WMI Fact Book: Loan Program Results
July 2012-January 2014
Eastern Uganda








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Background

WMI is a U.S. based non-profit organization providing 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. Borrowers receive on-going support and counseling for their business operations. After 24 months in the WMI loan program, borrowers graduate to financial independence and can transition to a bank loan issued by a financial institution or become self-financing. 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, women-focused 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 upon entering the loan program. The data is compiled and analyzed annually in the U.S. by dedicated college interns. The data presented in this fact book follows the progress of a group of 103 borrowers who entered the WMI loan program in Buyobo, Uganda in July 2012 and graduated in July 2014. Sometimes women did not answer a question and sometimes women chose more than one answer -- in those cases, the sum of the percentages for the responses will add up to more or less than 100%.

Summary

WMI's loan program in Eastern Uganda is centered in the Sironko District, about 125 miles from Kampala. This is a rural area where women have very limited access to any type of financial services. Most borrowers in this region range in age from 21 to 40 years old and are married. Over half of the borrowers have more than 6 people living in their households, 82% of borrowers care for at least 3 children in their households, and nearly half care for at least one orphan. Most families live in semi-permanent houses.

Upon entering the loan program, 25% of borrowers had household incomes of less than $500 per year while only 8.74% had household incomes of over $2000 per year. In just six months, the borrowers' annualized income increased substantially: only 1% were earning less than $1000 per year and 88% were earning over $2000 per year. By twelve months, 94% of borrowers were earning over $2000 per year and by eighteen months 96% of borrowers were earning over $2000 per year.

After 6 month in the loan program, the vast majority of borrowers improved their business skills and felt more determined, organized, and resourceful. As businesses expand and incomes increase, 99% of borrowers report having more school uniforms for their children and 93% report having more shoes for their children. 98% of families are healthier as well, with 74% of borrowers purchasing more mosquito nets and 96% consuming more meals. Household living conditions improved dramatically for the vast majority of borrowers and their families.

BASELINE DATA

A. Demographics

Surveys were conducted at the start of the loan program to determine the borrowers' basic demographic profile, standard of living and family health and welfare. This study is based on 103 surveys collected in July 2012.

Age	20 and Under 21-30 31-40 41-50 51-60 61 and Over	1.9% 24.3% 15.5% 22.3% 22.3% 6.8%
Annual household income	Under $250 $250-500 $501-1000 $1001-2000 Over $2000	2.9% 22.3% 35.0% 23.3% 8.7%
Marital Status	Married Single Widowed	60.2% 7.8% 18.5%
Number of people in household	2 or fewer 3-5 6-8 9-11 12 or more	2.9% 37.9% 34.0% 14.6% 3.9%
Number of children in household	0-2 3-5 6-8 9 and Up	10.7% 39.8% 34.0% 7.8%
Number of orphans in household	0 1 2 3 4 or more	45.6% 9.7% 21.4% 7.8% 6.8%

B. Standard of Living

The majority of women live in semi-permanent houses. Upon entering the loan program, the vast majority of borrowers own radios, furniture, and cell phones, but less than a fifth own a television and less than a third own a bicycle. The top four priorities for income use among borrowers were to expand business, health care, school fees, and food.

Own house	Yes No	93.2% 0%
Type of house	Semi-Permanent Permanent	62.1% 26.2%
Own land	Yes No	86.4% 3.9%
Possessions	Radio Furniture Cell Phone Tools Equipment Bicycle Television	72.8% 70.9% 66.0% 34.0% 22.2% 32.0% 18.5%
Top household expenditures	School fees Expand business Healthcare Food	69.9% 83.5% 70.9% 44.7%

C. Family Health and Welfare

Over three-quarters of borrowers reported being somewhat comfortable reading and writing. Forty percent of borrowers consider their drinking water unsafe. Over half of all women reported that malaria was a major health issue in their household and nearly three-quarters reported at least one family member had malaria during the prior 6-months. Over two-thirds of borrowers have been tested for HIV/AIDS.

