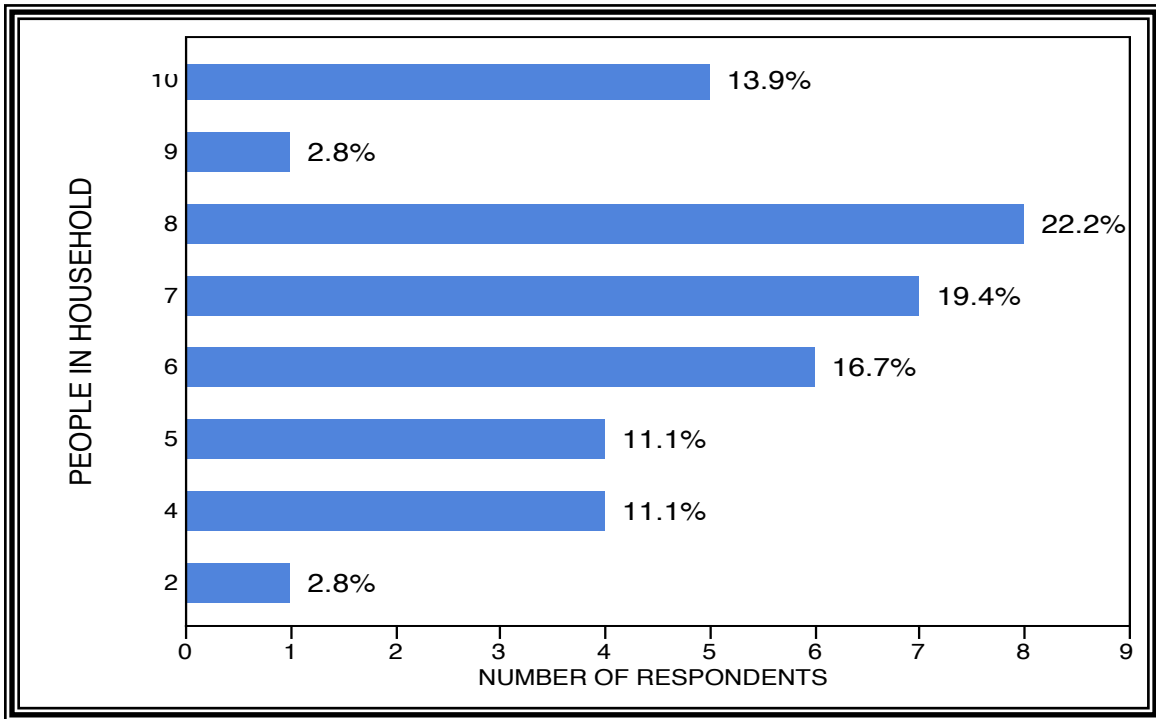
3. Husband's Employment – Nearly 75% of Borrowers report that their husbands do not have jobs.



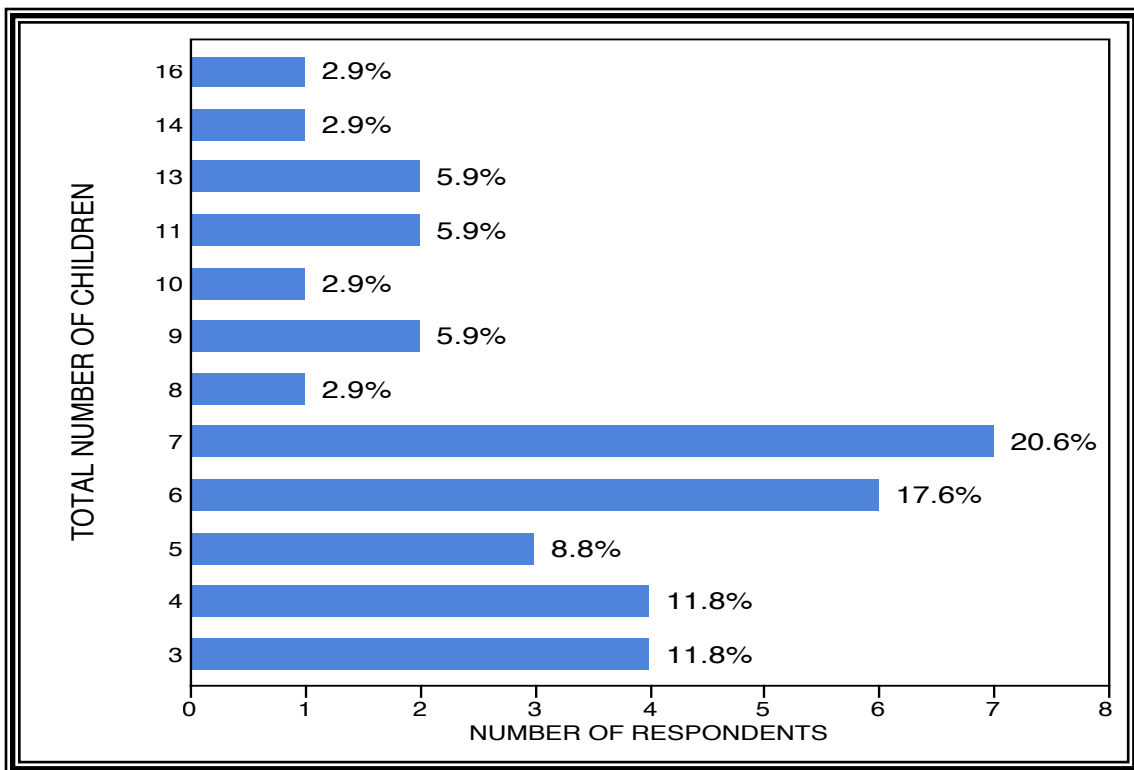
4. Husband's Financial Contribution – 60% of Borrowers report that their husbands do not contribute financially to the household.



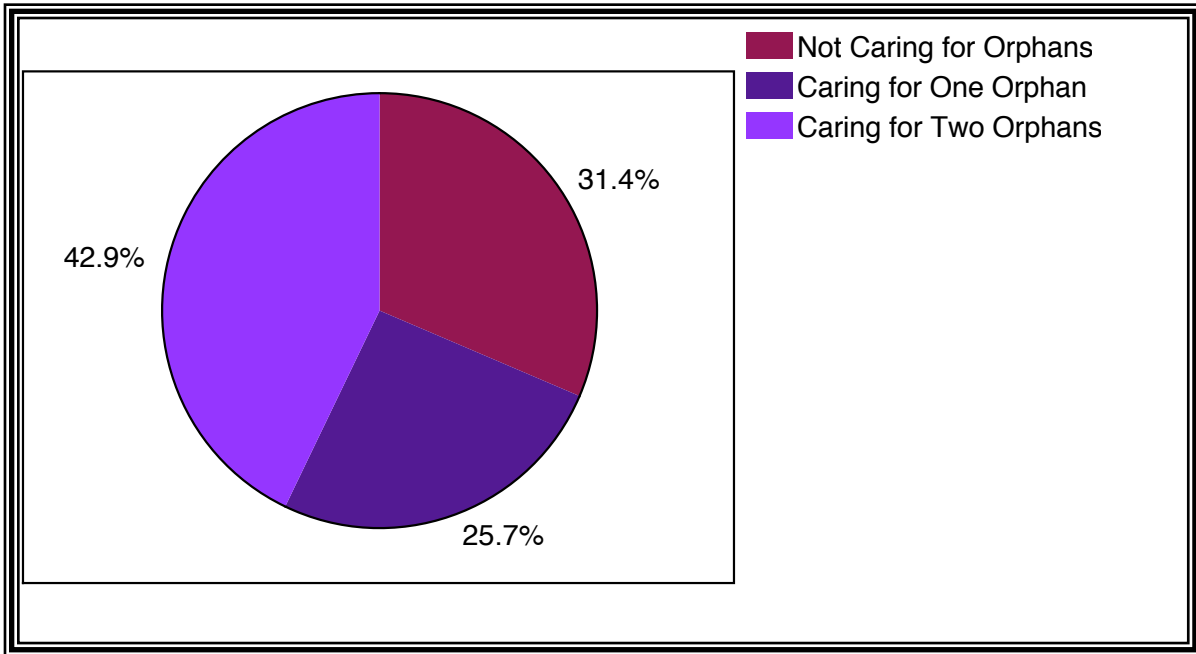
5. People in Household – 75% of Borrowers have six or more people living in their households.



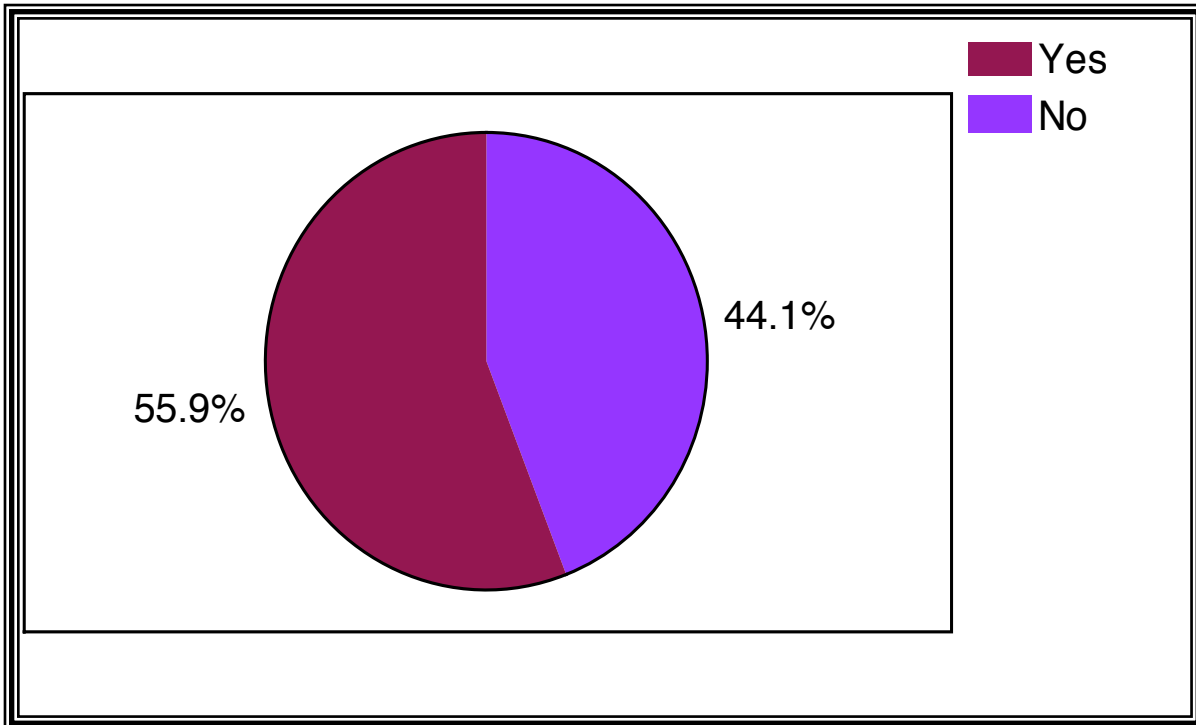
6. Children in Household – Nearly 70% of Borrowers have six or more children living in their households.



