

**WMI FACT BOOK: Loan Program Data**  
**Bududa District (Konokoyi) 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 over 5,000 loans in nearly 500 villages in Uganda, Kenya and Tanzania.



## METHODOLOGY

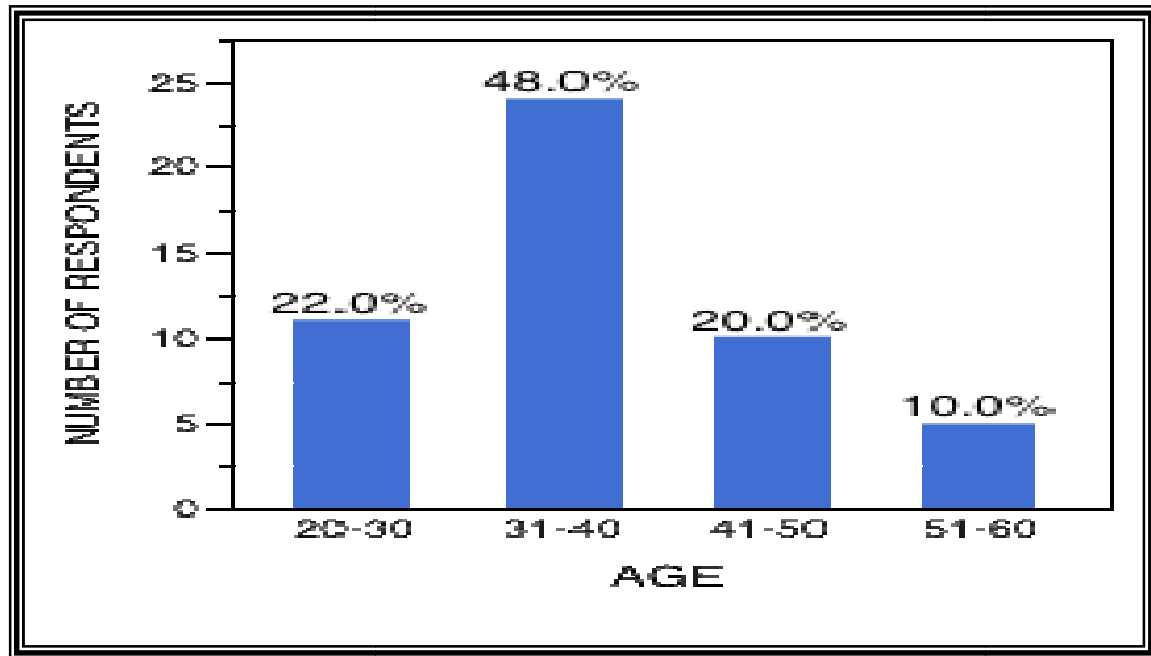
- Olive Wolimbwa, WMI's Local Director in Buyobo, Uganda, supervises overall loan issuance and data collection, with help from WMI's Assistant Local Director Jackline Namonye.
- Using a loan application and baseline survey, WMI collects borrower data when a new loan is issued.
- WMI administers a borrower 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 July 2011 to July 2012 from 62 borrowers.



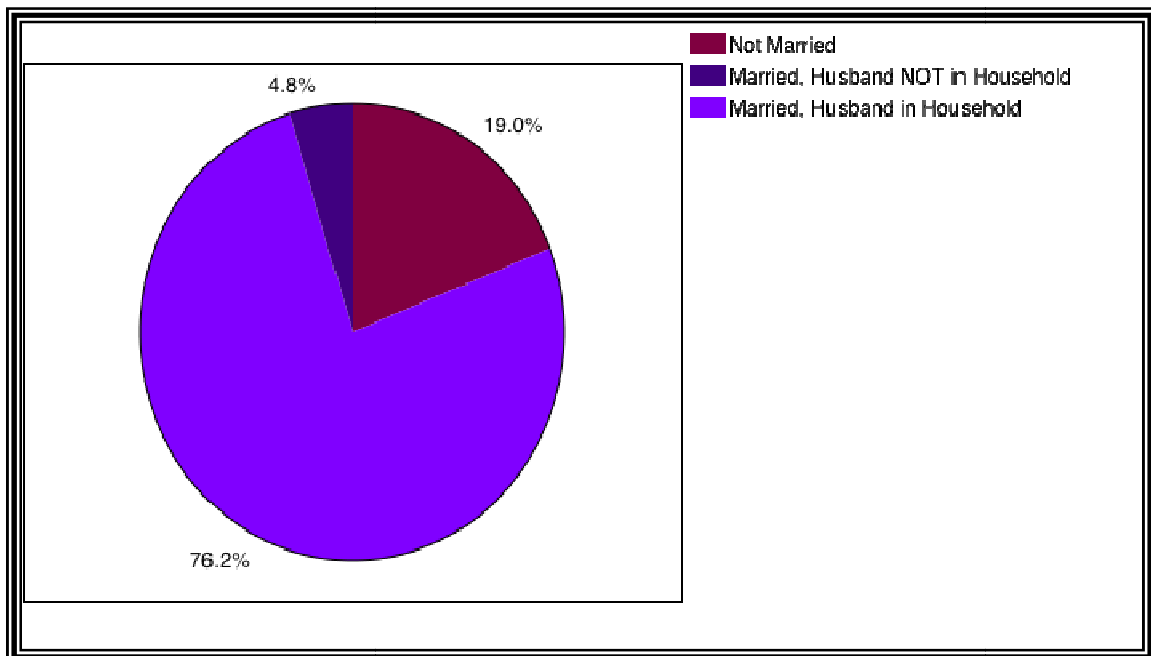
## I. BASELINE DATA

### A. DEMOGRAPHICS

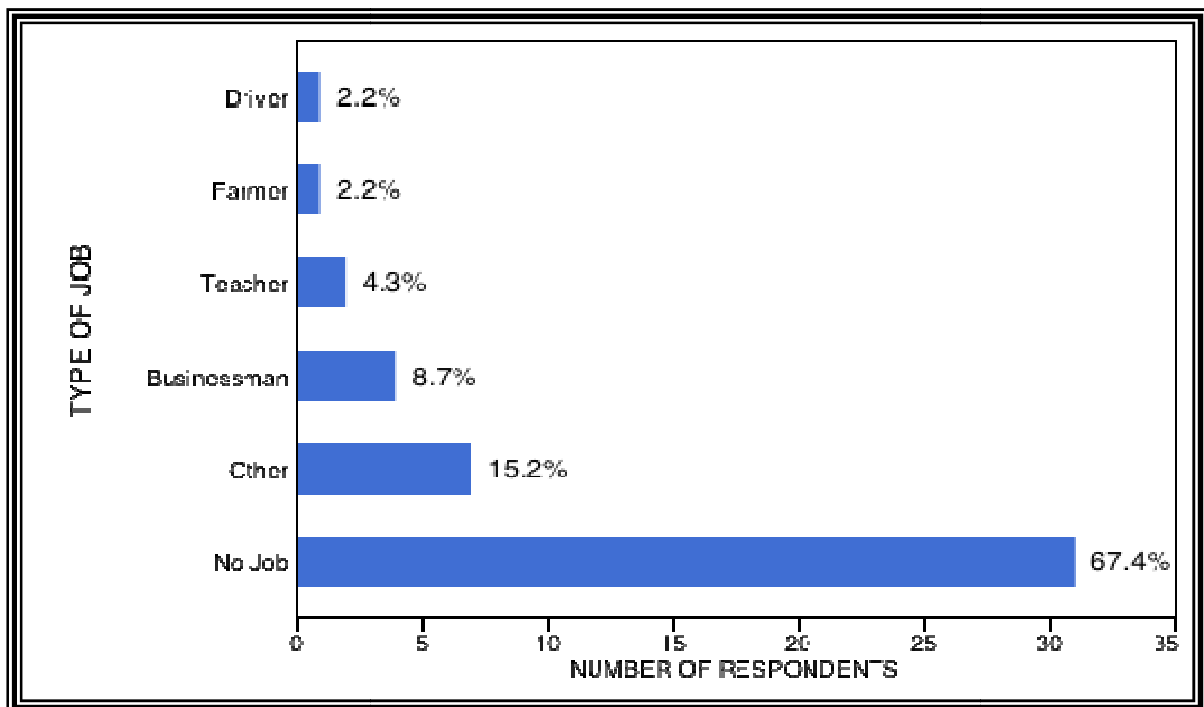
1. **Age Distribution** – Nearly 70% of Borrowers are between the ages of 30 and 50.



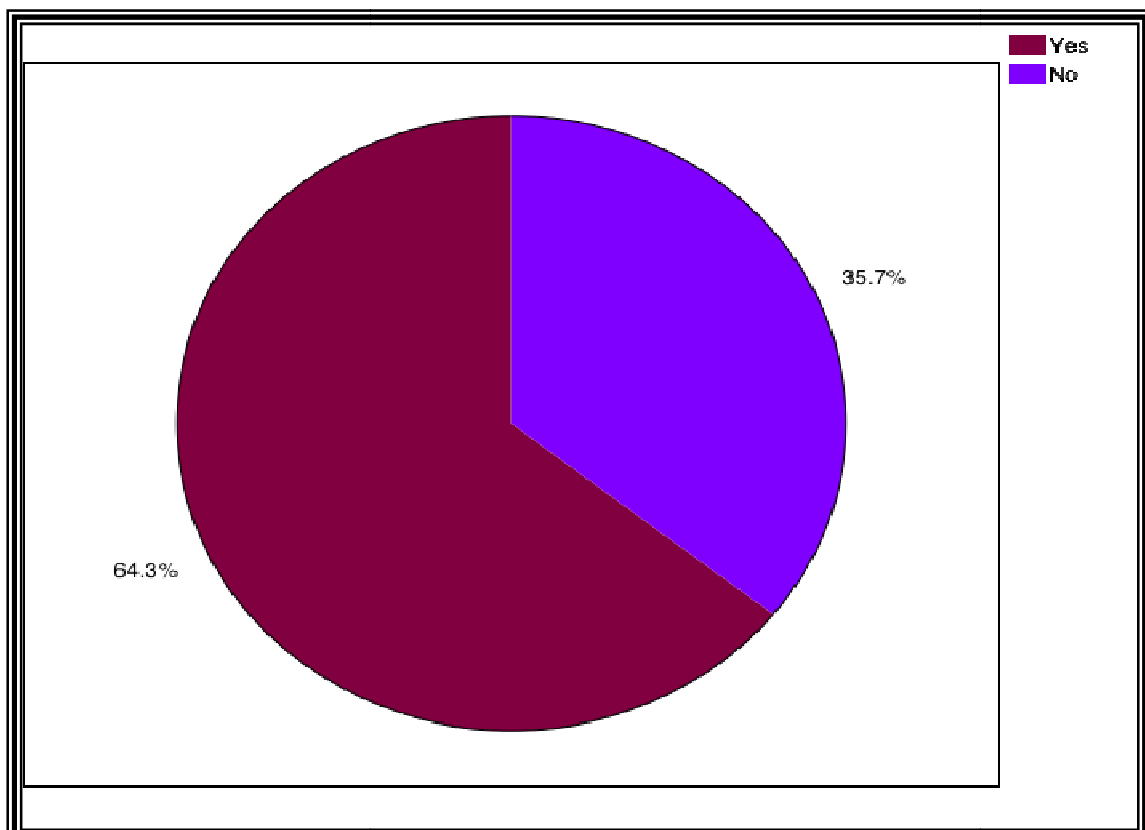
2. **Marital Status & Husband in Household** – More than 75% of Borrowers are married with their husbands living in the household.



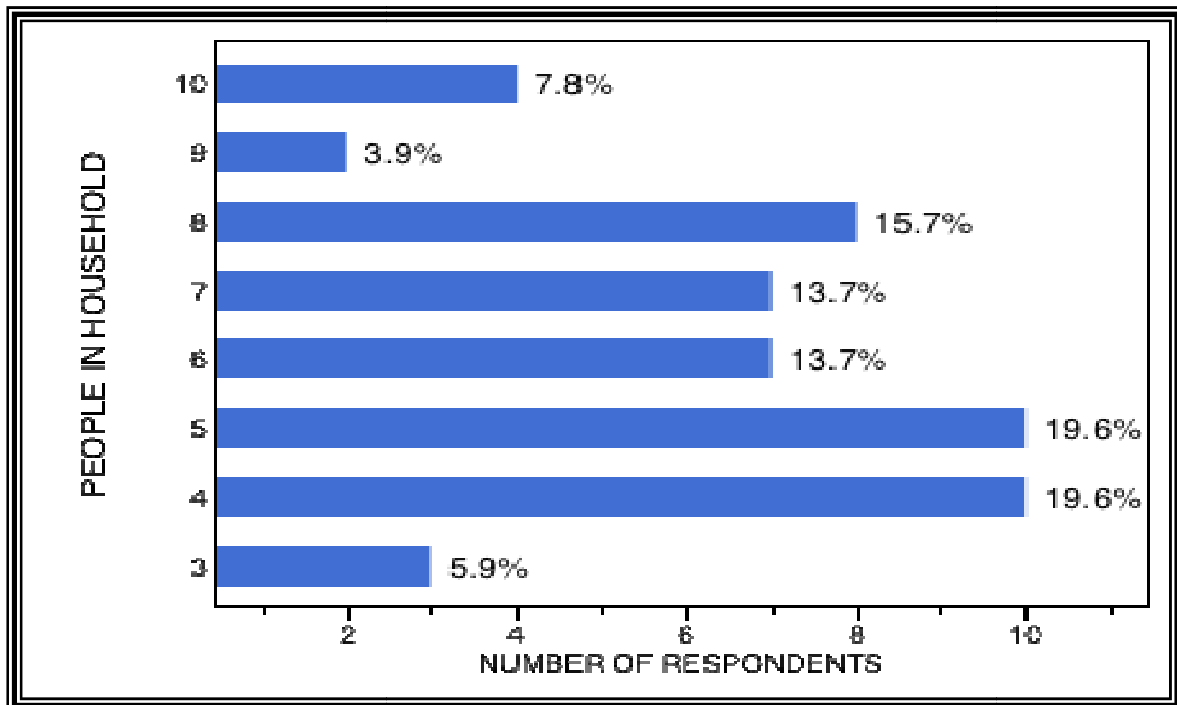
- 3. Husband's Employment** – Nearly 70% of Borrowers report that their husbands have no job.



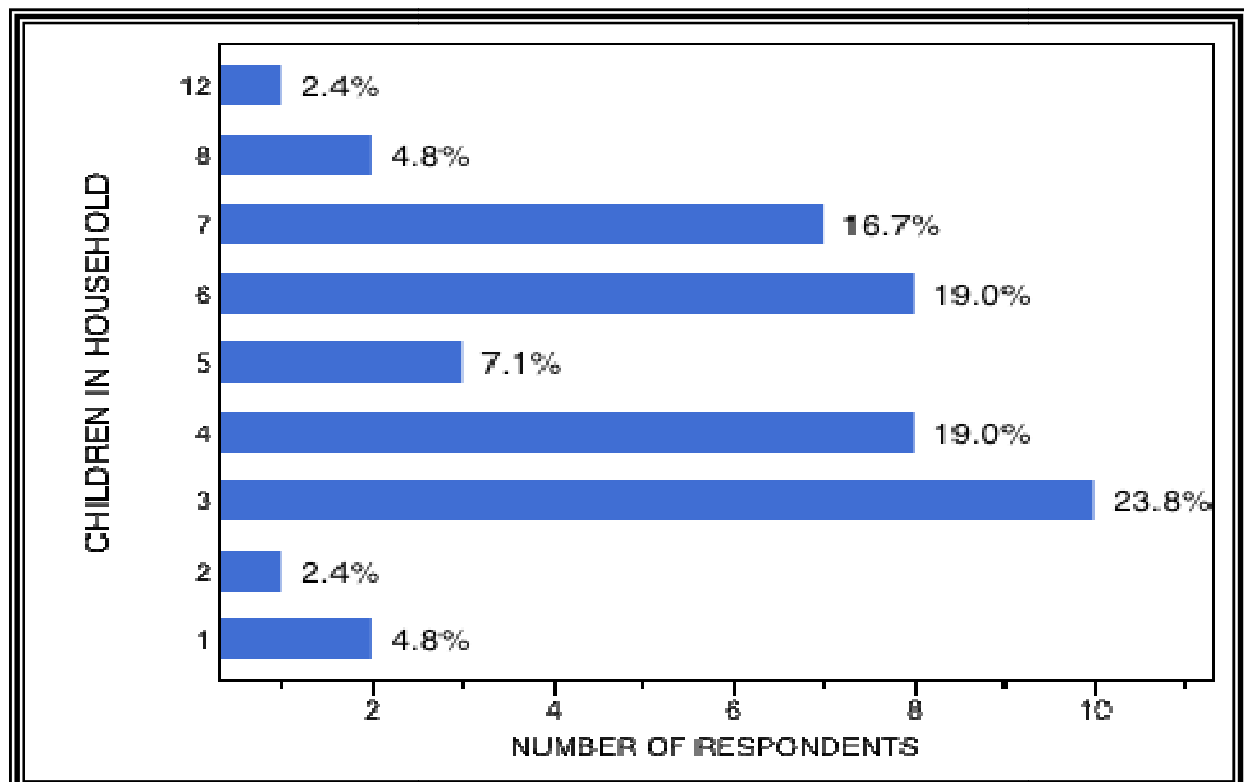
- 4. Husband's Financial Contribution** – More than 60% of Borrowers report that their husbands contribute financially to the household.



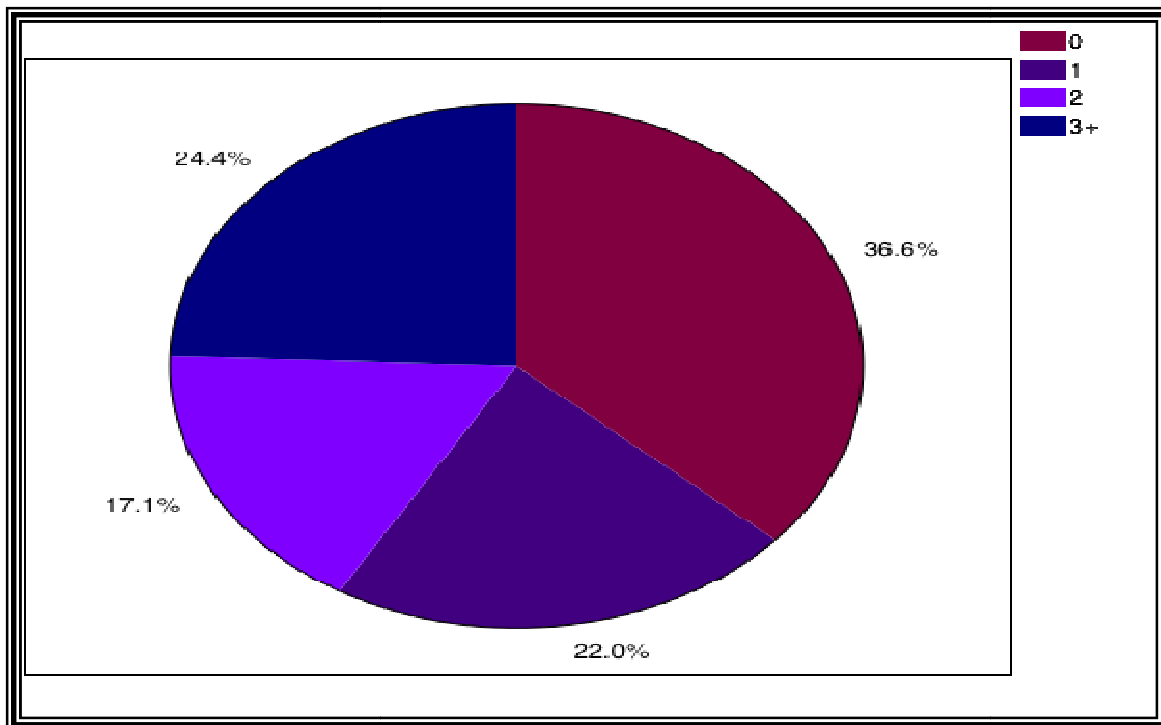
**5. People in Household** – More than 70% of Borrowers have five or more people in their households.



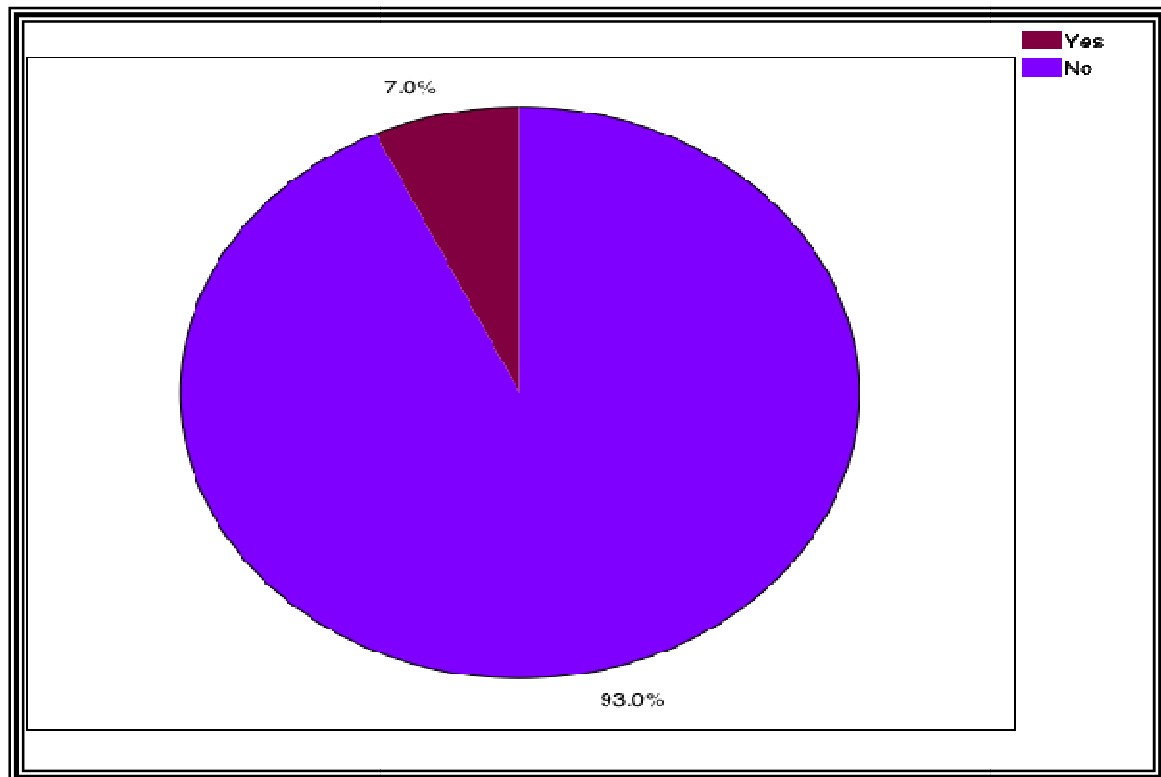
**6. Children in Household** – More than 70% of Borrowers have four or more children in their households.



