

WMI FACT BOOK: Loan Program Data
August 2013

SOUTHWESTERN UGANDA



wmionline.org



**WOMEN'S
MICROFINANCE INITIATIVE**

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WMI Background, Methodology, and Summary

Background on WMI Loan Program

WMI is a U.S. based non-profit organization that provides loans of up to \$250 to women in rural East Africa to help them start and expand their small businesses. 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.* WMI also provides borrowers with training in financial literacy, business management, record keeping, and financial planning to ensure that borrowers have the knowledge and skills they need to be successful. After 24 months in the WMI loan program, borrowers graduate to financial independence and transition to a bank loan issued by a financial institution. Ultimately, 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.

Methodology

WMI partners with local community based organizations (CBOs) to operate each village loan hub. The CBOs supervise local data collection utilizing borrower surveys that are completed every six months, starting with a baseline survey when borrowers enter the loan program. The data is compiled and analyzed annually by U.S. college students.

The data presented in this fact book was collected from July 2012 to April 2013 from 136 baseline borrowers.

Summary

WMI's loan program in Southwestern Uganda is centered in the Kebale district, about 260 miles from Kampala. This is a very rural area where women have very limited access to any type of financial services. By providing start-up capital and business skills training, WMI has provided critical resources for women to launch businesses that allow them to improve household living standards and that spur economic growth throughout the community.

Most borrowers in this region range in age from 21 to 50 years old and are married. Over half of these borrowers have 6 or more people in their household and 85% of them care for at least 3 children. Prior to entering the loan program, 65% of borrowers had annual household incomes of \$500 or under, which they mostly spent on school fees, food, and business expansion. Most borrowers live in semi-permanent houses and eat 2-3 meals that consist of mainly beans and potatoes on a daily basis.

After six months in the loan program, the vast majority of borrowers improved their business skills and feels more determined, organized, and self-confident. As businesses expand and incomes increase, at least 80% of borrowers report having more shoes and school uniforms for their children. This is a immense improvement as only about half of borrowers' children had shoes before borrowers received loans, leaving them vulnerable to preventable diseases that are contracted from direct contact with contaminated soil. 91% of borrowers also believe their families are healthier; 93% report it being easier for them to pay their medical expenses, 94% of borrowers are eating more meals, 90% of borrowers are drinking cleaner water, and 59% have purchased more mosquito nets for their families to protect themselves from malaria.

This trend for borrowers continues throughout 12 months and 18 months after their first loans. After 18 months in the loan program, the average annual income increased from \$479 to \$1577. This is an increase of 319%. Moreover, before entering the loan program, 95% of borrowers made less than \$1000 annually, with 28% of borrowers making less than \$250. After 18 months, 87% of borrowers make over \$1000 annually and 0% make less than \$250.

I. Baseline Data (136 Surveys)

This is a snapshot of the borrowers' demographics and living standards when entering the loan program.

A. Demographics

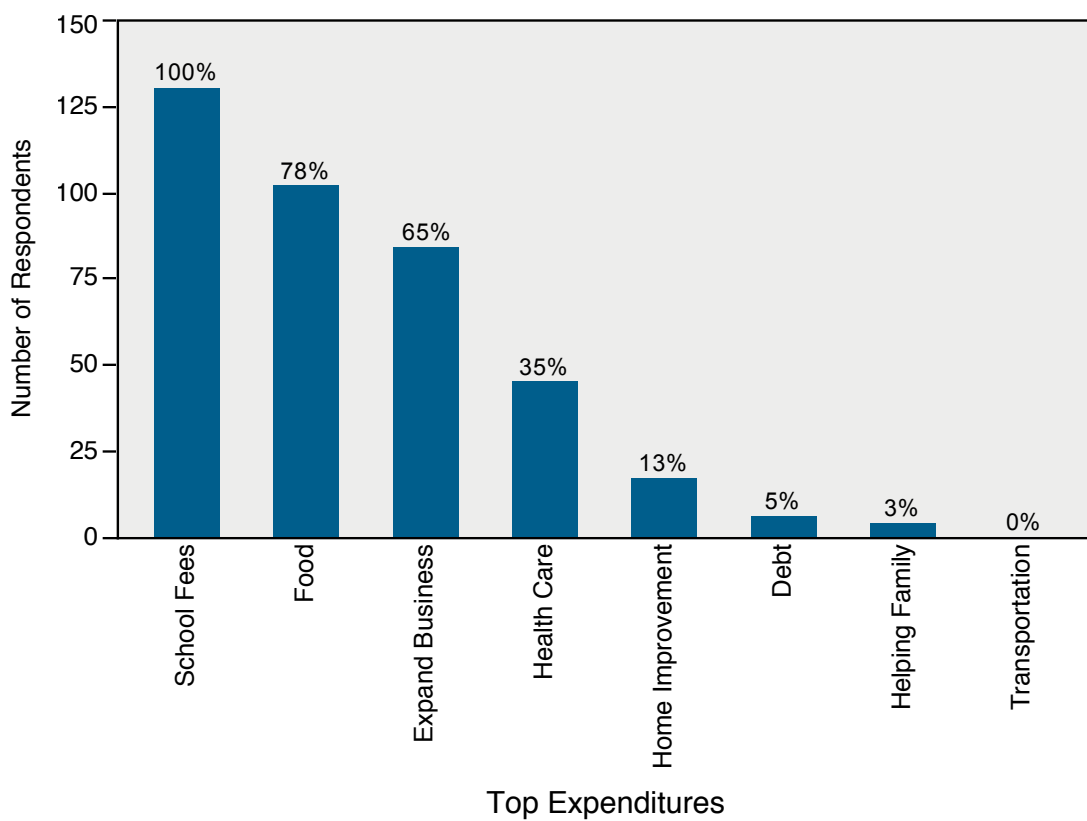
Demographics		
Ages	20 & Under	1%
	21-30	25%
	31-40	39%
	41-50	24%
	51-60	8%
	61 & Over	1%
Marital Status	Married	83%
	Single	5%
	Widowed	12%
# of People in Household	2 or Fewer	5%
	3-5	43%
	6-8	41%
	9-11	10%
	12 & Up	1%
# of Children in Household	0-2	15%
	3-5	47%
	6-8	31%
	9 & Up	7%
# of Orphans in Household	0	52%
	1	28%
	2	11%
	3	4%
	4 & Up	5%
Annual Household Income (in US Dollars)	Under \$250	28%
	\$250 – \$500	37%
	\$501 – \$1000	30%
	\$1001 – \$2000	5%
	Over \$2000	0%
Household Savings	Yes	78%
	No	22%