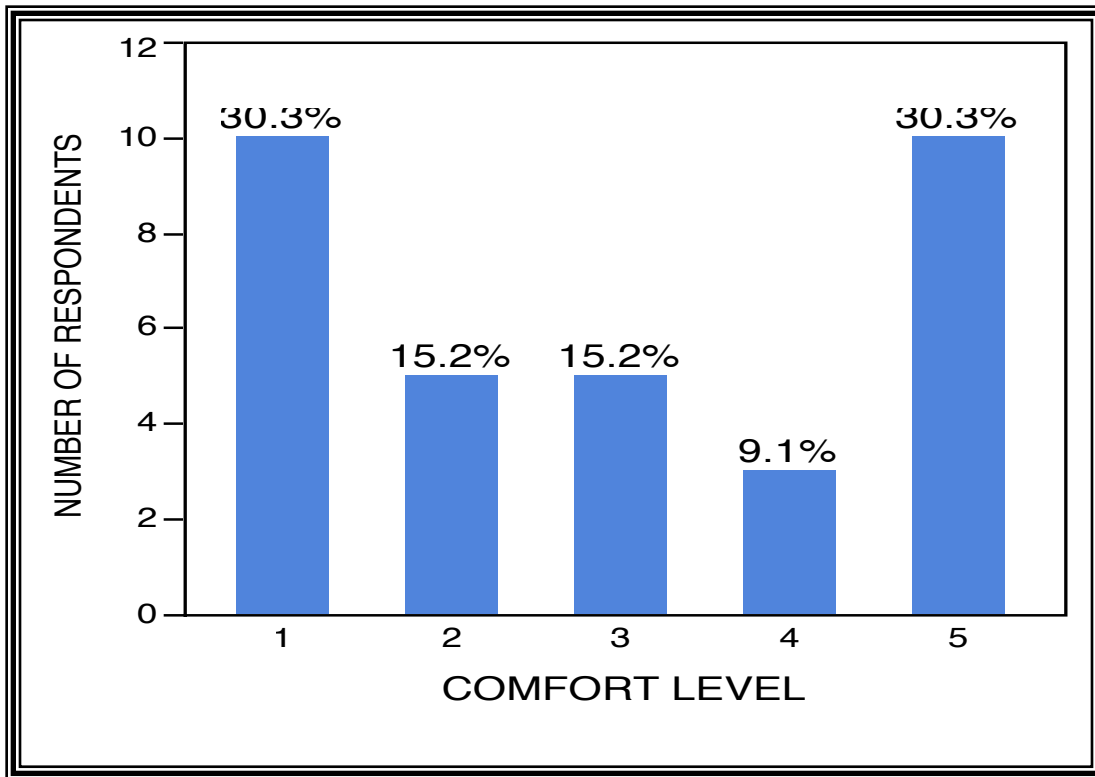
7. Caring for Orphans – Nearly 70% of Borrowers are caring for orphans. HIV/AIDS and other diseases have left many children parentless. It is more common for community members to care for orphans than to consign them to institutions.



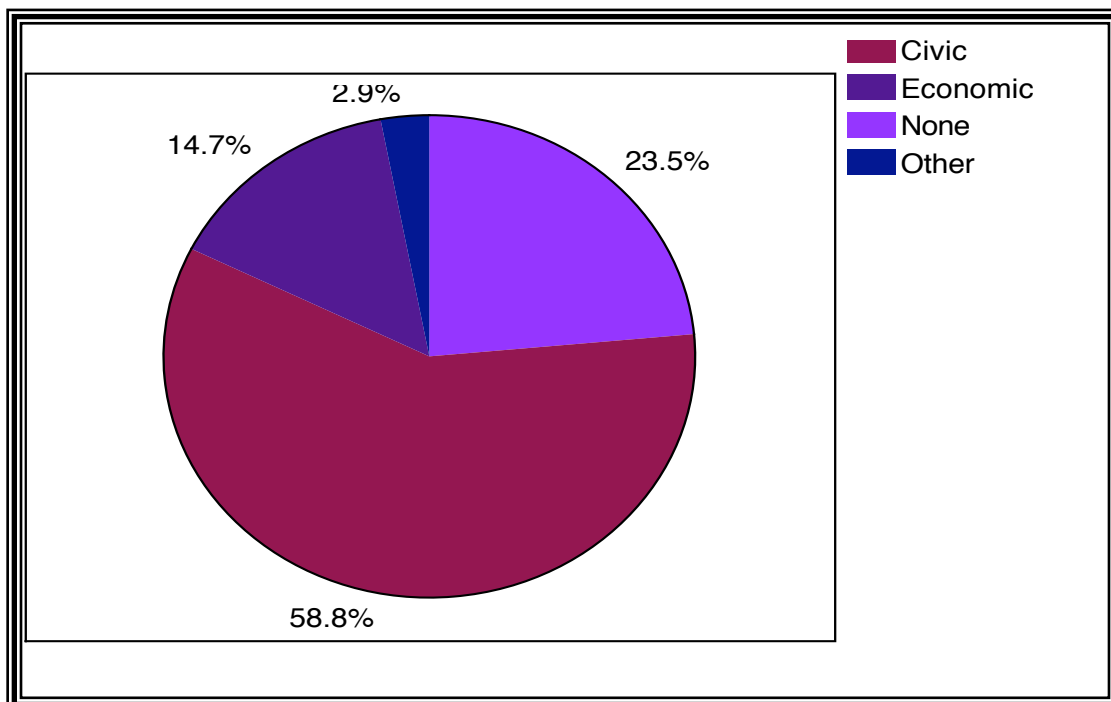
8. Widowed – More than half of all Borrowers have been widowed.



9. Reading & Writing Ability – Over 60% of Borrowers report that they consider their reading and writing skills average or below average (with 1 being the least and 5 being the most comfortable).

