



# **Women's Microfinance Initiative**



**2015 Kenya Loan Program Fact Book**

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# 2015 WMI KENYA FACTBOOK

## I. INTRODUCTION

### WMI Background, Methodology, and Location

#### A. 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.

#### B. 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 435 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.

#### C. Location

WMI operates loan hubs in Shikoho and Keveye in Western Kenya and Ntumburi and Ngarendare in Central Kenya on the Laikipia Plateau. The villages in Western Kenya tend to be more prosperous. The villages in Central Kenya are predominantly rural and Masai and Samburu women there have been historically marginalized. Access to water is also a significant problem in Central Kenya and creates challenges for local residents.





## II. DEMOGRAPHICS

Most of the women in the loan program (97%) are between the ages of 21 and 60. About 85% of the women are married, and they have 1 to 6 children. Before entering the loan program, nearly 60% of the women have less than \$200 in annual income and over 80% have less than \$160 in savings.

Age	20 and Under 21-30 31-40 41-50 51-60 61 and Over	0.00% 11.2% 33.0% 33.6% 19.3% 2.90%
Marital Status	Married Single Widowed	84.5% 10.2% 5.30%
Number of Children in Household	0 1-3 4-6 7-9 10+	13.8% 47.5% 32.5% 6.20% 0.00%
Annual Income Before Loans	Below \$40 \$41-80 \$81-120 \$121-160 \$161-200 Above \$200	2.56% 0.00% 15.4% 38.5% 2.56% 41.0%
Household Savings Before Loan	Below \$40 \$41-80 \$80-120 \$121-160 Above \$160	37.5% 28.8% 11.2% 3.75% 18.8%
Reading and Writing Comfort Level	Not at all Comfortable Somewhat Comfortable Average Very Comfortable Extremely Comfortable	21.3% 22.5% 50.0% 5.00% 1.25%

## III. BUSINESS OPERATIONS

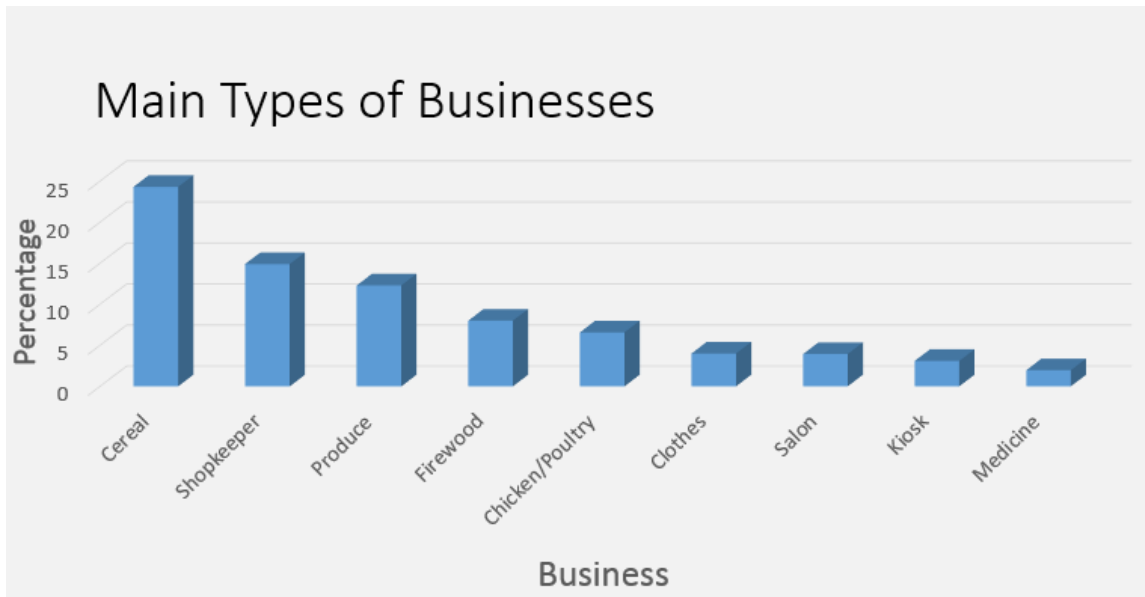
### A. Loan Amount (USD)

Women took 6-month term loans in the following amounts, with 95% of the women planning on obtaining further loans from WMI in the future.