B. Standard of Living

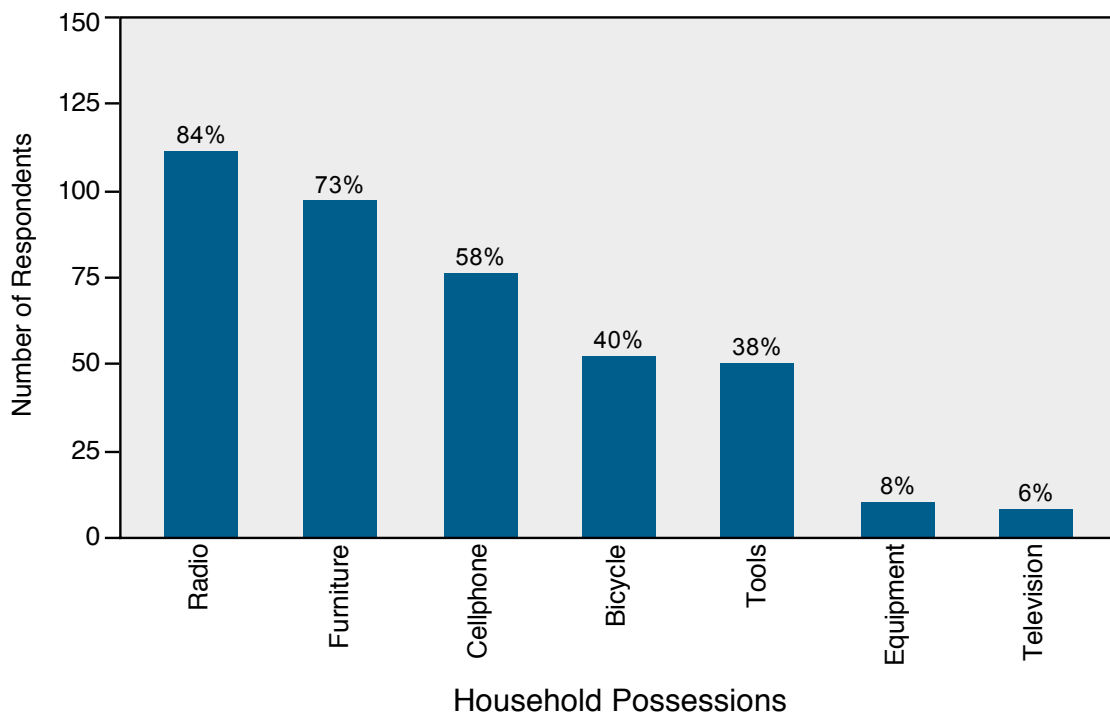
i. Type of House: Land is mostly owned by families, not individuals. The vast majority of women live in semi-permanent homes built on family land.

Type of House		
Own House?	Yes	88%
	No	12%
Type of House	Semi-Permanent	87%
	Permanent	13%
Own Land?	Yes	83%
	No	17%