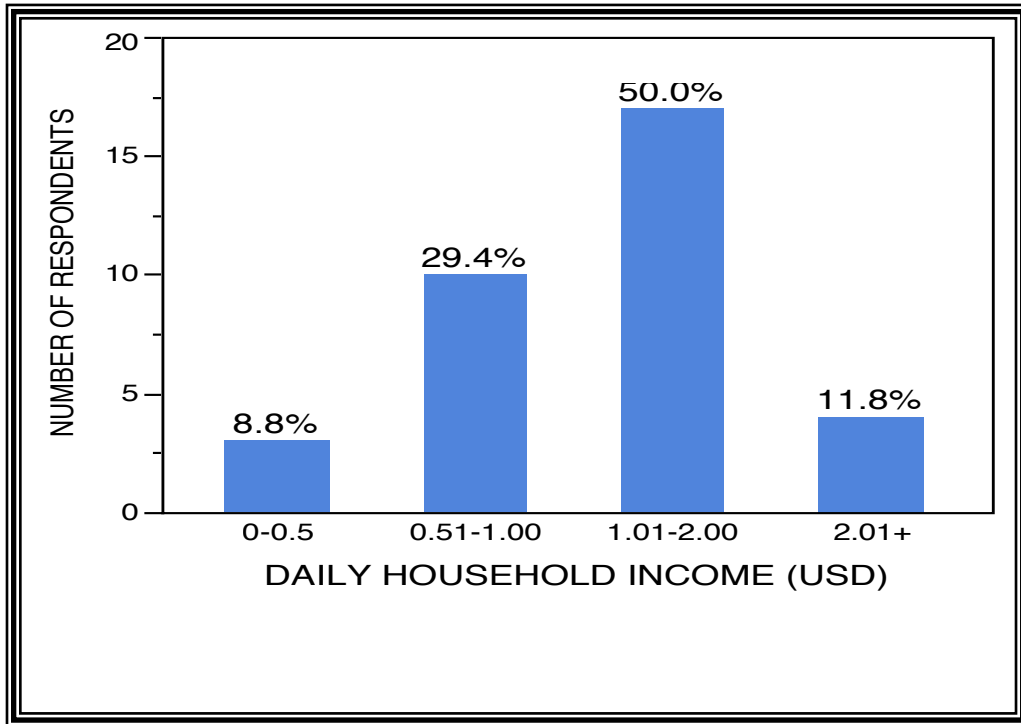


10. Community Involvement – Nearly 80% of Borrowers belong to a community organization.

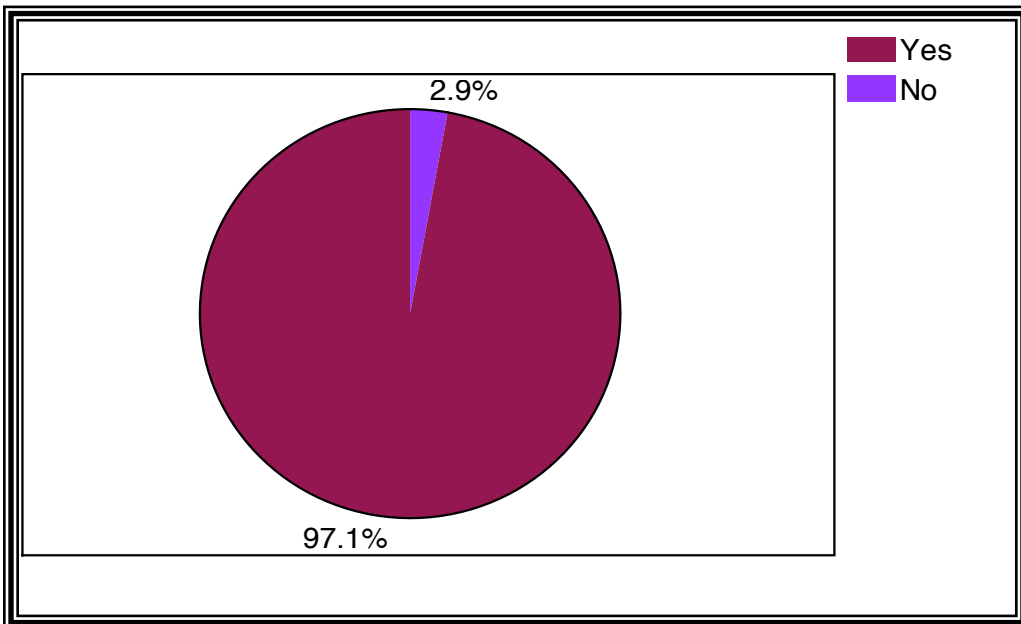


B. STANDARD OF LIVING

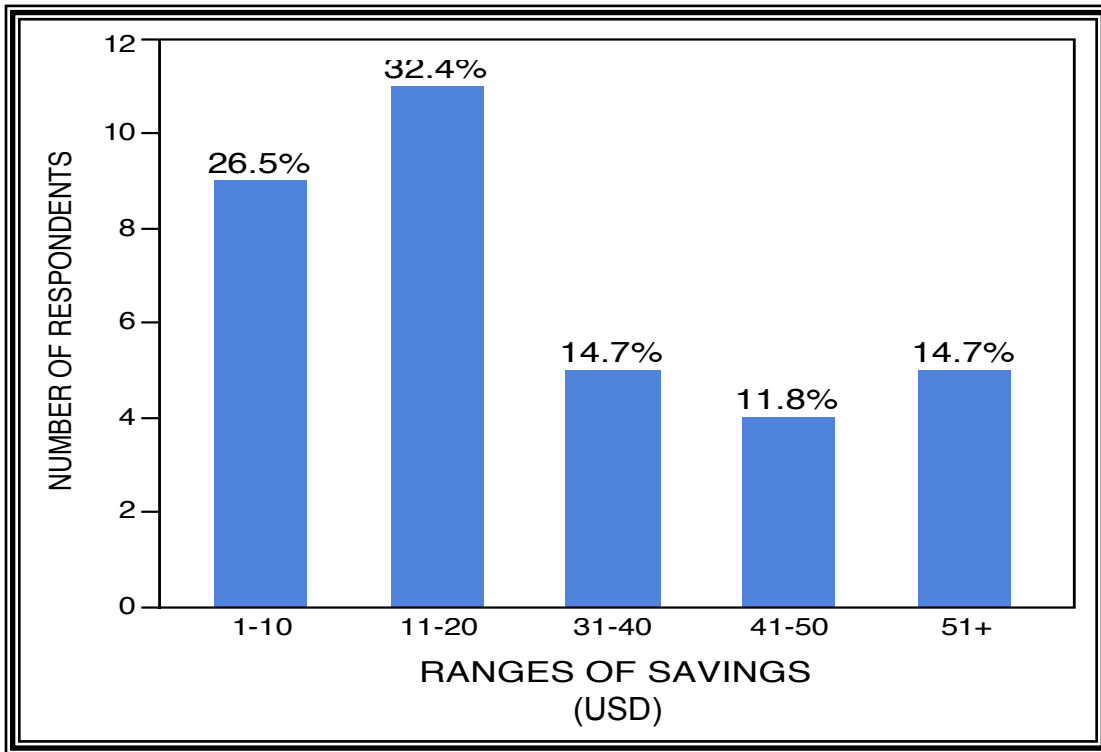
I. **Daily Household Income** – Nearly 90% of Borrowers' **households** subsist on less than \$2/day. The poverty line set by the World Bank is defined as an **individual** subsisting on less than \$2/day. Borrowers' average household size is seven people, meaning that 100% of Borrowers are living below the poverty line.



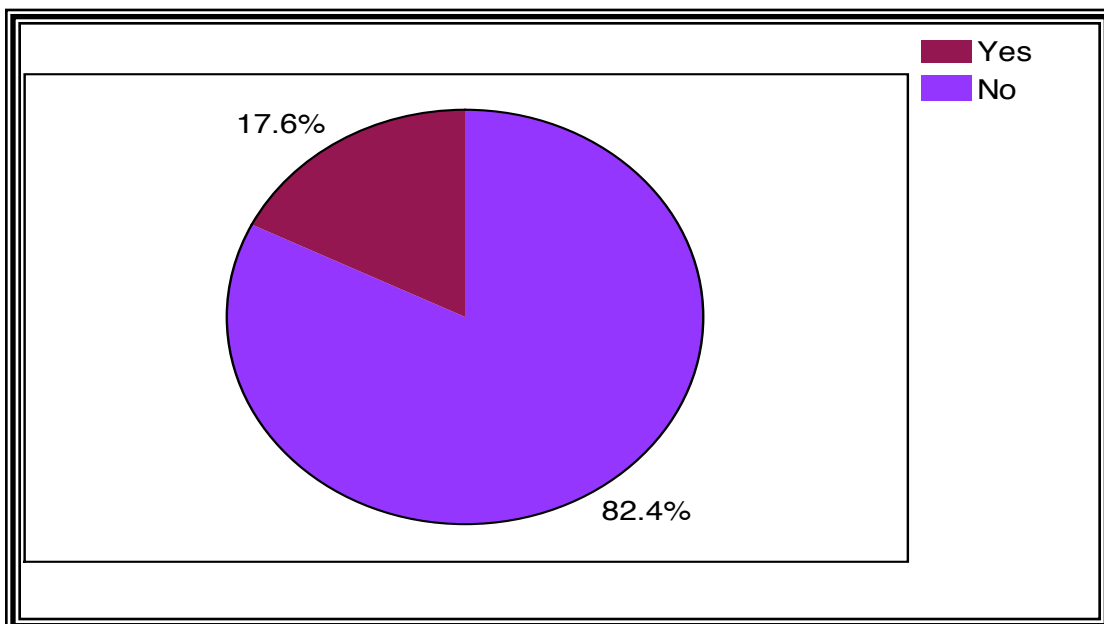
2. **Savings** – 97% of Borrowers have savings, reflecting a strong savings culture.



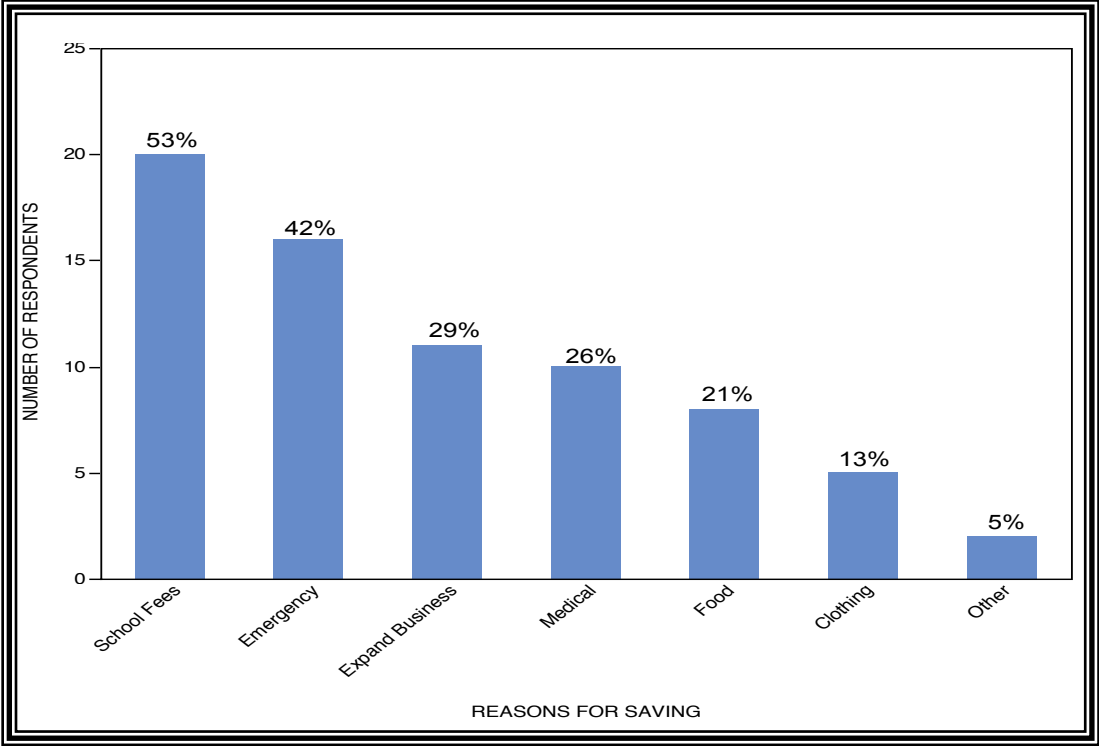
3. Ranges of Savings – Although most Borrowers save, nearly 75% have accumulated less than \$40. Lack of sufficient savings makes it difficult for households to survive medical crises and other emergencies that require financial resources.



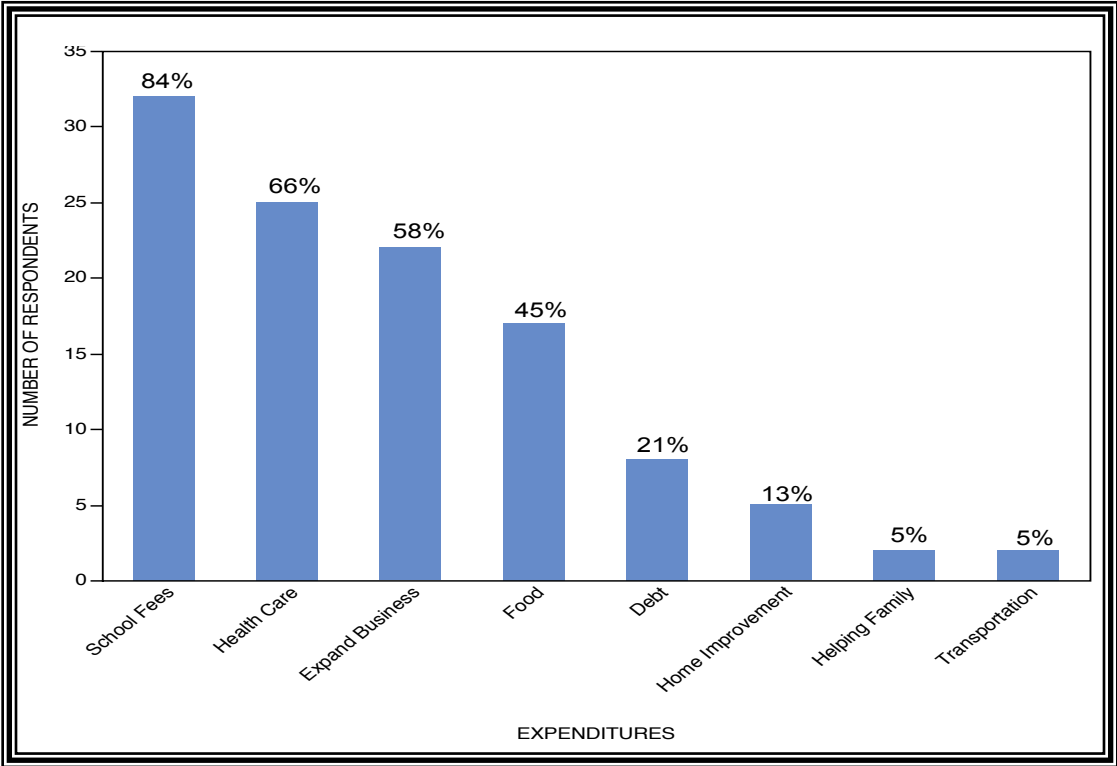
4. Bank Usage – More than 80% of Borrowers do not keep their savings in a bank. Lack of access to conventional banking cripples rural women's ability to operate businesses.