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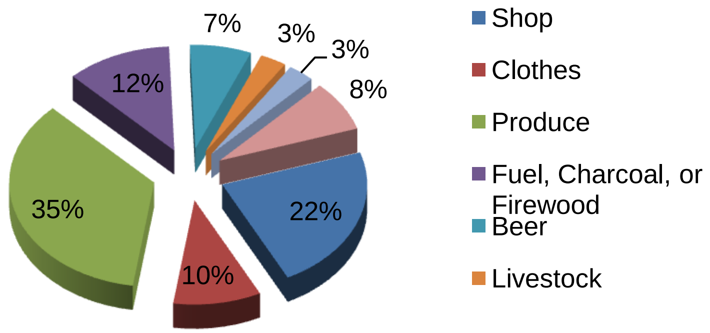
Reading and writing comfort level	1 Not at all comfortable 2 3 4 5 Very comfortable	9.7% 9.7% 34.0% 20.4% 15.5%
Water safety	1 Not at all safe 2 3 4 5 Very safe	1.0% 8.7% 32.0% 40.8% 8.7%
Number of family members regularly sick	0 1 2 3 4 or more	51.5% 22.3% 12.6% 4.9% 0%
Major household illnesses	Malaria Cough Flu Typhoid Other None	63.1% 11.7% 4.9% 1.0% 11.7% 11.7%
Number of family members with malaria during prior 6-months	0 1 2 3 4 or more	26.2% 16.5% 16.5% 7.8% 25.2%
Borrowers tested for HIV/AIDS	Yes No	67.0% 25.2%
Household members tested for HIV/AIDS	Yes No	58.3% 29.1%
Anyone in family diagnosed with HIV	Yes No	21.1% 79.0%
Family receives regular treatment	Yes No	83.3% 8.3%

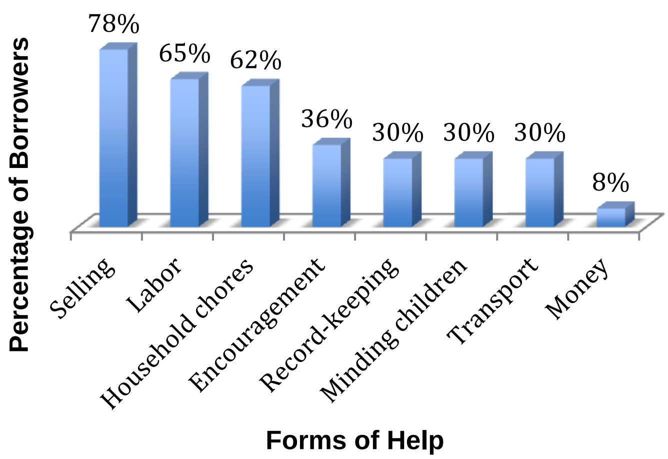
SIX-MONTH LOAN IMPACT

A. Business Operations

Types of Businesses
The following chart shows that the most popular business is selling produce. Nearly 10% of borrowers reported that they changed businesses from their initial business plan, and nearly a quarter were able to diversify, expand and add new business operations. Transformation of business operations during this 18-month study is included in the Overall Conclusions section of this report.



Family Assistance
At six months, 90% of borrowers reported that their children assist with their business, and 72% of borrowers reported that their husband assists with their business. The most common tasks household members did were to help sell products and provide manual labor needed for the business.



Improvements in Skills
More than three-quarters of borrowers reported that at six months, they had improved their reading, writing and arithmetic skills.

Improved in literary and arithmetic skills	Yes No	76% 24%
Improved in personal skills	More Determined More Self-Confident More Resourceful More Reliable More Organized	80% 44% 64% 37% 75%

B. Improvements in Standard of Living

After six months many women improved their households, primarily by adding furniture and upgrading flooring. Almost all borrowers reported that they were able to buy more shoes and school uniforms for their children. The vast majority of borrowers also reported that their families ate more meals. Over a quarter of borrowers improved their lighting source and 5% changed their cooking fuel. The vast majority of borrowers reported that they used their profits and savings to purchase more livestock.

Household improvements	Added Furniture Improved Floor New House Improved Roof Added Rooms/Door	16% 8% 7% 5% 2%
More shoes for children	Yes No	93% 7%
More school uniforms for children	Yes	99%
More food	Yes No	96% 4%
Improved lighting	Yes No	29% 71%
Improved cooking fuel	Yes No	5% 95%
Possessions	Radio Cell Phone Tools/equipment Bicycle Television Motorbike Livestock	23% 18% 42% 2% 3% 1% 89%

C. Improvements in Family Health and Welfare

Just six months after receiving their first loan, most borrowers reported significant improvements in family health and welfare. About three quarters of borrowers reported that they were able to purchase more mosquito nets for their household, and almost all of borrowers claimed there were fewer cases of malaria in their household. Almost all of the borrowers reported that their family members were healthier, and 100% of borrowers reported that it was easier for them to pay for medical expenses.