- 7. Caring For Orphans** – Nearly 60% 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.

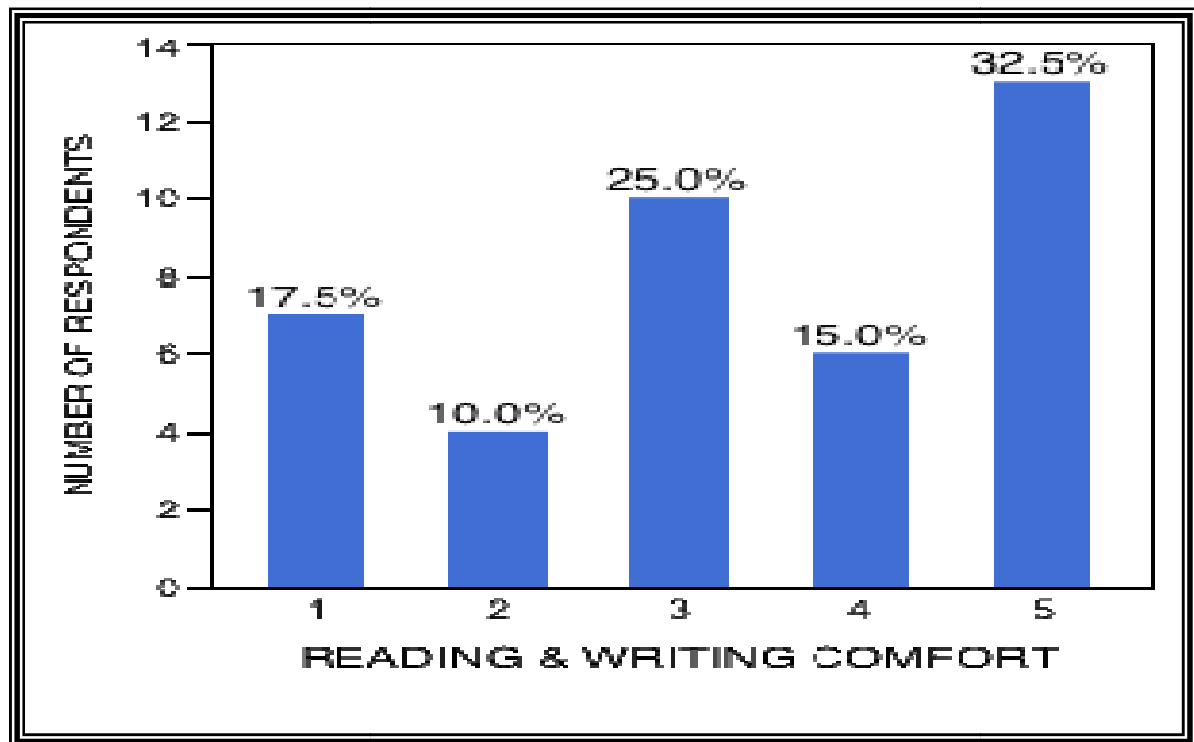


- 8. Widowed** – Only 7% of Borrowers have ever been widowed.

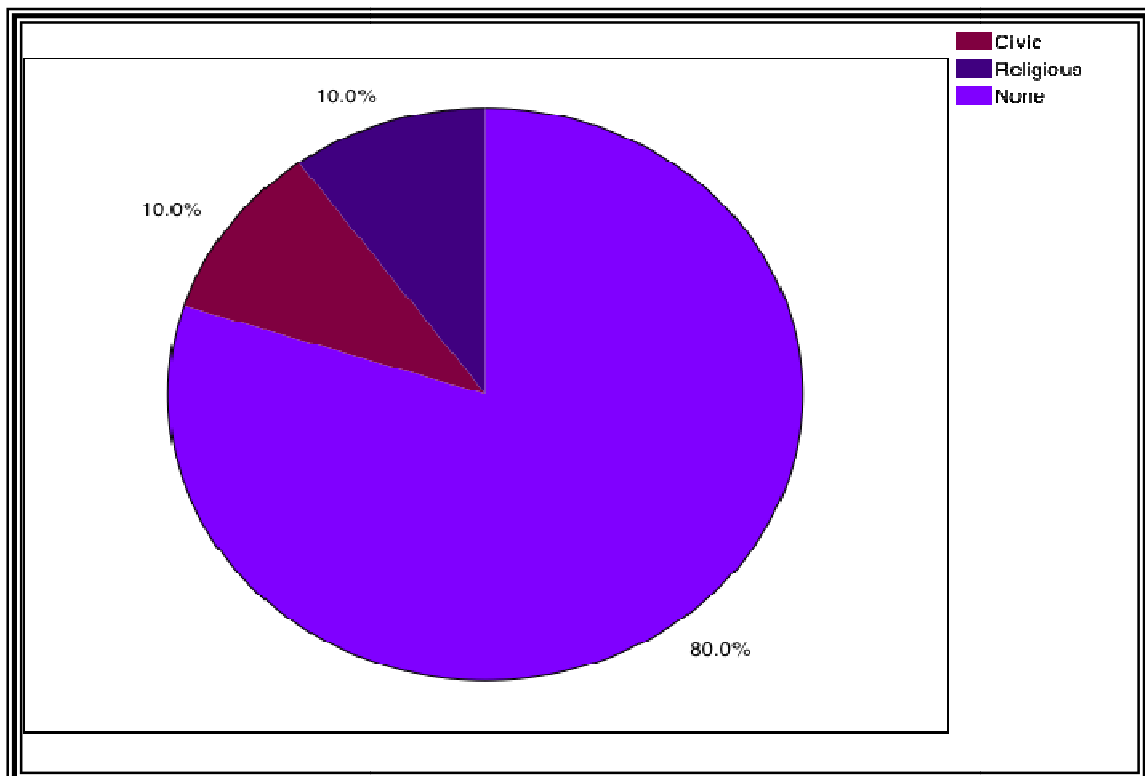




9. **Reading & Writing Ability** – More than 50% of Borrowers consider their reading and writing skills average or below average (with 1 being the least and 5 being the most comfortable).

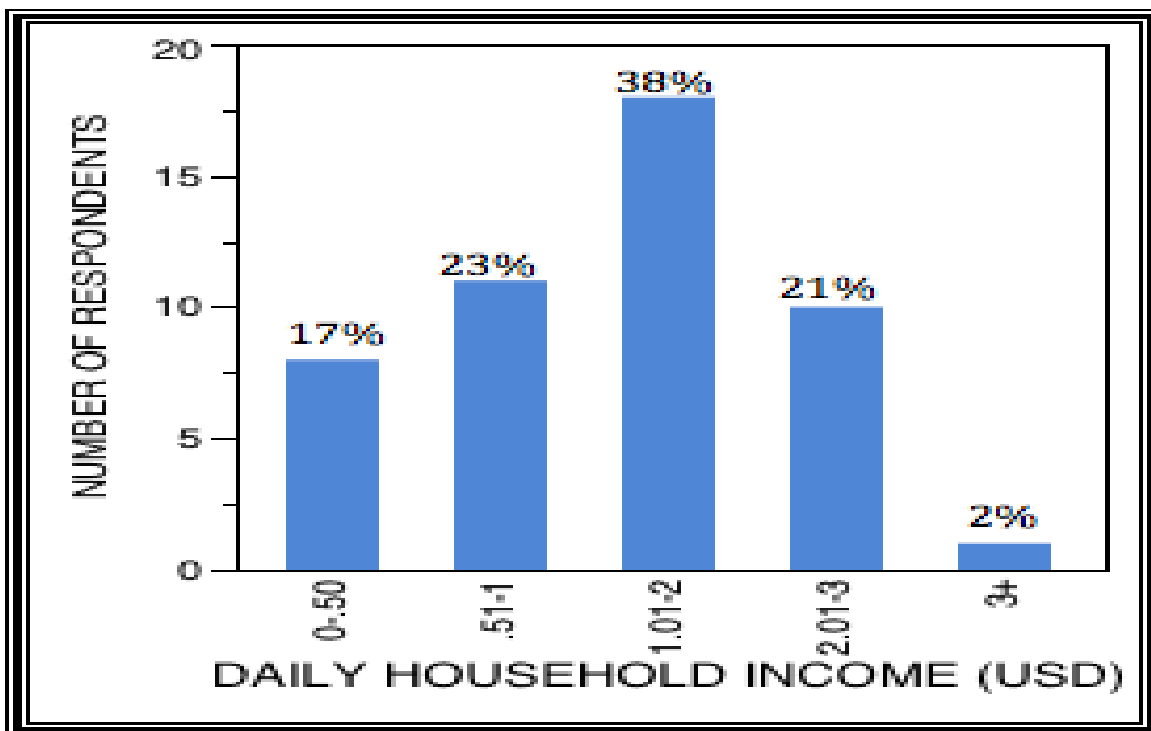


10. **Community Involvement** – Only 20% of Borrowers belong to a community organization.

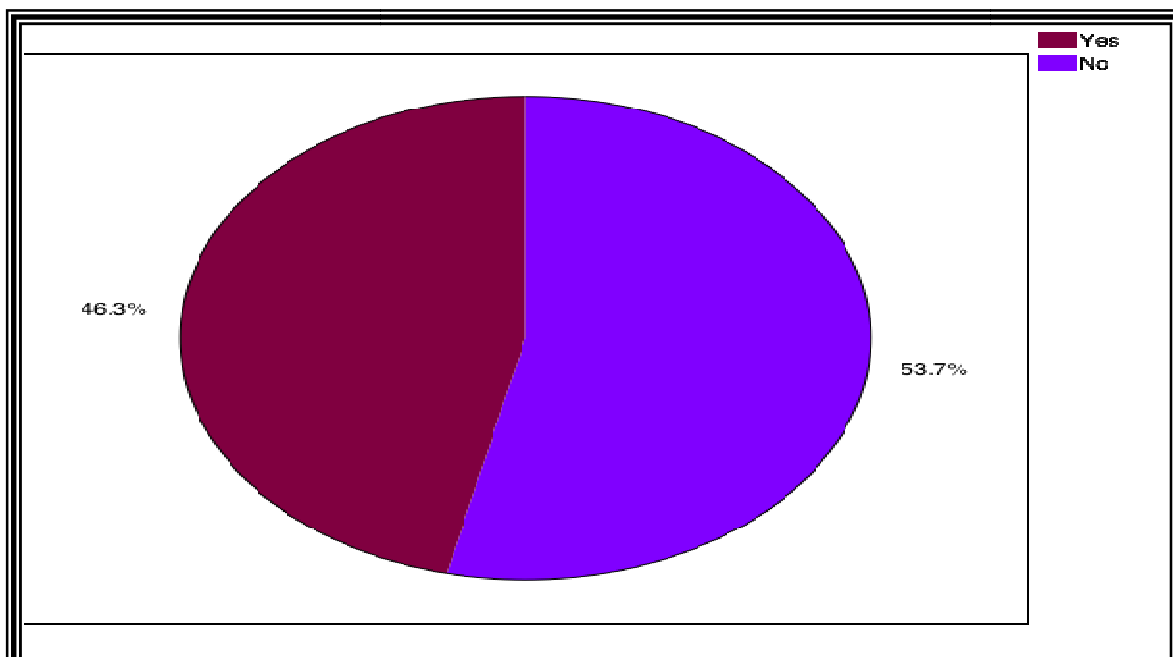


## B. STANDARD OF LIVING

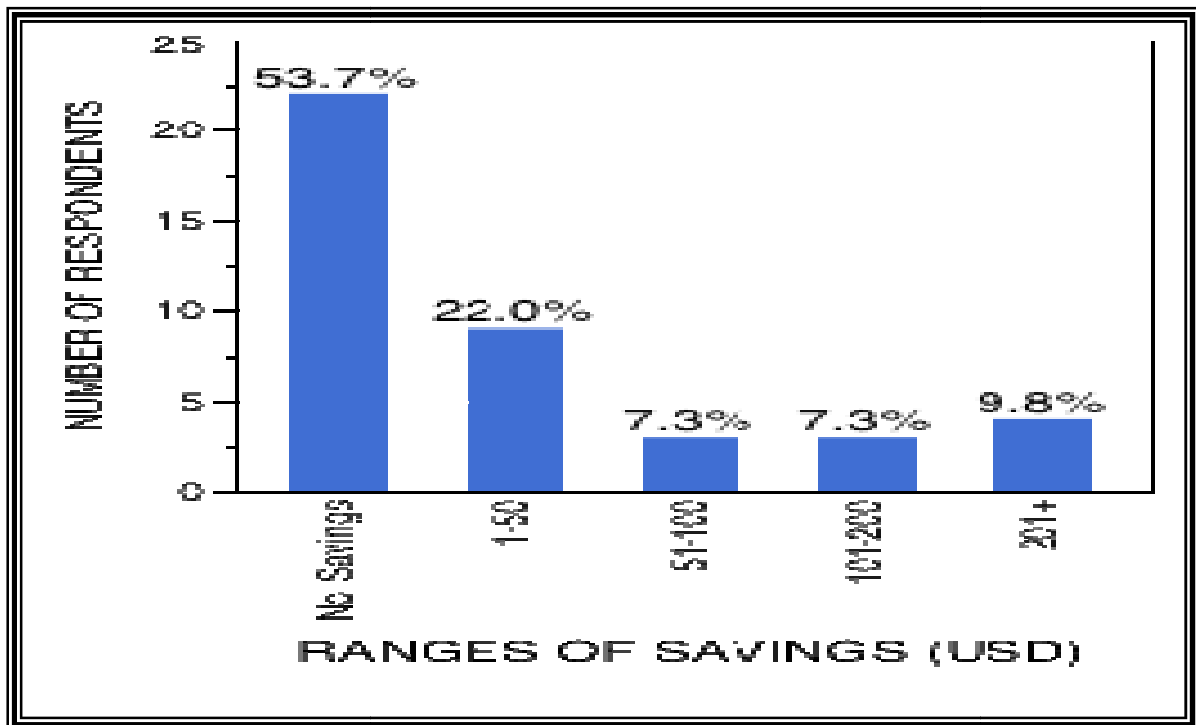
1. **Daily Household Income** – 78% of Borrowers' **households** subsist on less than \$2/day. The poverty line set by the World Bank is defined as an **individual** subsisting on less than \$2/day. The Borrowers' average household size is 6.1 people, meaning that 100% of Borrowers live below the poverty line.



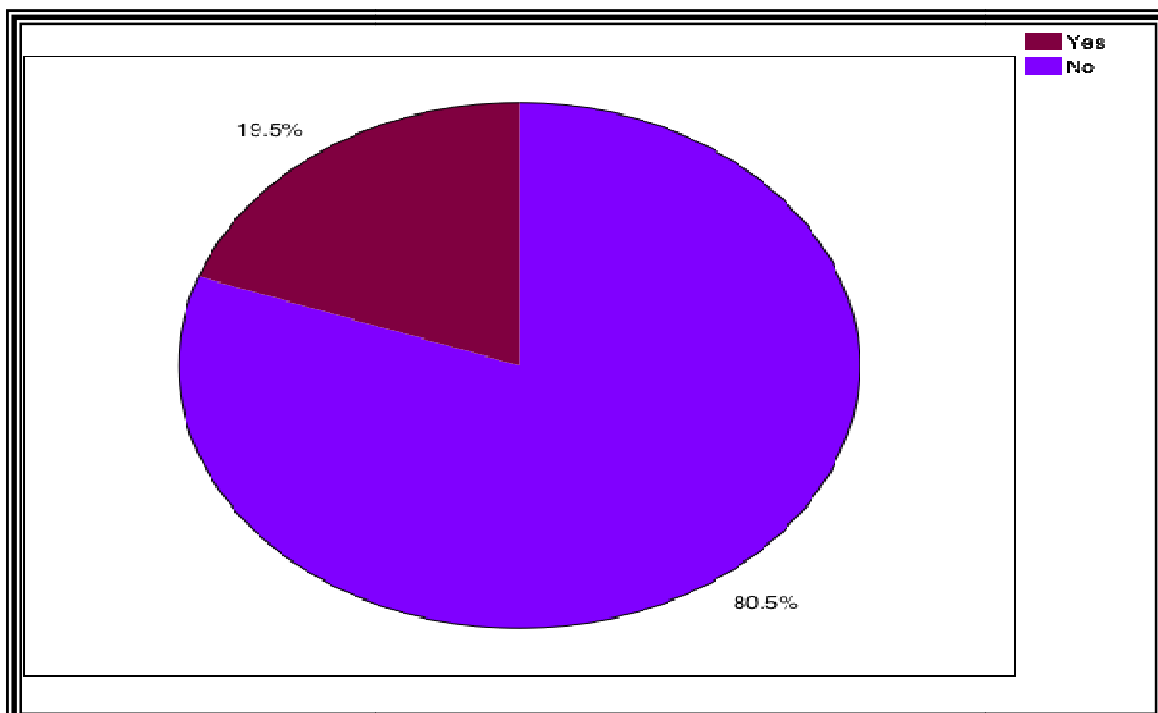
2. **Savings** – More than 50% of Borrowers do not have any savings.



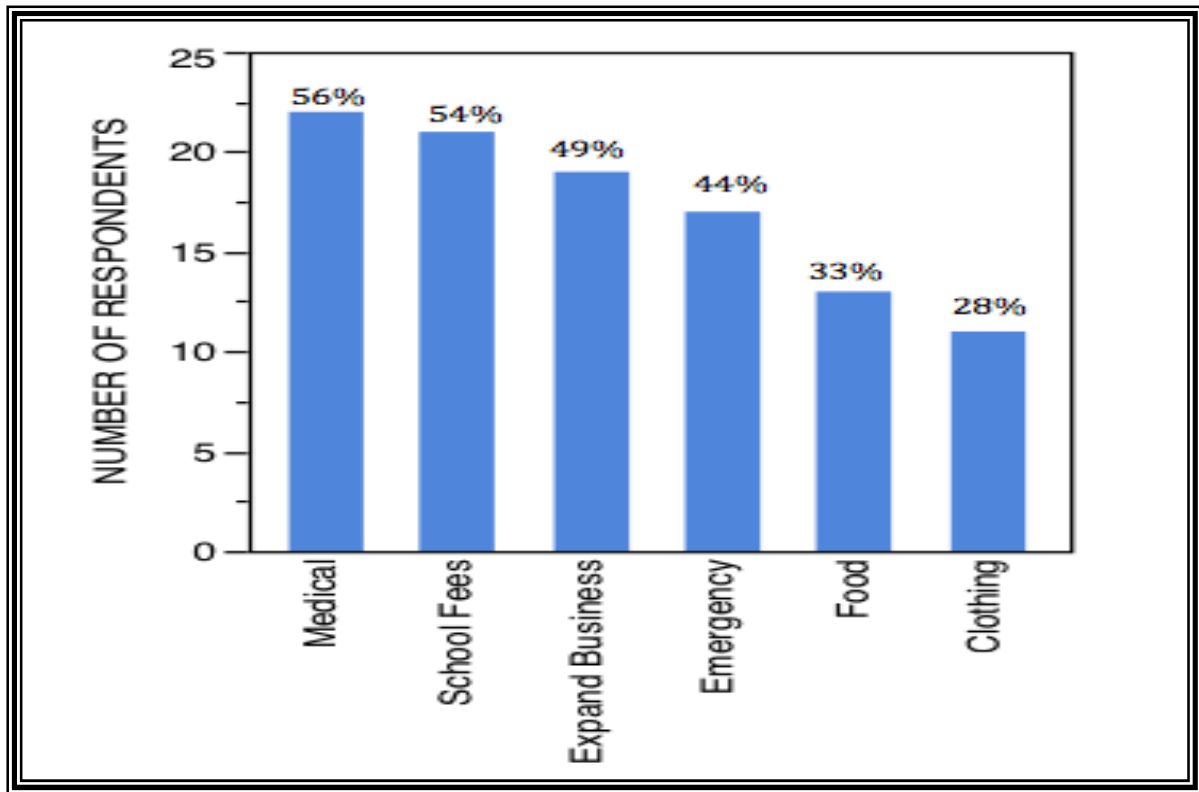
3. **Ranges of Savings** – More than half of Borrowers have no savings, and over 20% have less than \$50 in savings. Lack of savings leaves families and households unable to survive medical crises and other emergencies that require financial resources.