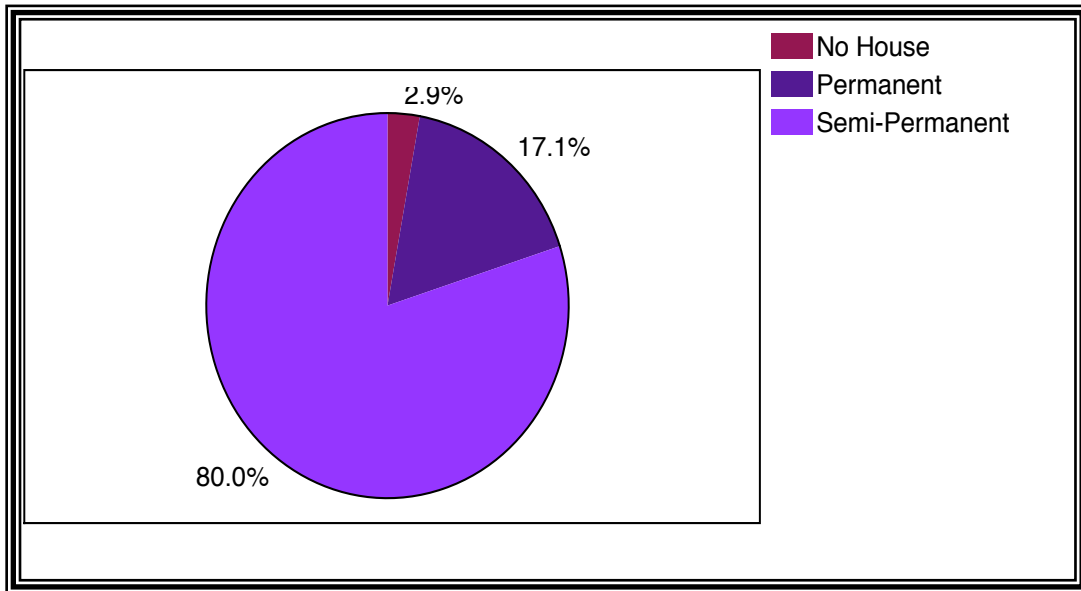
5. Reasons for Saving – The top three reasons that Borrowers save are to pay for school fees, emergencies, and to expand their businesses.



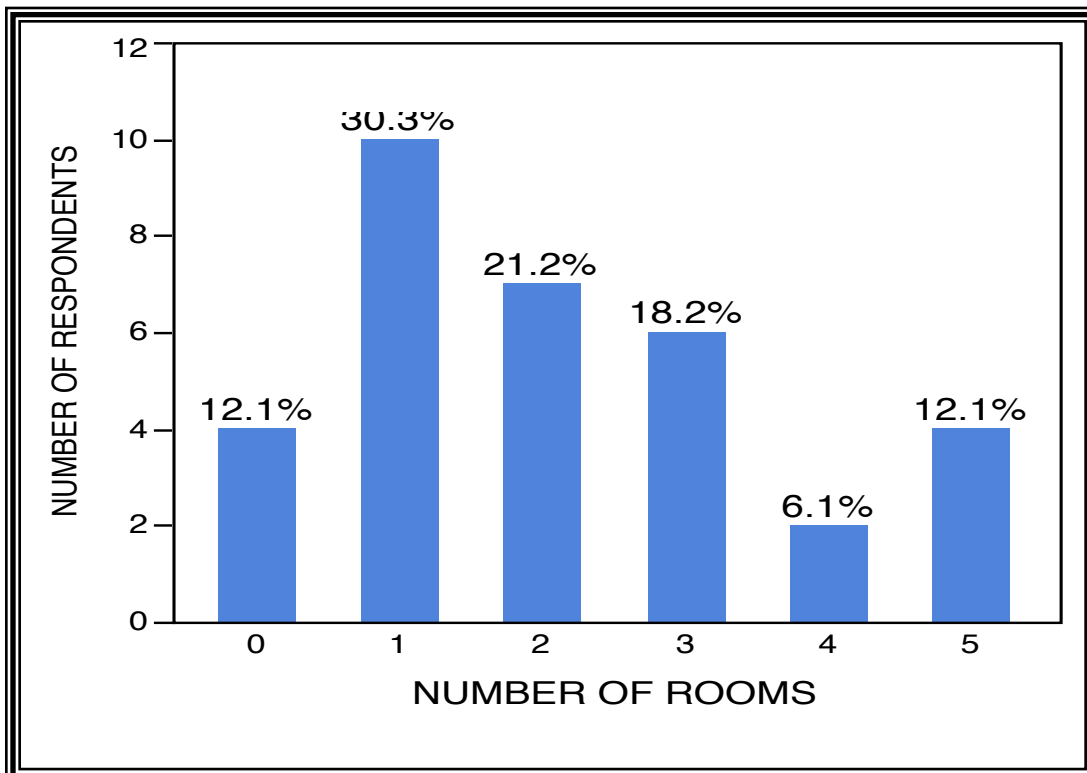
6. Top Expenditures – Borrowers' top three expenditures are school fees, health care, and business expansion.



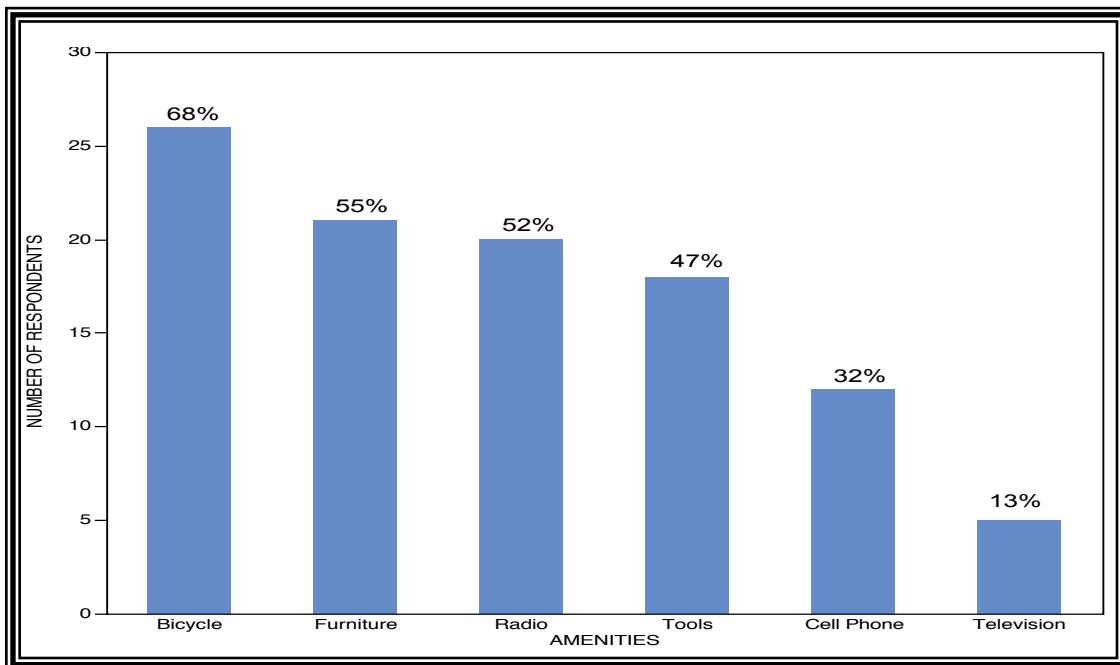
7. Type of House & Ownership – 80% of Borrowers own a semi-permanent house. The floor and walls are constructed of dirt and/or dung, and the roofs are typically tin sheets. More than 70% of Borrowers report owning some land, which can be a farming plot not associated with their homes.



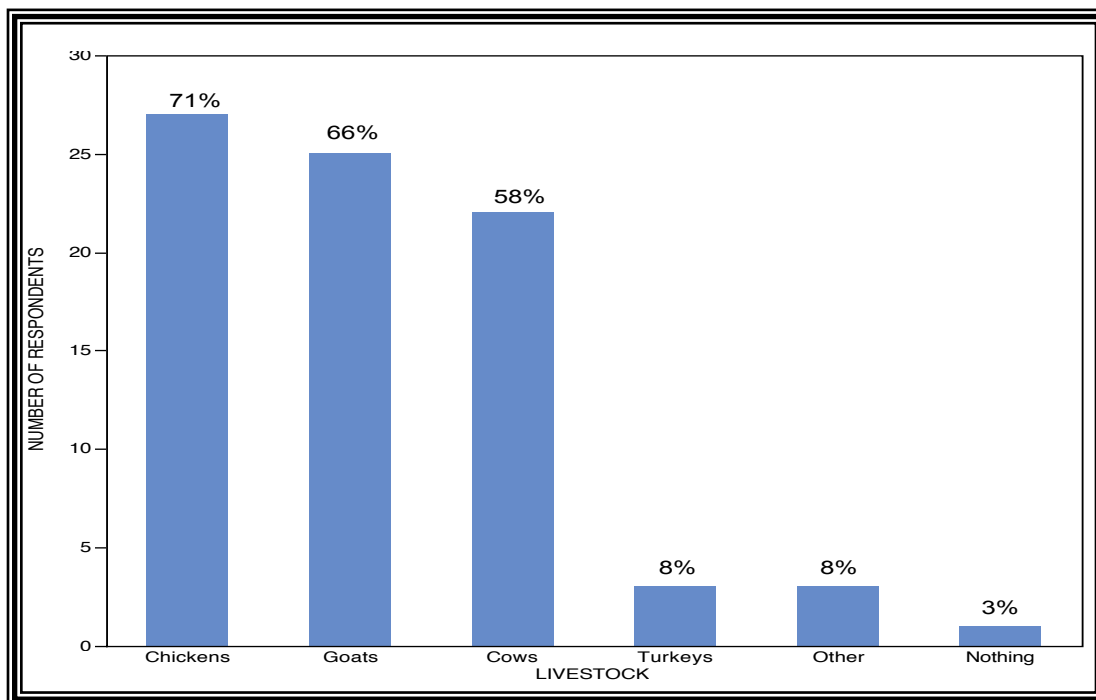
8. Number of Rooms in House – More than 80% of Borrowers live in houses with three or fewer rooms. Kitchens are typically located outside, behind the house.