More Mosquito Nets?	Yes No	74% 26%
Fewer Cases of Malaria in Home?	Yes	99%
Healthier Family Members?	Yes	98%
Easier to Pay Medical Expenses?	Yes	100%
More visits to the clinic for illness?	Yes No	56% 44%
Cleaner drinking water?	Yes	98%

12 AND 18-MONTH LOAN IMPACT

A. Improvements in Living Standards

Some borrowers chose to improve their homes and purchase land after their third and fourth loan cycles. Nearly all were able to afford more food and some used their profits to improve their lighting and cooking fuel sources.

		12 Months	18 Months
Home improvements	Improved Roof Improved Floor Added Rooms Added Furniture New House	11% 9% 7% 1% 2%	8% 9% 5% 0% 3%
Purchased land	Yes No	4% 94%	5% 94%
More food	Yes No	100% 0%	99% 1%
Improved lighting	Yes No	28% 72%	17% 83%
Improved cooking fuel	Yes No	19% 81%	17% 83%

B. Improvements in Family Health and Welfare

Almost all borrowers purchased new mosquito nets and found it easier to pay medical expenses after their third and fourth loans.

More Mosquito Nets?	Yes No	96% 4%
Easier to Pay for Medical Expenses	Yes No	99% 1%

C. Difficulty In Repaying Loans

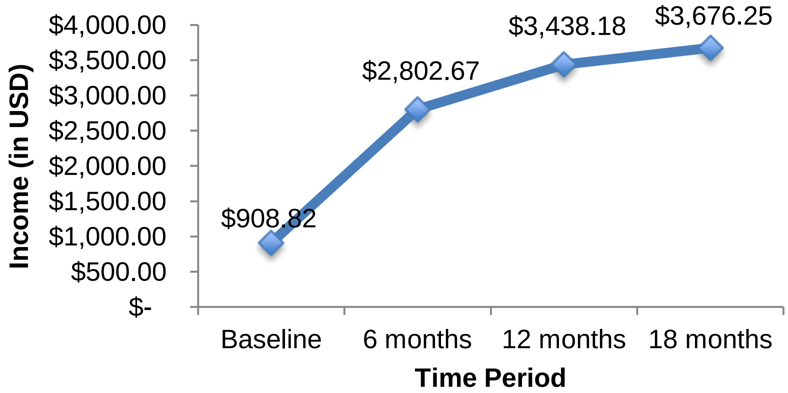
Borrowers were asked at the 12 and 18 months loan benchmarks to rate how difficult it was to pay back loans. In both cases, despite the increase in their loan amounts, the vast majority of borrowers stated that it was "easy" or "very easy" to pay back their loans.

		12 Months	18 Months
Difficulty to pay back loans	Very Easy Easy Average Hard	2% 66% 30% 2%	5% 58% 33% 3%

OVERALL CONCLUSIONS

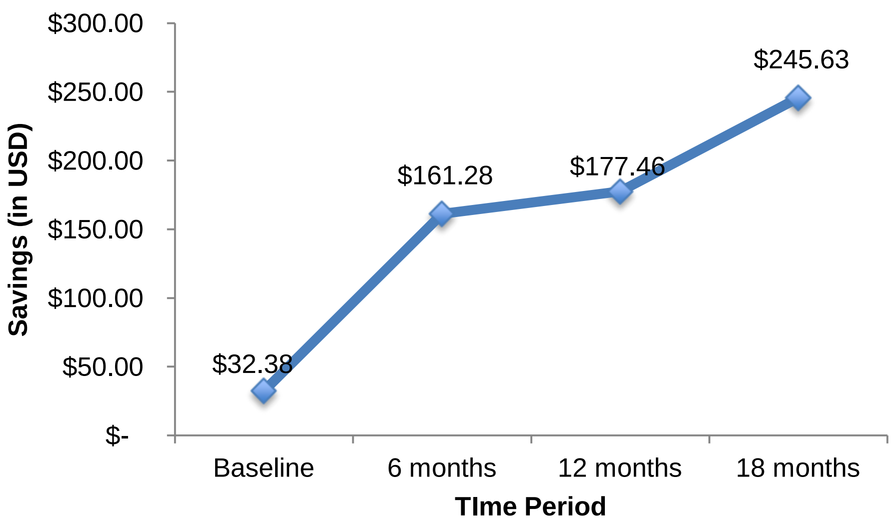
A. Average Annualized Income

As borrowers progress through the four loan cycles (increasing the size of the loans from $150 - $250), the average annualized income increases substantially.



