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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 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 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 160 borrowers.
I. BASELINE DATA

A. DEMOGRAPHICS

1. Age Distribution – Nearly 70% of Borrowers are between the ages of 20 and 40.

2. Marital Status & Husband in Household - More than 70% of Borrowers are married with their husbands living in the household.
3. **Husband’s Employment** – Nearly 60% of Borrowers report that their husbands have no job.

![Bar chart showing the percentage of respondents in various job categories.](chart1)

- Cook: 1.3%
- Mechanic: 2.5%
- Farmer: 2.5%
- Teacher: 3.2%
- Carpenter: 4.5%
- Driver: 7.0%
- Businessman: 7.0%
- Other: 12.7%
- No Job: 59.2%

4. **Husband’s Financial Contribution** – More than 55% of respondents reported that their husbands contribute financially to the household.

![Pie chart showing the percentage of respondents who contribute financially.](chart2)

- No: 44.6%
- Yes: 55.4%
5. **People in Household** – Nearly 70% of Borrowers have six or more people in their households.

![Bar chart showing the distribution of the number of people in households.]

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

![Bar chart showing the distribution of the number of children in households.]

7. **Caring for Orphans** – Nearly 40% of Borrowers are caring for one or more orphans. HIV/AIDS and other diseases have left many children parentless. It is more common for people to take orphans into their home than consign them to institutions.

8. **Widowed** – More than 20% of Borrowers have been widowed.
9. Reading and Writing Ability – Nearly 70% of respondents consider their reading and writing skills average or below average with 1 being the least comfortable and 5 being the most comfortable.

![Bar Chart showing reading and writing comfort levels]

10. Community Involvement – More than 90% of respondents belong to community organizations.

![Pie Chart showing community involvement by type]
B. STANDARD OF LIVING

1. Daily Household Income – 100% of Borrowers’ households subsist on less than three dollars/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 six people, meaning that 100% of Borrowers are living below the poverty line.

![Bar Chart]

- **0.50-1.00**: 31.4%
- **1.00-3.00**: 54.2%
- **No Response**: 14.4%

DAILY HOUSEHOLD INCOME

2. Savings – More than 90% of Borrowers have savings, reflecting a strong savings culture.

![Pie Chart]

- **No**: 7.7%
- **Yes**: 92.3%
3. **Ranges of Savings** – Although most Borrowers save, 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** – More than 80% of Borrowers’ savings are not in a bank. Lack of access to conventional banking cripples rural women’s abilities to operate businesses.
5. **Reasons for Saving** – The top three reasons that Borrowers save are school fees, emergencies, and business expansion.

![Bar chart showing reasons for saving: School Fees (62%), Emergencies (40%), Expand Business (27%), Medical Fees, Food, Clothing, Other, N/A.]

6. **Top Expenditures** – Borrowers’ top three expenditures are school fees, food, and business expansion.

![Bar chart showing top expenditures: School Fees (94%), Food (85%), Expand Business (44%), Health Care, Home Improvement, Transportation, Helping Family, Debt.]


7. **Type of House & Ownership** – More than 80% of Borrowers own a semi-permanent house. The houses consist of dirt and dung walls, mud floors, and tin roofs. 95% of Borrowers report owning some land, which can be a farming plot not associated with their home.

8. **Number of Rooms in House** – 90% of Borrowers live in homes with four or fewer rooms. Kitchens are typically located outside, behind the house.
9. **Household Amenities** – Many Borrowers have furniture, a radio, and a cell phone, but few have a bicycle, tools, or a television. Cell phone use has become more common, even in extremely rural areas. Radio is the predominant medium for distribution of news and information.

10. **Livestock** – Many Borrowers have chickens or goats; 26% have no livestock. Chickens are the least expensive livestock but are susceptible to disease. Goats are more expensive but resist disease better. Cows are the most desirable because they provide dairy products.
11. **Lighting Source** – 90% of Borrowers use candles/kerosene as their lighting source.

12. **Fuel Source** – 85% of Borrowers use wood as their cooking fuel.