\$50	2.54%
\$100	20.6%
\$150	17.2%
\$200	59.3%
\$250	0.28%

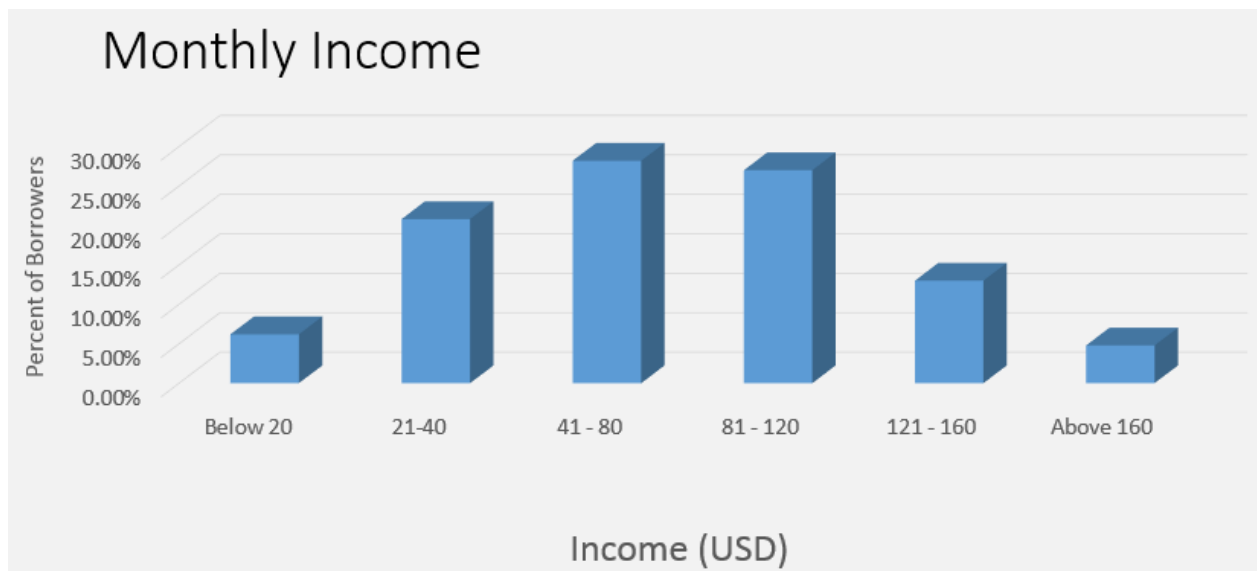
## B. Types of Business

The majority of businesses relate to daily consumption, rather than services, the most popular being cereal, shopkeepers, and produce growers/sellers. Additionally, just over 90% of the women reported significant business growth within 18 months of joining the loan program.



## C. Monthly Income

Baseline data collected from the borrowers indicates that nearly 100% had household incomes of \$20 or less per month before entering the loan program. After joining the program, over 90% reported earning over \$20 per month, with 65% reporting monthly income of \$41 or more.



Various regional differences in income were reflected in the data. In Ntumburi and Ngarendare, both regions in Central Kenya, none of the borrowers earn more than \$120 per month. In Shikokho, a region in Western Kenya, 20% of borrowers earn more than \$120 per month and in Keveye, another Western region, 40% earn more than \$120 per month.

#### D. Monthly Savings

Baseline data collected from the borrowers indicates that before joining the loan program only 50% of women had savings in the bank. Nearly 100% of the women now save on at least a monthly basis. Nearly 30% are able to save \$20 or more a month. Differences in saving rates reported in the data are largely regional, correlating with income differences.



