

Women's Microfinance Initiative



2015 Buyobo Loan Program Fact Book

2015 Buyobo Loan Program Fact Book

Buyobo, Uganda

Table of Contents

I. INTRODUCTION	3
A. Background	
B. Methodology	
C. Location	
II. DEMOGRAPHICS	4
A. Borrower Background Information	
B. Standard of Living	5
III. BUSINESS OPERATIONS	6
A. Loan Amount (USD)	
B. Annual Incomes	
C. Annual Savings	7
D. Distribution of Business Ideas	8
E. Difficulty Paying Loans	9
F. Business Skill Improvement	
G. Business Challenges and Solutions	
H. Family Help	
IV. HOUSEHOLD IMPROVEMENTS	10
A. Top Expenditures	
B. New Possessions	
C. Improved Health and Improved House	11
D. Malaria	
E. Meal Improvement	
V. PERSONAL AND COMMUNITY IMPACT	12
A. Personal Skills	
B. Borrower Narratives	



I. INTRODUCTION

WMI Background, Methodology, and Location

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. 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 July 2014 through April 2015. Data was collected from 1,380 borrowers in the loan program. 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%. The fact book was prepared by WMI summer interns: Caitlin Kennedy, Lucas Karron, Eric Rogers, Simon Amat, and Beki San Martin.

Location

The Buyobo loan hub serves women from several hundred villages in the Sironko, Mbale, and Kapchorwa districts of northeastern Uganda. It is managed by the Buyobo Women's Association (BWA), chaired by Olive Wolimba.



Staff of BWA.

II. DEMOGRAPHICS

A. Borrower Background Information

The following table summarizes demographic information about the women before they enter the loan program. Nearly 90% are married and almost 70% are between the ages of 21 and 40. Half of the women have between 4 and 9 children living in their household and nearly 90% have more than 4 people in their household, sometimes including orphans. Over 60% of household incomes are less than \$650/year, and just 12% of the households have more than \$25 in savings. Less than half the women were comfortable with their reading and writing skills.

Age	20 and under 21-30 31-40 41-50 51-60 61 and over	1% 37% 31% 22% 7% 2%
Marital Status	Married Single Widowed	88% 8% 4%
Number of People in Household	1-3 4-6 7-9 10+	11% 59% 26% 4%
Number of Children In Household	0 1-3 4-6 7-9	2% 48% 43% 7%
Do You Have Orphans in Your Household?	Yes No	22% 78%
Annual Household Income (\$)	150-349 350-499 500-649 650-849 850-999 1,000-1,149 1,150-1,349 1,350-1,499	13% 28% 20% 23% 7% 6% 1% 2%
Household Savings Before Loan (\$)	0-9 10-14 15-24 25-34 35-44 45-59 60 & Above	22% 40% 26% 4% 6% 1% 1%
Reading and Writing Comfort Level	Not at all comfortable Somewhat comfortable Average Very comfortable Extremely comfortable	10% 44% 36% 7% 3%

B. Standard of Living

This table summarizes the standard of living borrowers endure before participating in the WMI loan program. Over 90% use a pit latrine as their toilet facility and over 75% use collected firewood as their main cooking fuel. The majority of borrowers use kerosene or candles as their source of lighting, which poses significant health risks. Over 75% of the women experience significant difficulty paying their medical bills.

Possessions	Furniture Radio Cell phone Tools Equipment Bicycle Television	85% 82% 68% 60% 43% 13% 8%
Toilet Facilities	Own Pit Other Shared Latrine	91% 6% 3%
Cooking Fuel	Collected Wood Charcoal Purchased Wood Other	77% 13% 7% 3%
Lighting Source	Kerosene Candles Lamps Electricity Gas Battery Other	37% 23% 16% 10% 9% 2% 3%
Meals Per Day	2 3 4+	7% 90% 3%
Water Safety	Least Safe Slightly Safe Safe More Safe Most Safe	1% 7% 66% 22% 4%
Water Source	Well or Hand Pump Tapped From Pipe System Purchased From Spring Purchased at Fresh Source	34% 33% 26% 7%
Difficulty Paying Medical Bills	Least Difficult Somewhat Difficult Average More Difficult Most Difficult	1% 8% 13% 24% 54%
Borrower Tested for HIV/AIDS	Yes No	92% 8%
Family-Member Diagnosed With HIV/AIDS	Yes No	8% 92%

