



Women's Microfinance Initiative

2014



Tanzania Loan Program Fact Book

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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. Loans are issued to small groups of 20 borrowers, all of whom guarantee each other's repayment. 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. WMI's Tanzania partner for the women surveyed is the Alailelai Maasai Sustainability Organization (AMSO). The data presented in this fact book was collected from January 2012 to August 2013. Baseline loan information was collected from 62 borrowers and one year data was collected from 32 of those same borrowers. Sometimes women did not answer a question - in those cases, the sum of the percentages for the responses will add up to less than 100%. This fact book was prepared by WMI summer interns: Karynee Campbell, Carolyn Freeman and Rianna Aylward.

Summary

AMSO is located in the National Conservation Area (NCA) near the Ngorongoro Crater, about 100 miles from Arusha). This is a very rural area where women have virtually no access to any type of financial services. Most borrowers in this region are in their thirties and forties, married with children. Almost 90% of borrowers care for at least three children in their households.

Typically, families in this region live in bomas, which follow a communal style of living including multiple families. Upon entering the loan program, 72% of borrowers reported that their bomas earned less than \$100 per year. This reported income represents that of the entire boma. In just one year the borrowers' personal monthly income increased substantially: over 75% reported a monthly personal income of between \$21 and \$40.

Initially, 72% of borrowers saved less than \$20 per year through their bomas. After 12 months in the loan program, savings increased substantially with 81% of borrowers individually saving between \$10 and \$40 per month.

I. BASELINE DATA

A. Demographics – This table summarizes the loan group demographics. The majority of women are married and between the ages of 21 and 50. Over one-third of the women had more than 12 people living in their boma. Total boma income was generally less than \$50 each year with less than \$20 in savings. Most of the women were not at all comfortable reading and writing.

Age	20 and under 21-30 31-40 41-50 51-60 61 and over	4.8% 25.8% 24.2% 33.9% 11.3% 0%
Marital Status	Married Widowed Single	75.8% 17.7% 1.6%
Number of people in boma	3-5 6-8 9-11 12 and over	17.7% 30.6% 16.1% 35.5%
Number of children in household	0-2 3-5 6-8 9 and over	9.7% 43.5% 29% 16.1%
Annual boma income	No income \$50 and under \$51-100 \$101-150 \$151-200 \$201-500 \$500 and over	6.5% 58% 8.1% 3.2% 6.5% 16.1% 1.6%
Annual cash savings	No savings \$20 and under \$21-40 \$41-60 \$61-80 \$81-100 \$100 and over	33.9% 38.7% 9.7% 6.5% 0% 6.5% 4.8%
Reading and writing comfort level	Not at all comfortable Somewhat comfortable Average Very comfortable Extremely comfortable	79% 6.5% 4.8% 1.6% 1.6%

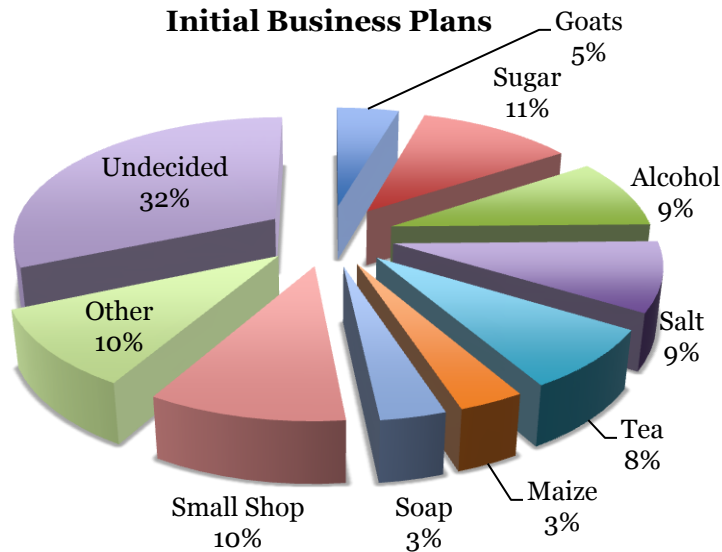
B. Standard of Living – This table reflects borrowers’ living standards at the time of the loan issue. Prior to receiving loans, very few borrowers had toilet facilities. The majority used collected wood as cooking fuel. Over one-third of borrowers had no lighting and nearly three-quarters only ate 2 meals per day. Over one-half described their water source as unsafe yet none said they always boiled their water.

Possessions	Beds Mobile phone Radio Equipment Bicycle Tools	30.6% 20.9% 8.1% 3.2% 1.6% 1.6%
Toilet facilities	No facilities Pit Toilet	88.7% 6.4% 0%
Cooking fuel	Collected wood Kerosene	95.2% 4.8%
Lighting source	No lighting Flashlight Candles Fire Gas lamp Battery Solar powered	35.5% 22.6% 14.5% 14.5% 11.3% 1.6% 0%
Meals per day	2 3	69.4% 29%
Water safety	1 Not at all safe 2 3 4 5 Very safe	58.1% 20.9% 9.7% 3.2% 4.8%
Boil water	Always Often Never Did not specify	0% 3.2% 91.9% 4.8%
Difficulty paying medical bills	Not at all difficult Somewhat difficult Average difficulty Very difficult Extremely difficult	1.6% 67.7% 20.9% 3.2% 1.6%
Family tested for HIV	Yes No	17.7% 77.4%
Anyone in family diagnosed with HIV	Yes No	0% 95%

