



Women's Microfinance Initiative

2014



Southwestern Uganda Loan Program Factbook

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WMI Background, Methodology, and Summary

Background

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 can transition to a bank loan issued by a financial 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.

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 October 2011 through January 2014. Baseline loan information was collected from 38 borrowers and 18-month data was collected from the same 38 borrowers. 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%. This fact book was compiled by Rianna Aylward, Karynne Campbell, and Carolyn Freeman.

Summary

WMI's loan program in Southwestern Uganda is centered in the Kabale district, about 250 miles from Kampala. Kabale is a transportation hub and market town because the main road from Kampala runs through it. It is a large scenic town that is a few hours away from the Democratic Republic of Congo and Rwanda. Sporadic fighting in neighboring countries continues to impact this area. Congolese and Rwandan families fleeing the violence look for shelter in Uganda, where there are now over 150,000 Congolese refugees alone. WMI helps women and families in the region maintain economic stability via regular income generation. 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.



I. BASELINE DATA

A. Demographics – This table summarizes the loan group demographics. The majority of women are married and between the ages of 31 and 40. Nearly three-quarters of the women have between five and eight people living in their household. Seventy percent of borrowers had a household income of less than \$500/year when entering the loan program and eighty percent had less than a total of \$40 in household savings.

Age	20 and under 21-30 31-40 41-50 51-60 61 and over	0% 23.7% 44.7% 21% 7.9% 2.6%
Marital Status	Married Widowed Single	73.7% 15.8% 7.9%
Number of people in household	1-4 5-8 9-11 12 and over	10.5% 71.1% 18.4% 0%
Number of children in household	0 1-4 5-8 9 and over	0% 36.8% 60.5% 0%
Annual household income	\$50 and under \$51-100 \$101-150 \$151-200 \$201-500 \$501-700 \$701-1000 \$1001 and over	0% 2.6% 20.5% 21.1% 31.6% 15.8% 10.5% 5.3%
Annual household savings	No savings \$20 and under \$21-40 \$41-60 \$61 and over	5.3% 63.2% 13.2% 5.3% 2.6%
Reading and writing comfort level	Not at all comfortable Somewhat comfortable Average Very comfortable Extremely comfortable	26.3% 7.9% 31.6% 15.8% 13.2%

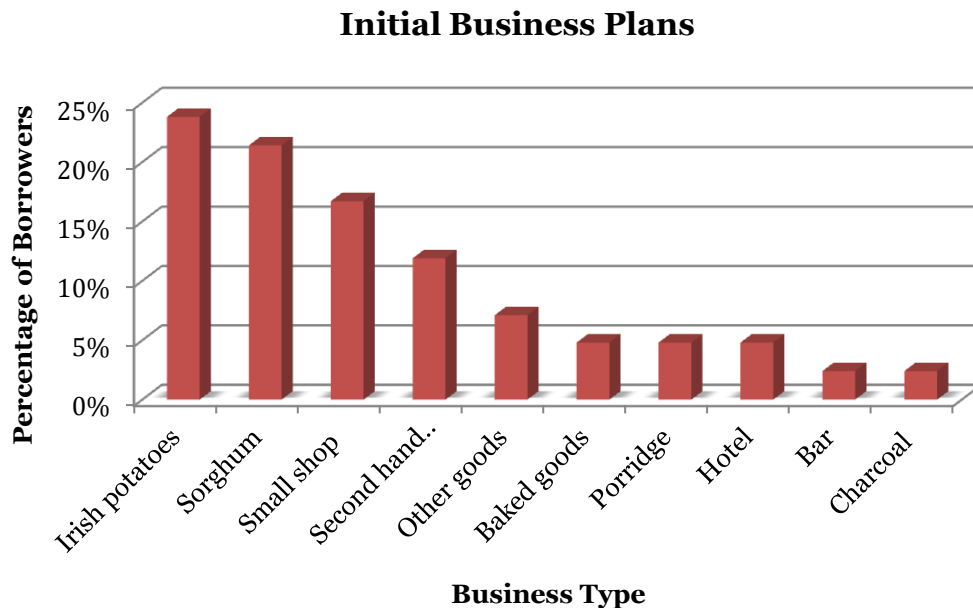
B. Standard of Living – This table reflects borrowers’ living standards at the time of the first loan issue. All borrowers owned their own latrines. The majority used collected wood as cooking fuel. Over three-quarters of borrowers used candles as their lighting source and the majority ate only two meals per day. Most borrowers collected water from a local well or hand pump. Many found paying medical bills to be somewhat difficult and the majority had been tested for HIV.