III. BUSINESS OPERATIONS

A. Loan Amount (USD)

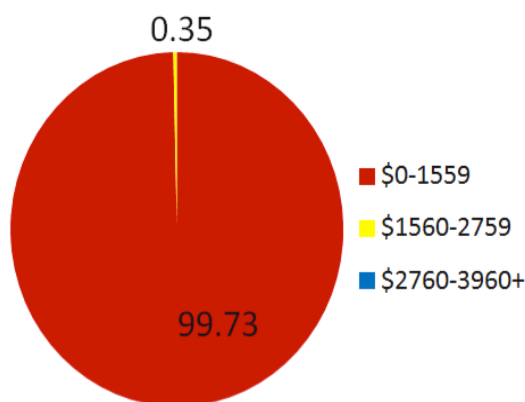
The WMI loan program provides business skills and bookkeeping training for all the women before issuing loans. It also provides follow up support as women proceed through the four, six-month loan cycles of the loan program. After each loan cycle the women are surveyed to gauge the impact of the program. All the respondents below were in the second or third cycle of the loan program, making them eligible for loans ranging from \$150 - \$250. Ninety percent of the women indicated they would continue to take out loans to support their business operations.

Loan Amount (USD)	\$150	66%
	\$250	34%

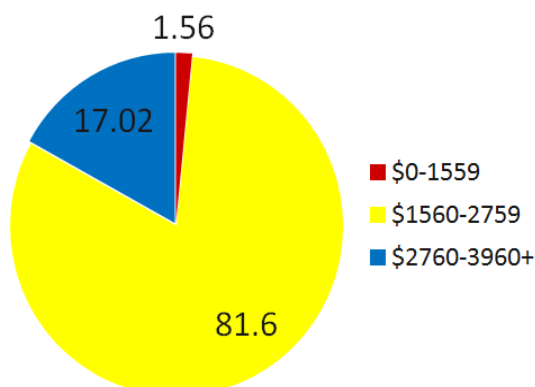
B. Annual Incomes

The pie charts below depict the annual incomes of the women in the Buyobo loan hub before their entrance into the loan program, during their second and third loan cycles (6- 18 months), and during their fourth loan cycle (18-24 months). Less than one half of one percent of women earned more than \$1559 annually before entering the loan program. After 6 - 18 months in the loan program, over 80% of the women earned more than \$1559 annually, with over 17% earning more than \$2,760 annually. After 24 months in the loan program, over 42% of women earned more than \$2,760 annually.