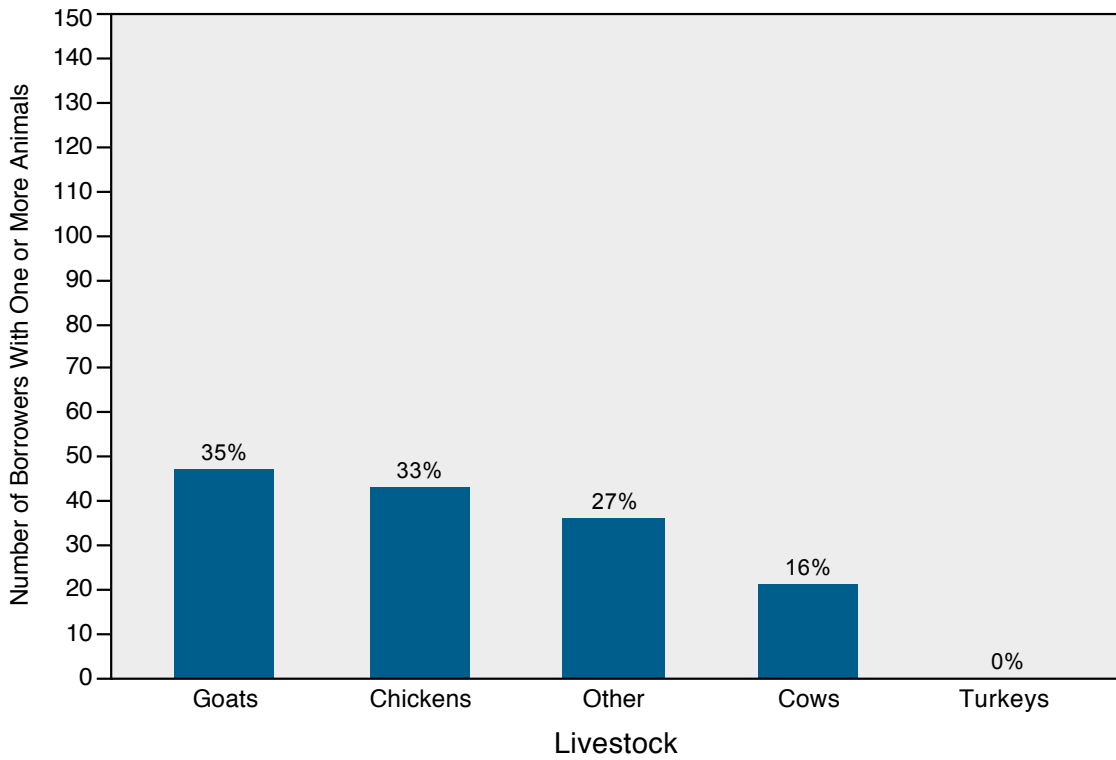
ii. Top Household Expenditures



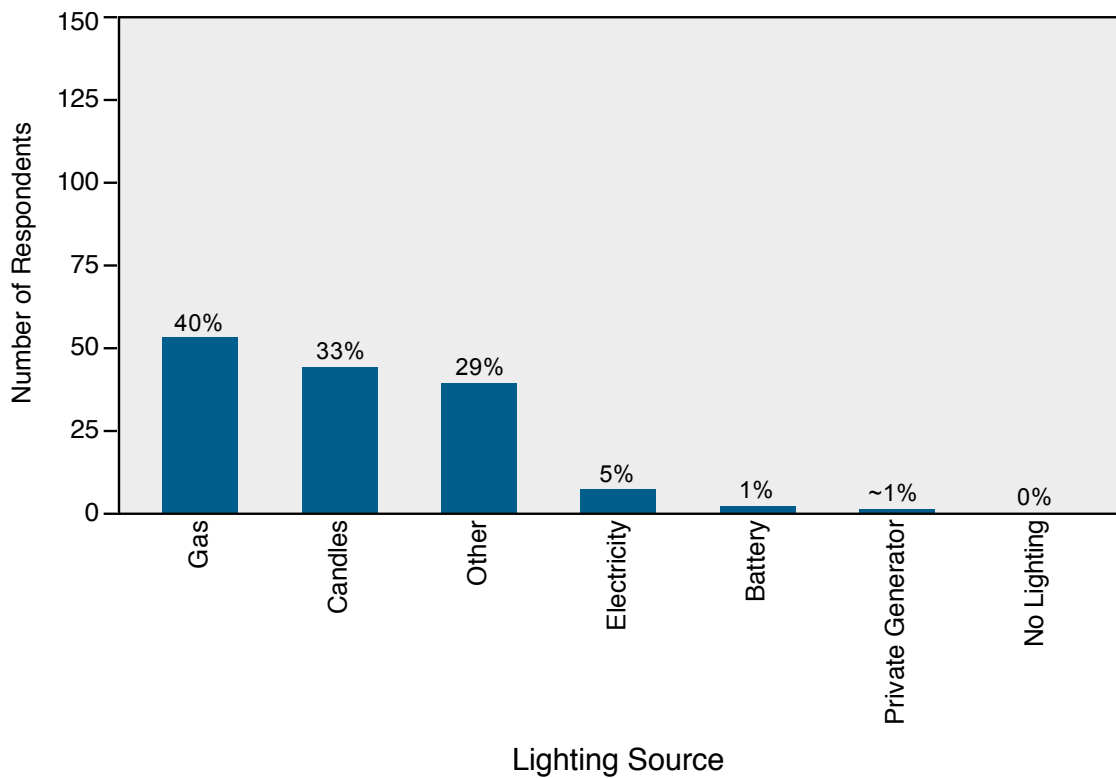
iii. Household Amenities



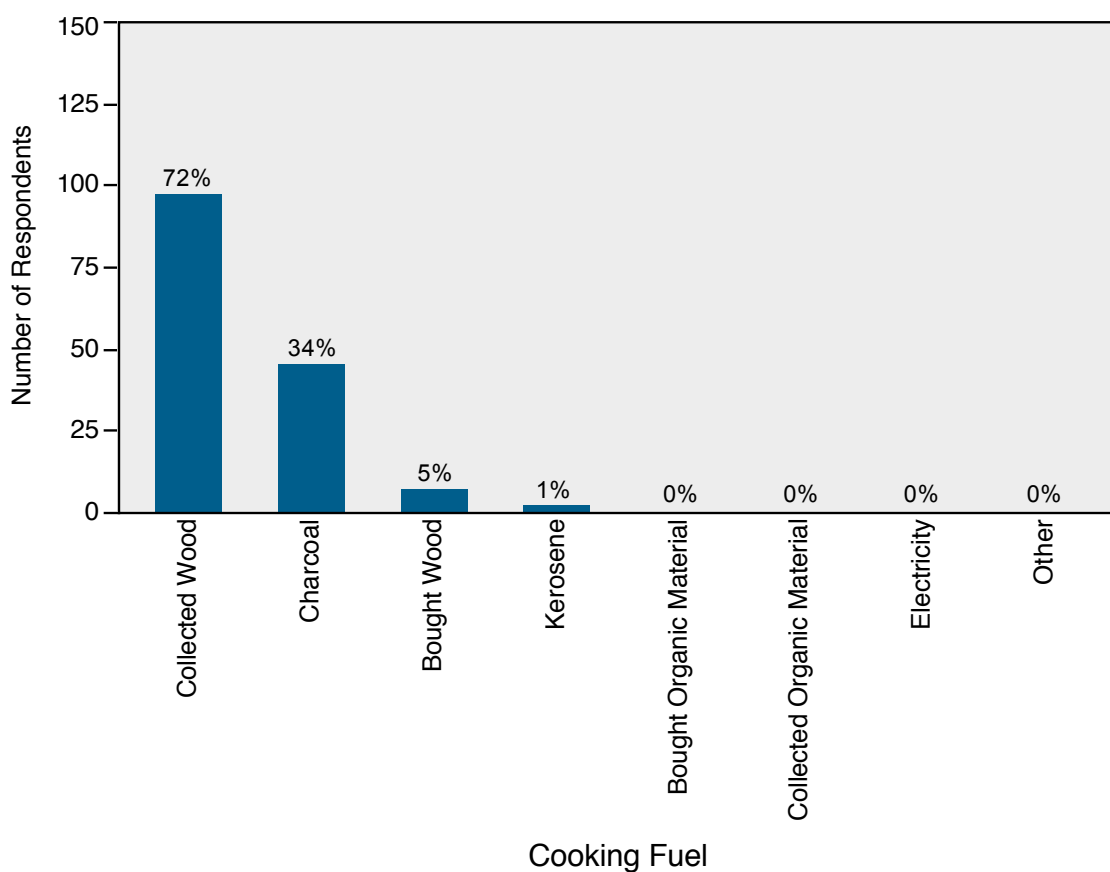
iv. Livestock



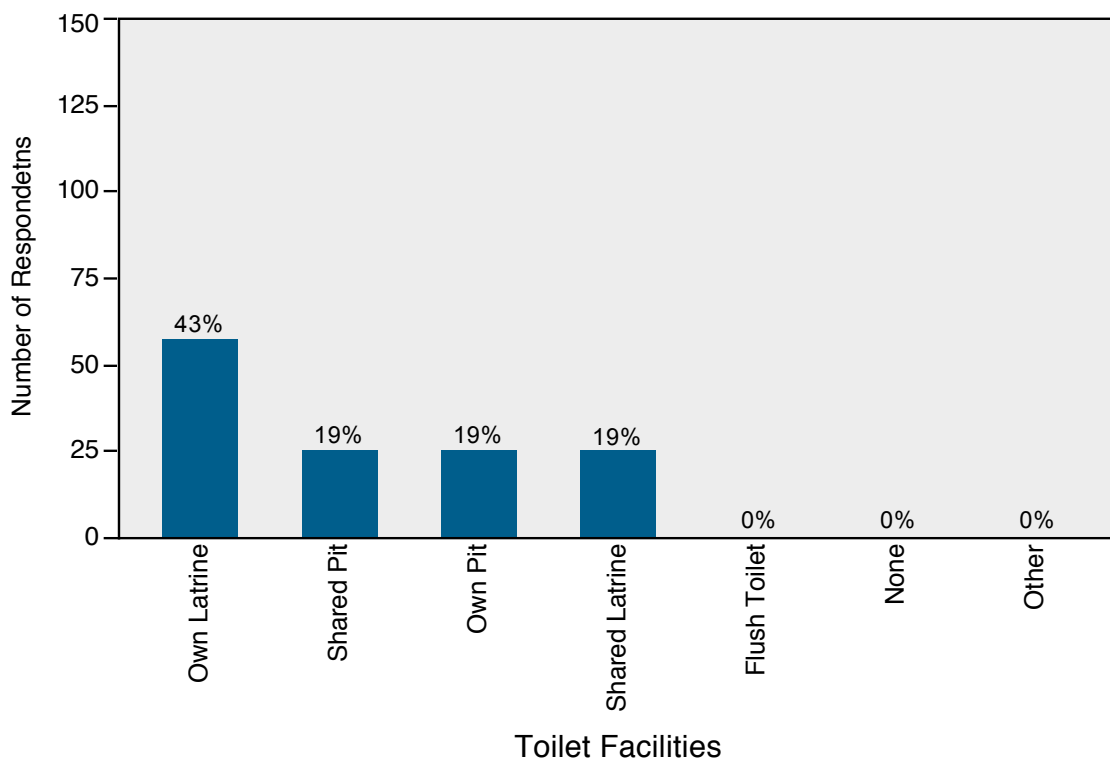
v. Lighting Source: The majority of borrowers are using gas and candles as their main sources for lighting.



vi. Cooking Fuel: The majority of borrowers are still collecting wood for cooking fuel.