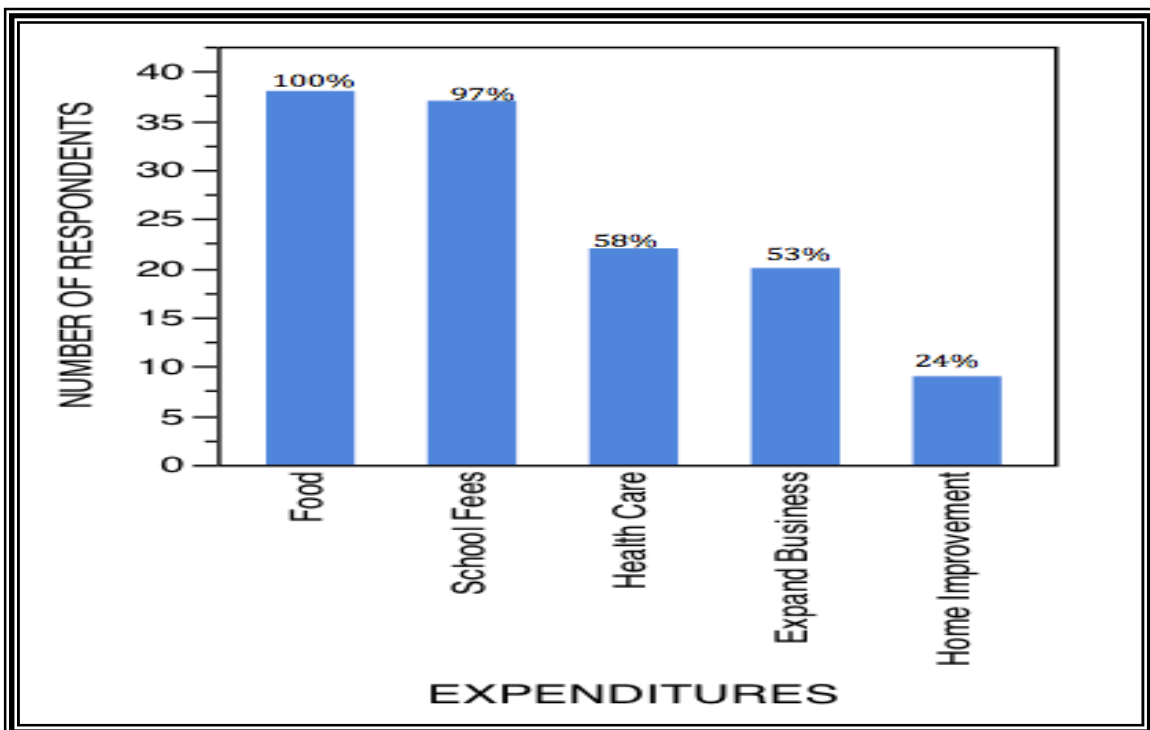
4. **Bank Usage** – Fewer than 20% of Borrowers keep their savings in a bank. Lack of access to conventional banking cripples poor women's abilities to operate their businesses.



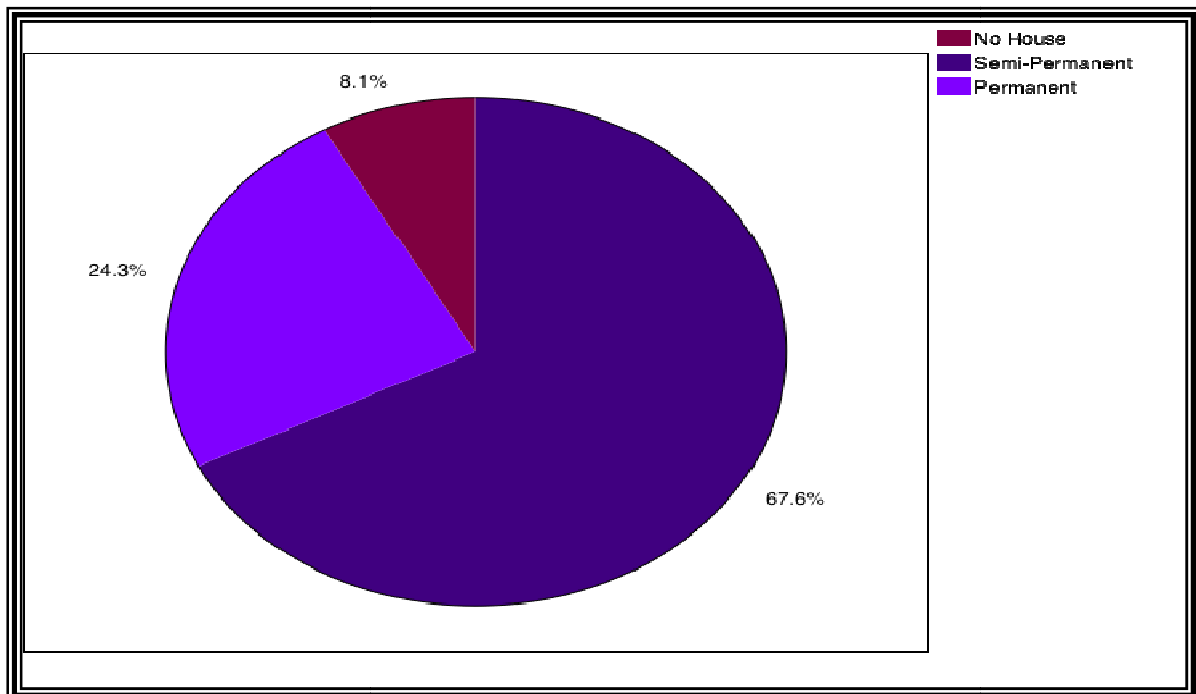
5. **Reasons for Saving** - The top three reasons Borrowers save are to pay medical and school fees and to expand their businesses.



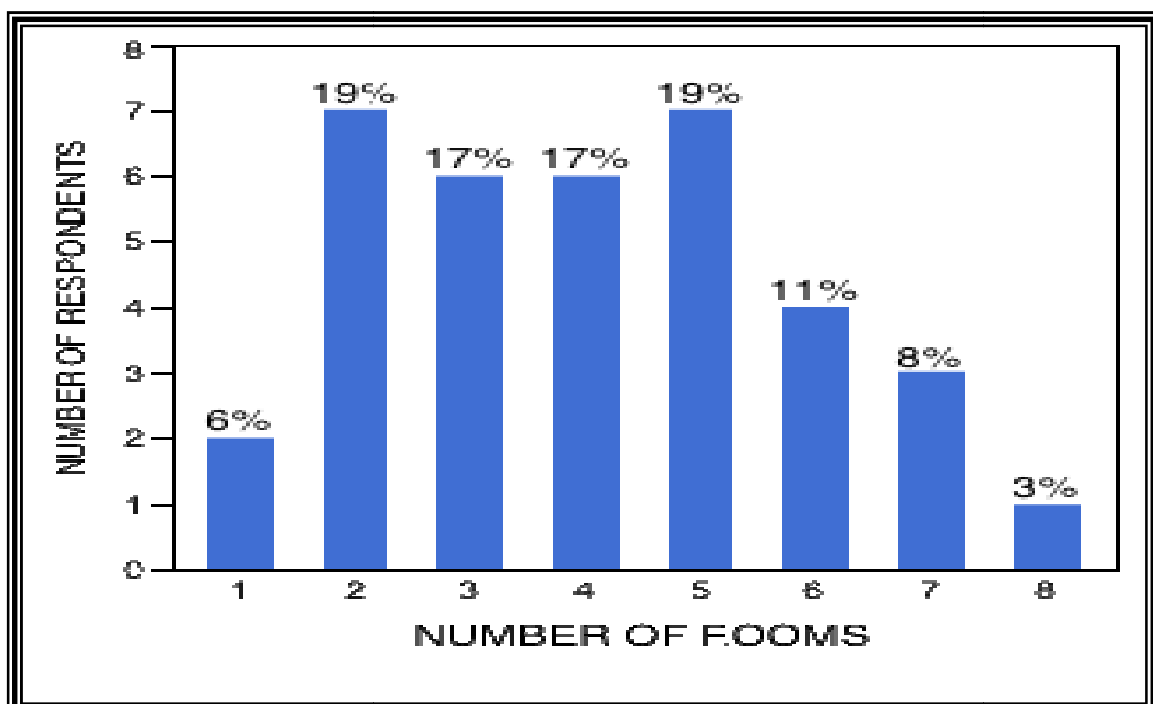
6. **Top Expenditures** – Borrowers' top three expenditures are food, school fees and health care.



- 7. Type of House and Ownership** – Nearly 70% of Borrowers own a semi-permanent house. The walls are constructed of dirt and dung, the floors are mud and the roofs are typically tin. 88% of Borrowers report owning some land, which can be a farming plot not associated with their home.

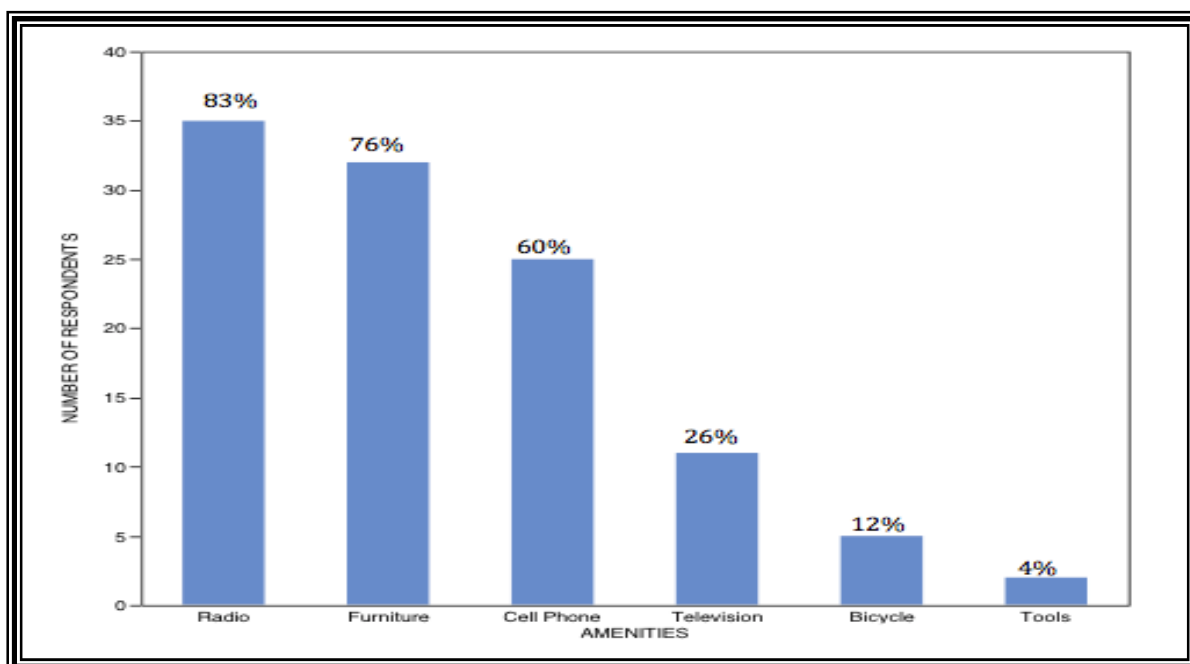


- 8. Numbers of Rooms in House** – Nearly 60% of Borrowers have four or fewer rooms in their home. Kitchens are typically situated outside, behind the house.

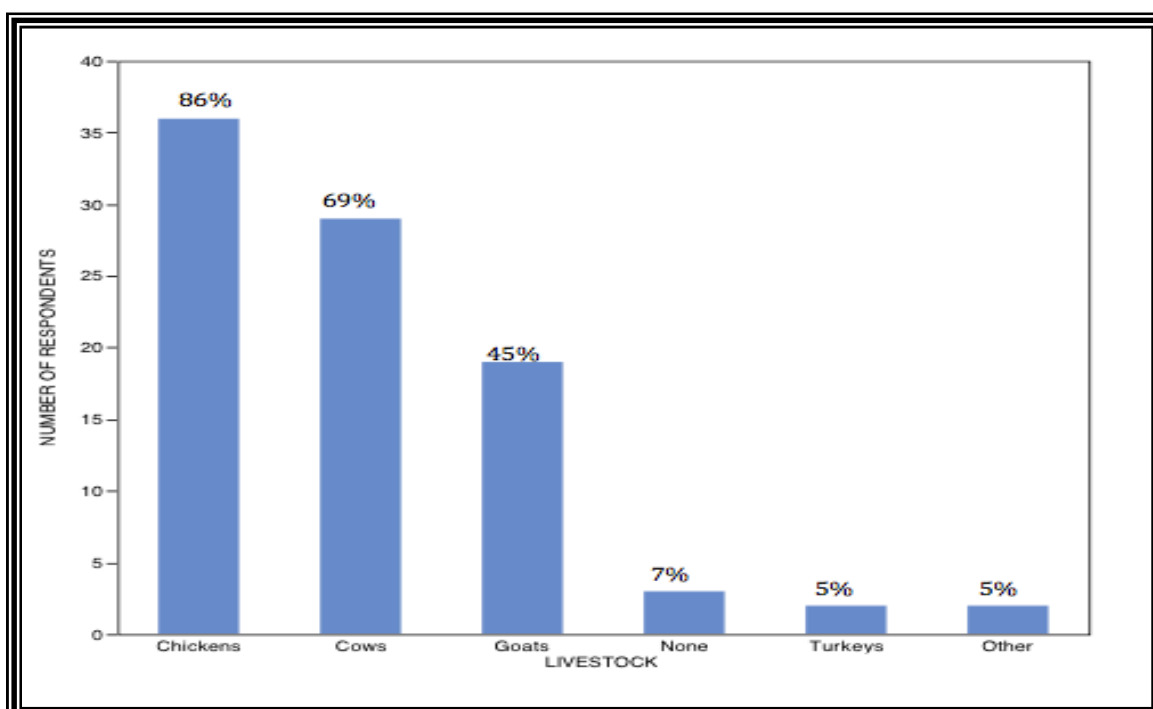




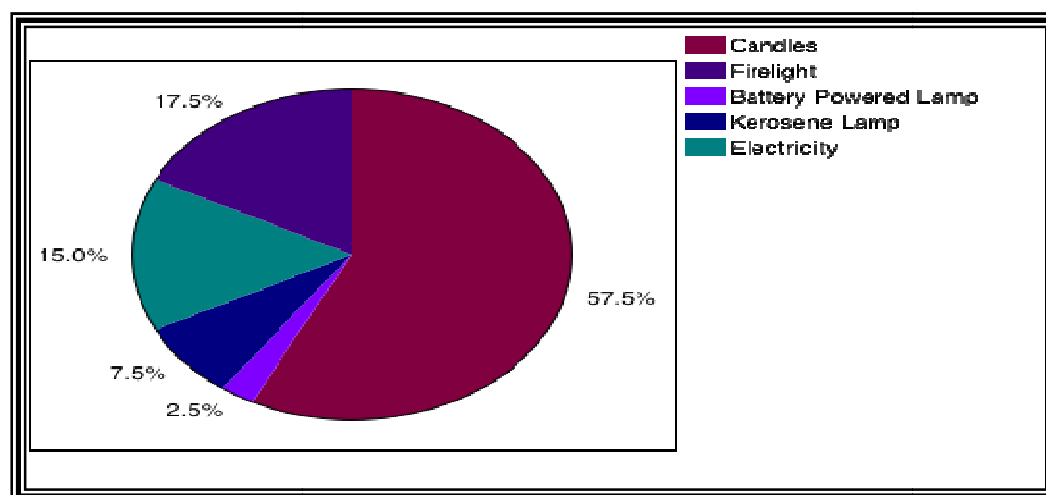
9. **Household Amenities** – Most Borrowers have radios, furniture and cell phones, but few have televisions, bicycles or tools. Cell phone use is becoming more common, even in extremely rural areas. Radio is the predominant medium for the distribution of news and information.



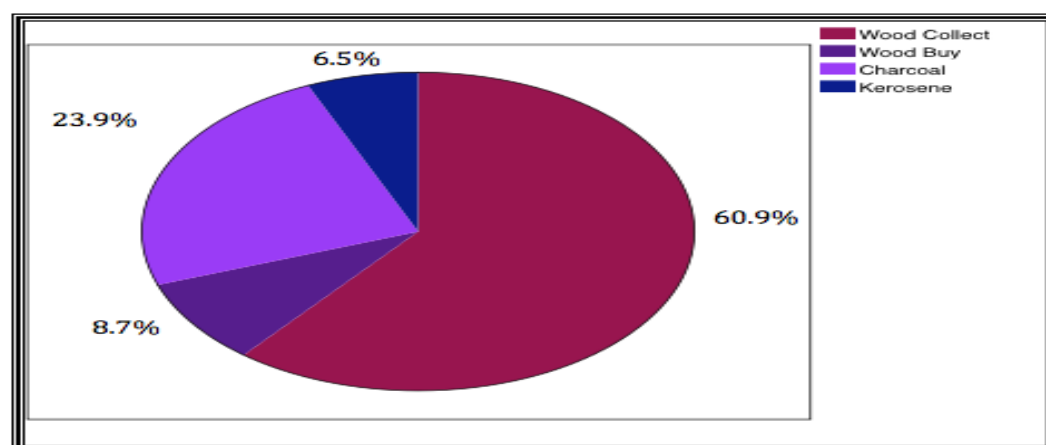
10. **Livestock** – Nearly all Borrowers have some type of livestock. Chickens are the least expensive livestock but are prone to disease. Goats are more expensive, and resist disease better. Cows are the most desirable livestock because they are an ongoing source of dairy products.



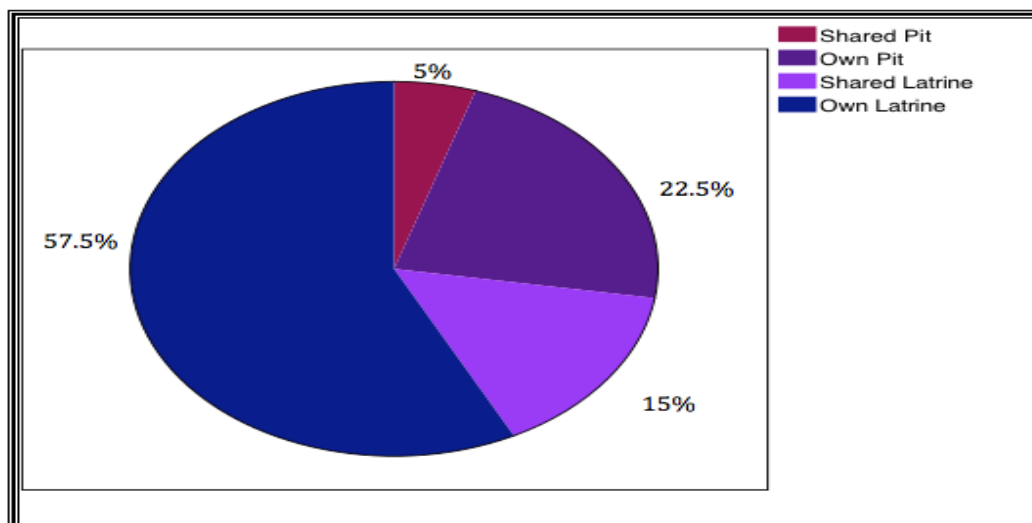
**11. Lighting Source** – More than 75% of Borrowers use candles/firelight as their main source of lighting.



**12. Cooking Fuel** – Nearly 70% of Borrowers use wood as their cooking fuel.

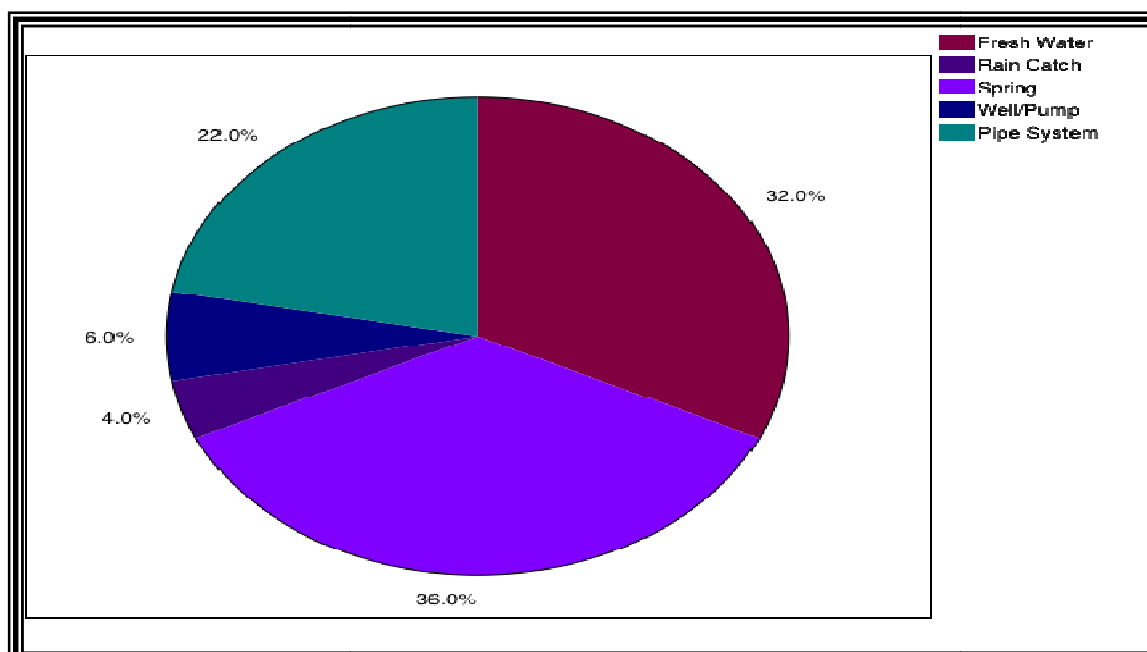


**13. Toilet Facility** – More than 60% of Borrowers have their own latrine.



## C. FAMILY HEALTH AND WELFARE

1. **Water Source** – Nearly 40% of Borrowers get their water from a spring.