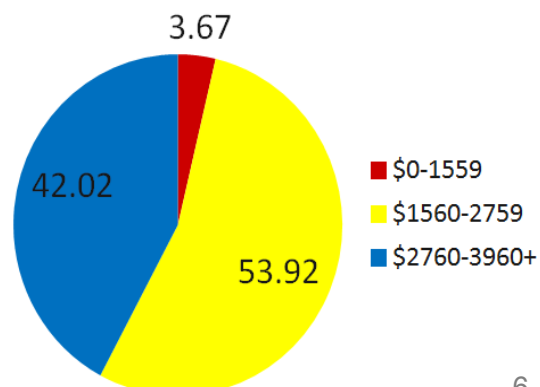
Annual Incomes Before Loan Program



Annual Incomes Between 12 and 18 Months in Loan Program

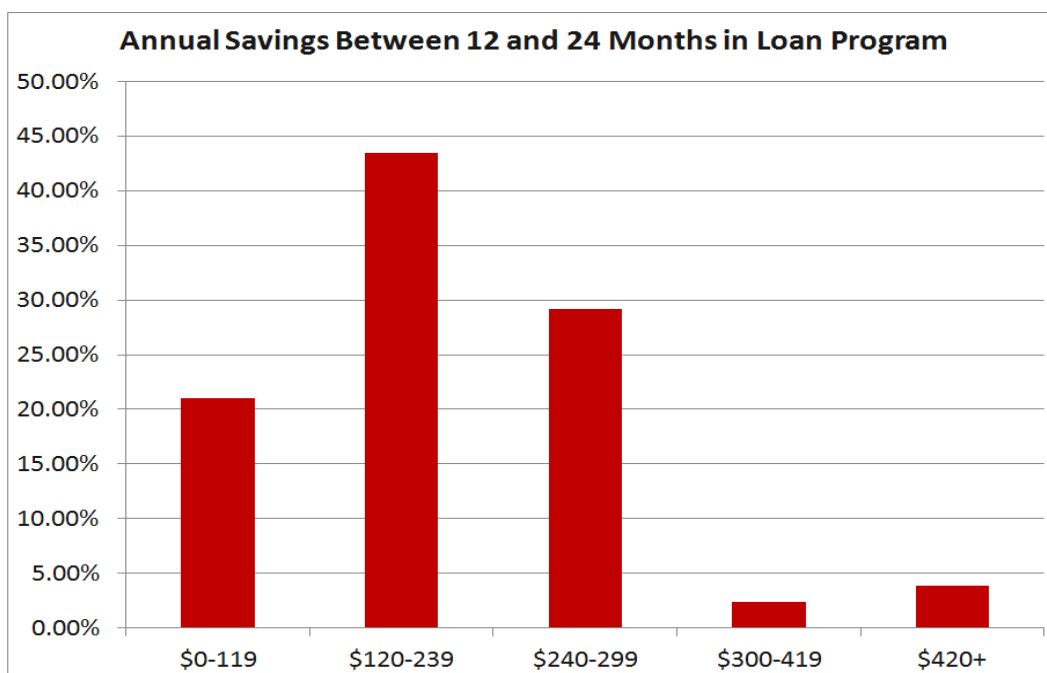
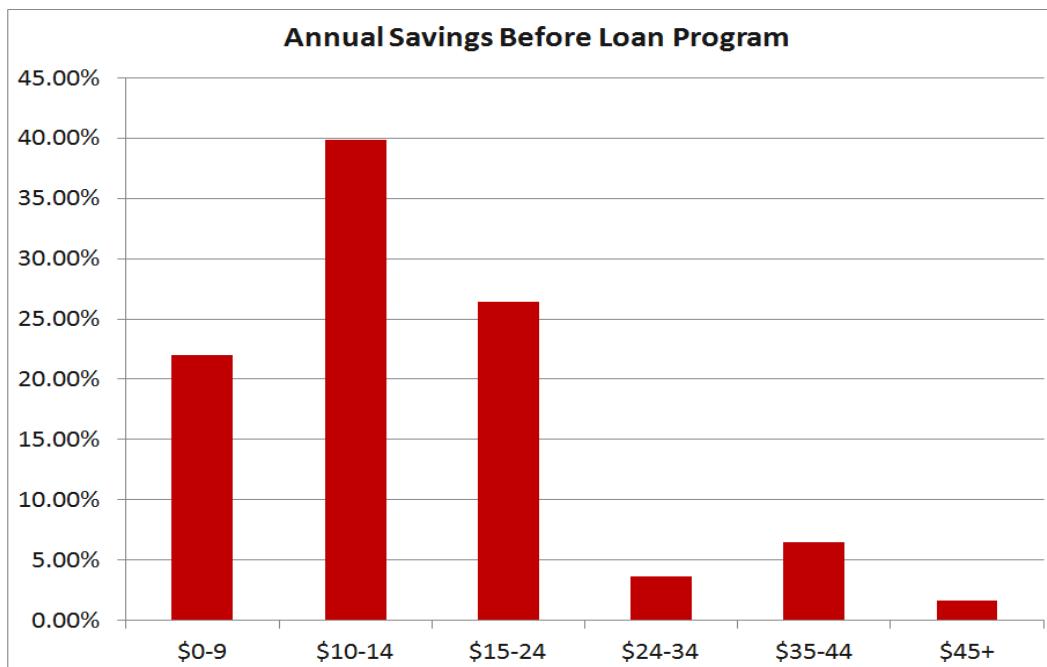