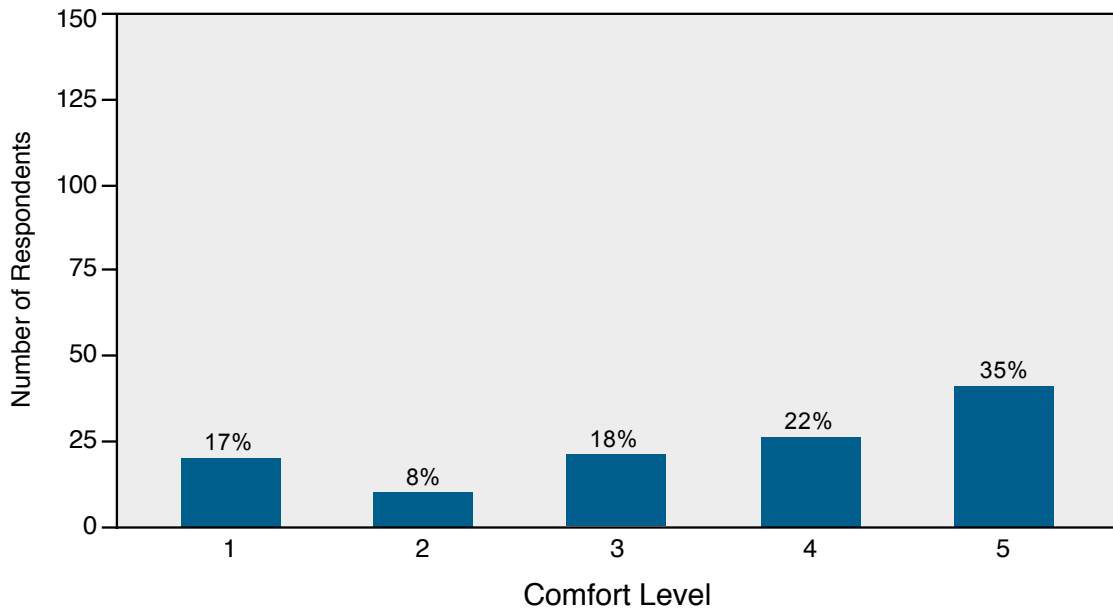


vii. Toilet Facilities: The majority of borrowers use a private latrine.

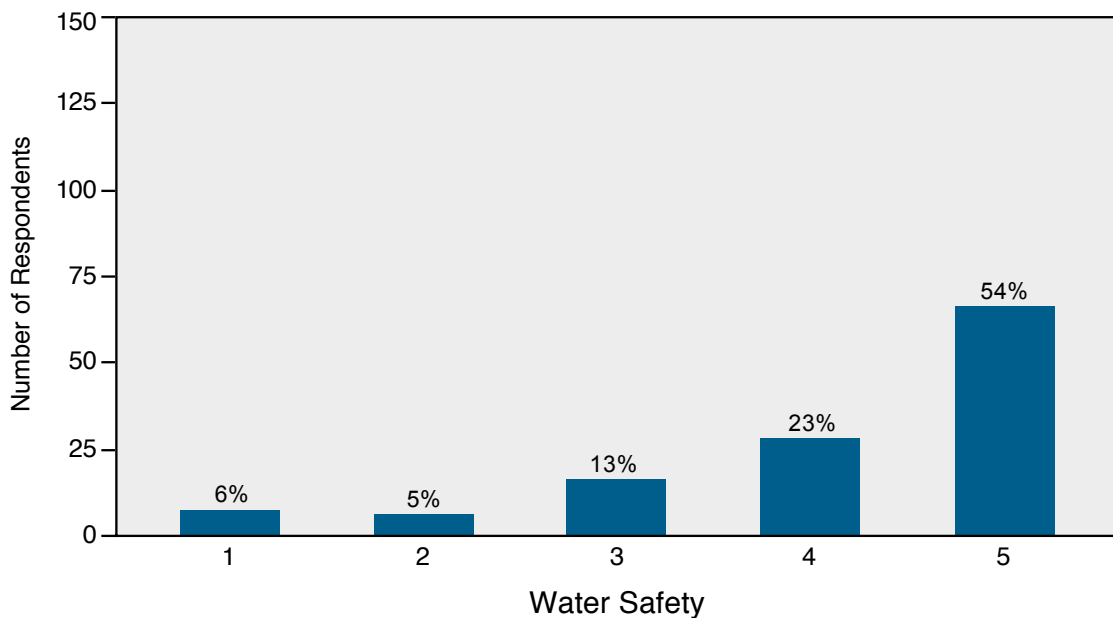


C. Family Health and Welfare

i. Reading/Writing Ability: On a scale of 1 to 5, with 1 being the least comfortable and 5 being the most comfortable, borrowers rated their comfort level with reading and writing.



