

# WMI FACT BOOK: Loan Program Data

## August 2013

# TANZANIA



[wmionline.org](http://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 in the U.S.

The data presented in this fact book was collected from April 2012 to April 2013 from 33 baseline borrowers.

### **Summary**

The data included in this fact book was collected from borrower surveys in Alailelai, a remote village located in Northern Tanzania inside the Ngorongoro Conservation Area. Most borrowers in this region range in age from 31 to 40 years old and are married. 93% of borrowers care for at least 3 children in their households, and almost 20% care for more than 9 children. When entering the loan program, 86% of borrowers have annual incomes between \$101 and \$250, which they spend mainly on food, school fees, and debt. 100% of the borrowers in Alailelai own cows and goats. Their main food is rice.

After 6 months in the loan program, the vast majority of borrowers improved their business skills and felt more determined, organized, and self-confident. As businesses expand and incomes increase, 100% of borrowers reported having more shoes and school uniforms for their children. Prior to entering the loan program, only 7% of borrowers reported having any comfort with reading or writing, showing the lack of support for women's education within Maasi families. Yet after 6 months of being involved in the WMI program, 82% of women said they've improved their literacy and numeracy ability. 69% of families are healthier as well, with 100% of borrowers saying it's easier to pay for medical treatment and eating more meals.

12 months after entering the loan program, 100% of borrowers now earn annual incomes of over \$250, an increase of approximately 86% from their 6 month annual incomes. At 6 months, barely 13% of borrowers saved more than \$11 per month. But, after 12 months in the loan program, 100% of borrowers saved more than \$11 per month.

## I. Baseline Data: (33 Surveys)

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

### A. Demographics:

Demographics		
Ages	20 & Under	6%
	21-30	26%
	31-40	39%
	41-50	23%
	51-60	6%
	61 & Over	0%
Marital Status	Married	87%
	Single	3%
	Widowed	10%
# of People in Household	2 or fewer	0%
	3-5	29%
	6-8	36%
	9-11	16%
	12 & up	19%
# of Children in Household	0-2	7%
	3-5	41%
	6-8	31%
	9 & up	21%
Household Savings	Yes	19%
	No	81%

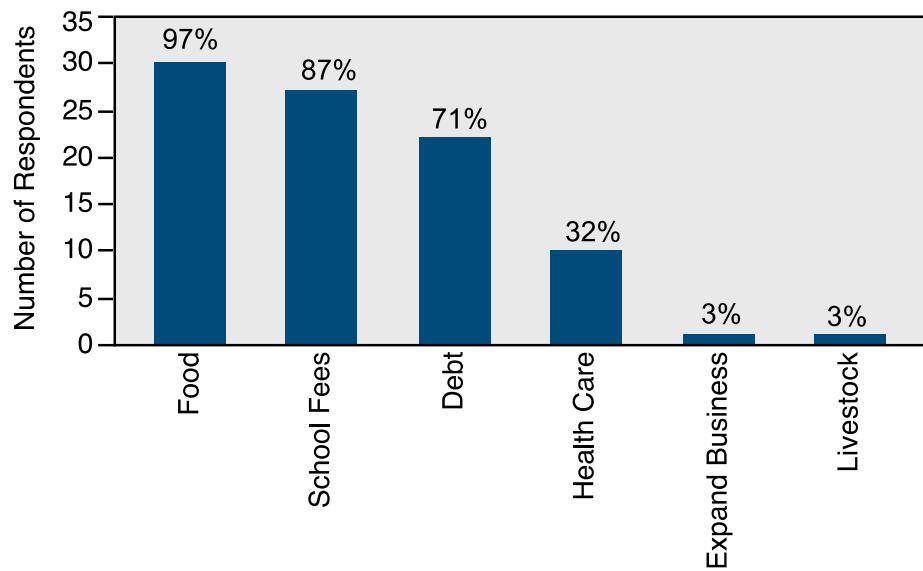
### B. Standard of Living

**i. Household Income:** When borrowers enter the loan program, they do not have individual income. They are living in community bomas where their household needs are met mainly through the selling or trading of livestock.