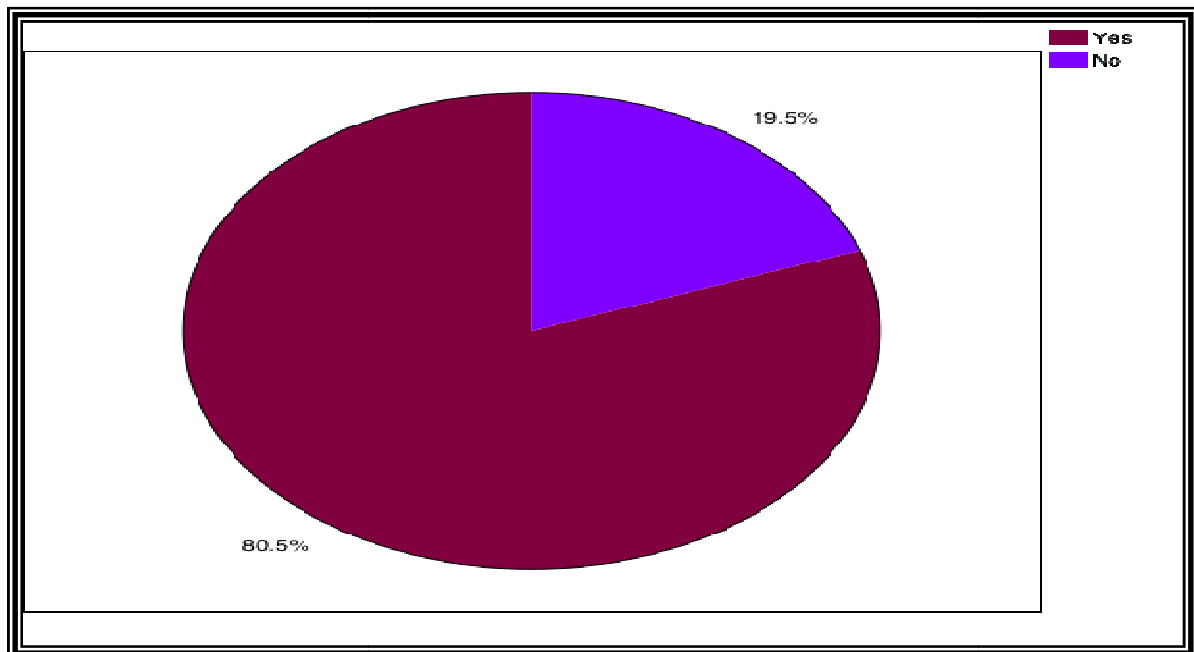
2. **Water Safety**

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"> <li>• 5% give their water a rating of 1</li> <li>• 5% give their water a rating of 2</li> <li>• 15% give their water a rating of 3</li> <li>• 33% give their water a rating of 4</li> <li>• 42% give their water a rating of 5</li> </ul>
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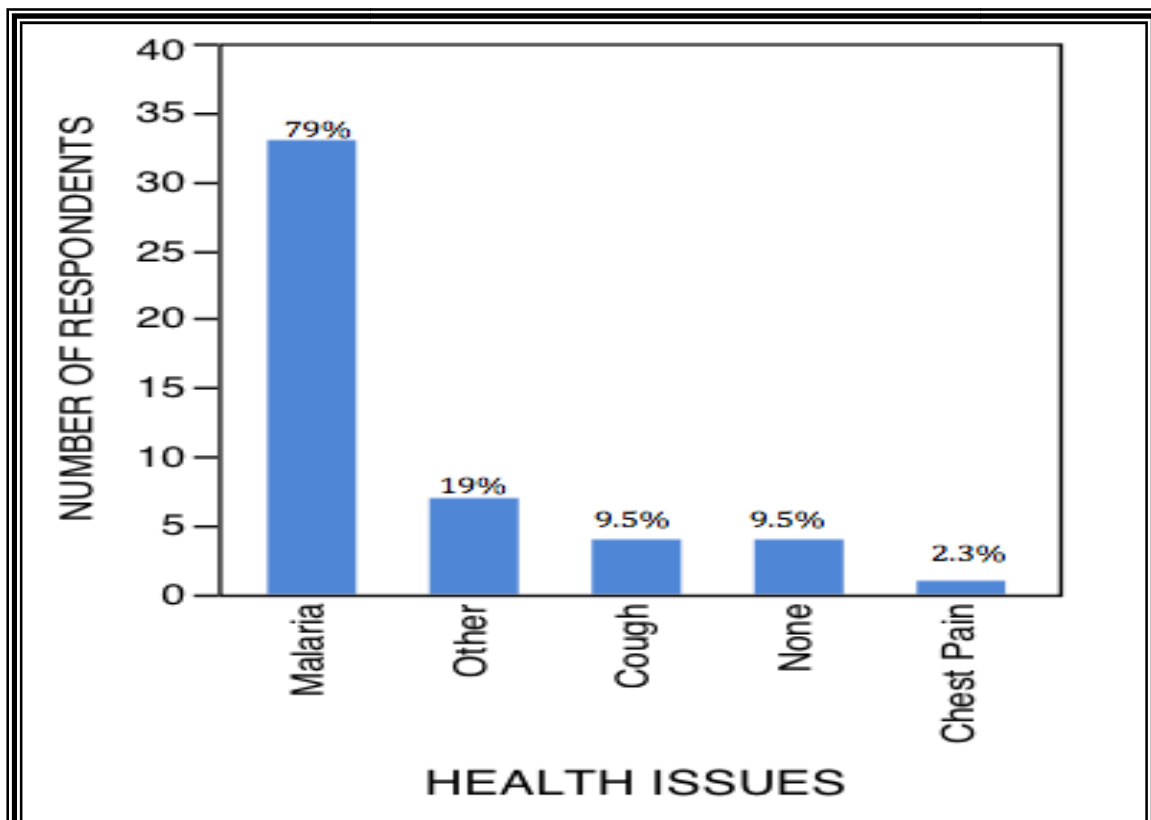
3. **Food Consumption**

How many meals does your family eat per day?	<ul style="list-style-type: none"> <li>• 38% - 2 meals per day</li> <li>• 62% - 3 meals per day</li> </ul>
How many meals per day include food that you grow?	<ul style="list-style-type: none"> <li>• 5% - 1 meal per day</li> <li>• 19% - 2 meals per day</li> <li>• 76% - 3 meals per day</li> </ul>
How many meals per day include food that you buy?	<ul style="list-style-type: none"> <li>• 2% - 0 meals per day</li> <li>• 5% - 1 meal per day</li> <li>• 19% - 2 meals per day</li> <li>• 74% - 3 meals per day</li> </ul>
What types of food does your family eat most often?	<ul style="list-style-type: none"> <li>• 69% - pasho</li> <li>• 57% - bananas</li> <li>• 7% - matoke</li> </ul>
What types of food does your family buy most often?	<ul style="list-style-type: none"> <li>• 80% - rice</li> <li>• 75% - pasho</li> <li>• 5% - bananas</li> </ul>

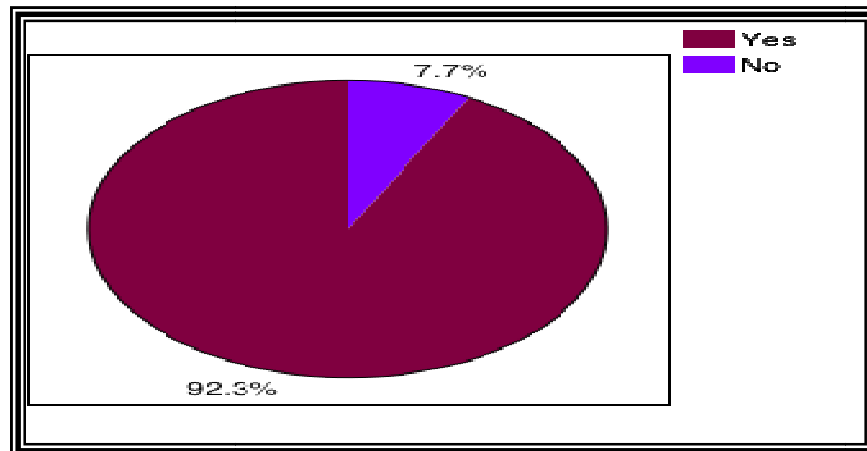
4. **Illness in Household** – More than 80% of Borrowers report that at least one member of their household is regularly sick and cannot attend work or school.



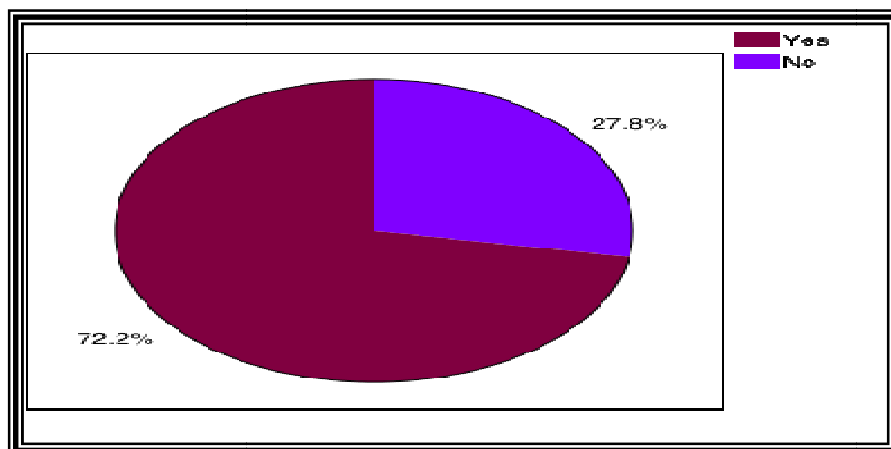
5. **Major Illnesses** – The most common illness in Borrowers' household is malaria.



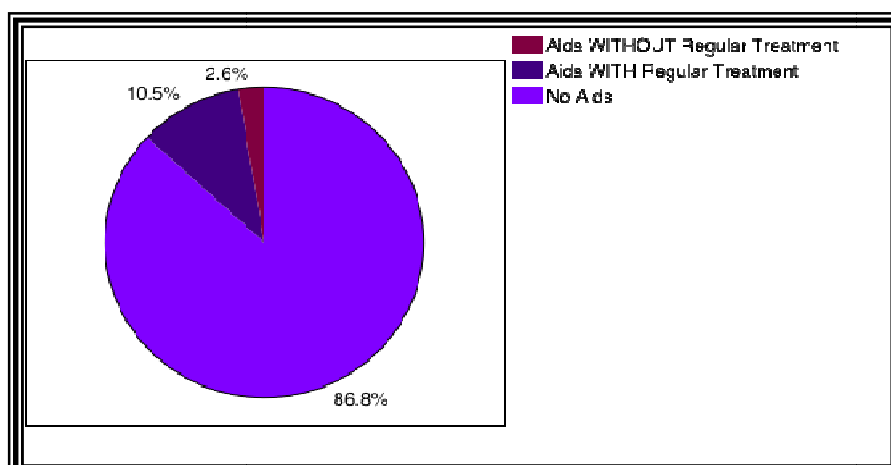
**6a. HIV/AIDS Self-testing** – More than 90% of Borrowers have been tested for HIV/AIDS.



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

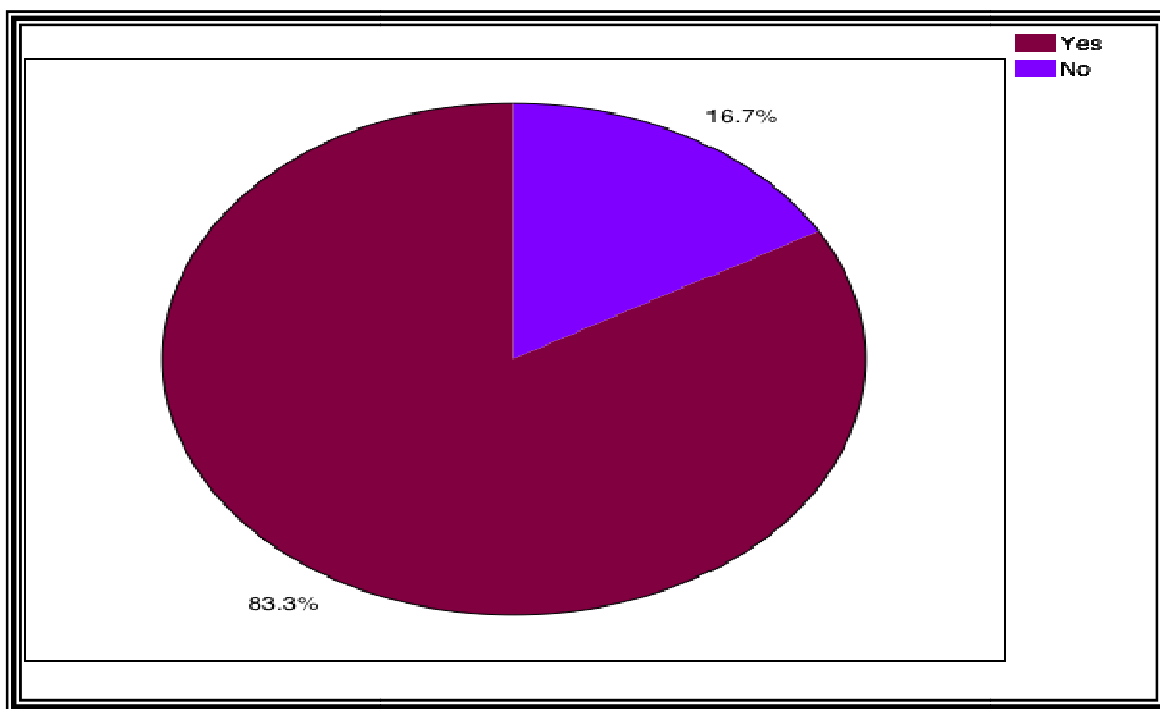


**6c. HIV/AIDS Prevalence and Treatment** – Most Borrowers and their family members with HIV/AIDS receive regular treatment.

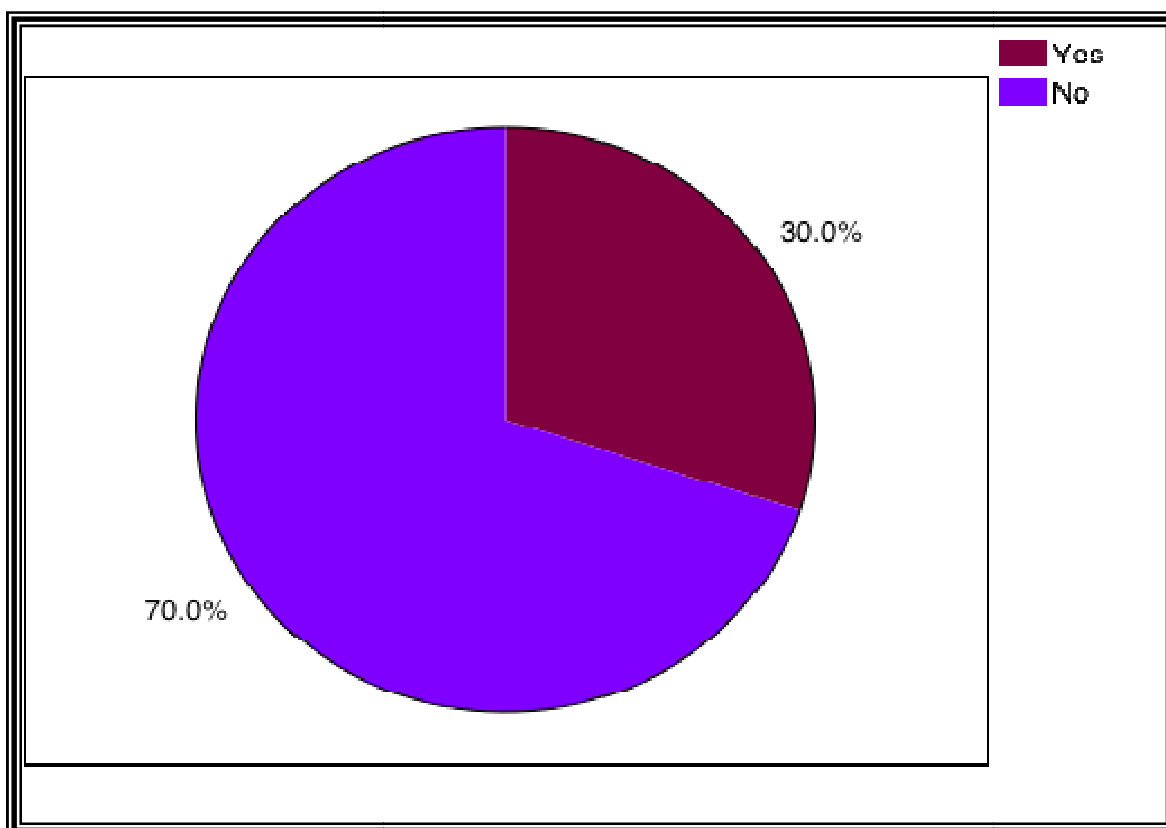




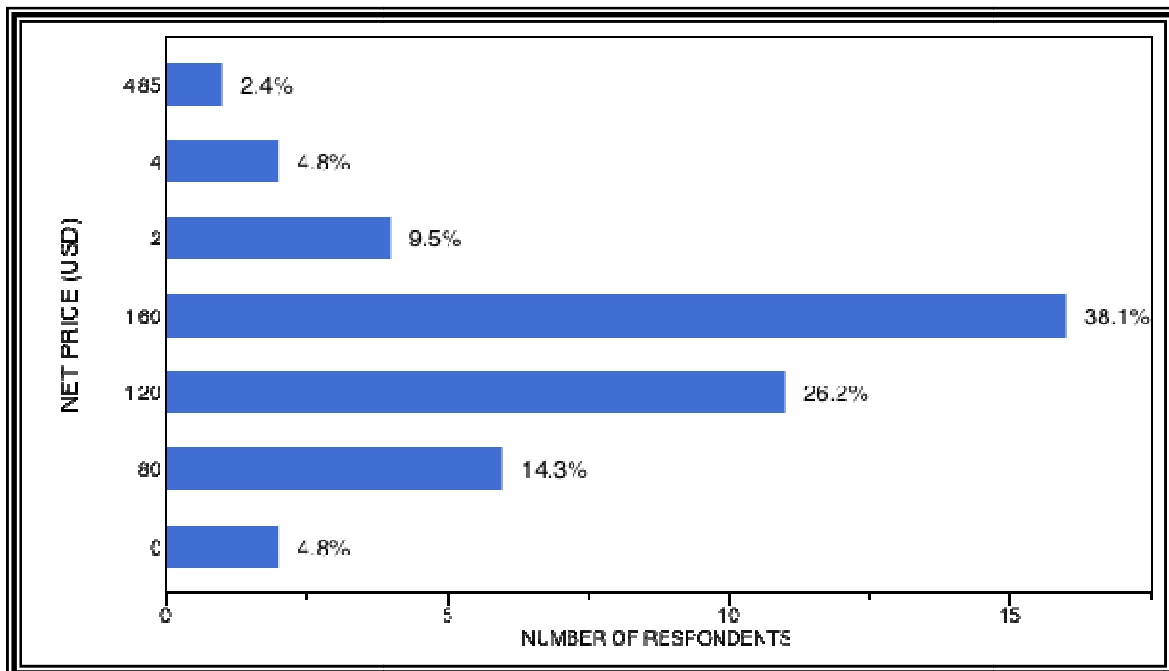
**7. Malaria in Household** – More than 80% of Borrowers report cases of malaria in their household in the last six months. 40 Borrowers reported 101 cases.



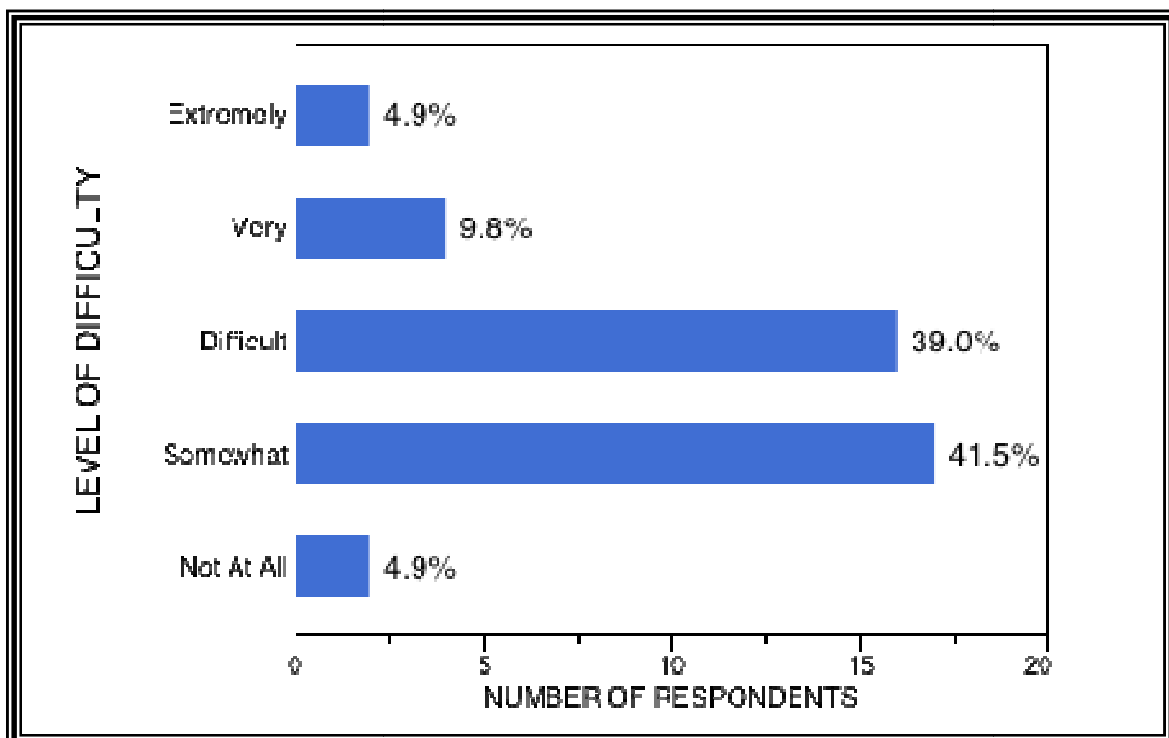
**8. Mosquito Nets** – 70% of Borrowers report that at least one family member sleeps without a mosquito net.