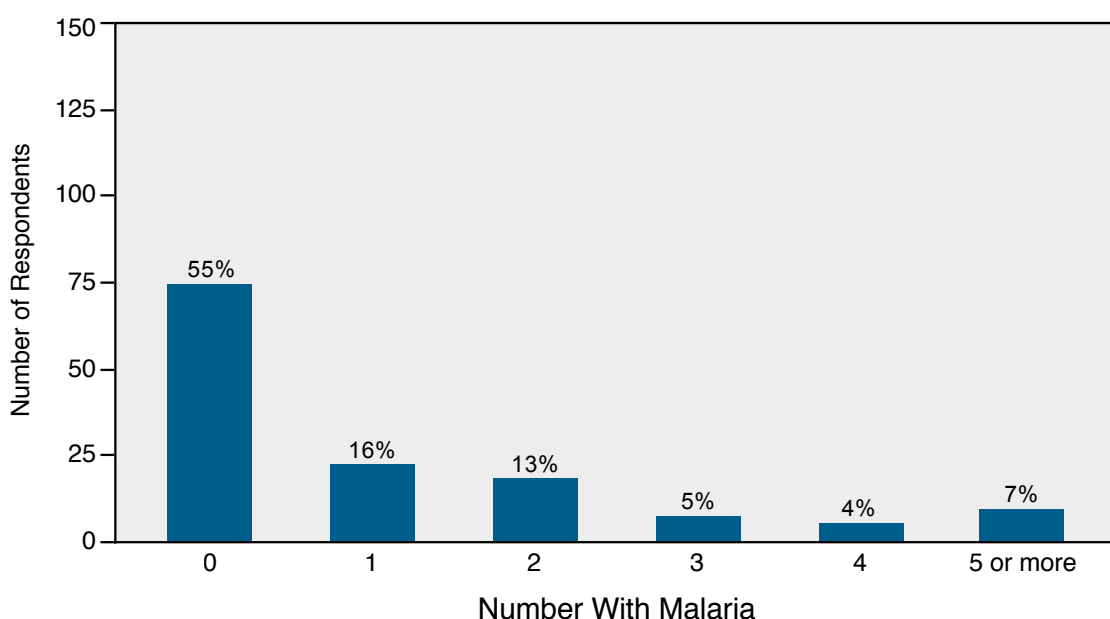
ii. Water Safety: On a scale of 1 to 5, with 1 being the least safe, borrowers rated the quality of their drinking water.



iii. Illness in Household: 42% of borrowers reported that at any given time, at least one member of their household is sick, with malaria being the dominant illness.

Illnesses in Household		
# of Family Members Regularly Sick	0	58%
	1	23%
	2	12%
	3	3%
	4 or more	4%
Major Household Illness	Malaria	41%
	Cough	15%
	Flu	9%
	Cold	0%
	Other	16%
	None	33%

iv. Malaria in Household: 45% of borrowers reported at least one case of malaria in their households in the last six months.

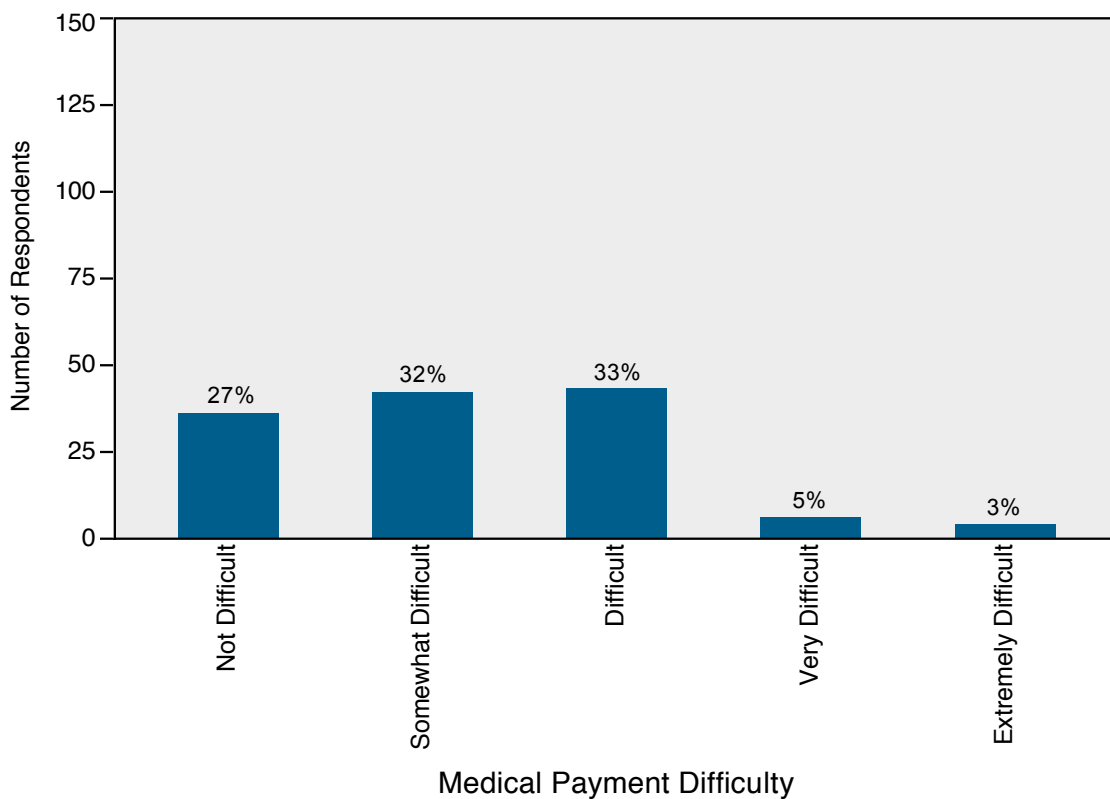


v. Mosquito Nets: Only 36% of borrowers have mosquito nets for every member of their families.

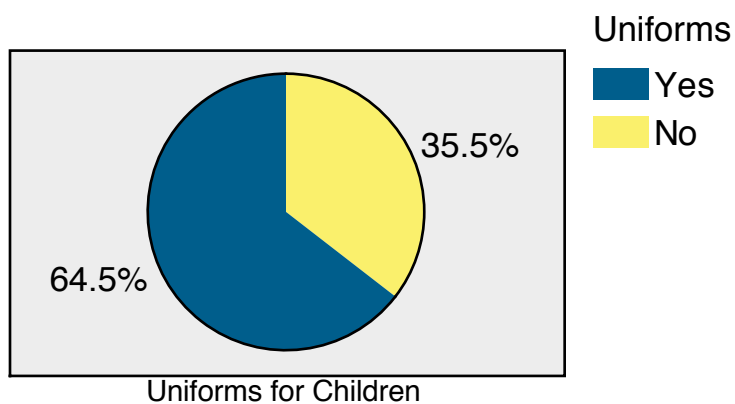
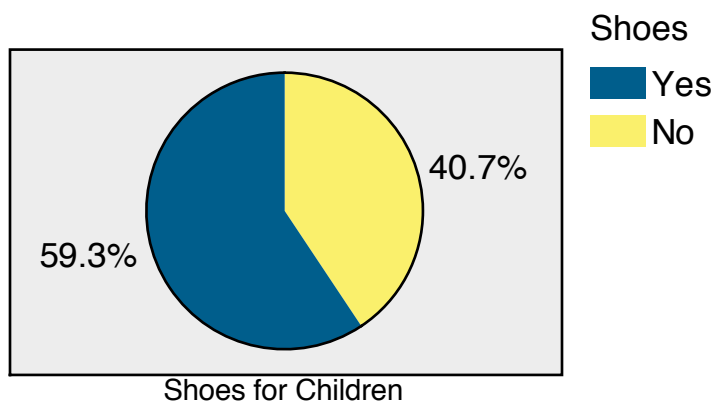
vi. HIV/AIDS:

HIV/AIDS		
Borrowers Tested for HIV/AIDS	Yes	88%
	No	12%
Family Tested for HIV/AIDS	Yes	69%
	No	31%
Borrowers Who Have a Family Member with HIV/AIDS	Yes	8%
	No	92%
If Yes, Do They Receive Regular Treatment?	Yes	100%
	No	0%

vii. Medical Payment Difficulty: Over 73% of borrowers find it at least somewhat difficult to pay medical fees.



viii. Do all children in the household have shoes and school uniforms?



ix. Food Consumption:

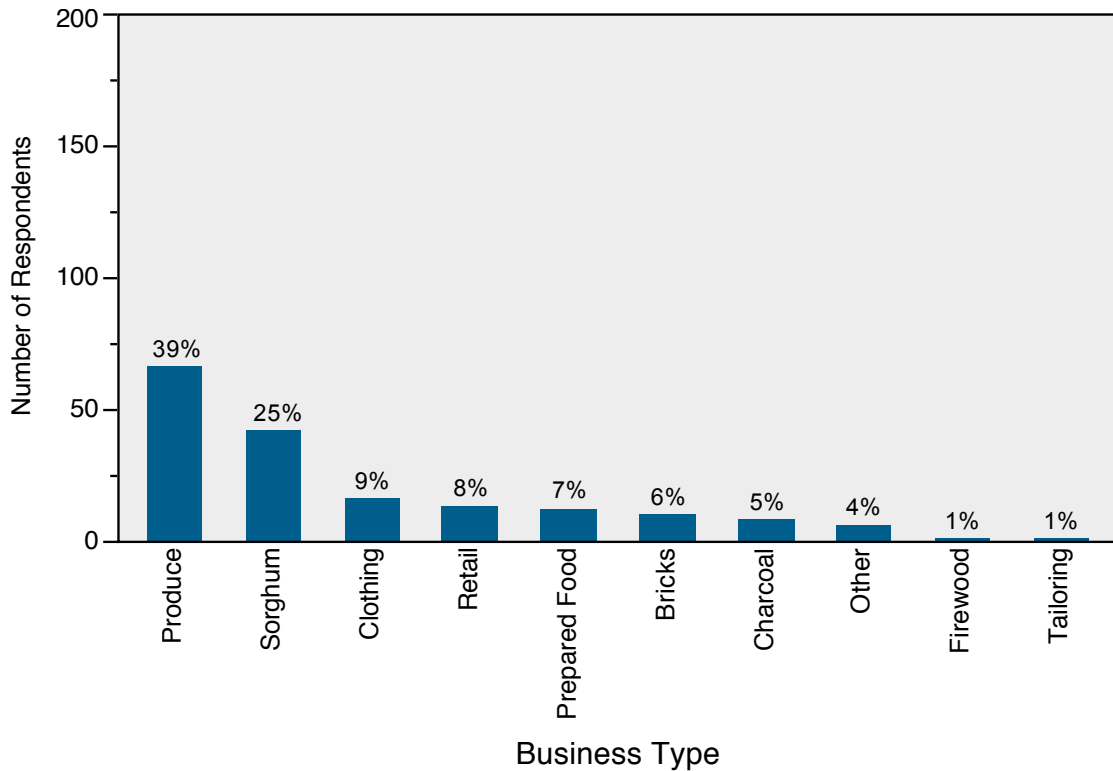
Food Consumption		
# of Meals Eaten Per Day	1	1%
	2	36%
	3	62%
	4 or more	1%
Food Eaten Most Often	Beans	87%
	Potatoes	84%
	Posho	22%
	Matooke	9%
	Rice	6%
	Bananas	5%
	Nuts	4%

II. 6-Month Loan Impact Data (170 Surveys)

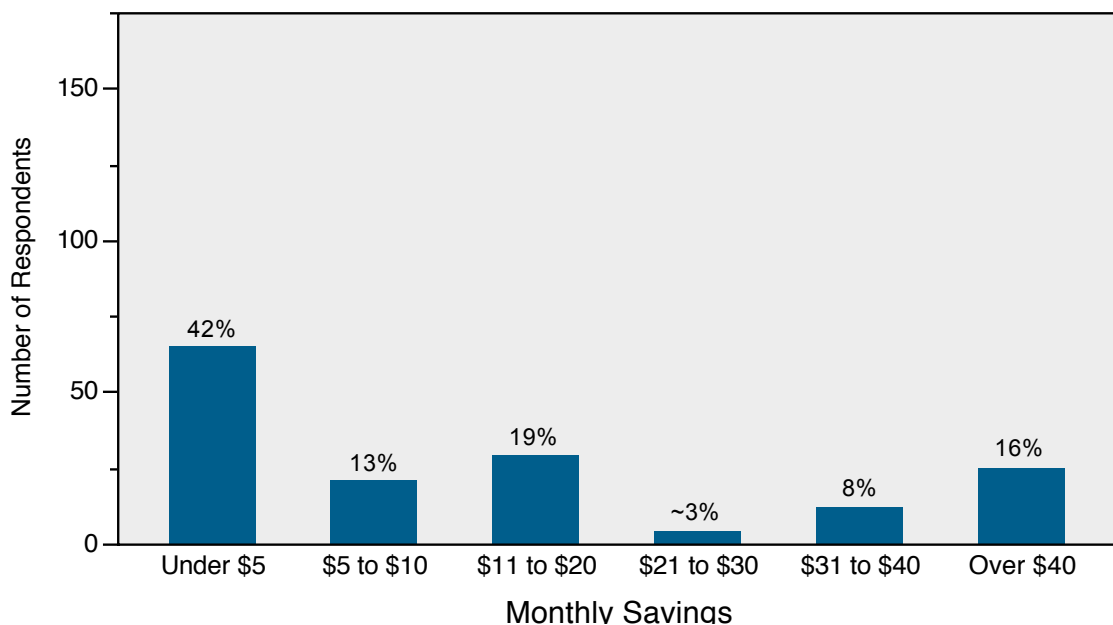
This is a snapshot of the borrowers' demographics and living standards after 6 months in the loan program.

A. Business Operations

i. Business Type:



ii. Monthly Savings: At six months, borrowers begin to save regularly.



iii. Family Assistance: The majority of borrowers receive assistance from their families in operation their businesses.