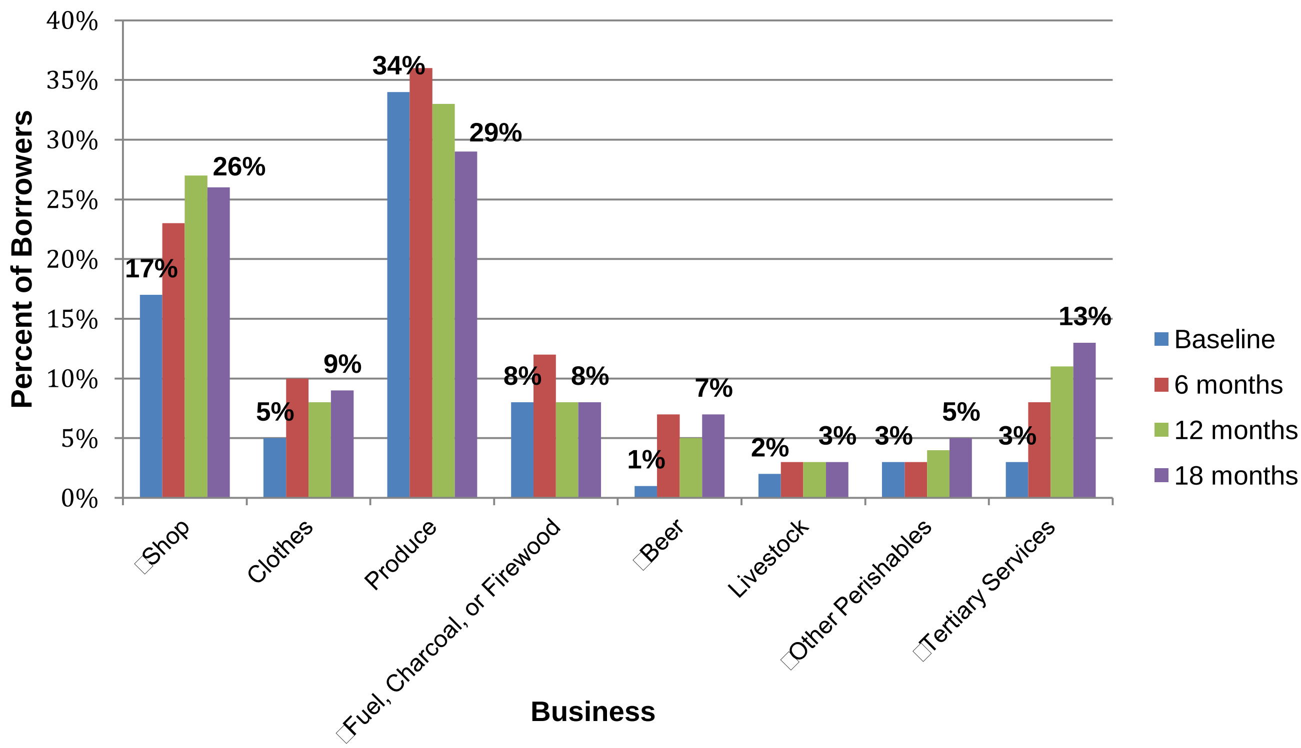
B. Average Annualized Savings

Average annualized savings increases with the number and amount of the loans.