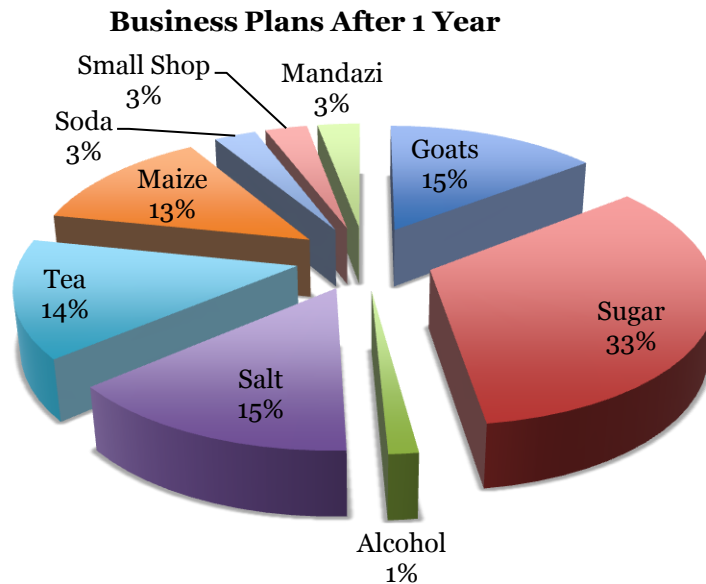
II. IMPACT AFTER ONE YEAR

A. Business Operations

Initial Business Plans - The following chart shows the initial business plans of the women of AMSO. Many had several ideas for the focus of their businesses. They planned on selling goats, sugar, alcohol, salt, tea, maize, soap, and other commodities. Several planned on owning small shops and early a third were still undecided.



Business Plans After 1 Year - The following chart shows business operations after the first year of participation in the WMI loan program. Over one-quarter of borrowers had changed their businesses or added new ones. They now focus on selling goats, sugar, salt, tea, and maize. Few own small shops or sell alcohol.



Monthly Finances - After one year in the loan program, three-quarters of the women reported a monthly income of between \$21 and \$40. Additionally, just under three-quarters of the women recorded saving approximately \$11 - \$30 per month.

Monthly Income	\$10 and under	0%
	\$11-20	6.1%
	\$21-30	45.5%
	\$31-40	30.3%
	\$41-50	3%
	\$51-60	9%
	Over \$60	3%
Monthly Savings	\$10 and under	12.1%
	\$11-20	60.6%
	\$21-30	12.1%
	\$31-40	9%
	Over \$40	0%

Family Assistance with Business - Over half of the women received help from their husbands with their businesses, whether it be labor, transportation or just encouragement. In addition, over half of the women reported that their children assist with their business in some capacity.

Receives help from husband	Yes	57.6%
	No	42.4%
Receives help from children	Yes	48.5%
	No	51.5%

Improvement in Personal Skills - After spending one year in the WMI loan cycle, every borrower reported an increase in self-confidence. Borrower surveys revealed that participants gained relevant business skills like budgeting, problem solving, marketing, and record-keeping. Over three-quarters reported an improvement in reading, writing, and math skills.

Personal skills improvements reported by borrowers	Increased self-confidence	100%
	More organized	81.8%
	More reliable	36.4%
	More determined	21.2%
	More resourceful	21.2%
Business skills improvements reported by borrowers	Budgeting	81.8%
	Problem solving	75.8%
	Marketing	72.7%
	Record-keeping	72.7%
	Negotiating	57.6%
Reading, writing, or math skills improvements reported by borrower	Some skills improved	75.8%
	No skills improved	15.2%

B. Improvements in Standard of Living - Since receiving a WMI loan and starting a business, the vast majority of borrowers were able to buy additional livestock. Of those who bought new possessions, half bought mobile phones and half bought flashlights. Most purchased new school uniforms and shoes for their children. Almost all women reported that their families now had more food. Although three-quarters of borrowers said that it was easier to pay medical bills, less than one-quarter went to clinics more. One-third reported having cleaner water and one-quarter changed their lighting source.

Bought new livestock	Yes No	87.9% 9.1%
New possessions purchased	Mobile phone Flashlight Other Did not specify	24.2% 24.2% 6.1% 48.5%
Bought new school uniforms or shoes	Yes No	81.8% 6.1%
Acquired more food	Yes No	97% 0%
Easier to pay medical bills	Yes No	78.8% 18.2%
Go to the clinic more	Yes No	24.2% 66.7%
Cleaner water supply	Yes No	33.3% 63.6%
Lighting changed	Yes No	21.2% 75.8%



C. Borrower Narratives – When participating in surveys on how the WMI loan program has effective their lives, women like to share their personal stories. These are some of the narratives they provided. 100% of borrowers answered yes to the following questions and provided the following feedback.

Has your business had a positive effect on your family?

- “Yes, it has saved my life”
- “Yes, we have a big love in my family”
- “Yes, more love and respect”

Are you happier since getting your loan?

- “Yes, because my children have life better”
- “Yes, because I’m not dependent my husband anymore”
- “Yes, because I’m a business woman in the village”

Has your loan made your life better?

- “Yes, by paying school fees and debt”
- “Everything is easier, more food more animals and clothes”
- “I’m a manager of my family”

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

- “Women are free to work”
- “Because women are not slaves anymore”
- “Most of the people changed their life to be better”