13. **Toilet Facilities** – Nearly 70% of Borrowers have their own latrine.
## C. FAMILY HEALTH AND WELFARE

1. **Water Source** – More than 60% of Borrowers get their water from a spring or well/pump.

![Water Source Pie Chart](chart.png)

2. **Water Safety**

<table>
<thead>
<tr>
<th>How often do you boil your water before drinking?</th>
<th>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?</th>
</tr>
</thead>
<tbody>
<tr>
<td>• More than 3% never boil their water</td>
<td>• 4% give their water a rating of 1</td>
</tr>
<tr>
<td>• 12% sometimes boil their water</td>
<td>• 1% give their water a rating of 2</td>
</tr>
<tr>
<td>• 22% often boil their water</td>
<td>• 10% give their water a rating of 3</td>
</tr>
<tr>
<td>• 63% always boil their water</td>
<td>• 40% give their water a rating of 4</td>
</tr>
<tr>
<td></td>
<td>• 45% give their water a rating of 5</td>
</tr>
</tbody>
</table>

3. **Food Consumption**

<table>
<thead>
<tr>
<th>How many meals does your family eat per day?</th>
<th>How many meals per day include food that you grew?</th>
<th>How many meats per day include food that you bought?</th>
<th>What foods do you eat most frequently?</th>
<th>What foods do you buy most frequently?</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 4% - one meals per day</td>
<td>• 8% - zero meals per day</td>
<td>• 13% - zero meals per day</td>
<td>• 93% - Beans</td>
<td>• 54% - Beans</td>
</tr>
<tr>
<td>• 24% - two meals per day</td>
<td>• 16% - one meal per day</td>
<td>• 30% - one meal per day</td>
<td>• 71% - Sweet Potatoes</td>
<td>• 32% - Pasho</td>
</tr>
<tr>
<td>• 72% - three meals per day</td>
<td>• 59% - two meals per day</td>
<td>• 35% - two meals per day</td>
<td>• 39% - Pasho</td>
<td>• 32% - Sweet Potatoes</td>
</tr>
<tr>
<td></td>
<td>• 17% - three meals per day</td>
<td>• 22% - three meals per day</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- 93% - Beans
- 71% - Sweet Potatoes
- 39% - Pasho
- 54% - Beans
- 32% - Pasho
- 32% - Sweet Potatoes
4. Illness In Household – Nearly 70% of Borrowers report that at least one member of their house 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 – Nearly 90% of Borrowers have been tested for HIV/AIDS.

6b. HIV/AIDS Family Testing – Nearly 70% of Borrowers have family members who have been tested for AIDS.

6c. AIDS Prevalence and Treatment – Most Borrowers and family members who have HIV/AIDS receive treatment.
7. **Malaria in Home** – Over 50% of Borrowers reported a case of Malaria in their home in the last six months. 159 Borrowers reported 147 cases.

![Pie chart showing 51.0% No and 49.0% Yes for Malaria in Home.](image)

8. **Mosquito Nets** – Nearly 50% of Borrowers report that at least one member of their household sleeps without a mosquito net.

![Pie chart showing 52.0% No and 48.0% Yes for Mosquito Nets.](image)
9. **Affordable Net Price** – Over 98% report that they **cannot** afford to pay more than $4 for a net. The average retail price of a net is $5.

10. **Medical Payment Difficulty** – More than 30% of Borrowers find it “difficult,” “very difficult,” or “extremely difficult” to pay their medical bills.
10. **Shoes for Children** – Nearly 70% of Borrowers cannot afford shoes for all of the children in their households.

11. **Uniforms for Children** – Nearly 60% of Borrowers cannot afford uniforms for all of the children in their households.
II. SIX MONTH LOAN IMPACT DATA

A. BUSINESS OPERATIONS

1. Increases to Daily Income – Before the loan, 0% of Borrowers had a daily household income over $3 per day. Six months later, nearly 50% make more than $3 per day.