Possessions	Radio Furniture Livestock Bicycle Tools Mobile Phone Equipment Television Private latrine	81.6% 78.9% 76.3% 42.1% 36.8% 36.8% 5.3% 5.3% 100%
Cooking fuel	Collected wood Bought wood Charcoal Electricity	84.2% 13.2% 7.9% 0%
Lighting source	Candles Kerosene Battery Electricity	76.3% 21.1% 2.6% 0%
Meals per day	1 2 3	2.6% 86.8% 10.5%
Water safety	1 Not at all safe 2 3 4 5 Very safe	0% 10.5% 5.3% 65.8% 15.8%
How water was accessed	Well or hand pump Rainwater catchment Brought from spring Tap from pipe system Natural freshwater source Other	34.2% 23.7% 21% 15.8% 7.9% 2.6%
Difficulty paying medical bills	Not at all difficult Somewhat difficult Average difficulty Very difficult Extremely difficult	18.4% 55.3% 15.8% 7.9% 0%
Borrower tested for HIV	Yes No	92.1% 7.9%
Anyone in family diagnosed with HIV	Yes No	7.9% 84.2%

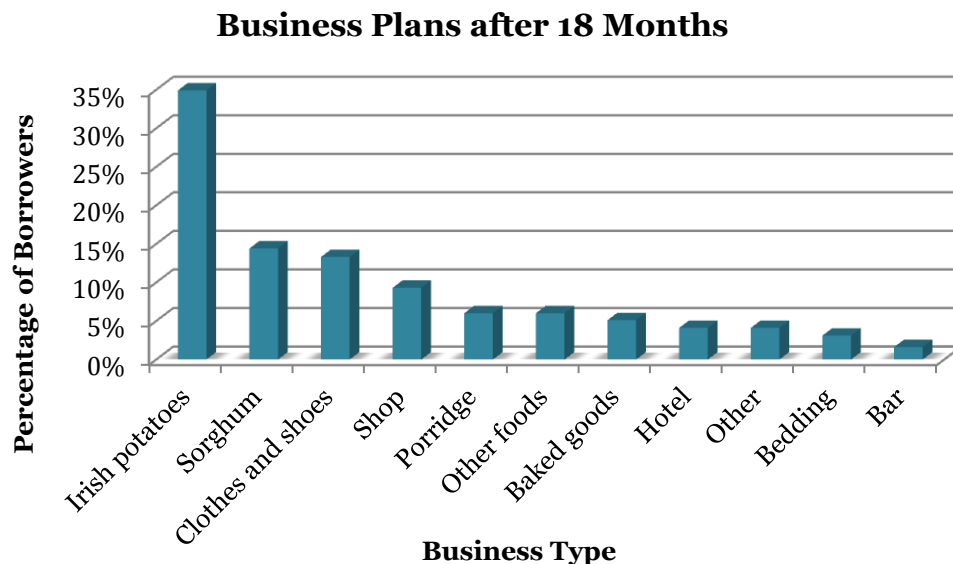
II. EIGHTEEN MONTH IMPACT DATA

A. Business Operations

Initial Business Plans - The following chart shows the initial business plans of the women of Kabale. Initially, the most popular businesses were selling Irish potatoes and sorghum. Many planned to start their own small shops or sell second hand clothes, while the remaining borrowers planned to sell other products or provide services such as operating a bar or hotel (roadside snack bar).



Business Plans After 18 Months - The following chart shows business operations after 18 months of participation in the WMI loan program. Now, even more borrowers sell Irish potatoes. It is a basic food staple in the area. The number of women selling sorghum has decreased, but it is still the second most popular business, followed by selling clothes and shoes.