Annual Incomes After 2 Years in Loan Program



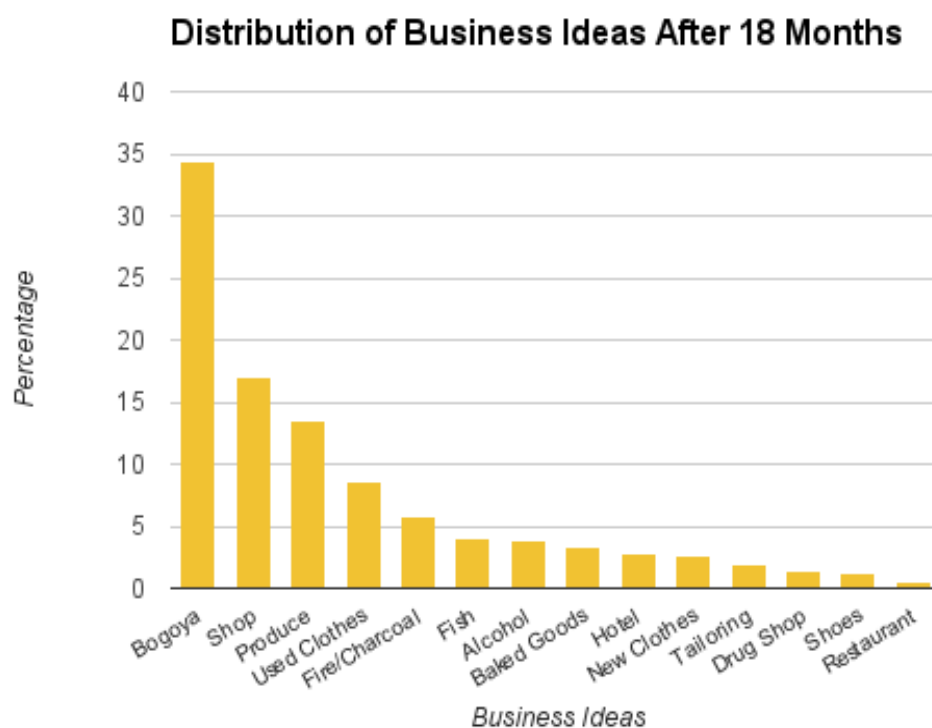
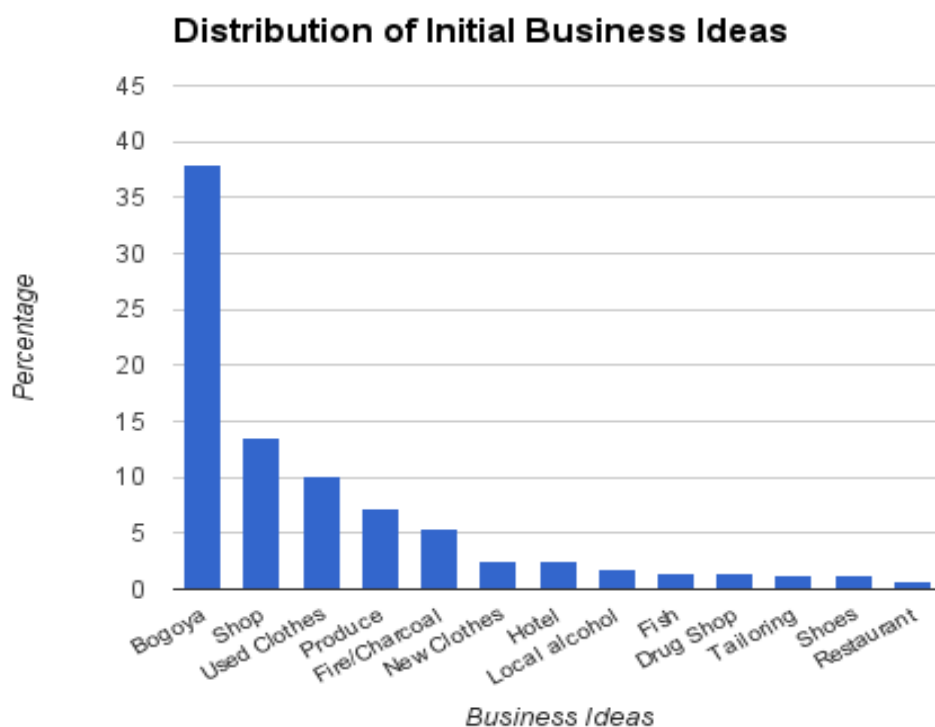
C. Annual Savings

The following graphs show the changes in women's annual savings since joining the loan program. Over 98% of women were saving less than \$45/ year before working with WMI. After receiving loans from WMI, nearly 80% of the women save more than \$120/year, with nearly 35% saving over \$240/year. This substantial increase can be attributed to increased income and business growth as well as financial literacy and personal finance training. This increased savings is significant because savings can help insulate a family against unforeseen emergencies that can stress a family's finances and push a family into a downward economic spiral. Additionally, nearly all of the women in the loan program save regularly. 90% of women report saving on a weekly basis, and 8% report saving daily.