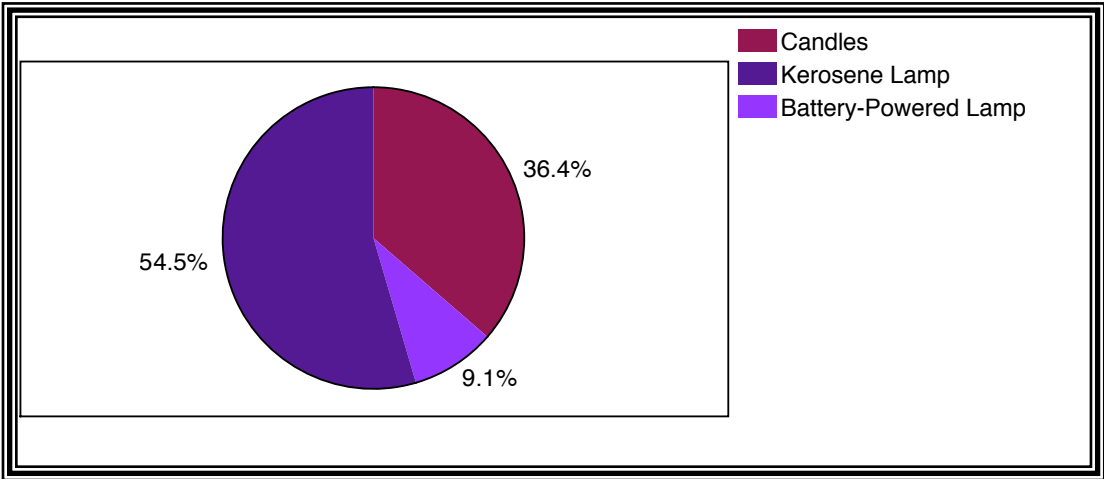
9. Amenities – Many Borrowers have a bicycle, radio, and furniture, while few have a cell phone or television. Cell phone use is becoming more common, even in extremely rural areas. Radios are the predominant medium for the distribution of news and information, and bicycles are the main mode of transportation in rural areas.



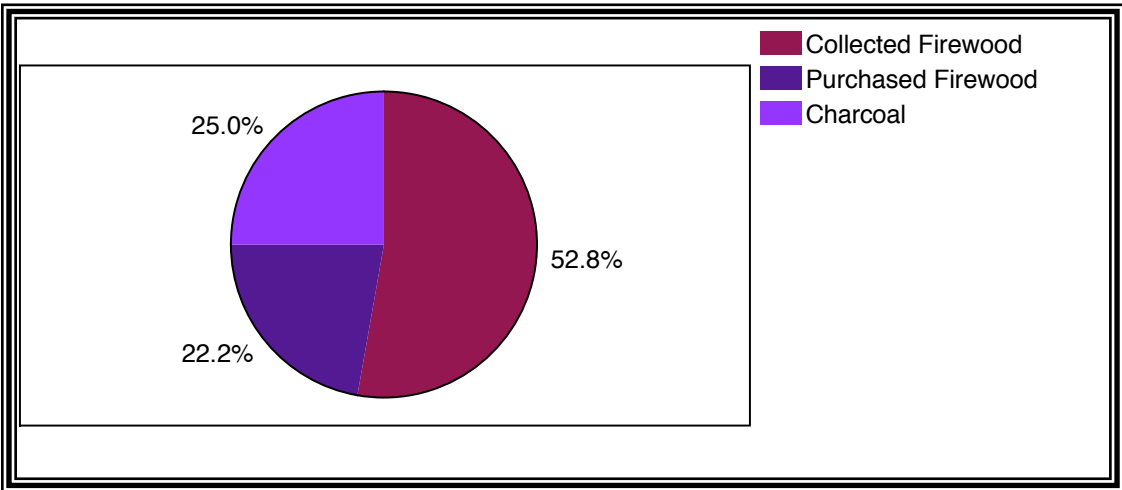
10. Livestock – Nearly all Borrowers have some type of livestock. Chickens are least expensive; however, they are prone to disease. Goats are more expensive, yet disease resistant, and cows are the most desirable livestock because they provide a reliable source of dairy products.



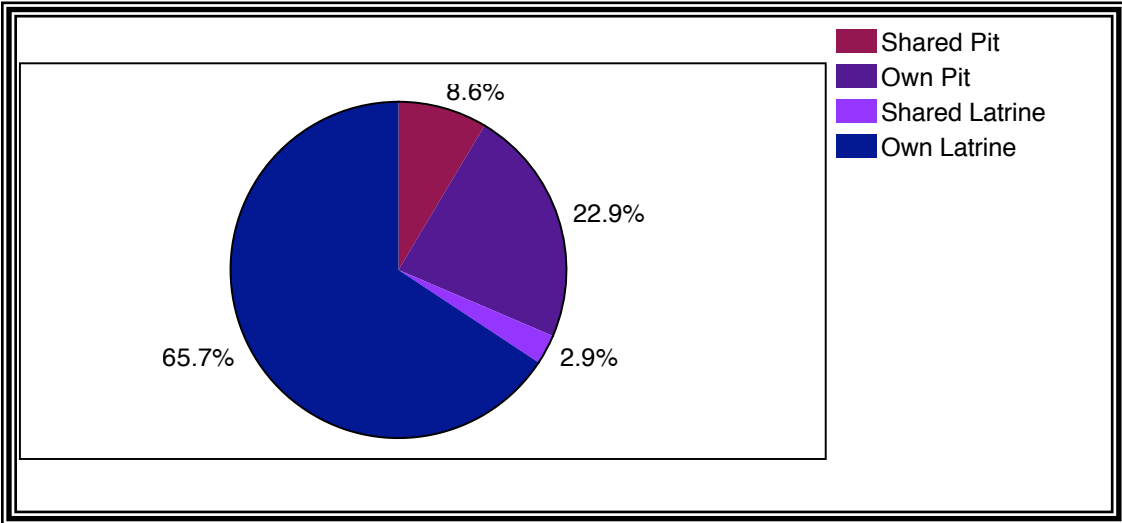
11. Lighting Source – 90% of Borrowers use candles or kerosene lamps as their main sources of lighting.



12. Cooking Fuel – 75% of Borrowers use wood as their cooking fuel.

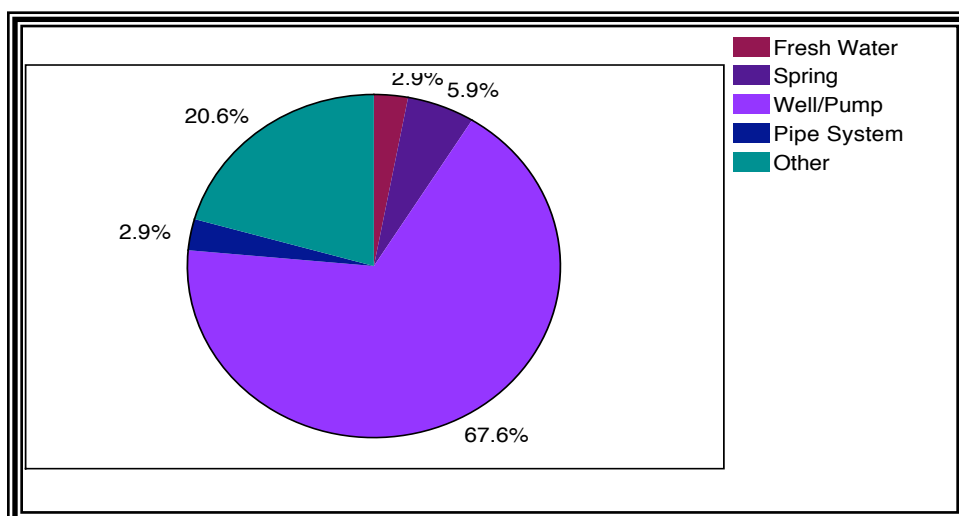


13. Toilet Facilities – More than 65% of Borrowers have their own latrine.



C. FAMILY HEALTH AND WELFARE

1. **Water Source** – Nearly 70% of Borrowers get their water from a well/pump.