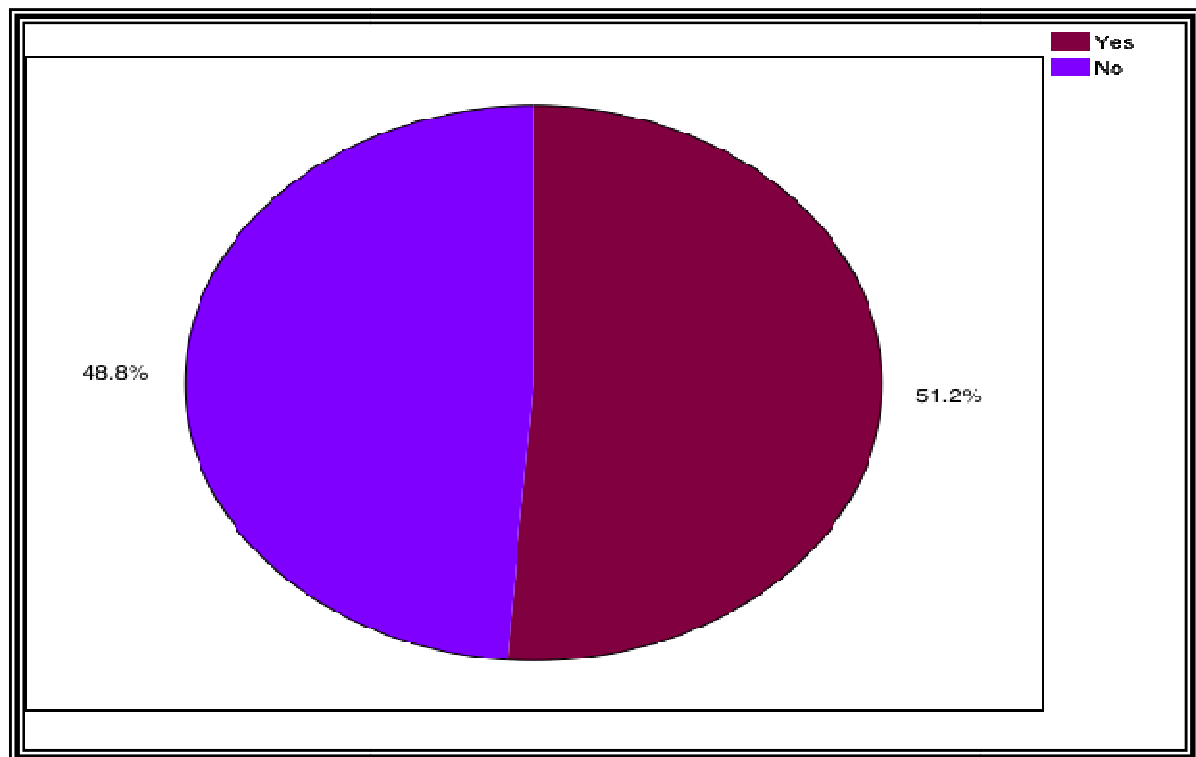
**9. Affordable Net Price** – More than 80% of Borrowers **cannot** afford to pay more than \$2 for a mosquito net. The average price of a net is \$5.



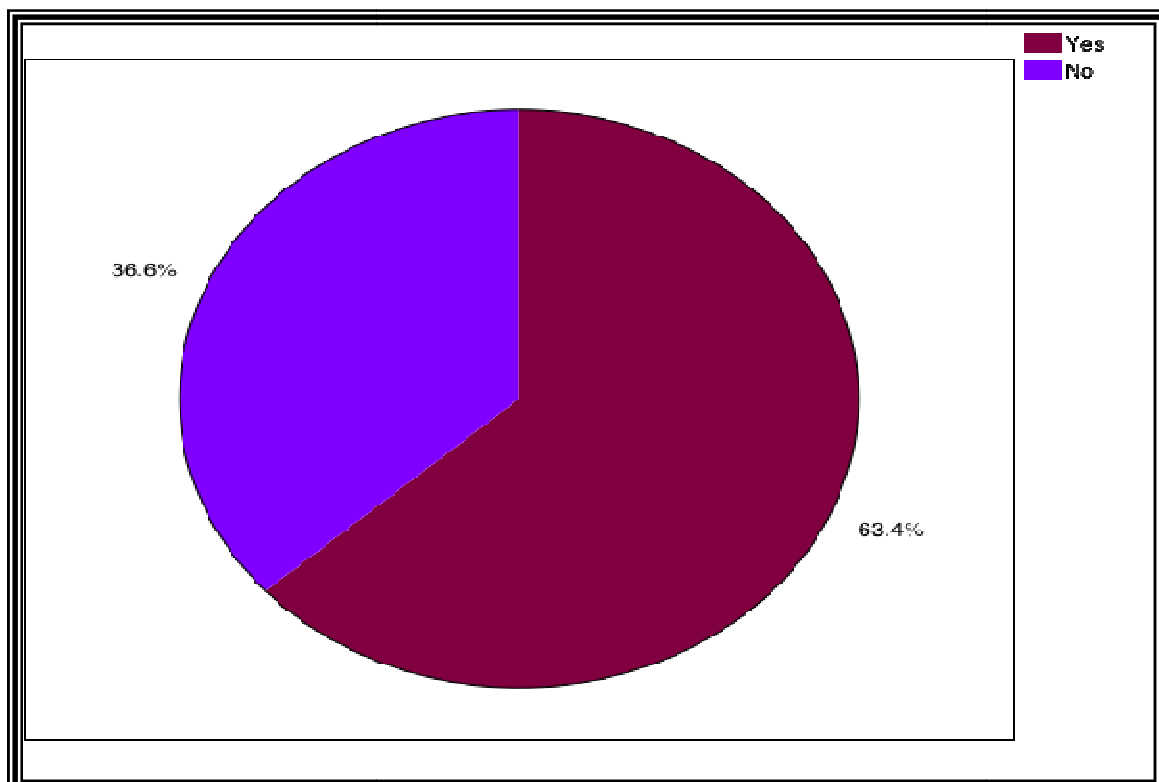
**10. Medical Payment Difficulty** – More than 50% of Borrowers find it “difficult”, “very difficult”, or “extremely difficult” to pay their medical bills.



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



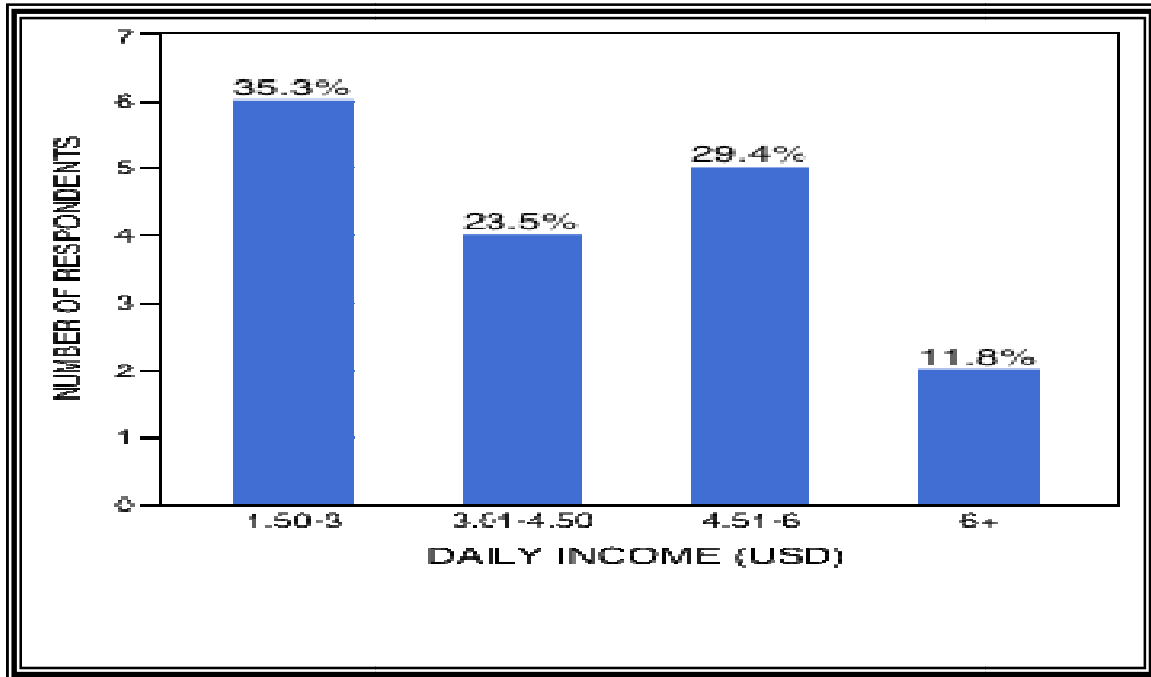
**12. Uniforms for Children** – Nearly 40% of Borrowers cannot provide school uniforms for all of the children in their household.



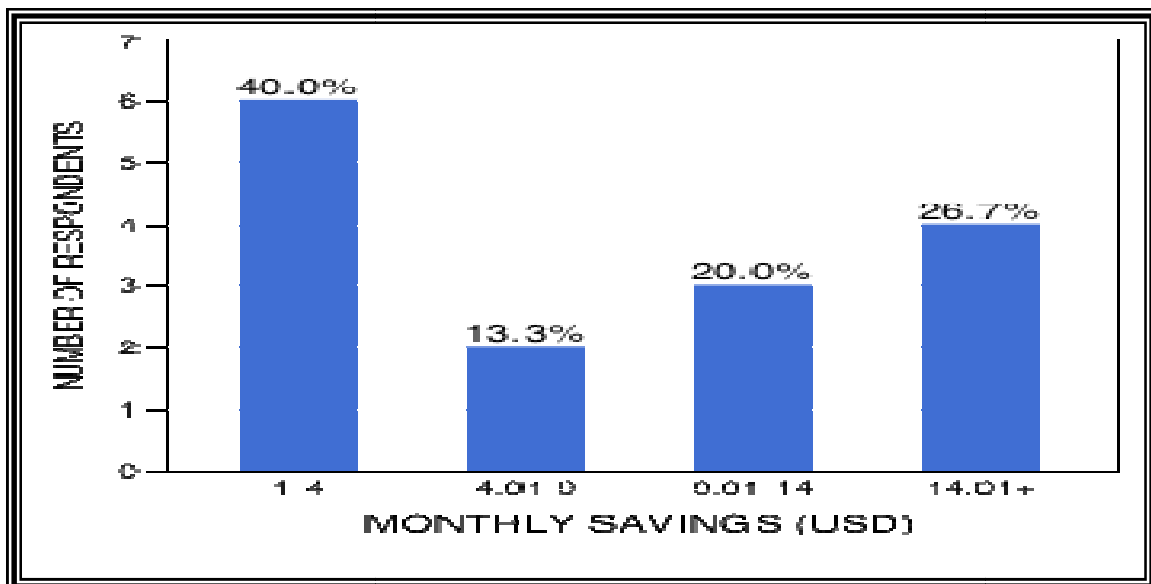
## II. SIX-MONTH LOAN IMPACT DATA

### A. BUSINESS OPERATIONS

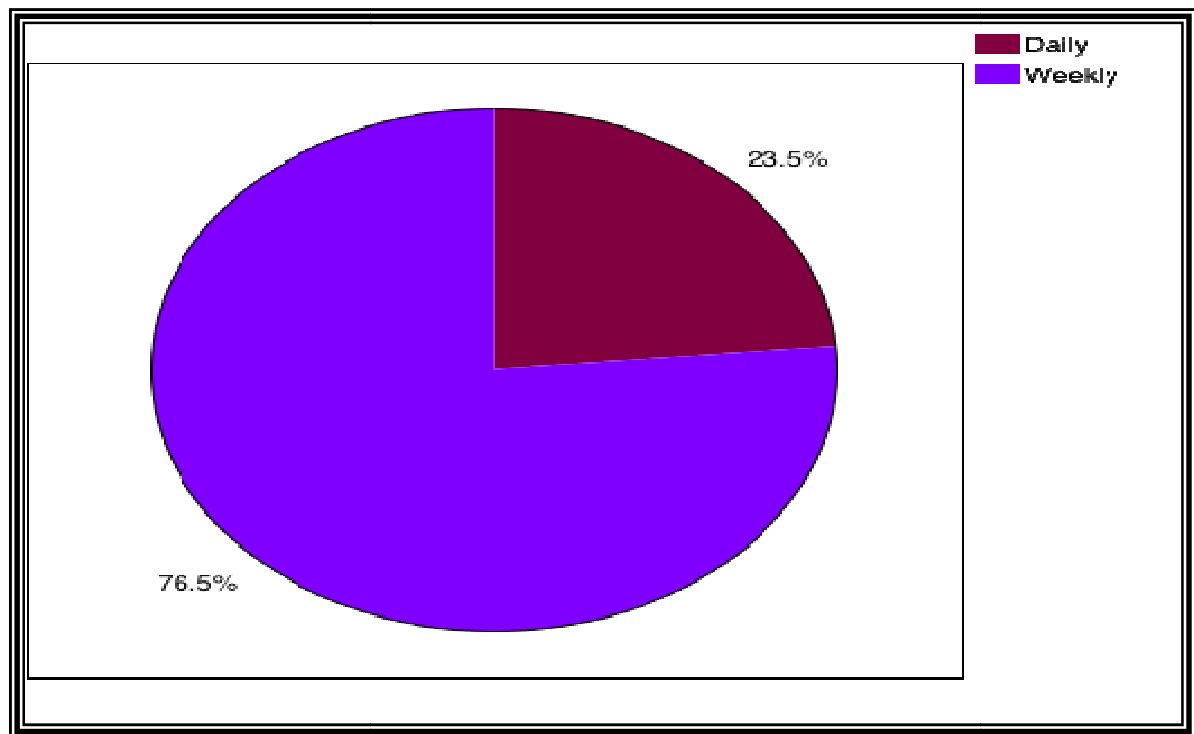
1. **Increases to Daily Income** – Before the loan, only 2% of Borrowers had household incomes of more than \$3/day. Six months later, over 60% of Borrowers make more than \$3/day.



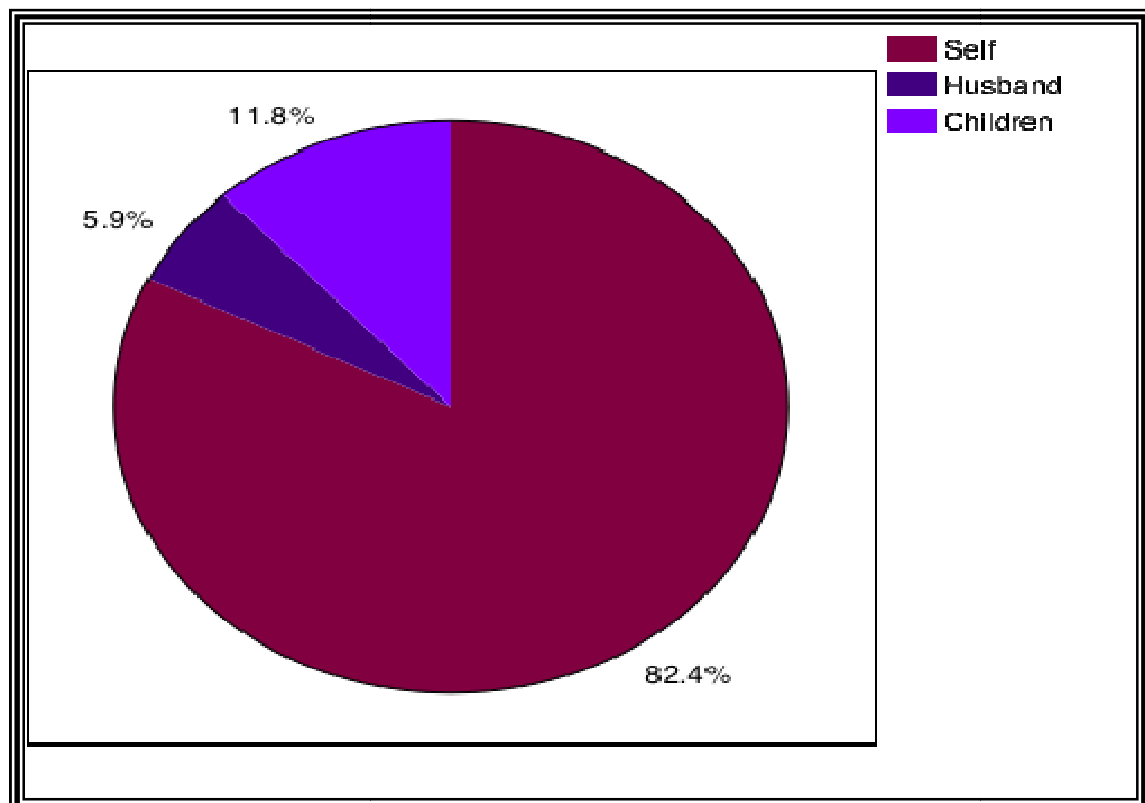
2. **Monthly Savings** – Prior to starting a business, the majority of Borrowers had no savings. Six months later, 100% of Borrowers are saving on a regular basis, with 45% saving more than \$9 each month. The majority of Borrowers report that they spend their savings on livestock.



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

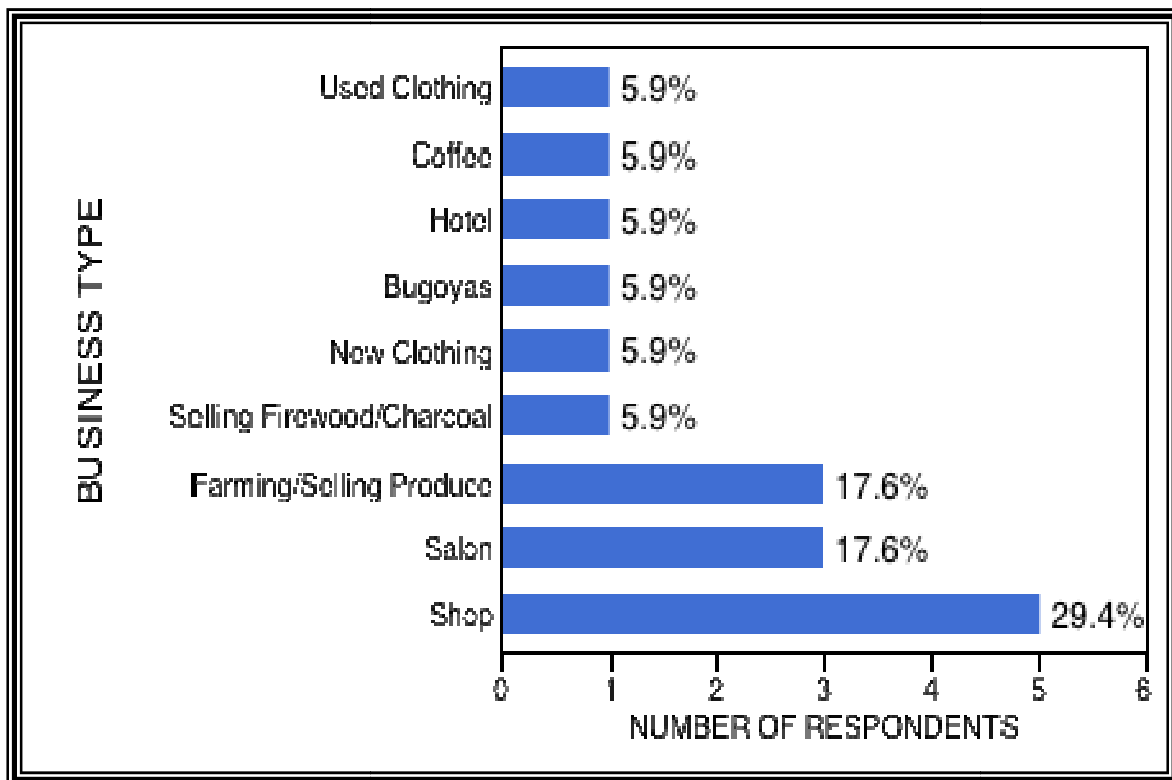


- 4. Who Keeps the Records?** – More than 80% of Borrowers maintain their business records themselves.

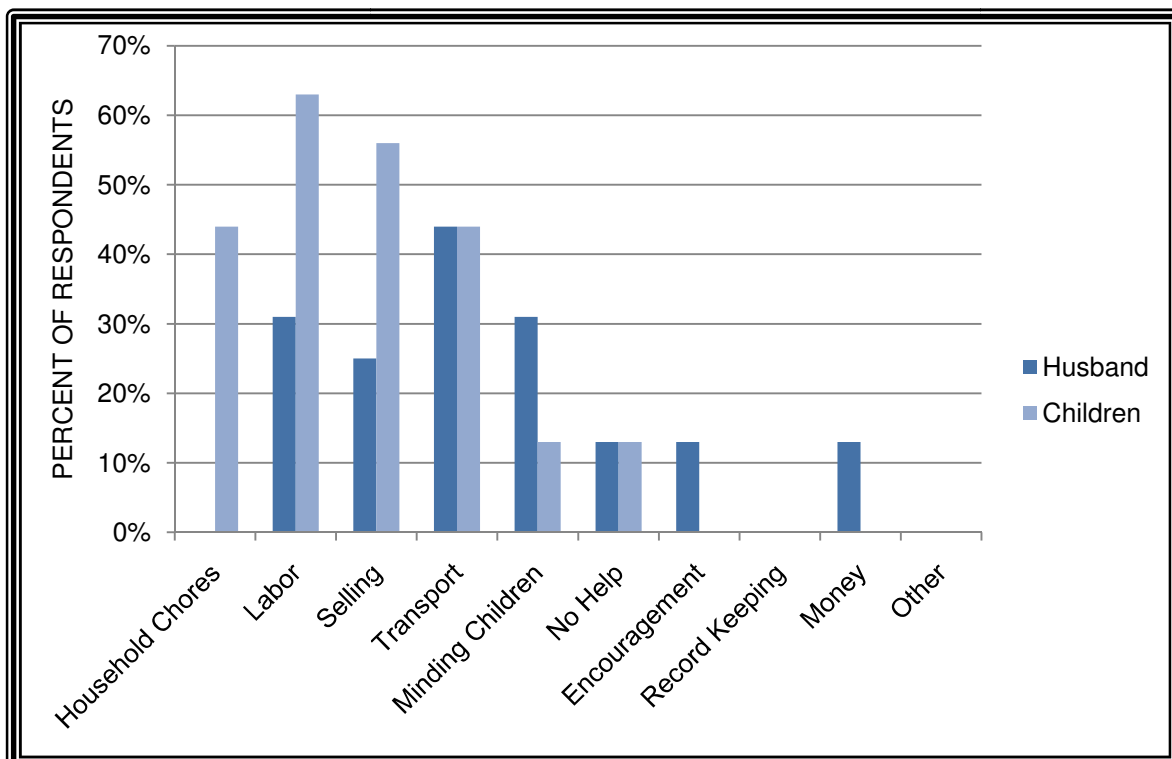




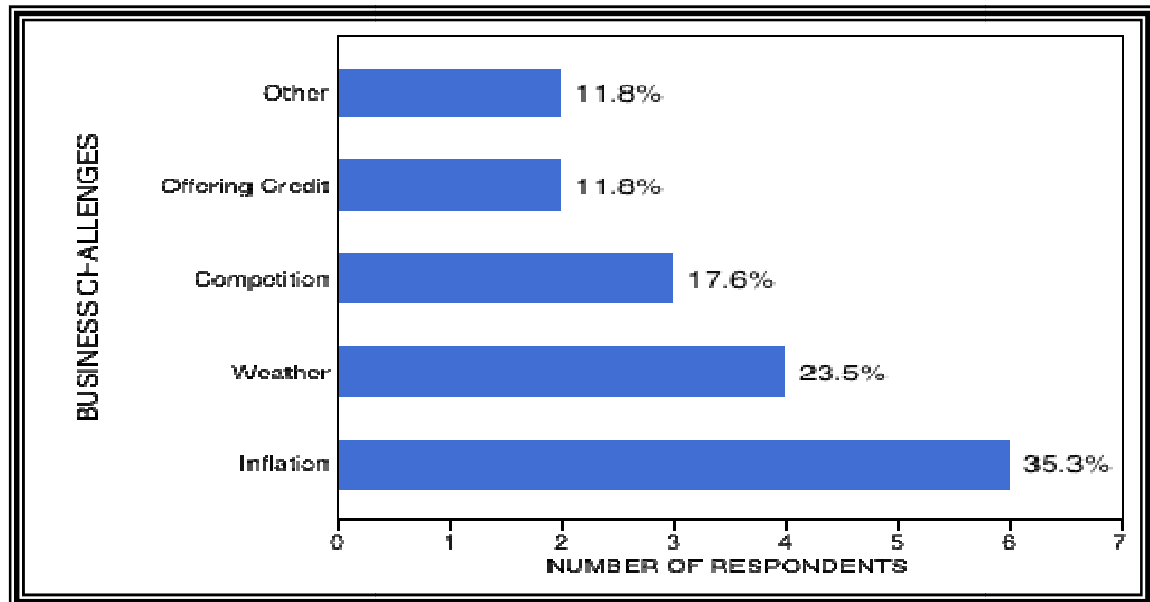
5. **Business Type** – Although businesses evolve over time, most Borrowers begin their business careers with small shops, salons, or farming and selling produce.