#### E. Difficulty Repaying Loans

As a whole, 50% of the women in the Kenya program found it of “average” difficulty to payback their loans, while over 30% of the women said they found it “easy” to payback their loans. Only 14% of women found it either “hard” or “very hard” to payback their loans.

Very Hard	0.60%
Hard	13.4%
Average	50.4%
Easy	33.7%
Very Easy	1.80%

#### F. Business Skill Improvement

Over half of the women found that their record-keeping skills improved after entering the loan program. Nearly half also reported improvement in their budgeting skills.

Record-Keeping	56.6%
Budgeting	49.9%
Marketing	43.9%
Problem Solving	26.5%
Negotiating	15.2%

#### G. Recordkeeping

Nearly all of the women in the loan program maintain records of their business operations, either on a daily, weekly or monthly basis.

Daily	35.1%
Weekly	32.6%
Monthly	32.3%

## H. Business Challenges and Solutions

Both new and experienced business owners face challenges in business operation and expansion. The most common problem is competition, faced by over 55% percent of the borrowers. The women's responses include changing their business, or using friendlier language to differentiate themselves among their competitors.

BUSINESS PROBLEM		SOLUTION	
Competition	56.6%	Change Business	49.4%
Seasonal Changes	37.2%	Change Means Of Transport	33.7%
Creditors	29.9%	Use Friendly Language	27.0%
Transport	26.8%	Change Location	23.6%
Low Demand	21.4%	Enhance Product Quality	19.1%

## I. Family Help

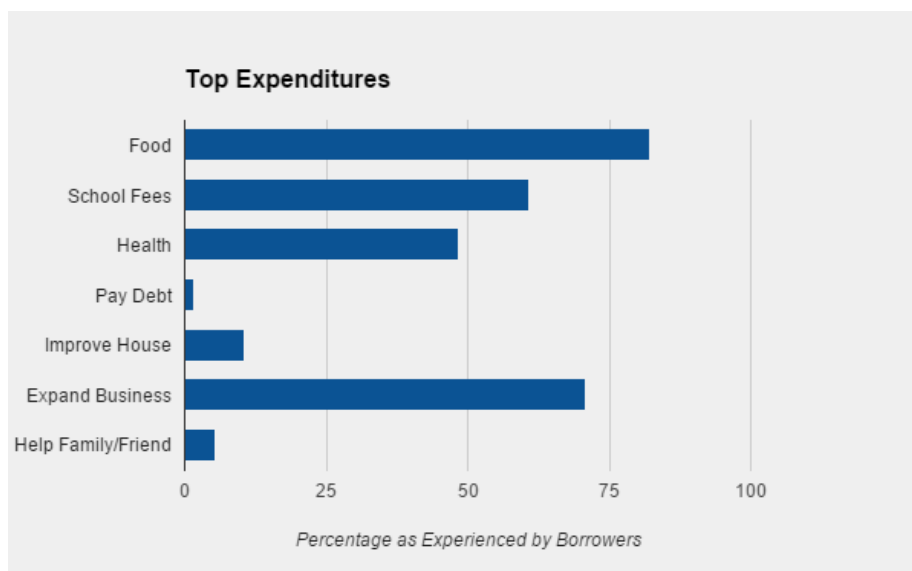
Family engagement is a positive side effect of the women's business creation. Over 70% of the women received help from family members, either from their husband or from their children. The women reported receiving the most help through family encouragement, help with household chores, and help with selling their products.