Business Operations		
Who in the family helps?	Husband	68%
	Children	77%
Type of Help Received from Family	Labor	70%
	Encouragement	57%
	Transport	49%
	Household Chores	48%
	Selling	35%
	Minding Children	35%
	Money	15%
	Record-keeping	15%
	Other	1%

iv. Improved Personal/Business Skills:

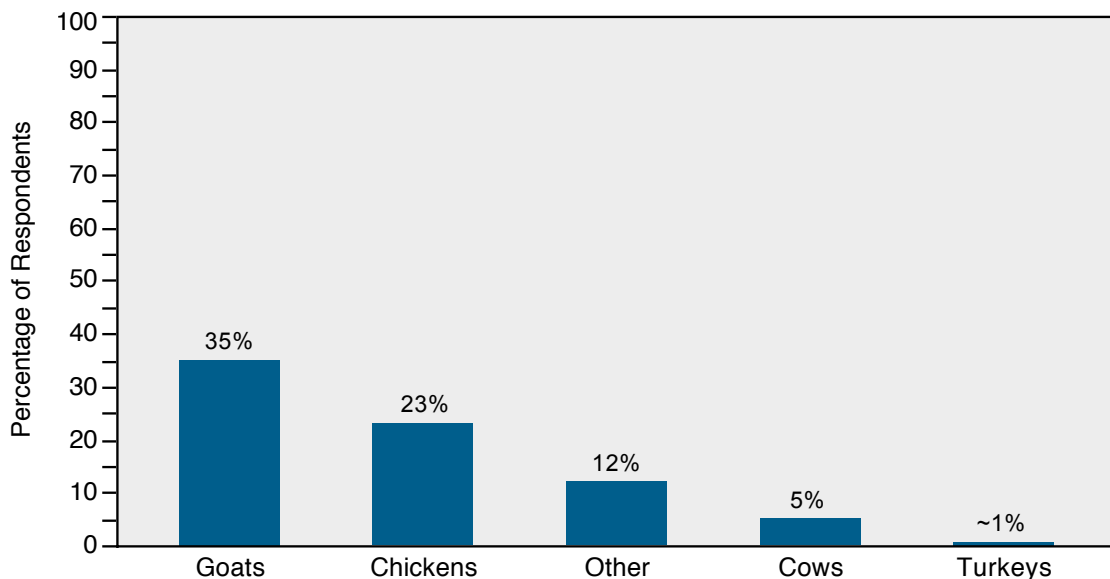
Improved Skills	Percentages
Literacy and Numeracy	39%
More Determined	81%
More Organized	79%
More Self-Confident	76%
More Reliable	57%
More Resourceful	54%
Improved Negotiating	78%
Improved Problem Solving	77%
Improved Marketing	76%
Improved Budgeting	72%
Improved Record-Keeping	66%

A. Standard of Living Improvements

i. Household Improvements:

Standard of Living Improvements		
Home Improvements	Improved Roof	21%
	Improved Floor	18%
	Added Furniture	39%
	Added Rooms	12%
Land Acquisition	Yes	14%
	No	86%
More Shoes for Children	Yes	80%
	No	20%
More Uniforms for Children	Yes	93%
	No	7%
Healthier Family?	Yes	91%
	No	9%
More Mosquito Nets?	Yes	59%
	No	41%
Less Malaria in Household?	Yes	63%
	No	37%
Easier to Pay for Medical Expenses?	Yes	93%
	No	7%
More visits to the clinic when you or family member gets sick?	Yes	61%
	No	39%
More Meals?	Yes	94%
	No	6%
Cleaner Water?	Yes	90%
	No	10%

ii. Livestock: At six months, most borrowers increased livestock purchases.



iii. Household Purchases:

Household Purchases	% of Borrowers
Radio	25%
Tools/Equipment	19%
Cellphone	16%
Bicycle	4%
Television	~1%
Motorbike	~1%

III. 12-Month Loan Impact Data (95 Surveys)

This is a snapshot of the borrowers' demographics and living standards after 12 months in the loan program.

A. Loan Impact

i. Increases to Annual Income: Upon entering the loan program, the average income was **\$479**. After just 6 months in the loan program, the average income increased to **\$925**. This is an increase of 93%. After 12 months in the loan program, the average income increased to **\$1114**. This is an increase of 133% from the average baseline income.

Ranges of Annual Income (in US dollars)	Baseline	6 Months	12 Months
Under \$250	28%	4%	6%
\$250 to \$500	37%	15%	20%
\$501 to \$1000	30%	40%	30%
\$1001 to \$2000	5%	35%	33%
Over \$2000	0%	5%	11%

ii. Monthly Savings:

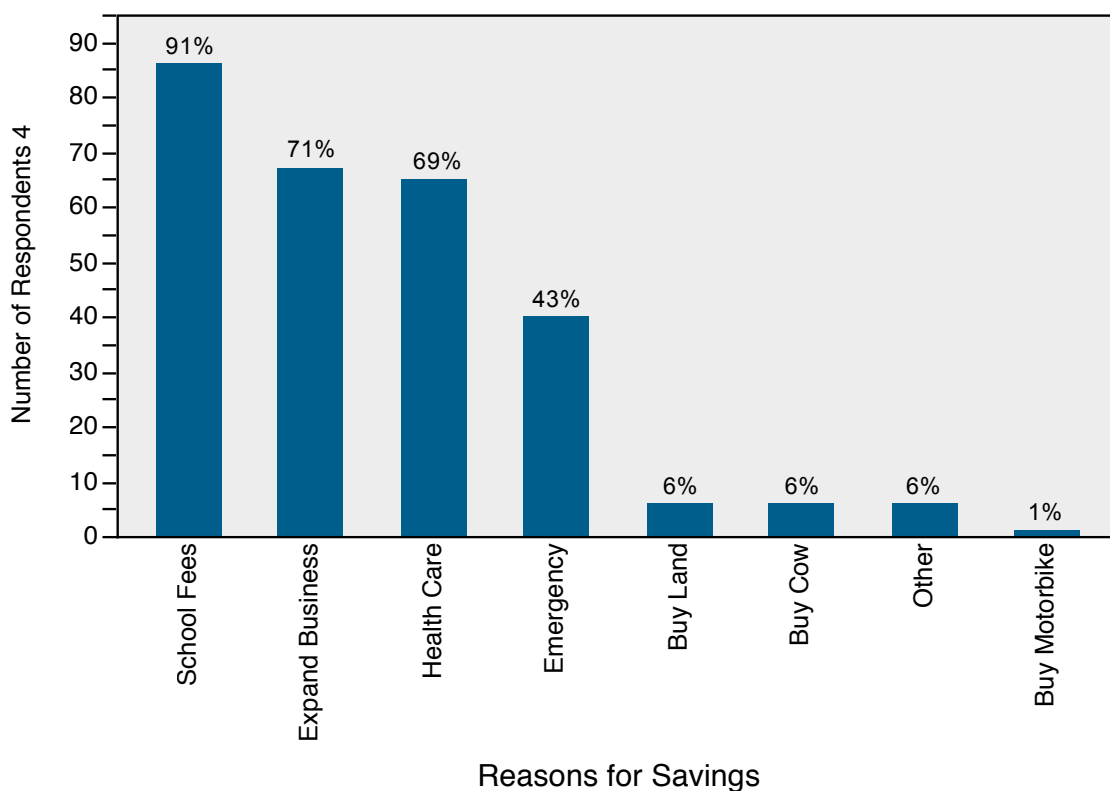
a. Prior to entering the loan program, borrowers had limited savings.