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

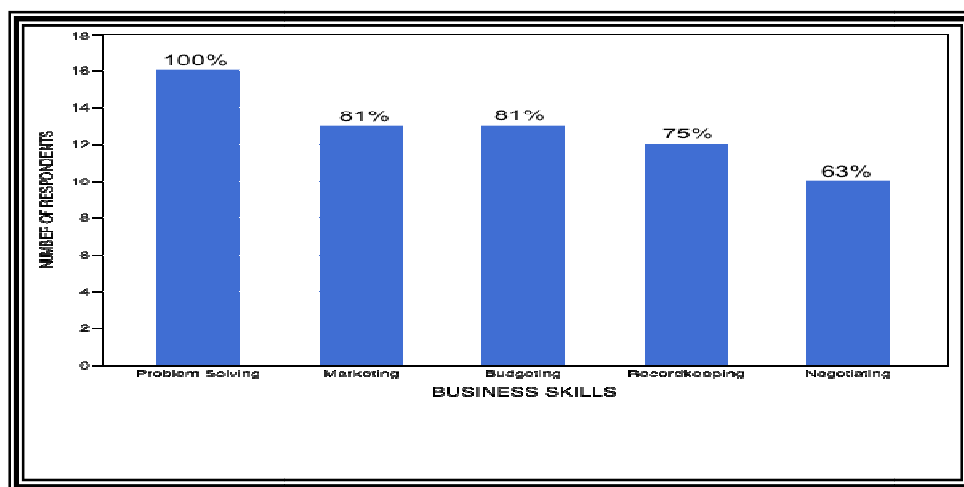


7. **Paid Employees** – Borrowers have yet to employ any paid help for their businesses.
8. **Most Significant Business Challenges** – A plurality of Borrowers cited inflation as their most significant business challenge. Inflation leads to increased costs for inventory, making it more difficult to operate a business.

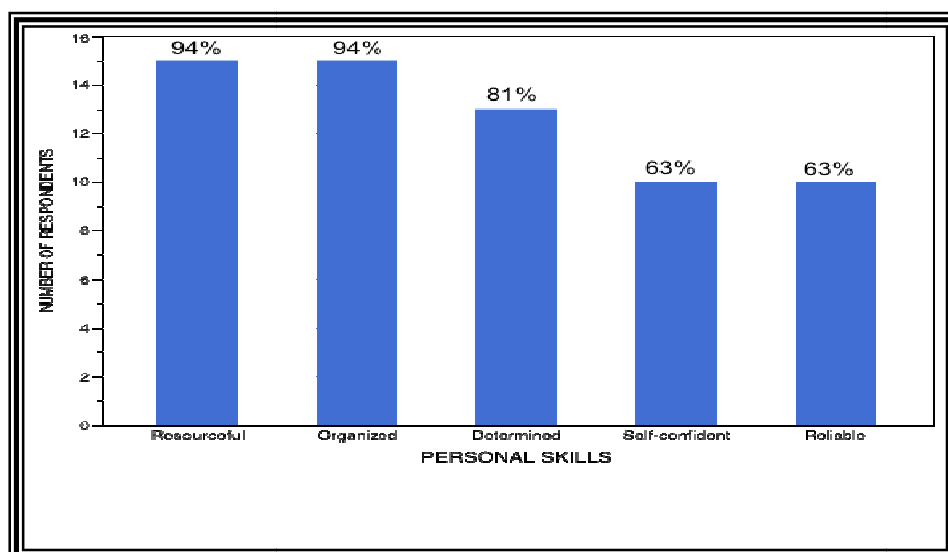


## 9. Improvements in Skills and Personal Growth – Operating a business improves Borrowers' skill sets in many areas.

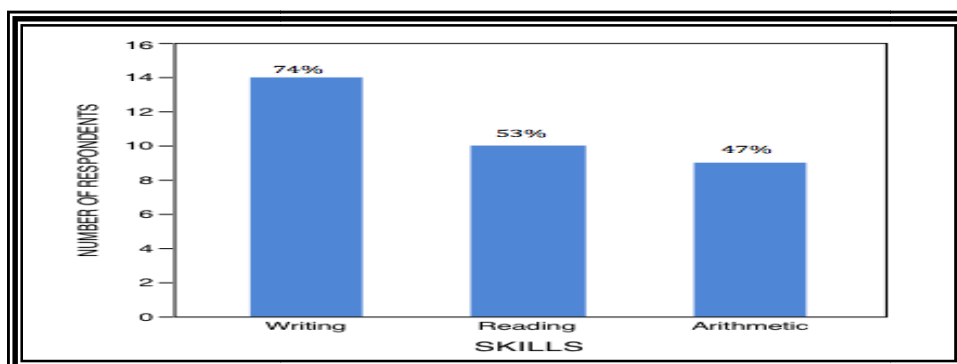
### Business Skills Improvement



### Personal Skills Improvement

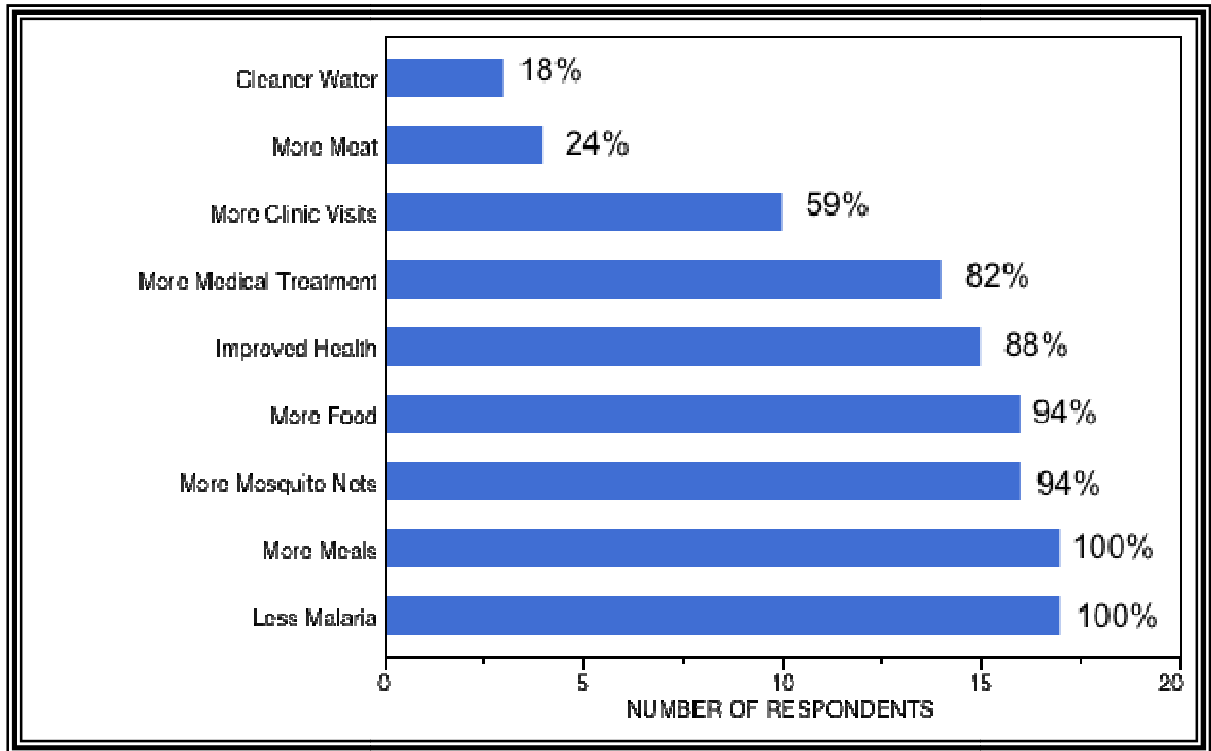


### Literacy & Numeracy Skills Improvement

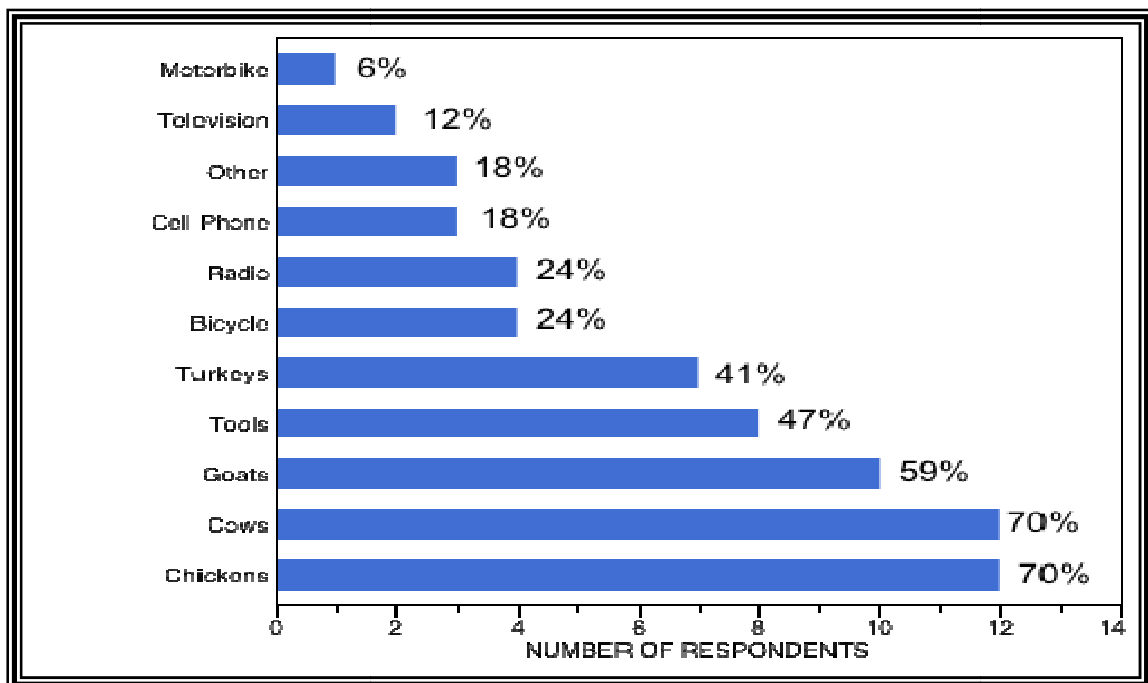


## B. STANDARD OF LIVING IMPROVEMENTS

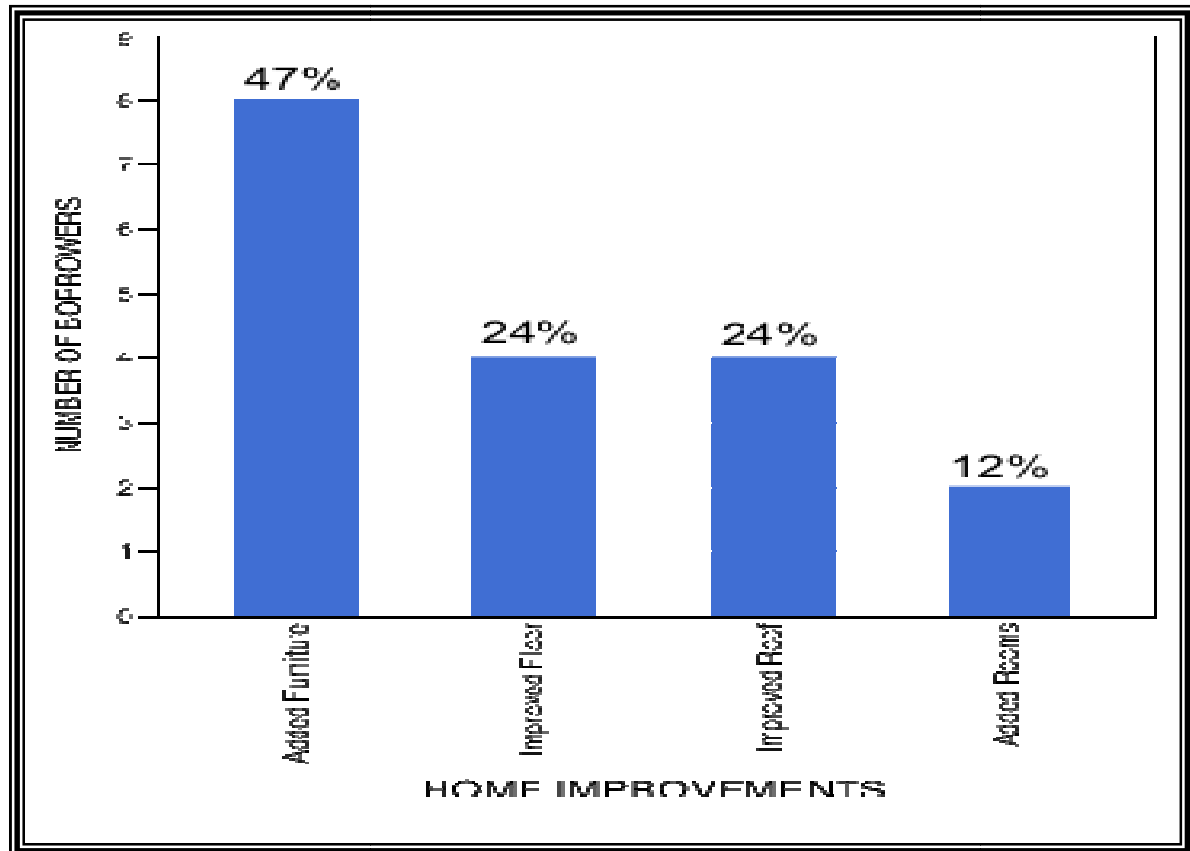
1. **Health & Nutrition Improvements** – Borrowers now provide more frequent and nutritious meals for their families. More mosquito nets mean less malaria, and better access to medical treatment improves family health.



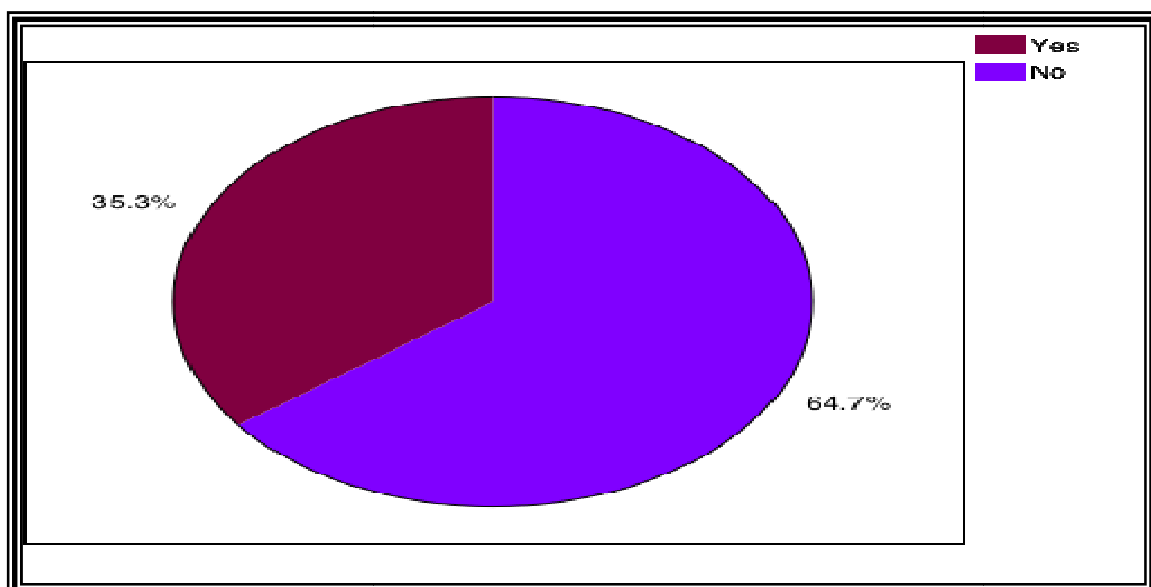
2. **Livestock & Household Purchases** – Many people buy livestock as an investment or form of savings, selling it when they need funds.



3. **Home Improvements** – Borrowers spend less of their business income on home improvements than they do on medical care and nutrition, which are more fundamental needs. In addition to the information on the graph below, nearly 30% of Borrowers report switching their lighting source to a kerosene lamp.

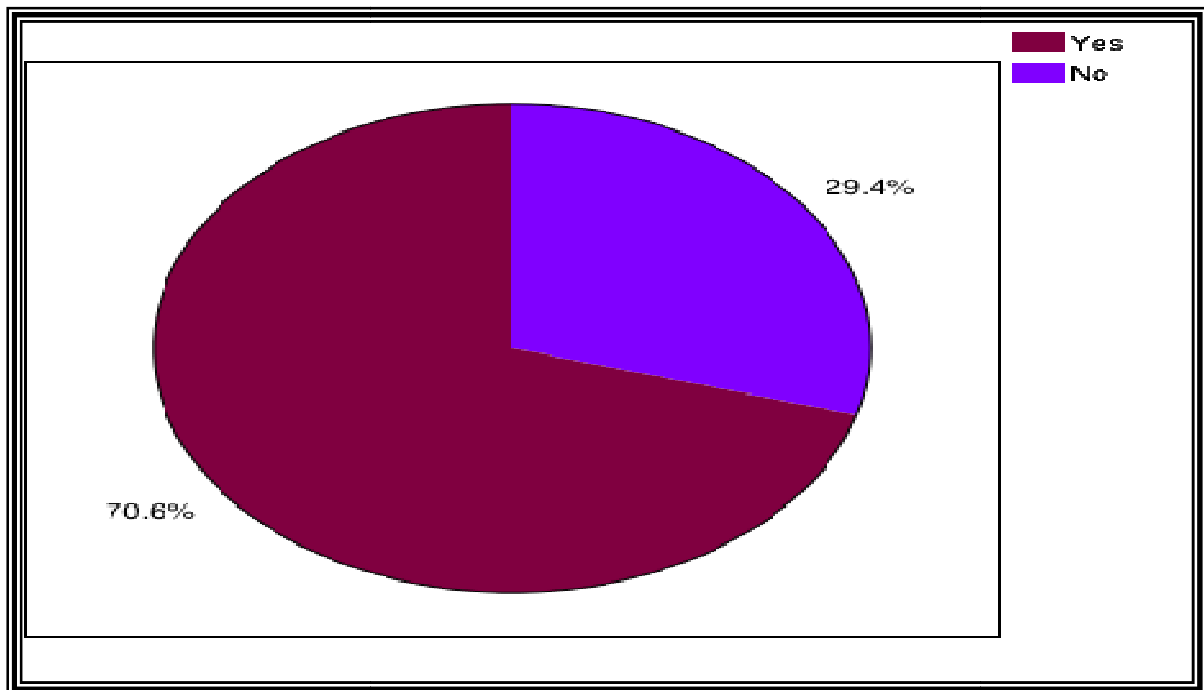


4. **Land Acquisition** – 88% of Borrowers already owned land, and 35% chose to purchase additional land after starting their businesses.

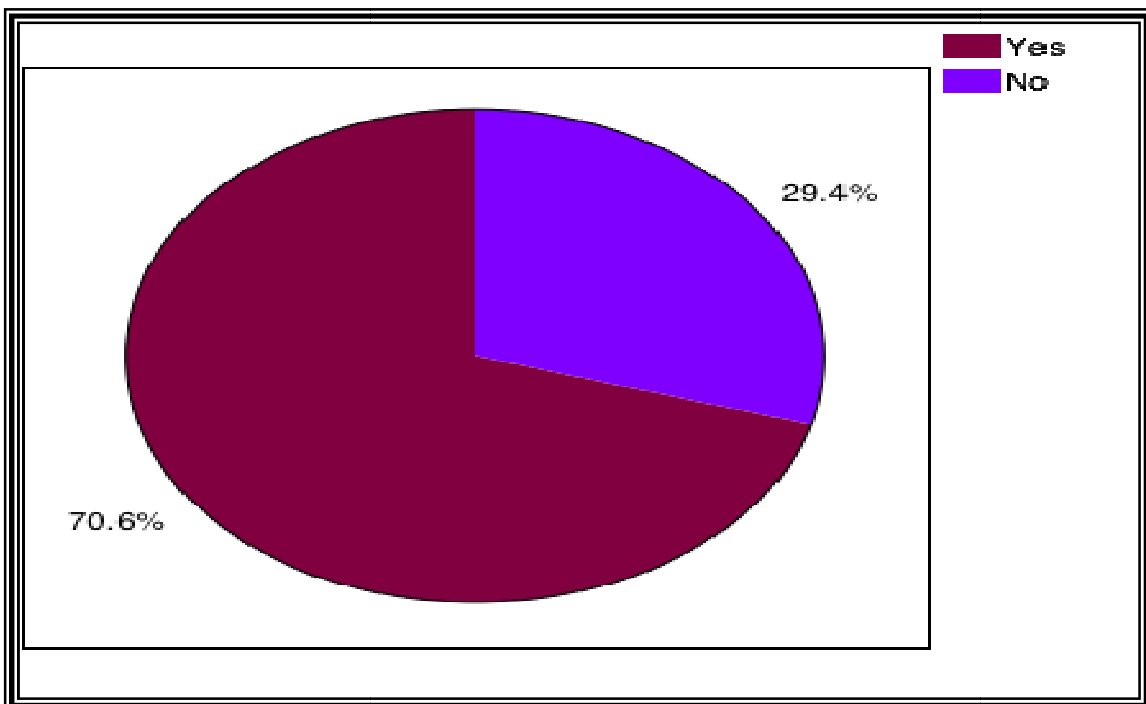




5. **More Shoes for Children** – Before entering the loan program, nearly 50% of Borrowers could not provide shoes for their children. Six months after starting businesses, more than 70% of Borrowers had purchased more shoes for their children.