#### **i. Type of House:**

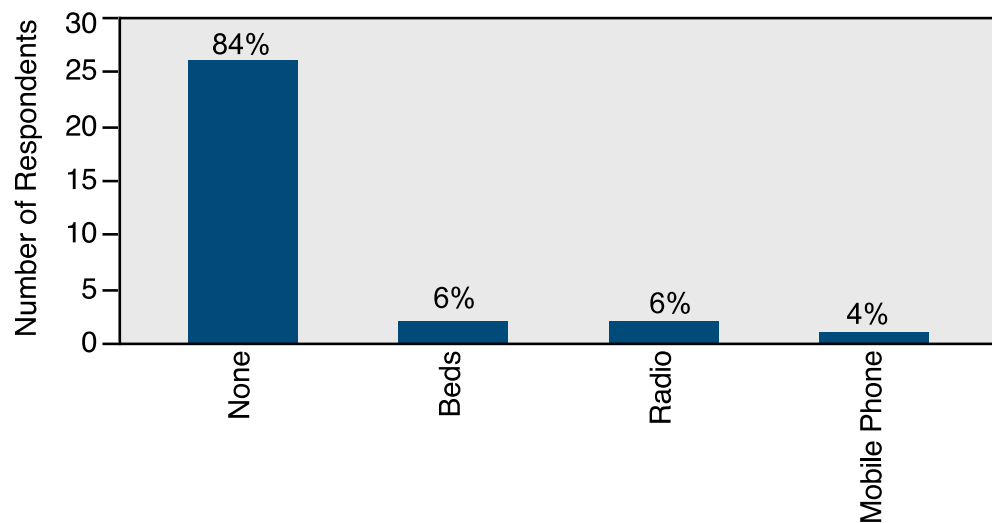
Type of House		
Own House?	Yes	100%
	No	0%
Own Land?	Yes	0%
	No	100%
Number of Homes in Boma?	1	15%
	2	11%
	3	11%
	4	22%
	5 or more	41%