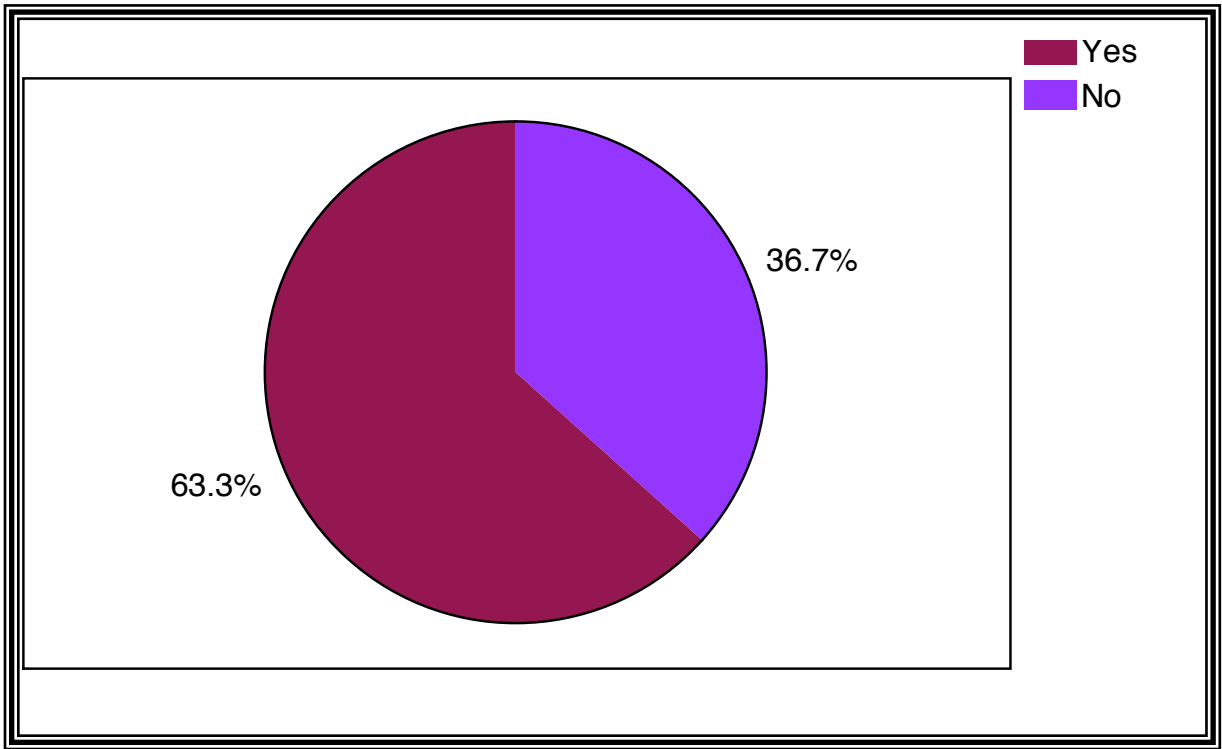
2. Water Safety

How often do you boil your water?	<ul style="list-style-type: none"> 85% never boil their water 8% sometimes boil their water 3% often boil their water 3% always boil their water
On a scale of one to five, with one being very unsafe and five being very safe, how do you rate the safety of your drinking water?	<ul style="list-style-type: none"> 6% give their water a rating of 1 3% give their water a rating of 2 38% give their water a rating of 3 6% give their water a rating of 4 47% give their water a rating of 5

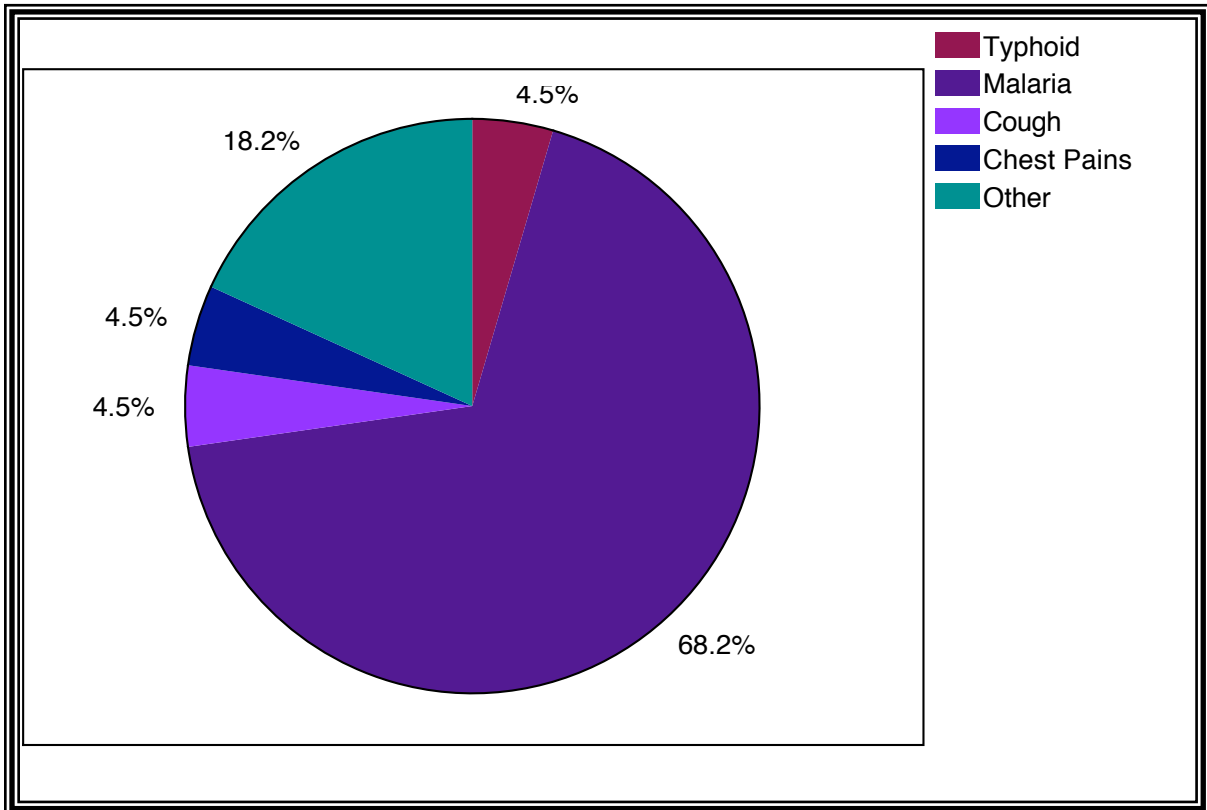
3. Food Consumption

How many meals does your family eat per day?	<ul style="list-style-type: none"> 6% - one meal per day 71% - two meals per day 24% - three meals per day
How many meals per day include food that you grow?	<ul style="list-style-type: none"> 24% - one meal per day 53% - two meals per day 24% - three or more meals per day
How many meals per day include food that you buy?	<ul style="list-style-type: none"> 3% - no meals per day 53% - one meal per day 16% - two meals per day 28% - three or more meals per day
What foods do you eat most frequently?	<ul style="list-style-type: none"> 45% - Beans 29% - Grains 26% - Vegetables
What foods do you buy most frequently?	<ul style="list-style-type: none"> 26% - Beans 13% - Meat 11% - Fish

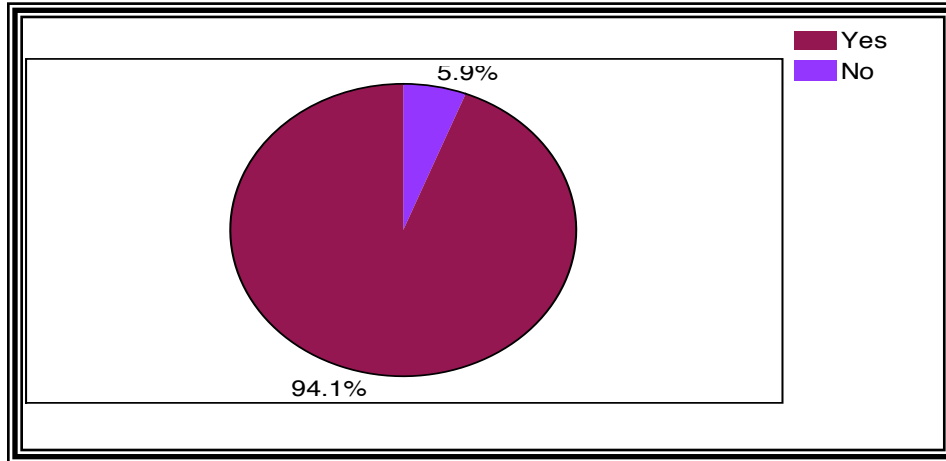
4. Illness in Household – More than 60% of Borrowers report that at least one member of their household is regularly sick and cannot attend work or school.



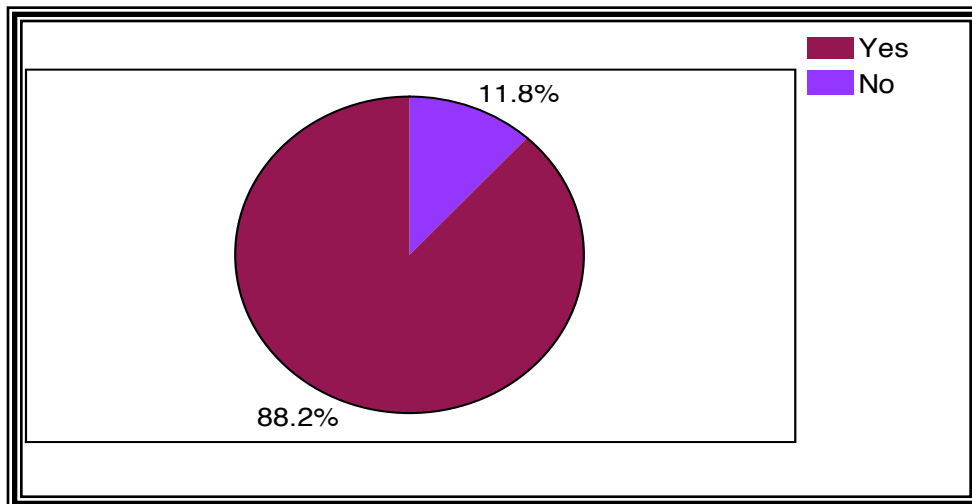
5. Major Illnesses – The most common illness in Borrowers' households is malaria.



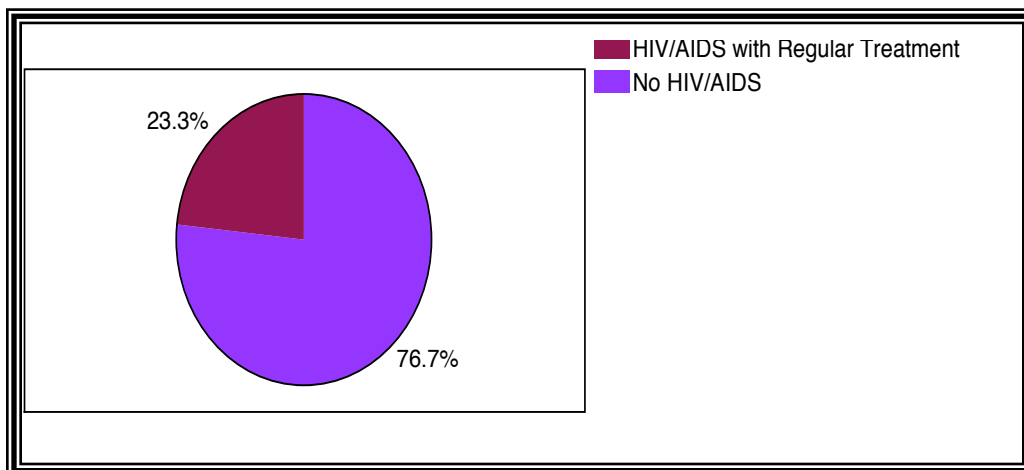
6a. HIV/AIDS Self-Testing – 94% of Borrowers have been tested for HIV/AIDS.