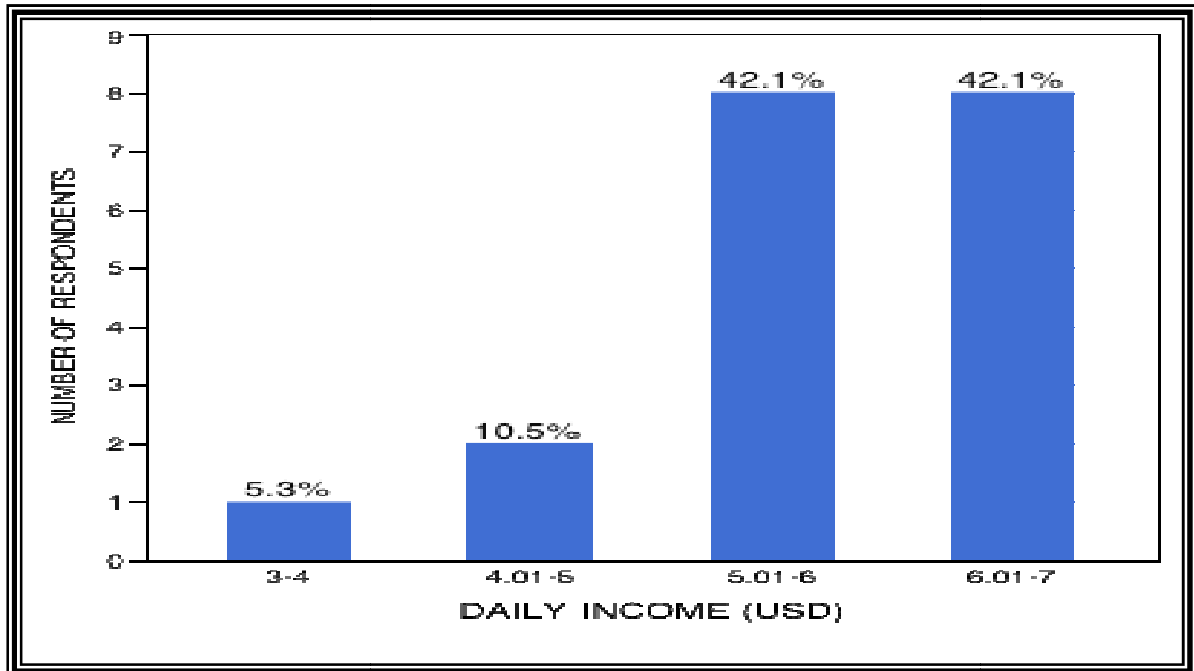


6. **More Uniforms for Children** - Before entering the loan program, nearly 40% of Borrowers could not provide school uniforms for their children. Six months after starting businesses, more than 70% of Borrowers had purchased more uniforms for their children.

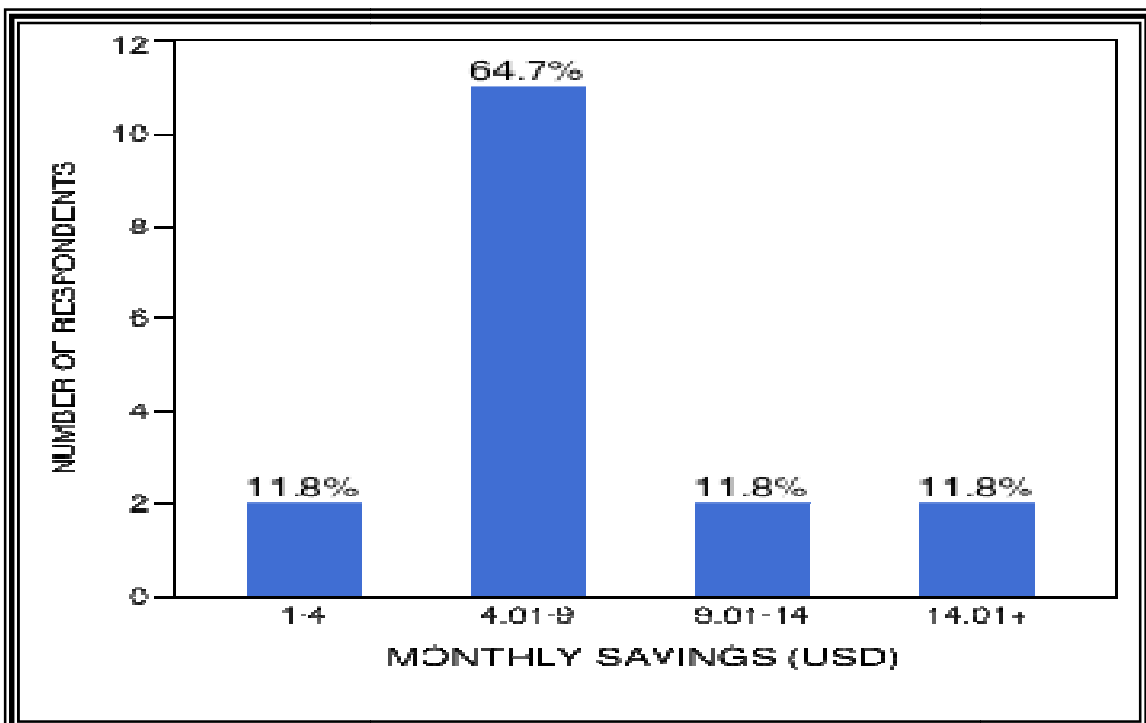


### III. 12-MONTH LOAN IMPACT DATA

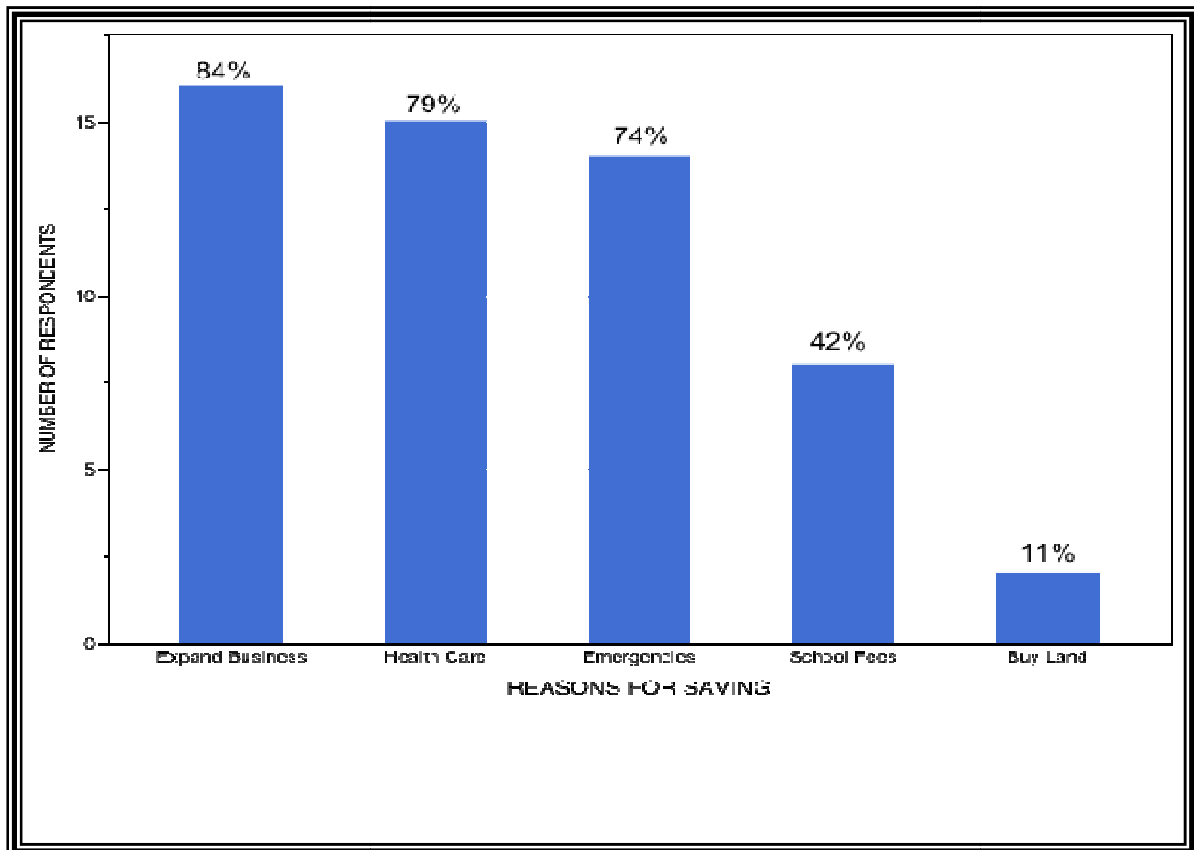
- 1. Increases to Daily Income** – Six months after starting businesses, 35% of Borrowers made \$3 or less per day, with only 12% making \$6 per day or more. At 12 months, all Borrowers had climbed out of the lowest income range and now make more than \$3 per day, while more than 40% of Borrowers now make more than \$6 per day.



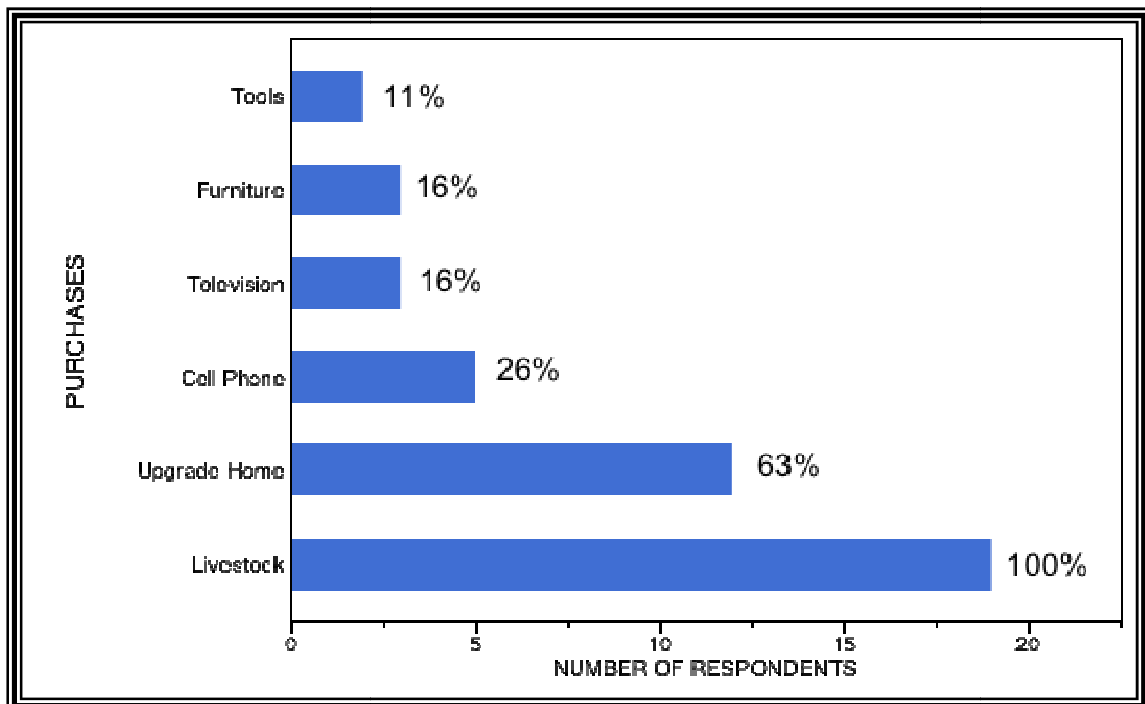
- 2. Monthly Savings**



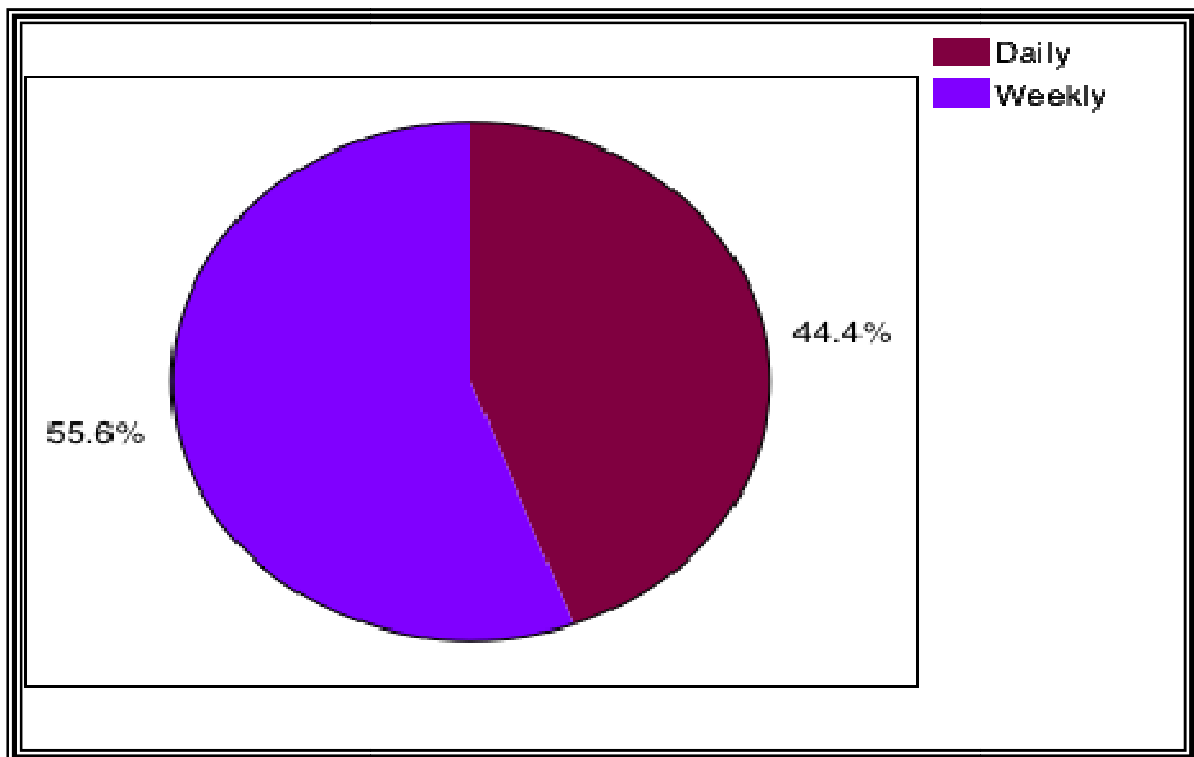
- 3. Reasons for Saving** – Borrowers' top reasons for saving are to expand their businesses, pay for health care, and provide for emergencies.



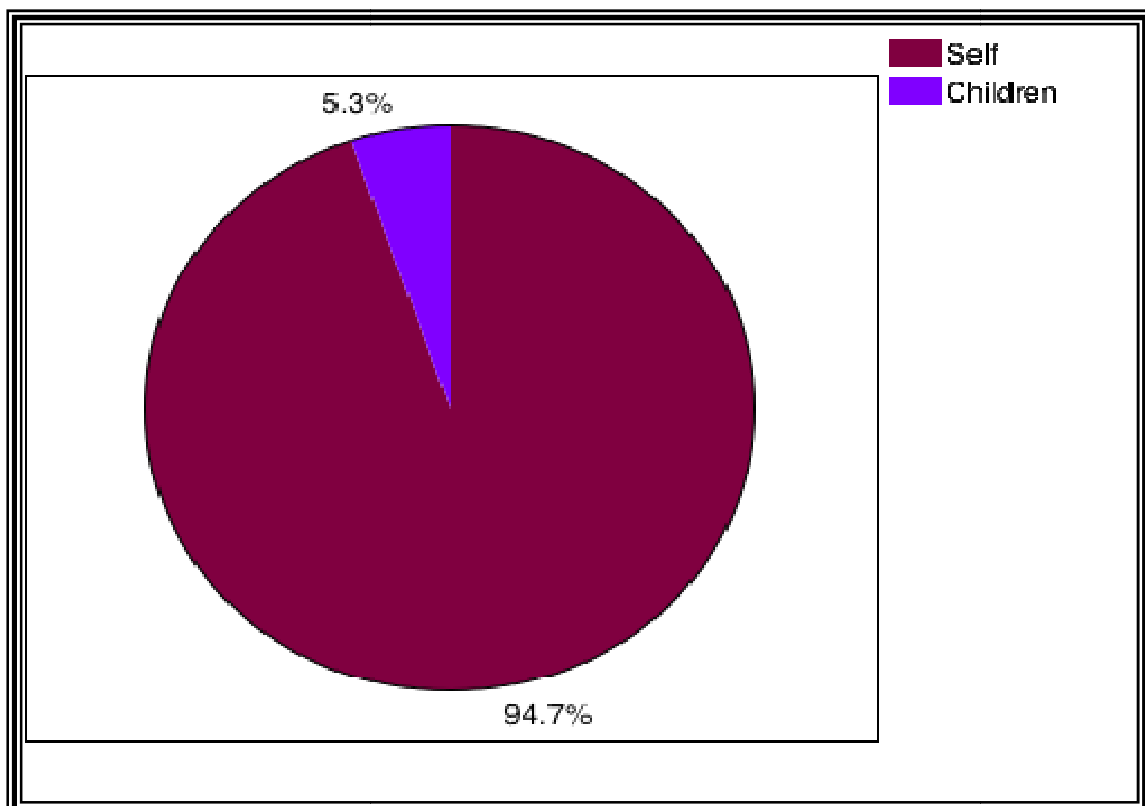
- 4. Livestock & Household Purchases** – Livestock continues to be Borrowers' top purchase. Additionally, more than 20% of Borrowers purchased land.



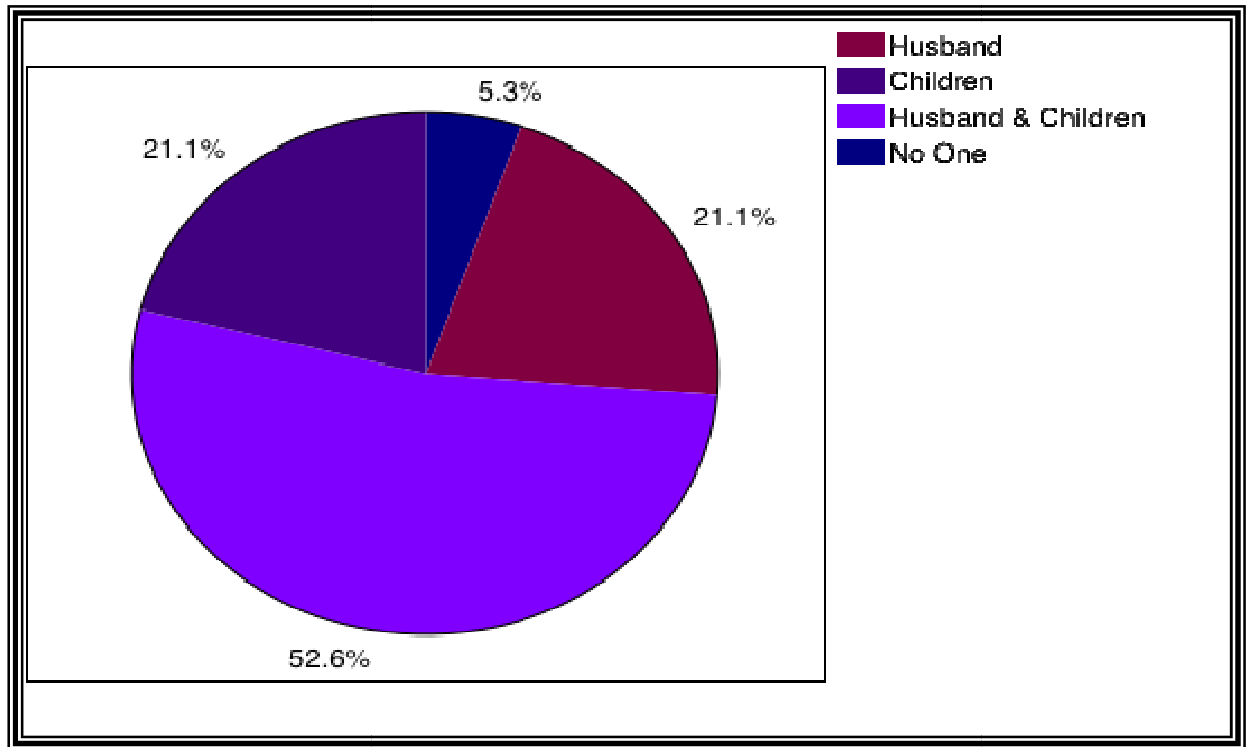
**5. Recordkeeping Practices** - Borrowers continue to exhibit exemplary recordkeeping practices.