## ii. Top Household Expenditures:



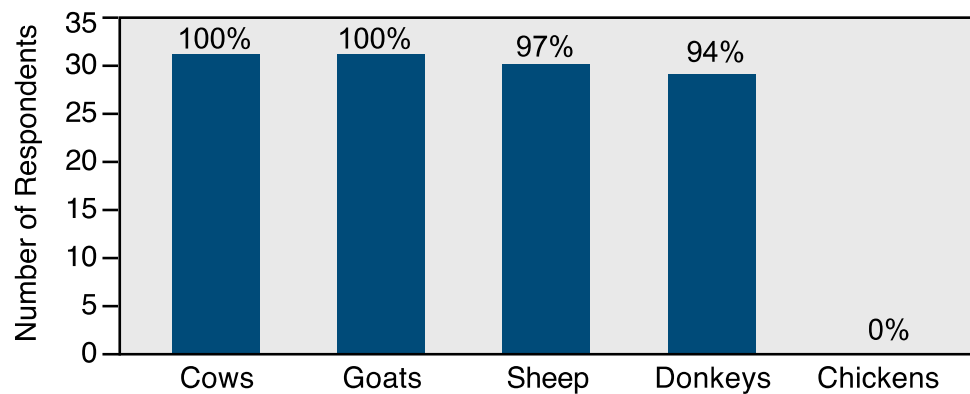
Top Household Expenditures

## iii. Household Amenities:



Household Amenities

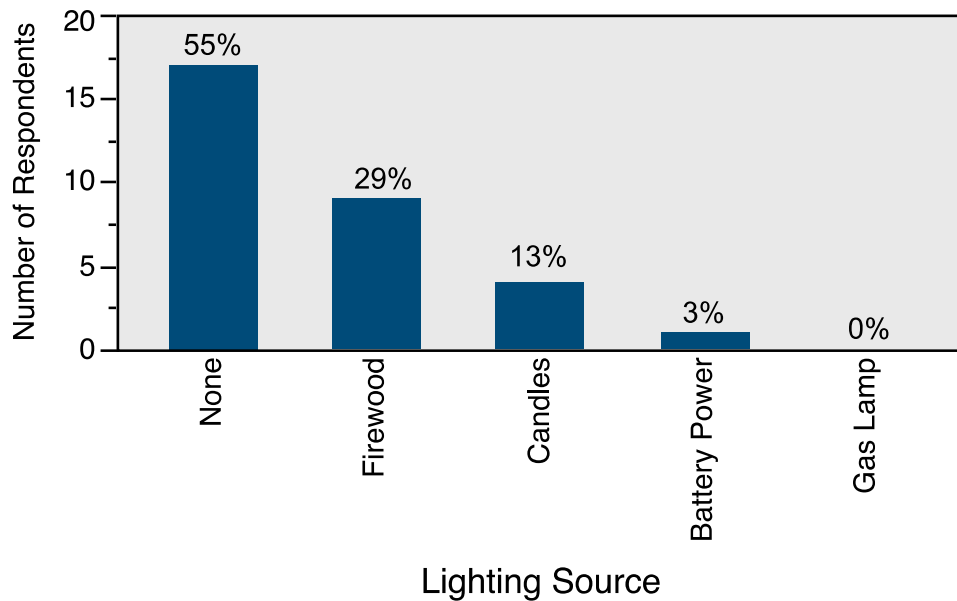
## iv. Livestock:



Livestock



**v. Lighting Source:**

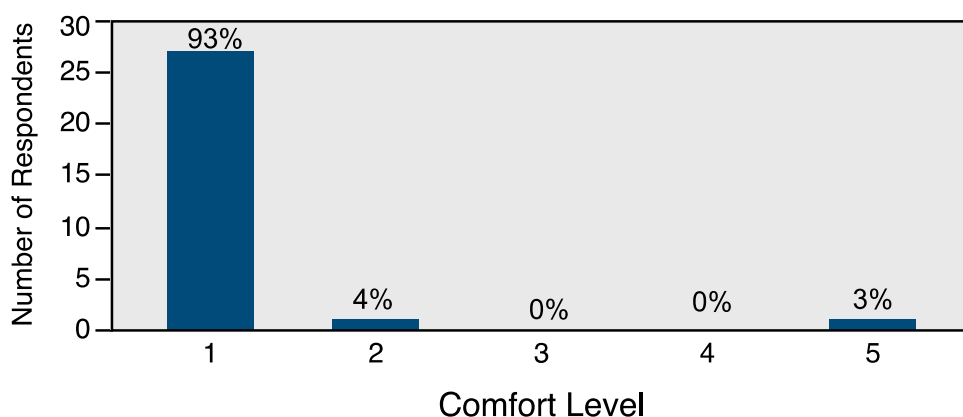


**vi. Cooking Fuel:** 97% of borrowers use collected wood as their main source of cooking fuel. The remaining 3% use wood they had bought.

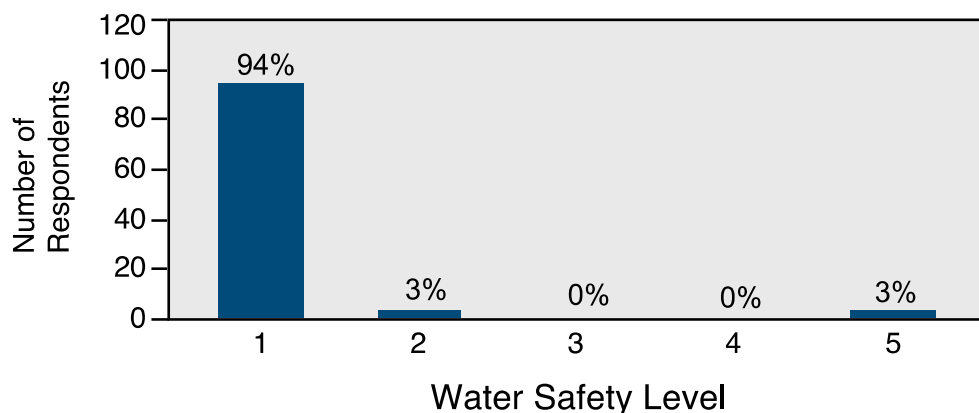
**vii. Toilet Facilities:** None of the borrowers have a toilet facility.