2. Monthly Savings – Prior to starting a business nearly 60% of borrowers had accumulated household savings under $20 dollars. Now all Borrowers save on a regular basis with nearly 30% saving over $20/month. Most borrowers report that they are not spending their savings.
3. Recordkeeping Practices – Most borrowers exhibit exemplary recordkeeping practices, maintaining their books on a daily or weekly basis.

4. Who Keeps the Records? – Nearly 75% of Borrowers maintain their business records themselves.
5. **Business Type** – Although businesses evolve over time, most Borrowers begin their business careers by running small shops or selling produce.

![Bar Chart: Business Type](chart1)

- Making Gin: 3%
- Hotel: 9%
- Selling Secondhand Clothing: 18%
- Shop: 19%
- Farming/Selling Produce: 51%

6. **Paid Employees** – After only six months, 12% of Borrowers are employing help in their business, thereby providing jobs for their fellow villagers.

![Pie Chart: Paid Employees](chart2)

- No: 87.9%
- Yes: 12.1%
7. **Family Contributions** – Family members contribute significantly to business operations in a variety of different ways.

![Bar chart showing family contributions]

8. **Most Significant Business Challenge** – The greatest number of Borrowers cited inflation as the most significant business challenge. Inflation leads to increased product costs, making it more difficult to run a business.

![Bar chart showing significant business challenges]
9. Improved Skills and Personal Growth – Operating a business improves Borrowers’ skill sets in many areas.

Business Skills

![Bar chart showing business skills improvement]

Personal Skills Improvement

![Bar chart showing personal skills improvement]

Literacy and Numeracy Skills Improvement

![Bar chart showing literacy and numeracy skills improvement]
B. STANDARD OF LIVING IMPROVEMENTS

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

![Bar chart showing the percentage of respondents with cleaner water, meals improved, better health, more meals, more medical treatment, less malaria, more nets, and more clinic visits.]

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

![Bar chart showing the number of respondents who bought turkeys, goats, chickens, other, cows, cellphone, radio, bicycle, and motorbike.]
3. **Home Improvement** – 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 in the graph below, nearly 30% of Borrowers report upgrading their lighting source.

![Bar Chart](chart1.png)

4. **Land Acquisition** – Nearly 100% of borrowers own land, and 3% chose to purchase additional land.

![Pie Chart](chart2.png)
5. **More Shoes for Children** – Prior starting their businesses, nearly 70% of Borrowers could not provide shoes for all their children. Since starting their businesses, 70% of Borrowers had purchased more shoes for their children.

6. **More Uniforms for Children**– Before starting their Businesses nearly 60% of Borrowers could not provide school uniforms for all of their children. Six months after starting their businesses, 80% of Borrowers had purchased additional uniforms for their children.
III. 12 MONTH LOAN IMPACT DATA

1. Increases to Daily income – Six months after starting their businesses, over 50% of Borrowers made $3/day or less, with only 4.7% making more than $9/day. At 12 months, the number of Borrowers making less than $3/day fell to slightly over 30% while the number of Borrowers making more than $9/day has doubled.

2. Monthly Savings – Six Months after starting their businesses, 30% of Borrowers were saving more than $10/month. After 12 months, 40% save more than $20/month.
3. **Reasons for Saving** – Top reasons for saving are: schools fees, expanding their business, and health care.

4. **Livestock and Household Purchases** – Livestock continues to be the Borrowers’ top purchase. Additionally, 20% of Borrowers purchased land between six and 12 months of receiving their initial loans.
5. **Recordkeeping Practices** - Borrowers continue to exhibit exemplary record keeping practices.

6. **Who Keeps the Records?** – Nearly 75% of Borrowers maintain their records themselves.
7. **Family Help** – There is a very high rate of family participation in the businesses.

8. **How Families Help**
9. **Paid Employees** – The number of Borrowers hiring employees rose from 12 to 22 percent between six and twelve months.