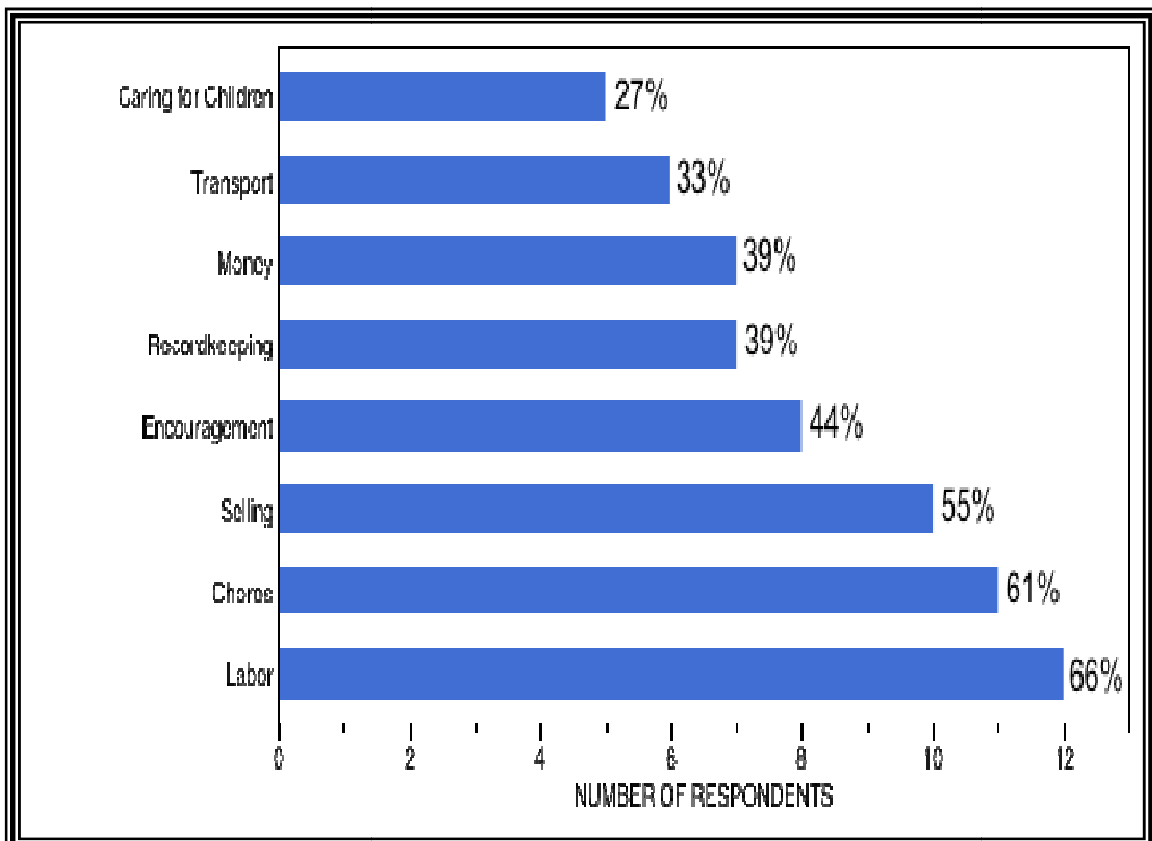
**6. Who Keeps the Records?** – At 12 months, the number of Borrowers who keep their own records increased a measurable 95%.



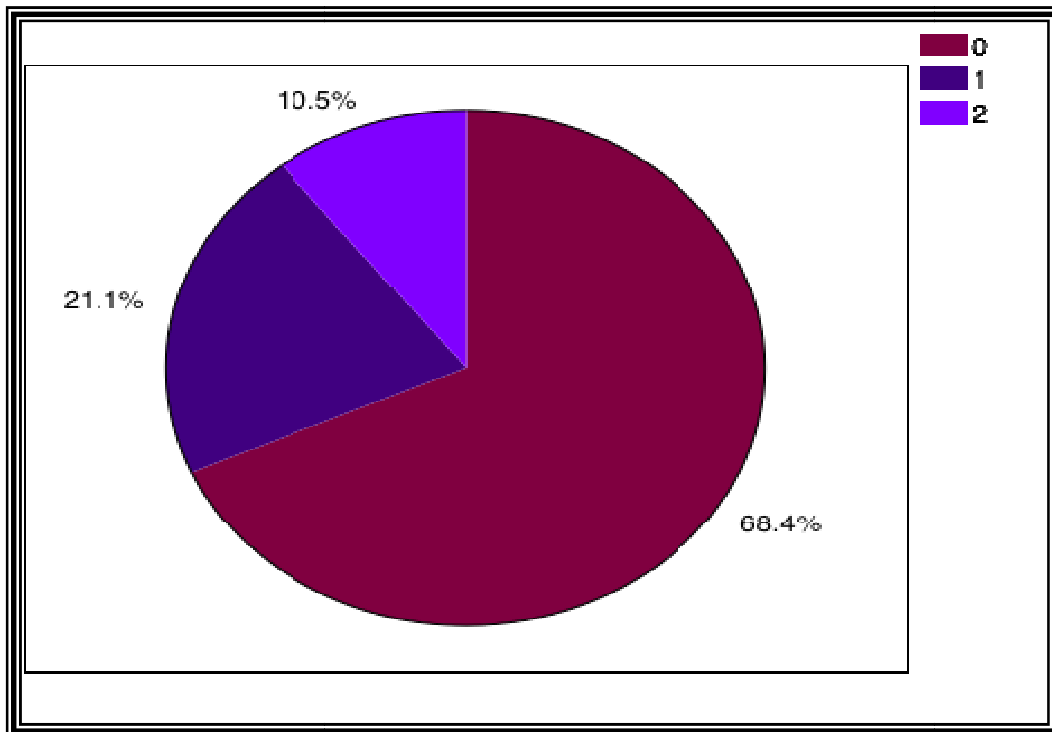
**7. Family Help** – There is a very high rate of family participation in businesses.



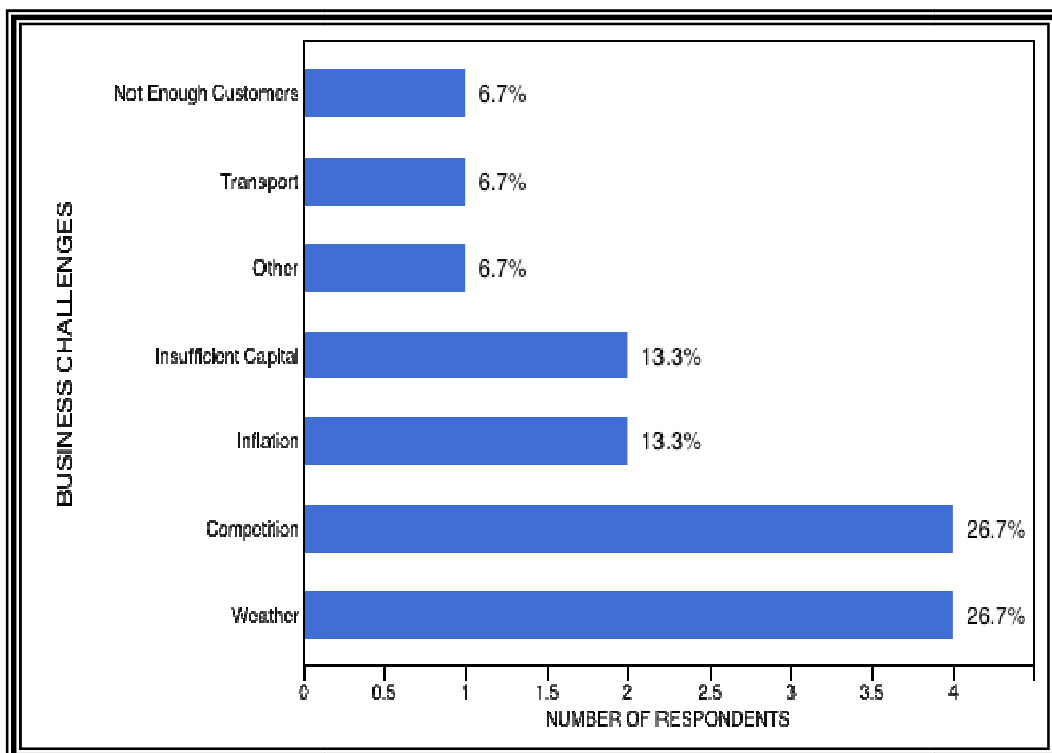
**8. How Families Help**



9. **Paid Employees** – Six months after receiving loans, no Borrowers had hired paid employees. At 12 months, 35% had paid employees.



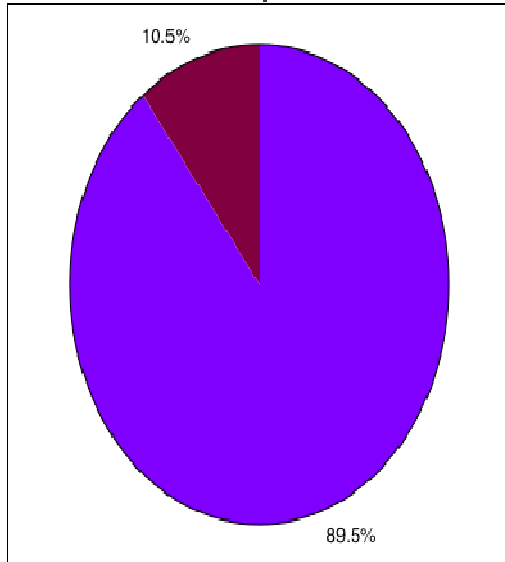
10. **Most Significant Business Challenges** – Borrowers previously cited inflation as their most significant business challenge; while inflation remains a problem, weather problems and competition have emerged as more significant obstacles.



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

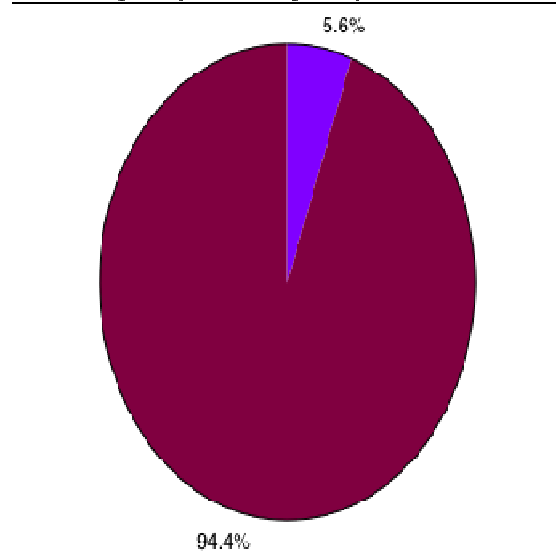
**Do you ever keep your product off the market until prices rise?**

■ Yes  
■ No



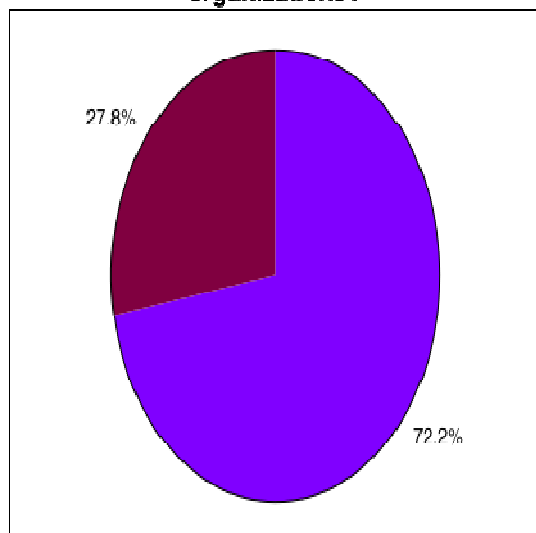
**Do you look for markets where you can get a higher price for your products?**

■ Yes  
■ No



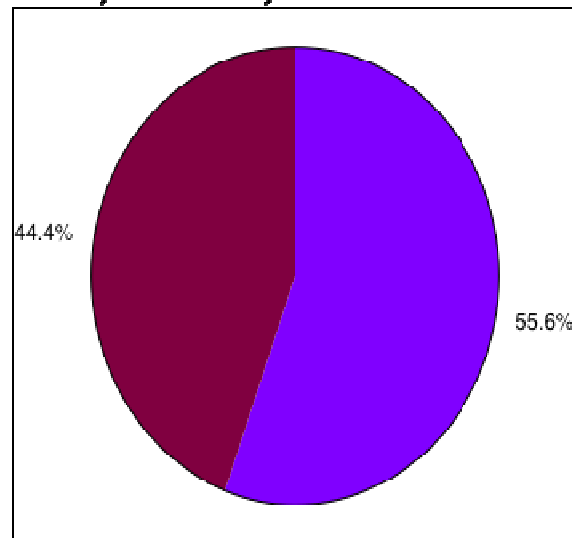
**Does your business deal with any large organizations?**

■ Yes  
■ No



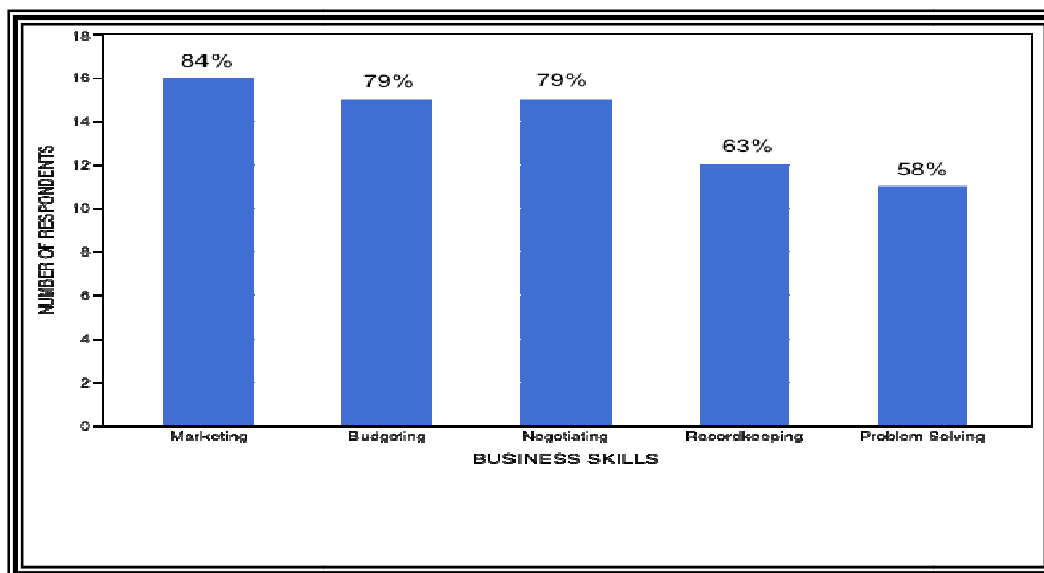
**Do you have any other businesses?**

■ Yes  
■ No

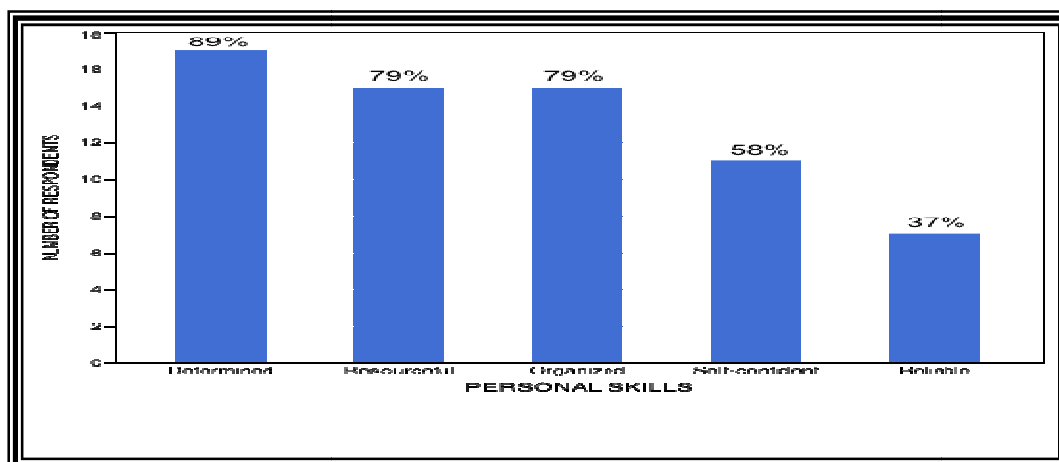


## 12.Improvements in Skills & Personal Growth

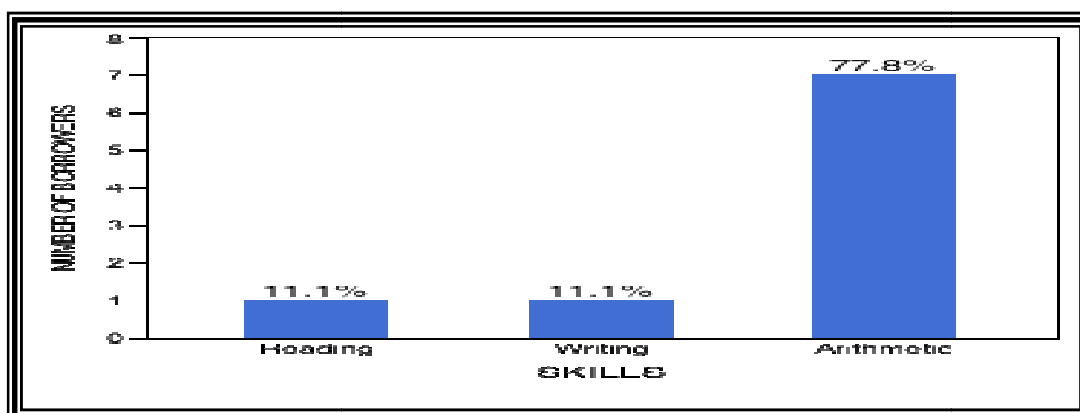
### Business Skills Improvement



### Personal Skills Improvement

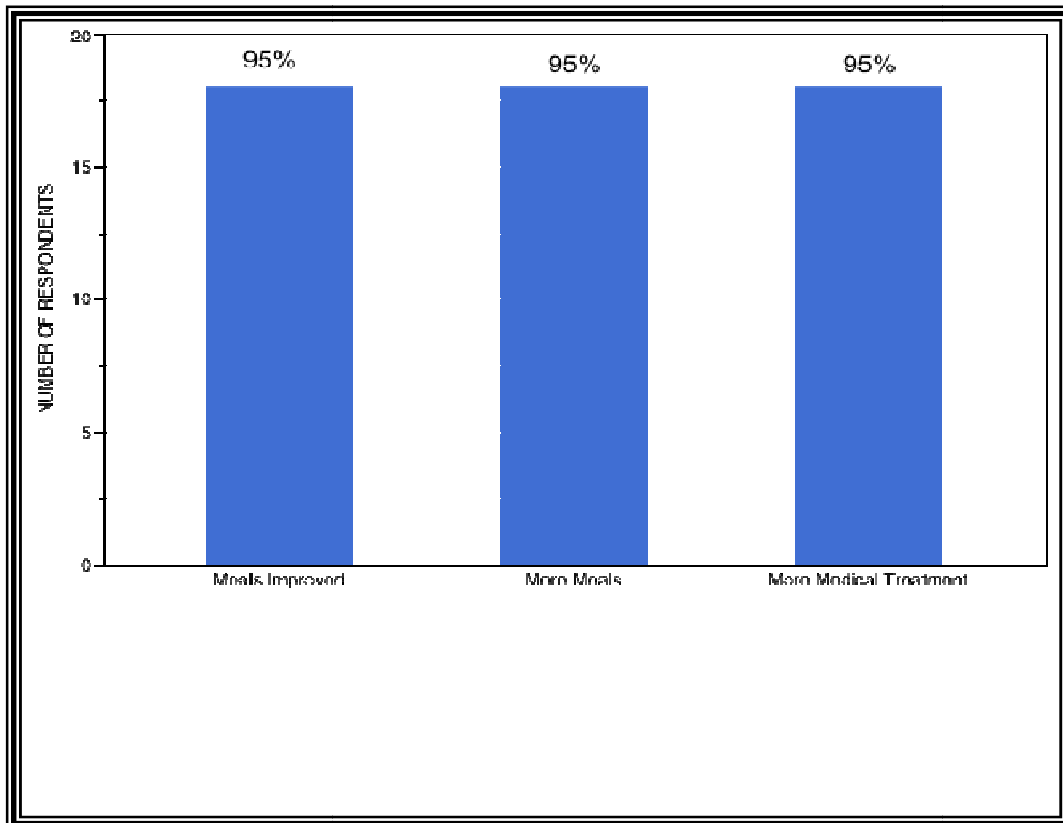


### Literacy & Numeracy Improvement





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



## **IV. BORROWER NARRATIVES**

### **1. Has your loan made your life better?**

- “I can afford medical bills.”
- “I can buy shoes and uniforms for my children.”
- “We have bought mosquito nets.”

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

- “Since I started my business, I can solve health problems.”
- “Life is better than before.”
- “My children are healthier.”

### **3. Are you happier since getting your loan?**

- “I at least don’t lack completely some finance.”
- “I am self-employed and able to provide myself and family basic needs.”
- “I can manage to buy medicine for my family.”

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

- “People are improving.”
- “Those who are in the loan program look better.”
- “Village people get health services nearer.”

## **V. SUMMARY**

### **Demographics**

WMI serves a wide range of Borrowers, with most between the ages of 30 and 50. 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. Nearly 80% of Borrowers report that their husbands help with their 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 higher success rates. The typical household has 6-7 people, including 4-5 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**

78% of Borrowers' households subsisted on less than \$2/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 6.1 people, meaning that 100% of Borrowers lived below the poverty line before entering the loan program. Six months after entering the loan program, more than 60% of Borrowers had a daily income of more than \$3. At 12 months, all Borrowers had climbed out of the lowest income range and made more than \$3/day, while more than 40% of Borrowers made more than \$6 per day. Prior to starting a business, the majority of Borrowers had no savings. Six months later, 100% of Borrowers were saving on a regular basis, with 45% saving more than \$9 each month. 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 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 metal roof. Most homes have four or fewer rooms. Meals typically consist of rice, pasho (a paste made of maize flour and water), bananas, and matoke (plantains which are peeled, boiled, and then mashed). 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 lighting source, and their homes have a dedicated pit or latrine.

After entering the loan program, Borrowers almost uniformly report more and better meals and purchase of livestock (especially chickens and cows). They also reported home improvements like furniture and radios.

### **Family Health & Welfare**

When entering the loan program, more than 80% of Borrowers reported that at least one person in their household was regularly sick and could not attend work or school. 80% reported at least once case of malaria in their household in the last six months and nearly 50% reported that at least one person in their household sleeps without 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%.

90% of Borrowers and 70% 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 reported fewer cases of malaria, increased net purchases, and 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 household. 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.