**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:** Borrowers reported no major illnesses in their households.

**vi. HIV/AIDS:** No borrowers or borrowers' family members have been tested for HIV/AIDS.

**vii. Medical Payment Difficulty:** The majority of borrowers find it somewhat difficult to pay for medical treatment.

**viii. Shoes and School Uniforms:** 100% of borrowers reported having shoes and school uniforms for all children in their household.

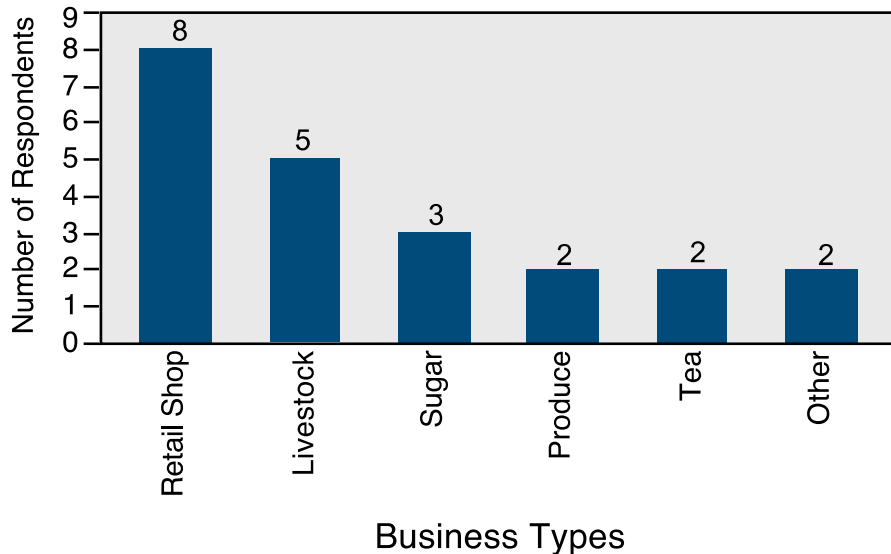
**x. Food Consumption:**

Food Consumption		
# of Meals Eaten Per Day	1	0%
	2	0%
	3	93%
	4 or more	7%
Food Eaten Most Often	Rice	100%
	Porridge	97%
	Meat	20%
	Maize Flour	17%
	Beans	13%
	Potatoes	10%

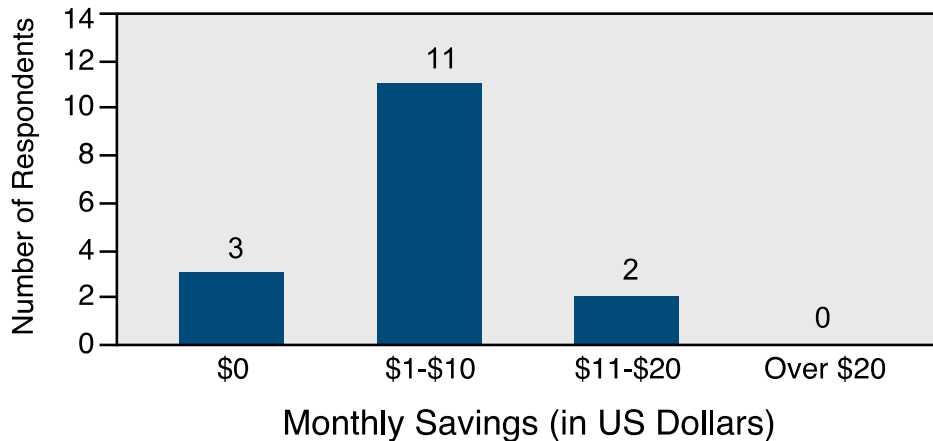
## II. 6-Month Loan Impact Data: (17 Surveys)

### A. Business Operations

**i. Business Type:** Most borrowers operate retail shops. Several borrowers reported operating several different businesses.



**ii. Monthly Savings:** Before entering the loan program, only 19% of borrowers had household savings. Six months later, the vast majority of borrowers save on a monthly basis.