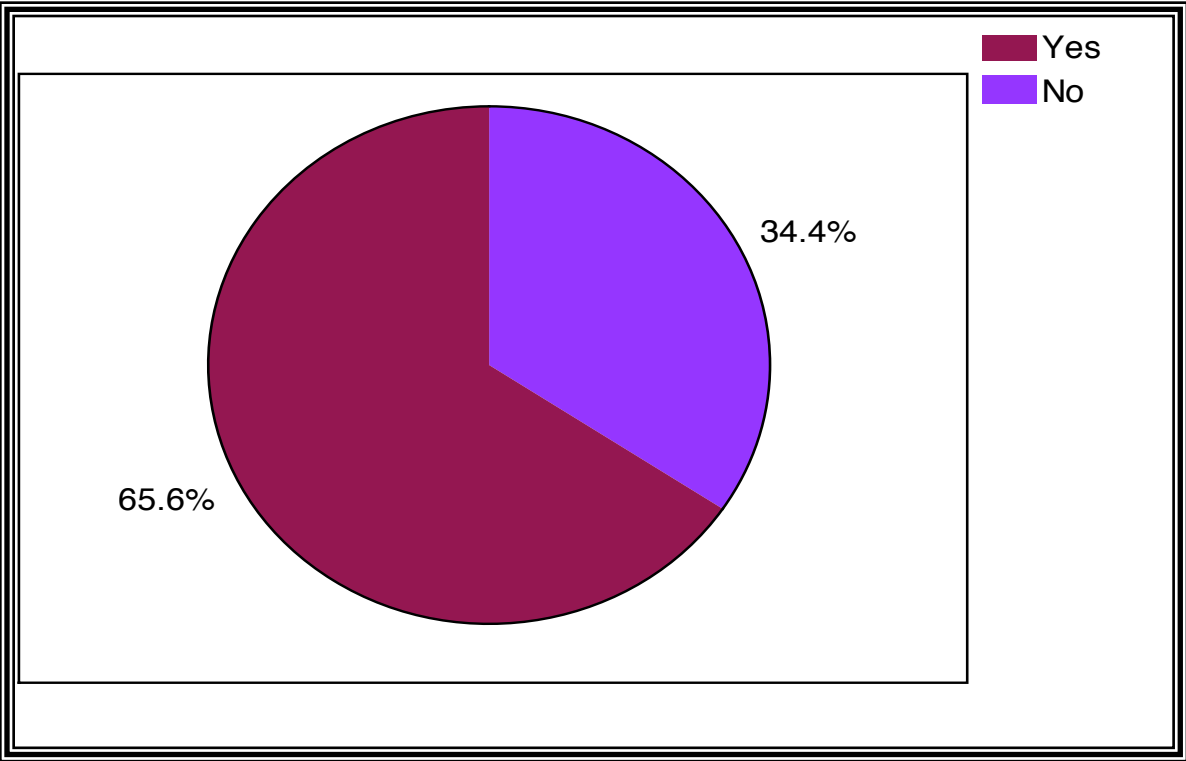
6b. HIV/ AIDS Family Testing – Nearly 90% of Borrowers have family members who have been tested for HIV/AIDS.



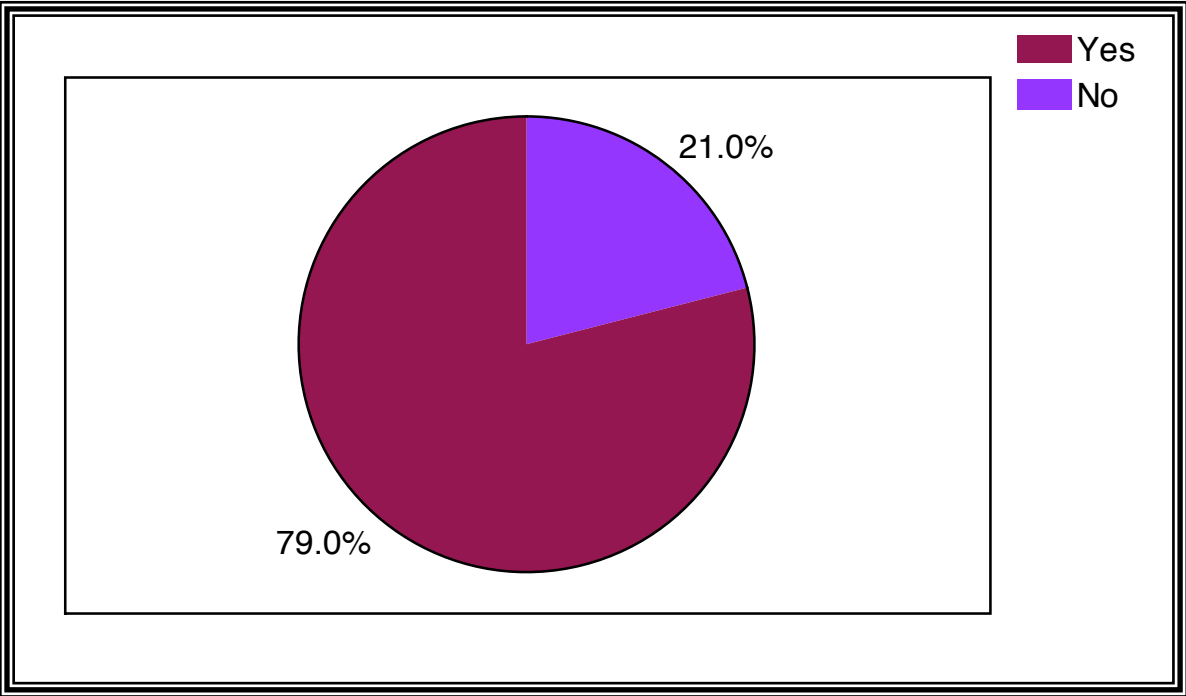
6c. HIV/AIDS Prevalence & Treatment – All Borrowers/family members who have HIV/AIDS receive regular treatment.



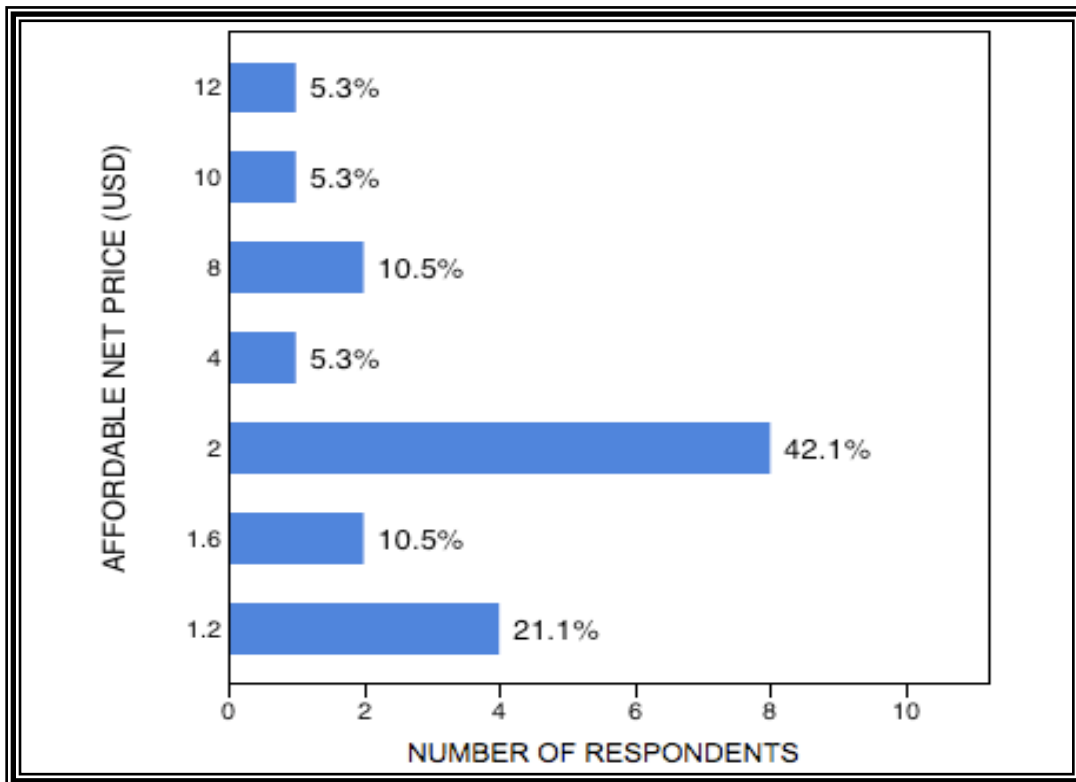
7. Malaria in Household – Nearly 70% of Borrowers reported cases of malaria in their households in the last six months; 38 Borrowers reported 72 cases.