10. **Most Significant Business Challenges** – Inflation continues to be the most significant business challenge.
11. **Business Strategies** – Borrowers adopt a number of strategies to optimize business performance.
12. Improvements in Skills & Personal Growth

Business Skills Improvements

- Marketing 92%
- Problem Solving 83%
- Budgeting 81%
- Negotiating 81%
- Record Keeping 69%

Personal Skills Improvements

- More Determined 97%
- More Confident 88%
- More Resourceful 85%
- More Reliable 81%
- More Organized 81%

Literacy & Numeracy Skills Improvements

- Reading 5%
- Writing 5%
- Arithmetic 10%
13. **Health and Nutrition Improvements** – At 12 months, a vast majority of Borrowers continue to improve the health and nutrition in their households.

![Bar Chart](chart1.png)

- Meals Improved: 93%
- Better Medical Treatment: 92%
- More Meals: 90%
- More Mosquito Nets: 81%

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

![Bar Chart](chart2.png)

- Very Difficult: 1.8%
- Average: 16.1%
- Easy: 35.7%
- Very Easy: 46.4%
IV. BORROWER NARRATIVES

1. Has your loan made your life better?
   - “Business has changed my way of living.”
   - “I am now healthy looking and I have self esteem.”
   - “It changed the way of living from good to better.”
   - “I have bought for myself a goat from which I will get some milk.”

2. How has your business had a positive effect on your family?
   - “I can now manage to support my family and buy shoes, medical care, food and other needs.”
   - “I can now support and help my family without waiting for my husband.”
   - “I managed to buy land, goat and a hen for my family.”

3. Are you happier since getting your last loan?
   - “I am happy because I am able to buy food for the family and paying school fees in time and I have hope that my business will continue to grow.”
   - “Whatever I have is because I have this loan. I am happy I got it.”
   - “I have a happy mood and I look like a lady now.”
   - “It keeps me happy and famous in the village.”

4. Have you seen any changes in your village because of the program?
   - “Women are active and so cooperative.”
   - “People receive services nearer.”
   - “Women are advisors, active, and so cooperative in the village.”
V. SUMMARY

Demographics

WMI serves a wide range of Borrowers, with most between the ages of 30 and 50. Older Borrowers often have more experience in running a business and frequently have connections in local villages. More than 70% of Borrowers are married, with nearly all of their husbands living in the household. More than half of the Borrowers report that their husbands help with the businesses. Husbands living in the household are able to provide emotional and economic support, creating a more stable environment for business operations. Businesses where the entire family is involved typically have a higher success rate. Typically households have six to seven people, including four to five 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

Prior to starting a business, 100% of Borrowers’ households subsisted on less than $3/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 six people, meaning that 100% of Borrowers were living below the poverty line. Six months after entering the loan program, nearly 50% of Borrowers reported making more than $3/day. After 12 months, the number of Borrowers making more than $3/day grew to nearly 70% while the number of Borrowers making more $9/day doubled to nearly 10%. Prior to entering the loan program, only 40% of Borrowers had accumulated household savings over $20 dollars. 12 months after starting their businesses, all Borrowers saved on a regular basis, with nearly 40% saving more than $20/month. When entering the loan program the vast majority of Borrowers do not have 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 a mud floor, dirt and dung walls, and a metal roof. Most houses have three rooms. Meals typically consist of beans, sweet potatoes and pasho (a paste made of maize, flour and water). 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 kerosene lamps and have a dedicated pit or latrine as their toilet facilities.
After entering the loan program, Borrowers almost uniformly report more and improved meals and an increase in purchases of livestock, such as chickens and cows. They also reported home improvements like furniture and radios.

**Family Health and Welfare**

When entering the loan program, 70% of Borrowers reported that at least one member of their family was regularly sick and could not attend school or work. All Borrowers reported at least one case of malaria in their house in the last six months. After receiving their loans, Borrowers reported fewer cases of malaria in their households, increased net purchases, and more and better access to medical care. 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%.

85% of Borrowers and 70% of Borrowers’ families 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.

Before entering the loan program, Borrowers were not able to provide shoes and uniforms for all of the children in their households. After six months, 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. 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, determined, and self-confident since entering the loan program. Many 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.