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

#### Business Operations

Who in the family helps?	Husband	53%
	Children	29%
Type of Help Received from Family	Record-Keeping	56%
	Transportation	44%
	Labor	33%
	Encouragement	33%
	Selling	33%
	Household Chores	33%
	Money	11%
	Minding Children	11%



**iv. Improved Personal/Business Skills:**

Improved Skills	Percentage
Literacy and Numeracy	82%
More Organized	94%
More Self-Confident	88%
More Determined	70%
More Resourceful	53%
More Reliable	47%
Improved Marketing	94%
Improved Budgeting	88%
Improved Record-Keeping	82%
Improved Negotiating	76%
Improved Problem Solving	76%

**A. Standard of Living Improvements****i. Household Improvements:**

Major Changes in Household at Six Months		
Home Improvements	Improved Floor	6%
	Improved Roof	18%
	Added Furniture	18%
	Added Rooms	18%
Land Acquisition	Yes	12%
	No	88%
More Shoes for Children	Yes	100%
	No	0%
More Uniforms for Children	Yes	100%
	No	0%
Healthier Family?	Yes	69%
	No	31%
More Mosquito Nets?	Yes	24%
	No	76%
Less Malaria in Household?	Yes	0%
	No	100%
Easier to Pay for Medical Expenses?	Yes	100%
	No	0%
More visits to the clinic when you or family member gets sick?	Yes	6%
	No	94%
More Meals?	Yes	100%
	No	0%

**ii. Livestock:** At six months, 4 borrowers reported having purchased more cows and 12 reported having purchased more goats.

**iii. Household Purchases:**

Household Purchases	% of Borrowers
Tools/Equipment	24%
Radio	6%
Cell Phone	6%
None	65%

### III. 12-Month Data: (9 Surveys)

#### A. Loan Impact

**i. Increases to Annual Income:** When borrowers enter the loan program, they do not have individual income. They are living in community bomas where their household needs are met mainly through the selling or trading of livestock. At six and twelve months, they have started to earn individual income.

Ranges of Annual Incomes (in US Dollars)	6 Month (14 Surveys)	12 Month (7 Surveys)
Under \$50	0%	0%
\$50-\$100	0%	0%
\$101-\$150	29%	0%
\$151-\$200	50%	0%
\$201-\$250	7%	0%
Over \$250	14%	100%

**ii. Savings:**

**a.** Prior to entering the loan program, 81% of borrowers had no savings.

**b.** After entering the loan program, borrowers save monthly from their business income. At 12 months, most borrowers save from \$11 and \$20 per month.

Ranges of Monthly Savings (in US Dollars)	6 Month (15 Surveys)	12 Month (7 Surveys)
\$0	20%	0%
\$1-\$10	55%	0%
\$11 - \$20	13%	86%
Over \$20	0%	14%

**iii. Reasons for Saving:** Most borrowers report that their main reasons for saving are to pay for health care, emergencies, and school fees.

**iv. Standard of Living Improvements:**

Standard of Living Improvements		
New Purchases	Livestock	100%
Land Acquisition	Yes	11%
	No	89%
Improved Lighting Source?	Yes	0%
	No	100%
Improved Cooking Fuel?	Yes	0%
	No	100%
Improved Academic Skills?	Yes	83%
	No	17%
More Mosquito Nets?	Yes	22%
	No	78%
Easier to Pay for Medical Treatment?	Yes	100%
	No	0%
Eat More Meals?	Yes	100%
	No	0%
Improved Meals?	Yes	89%
	No	11%

**v. Family Assistance with Business Operations:**

Type of Family Help with Business	6 Month	12 Month
Husband Helps	53%	56%
Children Helps	29%	78%
Type of Help: Labor	33%	50%
Encouragement	33%	58%
Money	11%	0%
Selling	33%	8%
Record-keeping	56%	0%
Household Chores	33%	33%
Minding Children	11%	8%

#### **IV. Borrower Narratives:**

The following quotes have been taken from the borrower surveys.

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

- “By improving my family life.”
- “Now have school uniforms and food.”
- “Getting treatment easily.”

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

- “Easier to buy school uniforms and food.”
- “Now solving problems on time.”

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

- “Yes, it’s improving my family life.”
- “Yes, because I am strong enough to run the business.”
- “Yes, because I’m a businesswoman in the village.”

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

- “Women are improving.”
- “People are healthier.”
- “More women doing business in the village.”