D. Distribution of Business Ideas

The most popular initial business plan is to resell bogoyas, a type of banana. However, after 18 months in the loan program, the number of bogoya sellers, shopkeepers and used clothing sellers decreased, while the number of women who sold produce or less common products such as fish, alcohol, or baked goods increased.



E. Difficulty Paying Loans

Over 99% of women find it average, easy, or very easy to pay back their loans.

Hard	1%
Average	32%
Easy	67%

F. Business Skill Improvement

Over 75% of borrowers noted that their skills in budgeting, problem solving, and marketing improved after entering the loan program. Running a successful business requires women to be focused and shrewd. The least improved skill, negotiation, still improved 60%.

Marketing	79%
Problem Solving	75%
Budgeting	74%
Record-Keeping	62%
Negotiating	60%

G. Business Challenges and Solutions

The most common business challenges borrowers face are competition and transport. The most popular methods of solving the problem of competition are changing the location of the business to somewhere less congested, using friendlier language to differentiate from competitors, and changing their line of business. To solve the problem of transport, women change their means of transport or change their business so it doesn't require as much logistical planning. Transport is a constant struggle for rural businesswomen.

<u>Business Challenges</u>		<u>Business Solutions</u>	
Competition	34%	Change Location	23%
Transport	25%	Use Friendly Language	23%
Low Demand	14%	Change Business	16%
Seasonal Changes	13%	Change Transport Method	12%
Creditors	10%	Other	12%

H. Family Help

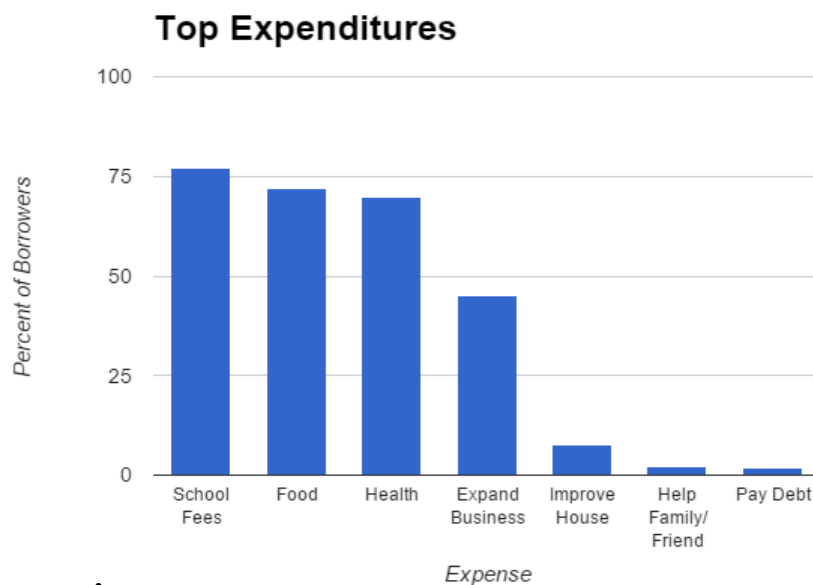
Family engagement is a positive side effect of the women's business creation. 70% of the women receive help from their husbands and over 65% receive help from their children. Less than 2% of women receive no help from outside sources.

<u>Who Helps</u>		<u>How Family Helps</u>	
Husband	70%	Labor	63%
Children	66%	Selling	58%
Other	5%	Encouragement	40%
No one helps me	1%	Transport	37%
		Household Chores	35%
		Record Keeping	15%
		Minding Children	14%
		Money	11%