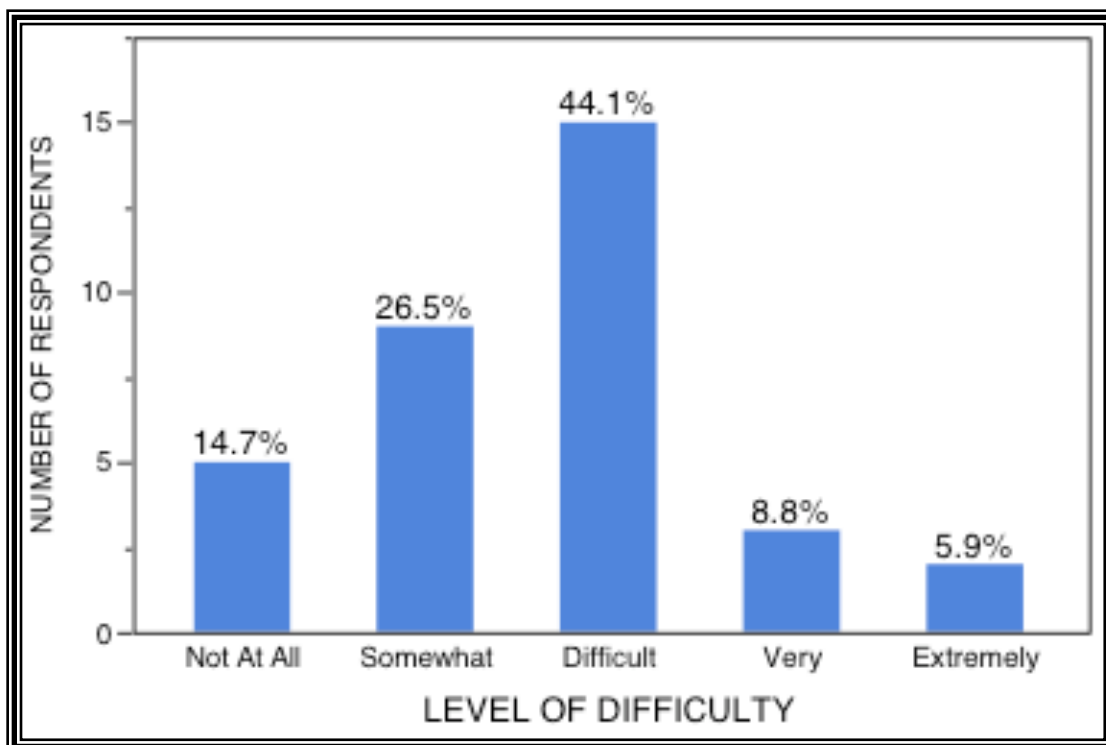
8. Mosquito Nets – 20% of Borrowers report that at least one member of their household does not sleep under a mosquito net.



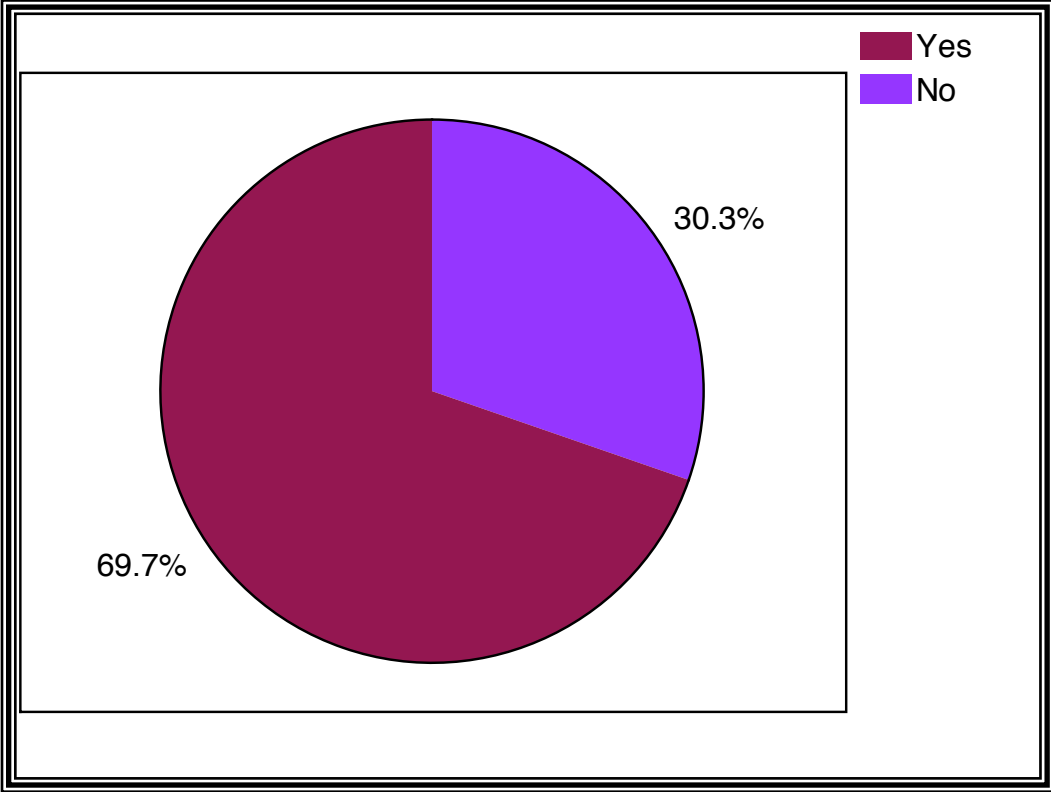
9. **Net Price** – Nearly 75% of Borrowers report that they **cannot** afford to pay more than \$2 for a mosquito net. The average net price is \$5.



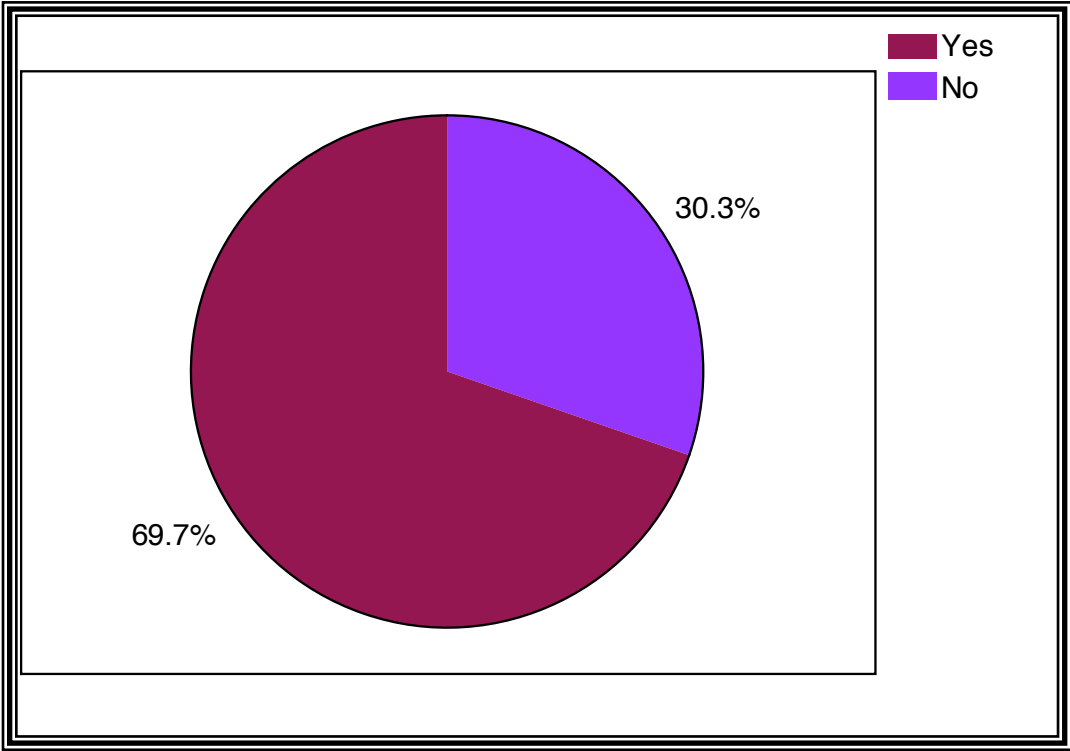
10. **Medical Payment Difficulty**- Nearly 60% of Borrowers find it “difficult”, “very difficult”, or “extremely difficult” to pay their medical bills.



11. **Shoes for Children** – 30% of Borrowers **cannot** provide shoes for all of the children in their household.



12. **Uniforms for Children** – 30% of Borrowers **cannot** provide uniforms for all of the children in their household that attend school.



III . SUMMARY

Demographics

WMI serves a wide range of Borrowers, with most between the ages of 30 and 50. 30% of Borrowers are over 50 and often have more experience in running a business. More than half of WMI Borrowers are not married, and nearly 60% have been widowed at least once in their lifetimes. This is unusual for a WMI village, but can be partly attributed to the 20-year conflict in northern Uganda and devastation caused by the Lord's Resistance Army (LRA) near Gulu, which was an epicenter of the insurgency. The conflict resulted in over 2.5 million internally displaced persons. The prolonged fighting destroyed the local economy. Local villagers are now trying to rebuild their communities. The newly independent South Sudan lacks many goods and services and provides a ready market for nearby Ugandan businesses. Traders on their way to South Sudan buy products in Northern Uganda to resell over the border. This may provide an additional outlet for the business started by WMI borrowers in Gulu.

Out of the Borrowers who are married, 75% of them report that their husbands are unemployed. In a typical household, the wife cares for the home with whatever money her husband gives her, however, 60% of Borrowers report that their husbands do not contribute financially to their households. Typically, households have six to seven people including four to five children. Nearly 70% of Borrowers also care for orphans in their households.

Household Living Standards

Nearly 90% of Borrowers' households subsisted 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 seven people, meaning that 100% of Borrowers were living below the poverty line. While nearly 100% of the Borrowers have savings, 75% of them have accumulated only \$40 or less. Inadequate savings leaves Borrowers and their families unable to survive emergencies that require financial resources. The vast majority of Borrowers do not have access to banks and other formal financial services.

Nearly 80% of Borrowers own a semi-permanent house, which is typically made of mud floors and tin roofs. Only three percent of Borrowers had no livestock. Nearly 60% owned cows, which are the most valuable due to their reliable source of milk. The high percentage of Borrowers who own cows is unusual for a WMI loan hub, and may be the result of international NGOs providing livestock assistance programs to local households. Over 70% of Borrowers own chickens, which are relatively inexpensive, but very susceptible to disease.

90% of Borrowers are still using candles or kerosene as their main lighting source. Nearly 90% have their own household pit or latrine facilities. 70% of Borrowers use wood for cooking fuel. 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 disease. 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.

Family Health and Welfare

More than 60% of Borrowers report that someone in their household is regularly sick and can not attend work or school. Borrowers also report that overwhelmingly the most common illness is malaria with 38 Borrowers reporting 72 cases 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%. Nearly 75% of Borrowers cannot afford to pay more than two dollars for a net, while the average net price is five dollars. 20% of Borrowers have at least one member of their household that does not sleep under a mosquito net.

60% of Borrowers said it was difficult, very, or extremely difficult to pay their medical fees. 30% of Borrowers cannot provide shoes or school uniforms for the children in their families. 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.

HIV/AIDS infection rates are high making testing essential. Fortunately, almost all of the Borrowers have been tested for HIV/AIDS and had family members tested as well. This high percentage of HIV/AIDS testing may be due to the outreach due to the large number of international aid organizations providing services in Gulu. 25% of Borrowers report that someone in their household is HIV positive or has AIDS, but all receive regular treatment. Again, this is a high treatment percentage, which again may be attributed to the high presence of non-profits in the area.

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.