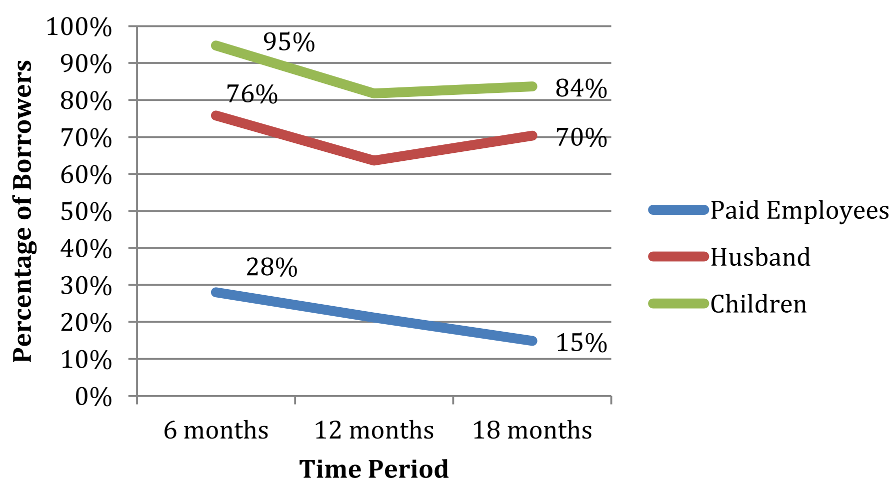
C. Changes in Type of Business

As borrowers progress through the loan program, they tend to move towards shops, clothing, and other tertiary services (motorcycle sales, clinics, hotels) gradually move away from produce-based businesses. Clearly the women are developing skills, which help them maintain customer service based businesses.



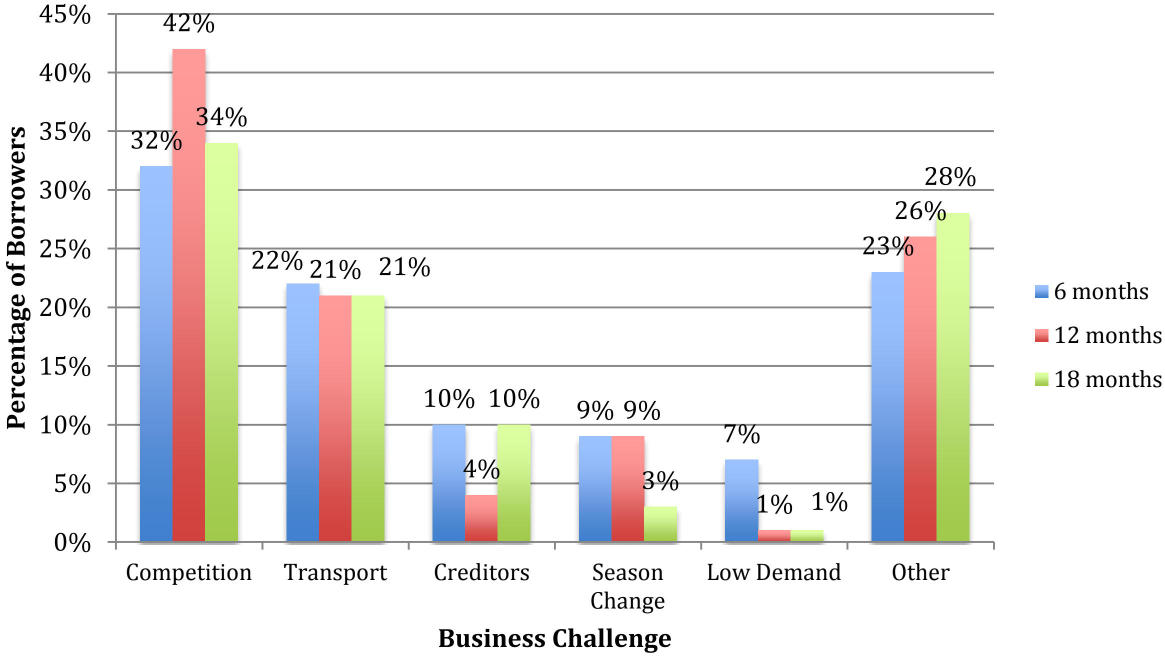
D. Business Assistance

Over time, there is a decrease in the reliance on paid employees and borrowers' children for help with borrowers' businesses.



E. Business Challenges

While competition and transportation costs tend to be major business challenges at each loan installment, there is a drop in borrowers who indicate seasonal changes and low demand as major business challenges. This trend may be due to the decrease of businesses based on produce. There is also a steady increase in borrowers indicating other challenges for their business. These challenges tended to be related to price fluctuations in the local economy.



F. Plans to Meet Business Challenges

Throughout the multiple loans cycles, borrowers indicated that they adopted a variety of strategies to meet business challenges. Borrowers assess their business operations on a continuing basis and adjust their operations to meet the demands of the marketplace.