IV. HOUSEHOLD IMPROVEMENTS

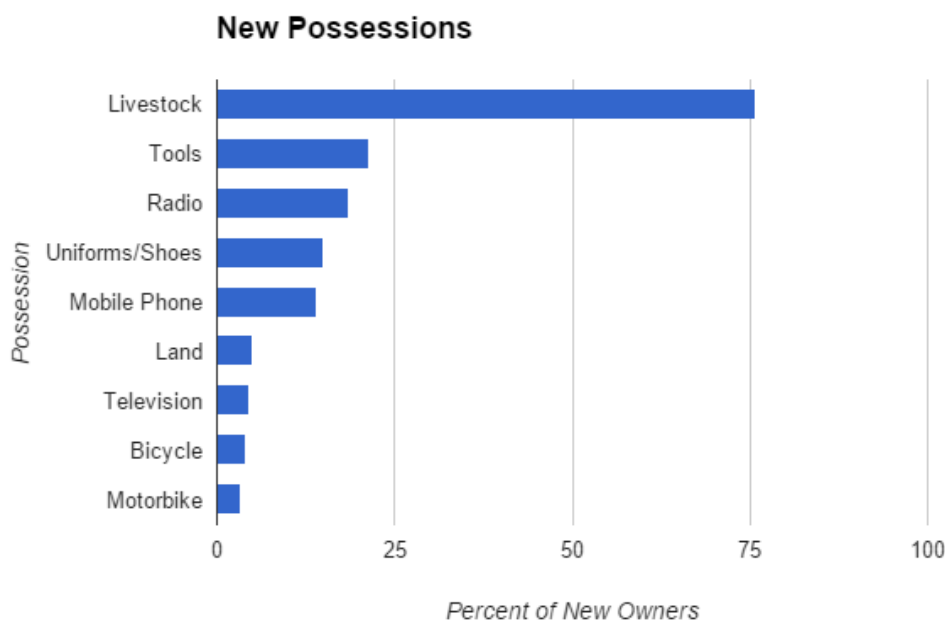
A. Top Expenditures

The top two expenditures for the women are school fees and food. This exemplifies the women's utilization of their business income for improving their livelihoods and their homes, while investing in their children. Expenditures on health and business expansion closely follow the top two expenditure categories.



B. New Possessions

Livestock was the most frequently acquired new possession, increasing by just over 75%. This is an investment for the family as animals provide a source of food and income through milk or egg production, and act as a store of value to protect against currency devaluation. Also about 20% of borrowers acquired tools or radios. The borrowers show an increased ownership of capital assets that can provide lasting benefits by improving production or enhancing communications.



C. Improved Health and Improved House

98% of women reported an increased ability to pay medical fees. This widespread ability to pay medical fees is monumental. It translates into improved health for the women and their families. This has a secondary impact of decreasing the time women must spend away from their businesses because they are ill or to care for sick family members. Considering that over 95% of borrowers have increased the quality and number of their meals, the health in the Buyobo loan hub as a whole, has improved.

Improved Health	Increased Ability to Pay Medical Fees More Meals Purchased Mosquito Nets	98% 96% 91%
Improved House	House Improvement Changed Lighting Changed Fuel	31% 26% 9%

Over 30% of borrowers improved their house, most did not specify how, but those who did listed floors, rooms, roofs, ceilings, furniture, and doors as some major improvements. All of these improvements have ancillary health benefits.

D. Malaria

Almost 80% of the households had at least one person with Malaria before starting the WMI loan program. Over 90% of the women were able purchase additional mosquito nets with their business income.

Number of people in household with Malaria before first loan	0 1 2 3 4 5+	22% 38% 28% 9% 2% 1%
Purchased Mosquito Nets	Yes No	91% 9%

E. Meal Improvements

In addition to the increase in the sheer amount of food that the women are able to provide for their families, the quality increased in the following categories.

More Food More Vegetables More Meat More Milk More Eggs	93% 50% 44% 28% 26%
---	---------------------------------

V. PERSONAL AND COMMUNITY IMPACT

A. Personal Skills

All women surveyed indicated improvement in a range of personal skills. 79% of the women in the loan program indicated that they experienced improved literacy and arithmetic skills as a result of the program training and demands of operating a business.

Improved Literacy and Arithmetic Skills	79%
Determined	86%
Self-Confident	73%
Organized	64%
Reliable	59%
Resourceful	60%

B. Borrower Narratives

All women in the loan program indicated that the loan program has had a positive impact not only on themselves, but also on their families and on their communities. They provided first hand insights into how creating and running a business has improved their home life and contributed to their personal growth.

Has your business had a positive impact on your family?

- “All my children are now in school”
- “Paying medical fees is very easy.”
- “It has simplified everything I need to do.”
- “I purchased a cow through the loan.”

Has your loan made your life better as a woman?

- “At first I was suffering but now I can buy whatever I need.”
- “I can read and write and then account for my money.”
- “I can buy anything I like without the help of my husband.”
- “I am now able to budget for my family.”

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

- “Women are busy running businesses.”
- “Women are practicing hygiene and sanitation.”
- “Men and women are working together as a family.”
- “Women are empowered.”

Are you happier since receiving your loan?

- “Yes, feeding and treatment is now easy.”
- “Yes, I can cater for my family.”
- “Yes, paying school fees is now easy.”
- “Yes, no more worries in running the business.”