Total Savings Amount (in US Dollars)	Baseline
\$0	23%
Less than \$1	6%
\$1 to \$10	23%
\$11 to \$20	16%
\$21 to \$30	3%
\$31 to \$40	12%
Over \$40	16%

b. After entering the loan program, borrowers save on a monthly basis from their business income. Most borrowers save from \$1 to \$10 per month.

Ranges of Monthly Savings (in US Dollars)	6 Months	12 Months
\$0	3%	0%
Less than \$1	3%	2%
\$1 to \$10	48%	61%
\$11 to \$20	18%	21%
\$21 to \$30	~3%	3%
\$31 to \$40	8%	8%
Over \$40	18%	5%

iii. Reasons for Saving: The vast majority of borrowers report school fees as their biggest reason for saving.



iv. Standard of Living Improvements:

Standard of Living Improvements		
Household Purchases	Livestock	62%
	Tools/Equipment	28%
	Cellphone	20%
	Radio	14%
	Bicycle	3%
	Motorbike	1%
	Television	0%
Land Acquisition	Yes	16%
	No	84%
Improved Lighting Source?	Yes	57%
	No	45%
Improved Cooking Fuel?	Yes	51%
	No	49%
Improved Academic Skills?	Yes	71%
	No	29%

v. Family Assistance with Business Operations:

Type of Family Help With Business		6 Months	12 Months
Husband Helps		68%	58%
Children Helps		77%	82%
Type of Help	Labor	70%	44%
	Encouragement	57%	28%
	Transport	49%	48%
	Household Chores	48%	34%
	Selling	35%	49%
	Minding Children	35%	26%
	Money	15%	27%
	Record-keeping	15%	29%
	Other	1%	0%

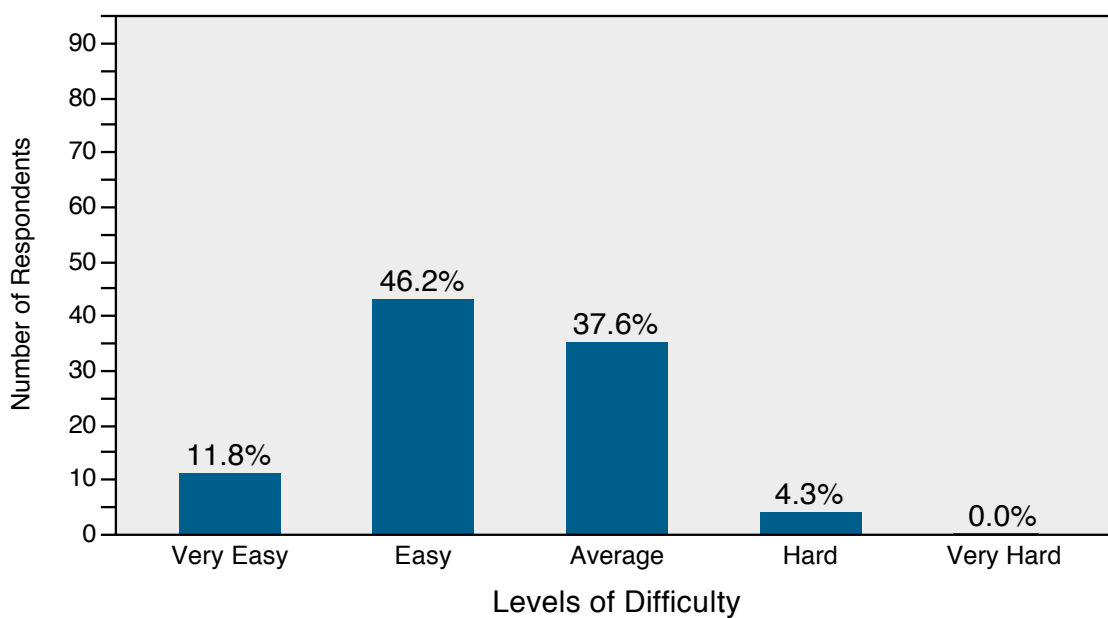
vi. Paid Employees: At six months, borrowers start hiring paid employees and the trend continues into the first year of business operations.

Paid Employees	6 Months	12 Months
Yes	10%	10%
No	90%	90%

vii. Health and Nutrition Improvements:

Types of Improvements		
More Mosquito Nets?	Yes	73%
	No	27%
Easier to Pay for Medical Treatment?	Yes	97%
	No	3%
Eat More Meals?	Yes	100%
	No	0%
Improved Meals?	Yes	100%
	No	0%

viii. Loan Repayment Difficulty: Over half of borrowers find the loans easy or very easy to repay.



IV. 18-Month Loan Impact Data (55 Surveys)

This is a snapshot of the borrowers' demographics and living standards after 18 months in the loan program.

A. Loan Amount

Loan	Loan Amount (in US Dollars)
1 st Loan: Baseline	\$150
2 nd Loan: 6-Month	\$150 - \$200
3 rd Loan: 12-Month	\$200 - \$250
4 th Loan: 18-Month	\$200 - \$250

B. Annual Income

i. Increases to Annual Income: After 18 months in the loan program, the average annual income increased from **\$479** to **\$1577**. This is an increase of 319%. Moreover, before entering the loan program, 95% of borrowers made less than \$1000 annually, with 28% of borrowers making less than \$250. After 18 months, 87% of borrowers make over \$1000 annually and 0% make less than \$250.

Ranges of Annual Incomes (in US Dollars)	Baseline	6 Months	12 Months	18 Months
Under \$250	28%	4%	6%	0%
\$250 to \$500	37%	15%	20%	4%
\$501 to \$1000	30%	40%	30%	9%
\$1001 to \$2000	5%	35%	33%	78%
Over \$2000	0%	5%	11%	9%

V. Borrower Narratives

The following quotes have been taken from the borrower surveys.

1. Has your loan made your life better?

- “My way of life has improved because I can get what my heart wants”
- “I am a happy woman with money in my pocket”
- “I now eat well and manage to solve some of the family problems financially”

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

- “I now manage to support my family without waiting for my husband”
- “Everybody is able to go to school and doesn’t miss a meal”
- “The family is happy, they eat well, and the children are able to go to school”

3. Are you happier since getting your loan?

- “Yes, because I am able to procure basic needs of my family”
- “I am happier because I can now support myself”
- “I am now hard working, we look better, and manage to support my family”

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

- “More children in my village are in school”
- “Our community is able to get goods near them rather than going to get things from the town”
- “Women are learning how to be serious with business”