Monthly Finances - After 18 months in the loan program, over one-half of the women reported an annual income of \$612 - \$960 monthly income between \$51 and \$80 and over one-half reported saving over \$20 each month. This is a substantial improvement from the baseline data. When entering the loan program barely 5% of the households had annual income over \$1,000 – 18 months later over 20% of the women are earning more than \$1,000 per year. Less than 15% are making less than \$500, whereas before entering the program 75% of households had annual income of less than \$500/year

Monthly Income	\$21-30	2.6%
	\$31-40	12.8%
	\$41-50	5.1%
	\$51-60	15.4%
	\$61-70	20.5%
	\$71-80	23.0%
	\$81-90	0%
	\$91-100	5.1%
	\$101-150	7.7%
	\$151 and over	7.7%
Monthly Savings	\$10 and under	46.2%
	\$11-20	20.5%
	\$21-30	2.6%
	\$31-40	2.6%
	\$41 and over	7.7%

Family Assistance with Business - After 18 months in the loan program, well over three-quarters of the borrowers noted that they received help with their businesses from their children and over one-third reported receiving help from their husbands. This assistance came in many forms such as labor, transportation or selling products.

Receives help from children	82.1%
Receives help from husband	35.9%
Receives no help	7.7%

Improvement in Skills - After 18 months in the WMI loan program, 84.6% of borrowers reported an increase in self-confidence. Borrower surveys revealed that participants gained relevant business skills like marketing, budgeting, problem solving, and record keeping.

Personal skills improvements reported by borrowers	More organized	97.4%
	More determined	84.6%
	More reliable	71.8%
	Increased self-confidence	46.2%
	More resourceful	15.4%
Business skills improvements reported by borrowers	Problem solving	89.7%
	Marketing	87.2%
	Budgeting	84.6%
	Record keeping	74.4%
	Negotiating	30.8%
Reading, writing, or math skills improvements reported by borrower	Some skills improved	43.6%
	No skills improved	51.3%

B. Improvement in Standard of Living - Since receiving a WMI loan and starting a business, over one-half of the borrowers were able to buy additional livestock. Of those who bought new possessions, many bought mobile phones and radios. Nearly all of the women reported that their families now had more food, and that it is easier to pay medical bills. In addition, over 90% of the women bought new mosquito nets. Over one-half of the borrowers improved their homes, nearly two-thirds improved their source of lighting and one-half improved their source of cooking fuel.

New possessions purchased	Livestock Mobile Phone Radio Bicycle Tools/equipment Land Other	56.4% 35.9% 23.1% 12.8% 7.7% 7.7% 5.1%
Acquired more food	Yes No	92.3% 5.1%
Easier to pay medical bills	Yes No	94.7% 5.3%
Bought new mosquito nets	Yes No	92.1% 7.9%
Improved house	Yes No	52.6% 47.4%
Lighting improved	Yes No	65.8% 34.2%
Cooking fuel improved	Yes No	50% 50%



C. Borrower Narratives – When participating in surveys about how the WMI loan program has affected their lives, borrowers like to share their personal stories. The following are some of the narratives they provided. Some are direct quotes while others are descriptions provided by local program coordinators who sometimes assist women in completing surveys. One hundred percent of borrowers answered yes to the questions below and provided the following feedback.

Has your business had a positive effect on your family?

- “There is food for my family, business is expanding, children attend classes”
- “We have enough to eat, schools and scholastic material”
- “I bought a cow from business”
- “I have enough to manage my family’s needs”
- “They get food, enough exercise, etc.”
- “They get enough medical care, etc.”
- “She is a widow and from the profits she makes the money goes to catering for her family. From school fees, scholastic material, meals, clothes and the up keep of her home”
- “I got money to build a new house”
- “My family has developed”
- “She has managed to buy medicine when she is sick”
- “She is getting enough food and she can buy books, pens and uniform for her children”
- “She can now buy good food and clothes for her children”

Has your loan made your life better?

- “I can easily get basic needs”
- “My home looks admirable”
- “I have money and therefore am better than those women who have no business”
- “I am happy with my business because I have money around me”
- “I do not find problems in buying what I want”
- “She managed to build a kitchen”
- “I look very smart and so are the children”
- “Profits from loan helps me to pay for medical treatment, meals, school fees, scholastic material and making loan repayment”
- “I have money to use when I get sick and making loan payment”
- “Yes! From the profits she has achieved the following: loan payment, school fees payment, scholastic material, meals, the basics needed at home”
- “I use loan money to build a house”