WHO HELPS		HOW THEY HELP	
Husband	38.6%	Encouragement	34.4%
Children	34.4%	Household Chores	30.0%
No one helps me	19.2%	Selling	26.0%
		Labor	23.7%
		Transport	16.1%
		Record Keeping	14.4%

## IV. HOUSEHOLD IMPROVEMENTS

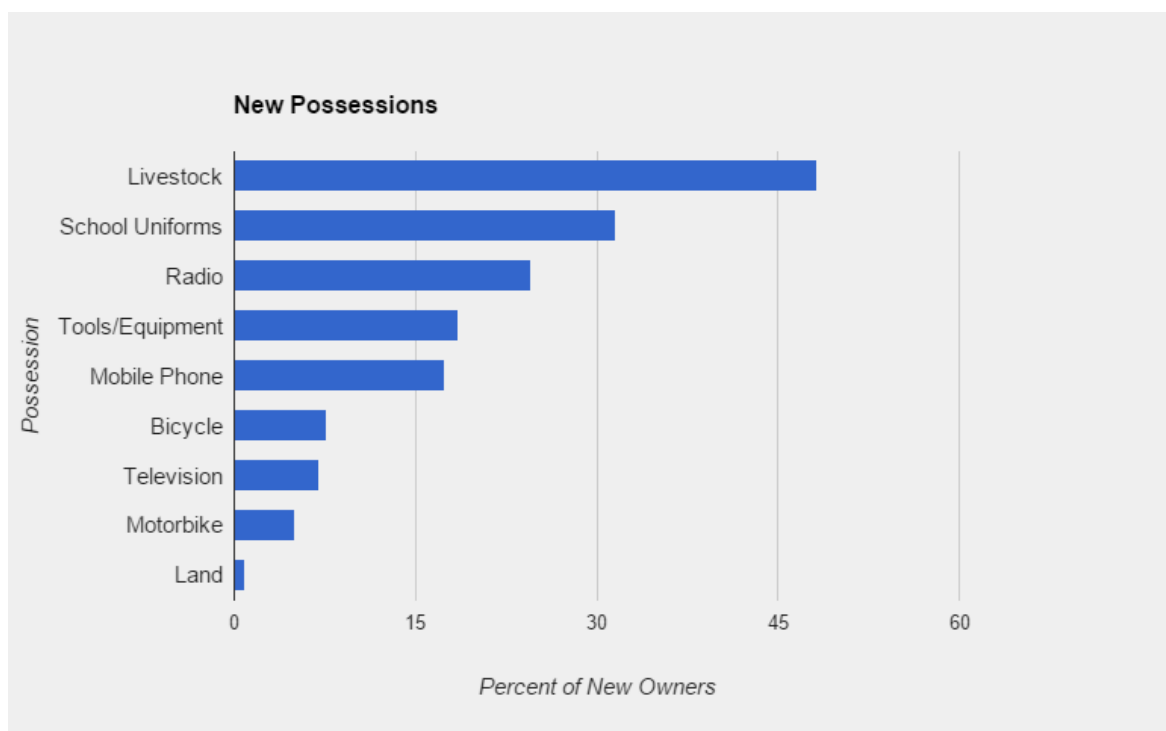
### A. Top Expenditures

On average, the top two expenditures for the women are food and business expansion. This exemplifies the women's utilization of their business income for improving their livelihoods and their homes, while keeping a keen focus on the growth and expansion of their businesses. Paying school fees was the third most frequently stated use of business income, signifying a deep interest in the next generation's education.



## B. New Possessions

Livestock was the most acquired new possession with business income. This is an investment for the family as the animal provides a source of food and income through milk or egg production, and acts as a hedge against currency fluctuations. Notably, there was also a 25% increase in ownership of radios and a 18% increase in mobile phone purchases. It is evident that in addition to spending money on improving their family's livelihoods, the women spent their business income on acquiring possessions that would allow them to increase their ability to communicate, including obtaining current commodity prices and weather reports.



## C. Improved Health and House

91% of the women reported an increased ability to pay medical fees once they were generating income from their businesses, making it easier for women to seek medical help for themselves and their families. Improved family health means women are better able to operate their businesses. They do not have to close their businesses due to illness or to care for sick family members. Nearly 70% of the women were able to serve their family more meals, which also improves household health. Over 60% of women also spent their business income improving their homes. Common improvements included adding tin roofs or cement floors. Some changed their light source from kerosene lamps to solar or battery-powered lanterns. This can reduce the risk of accidental fires.

Increased Ability to Pay Medical Fees	91.3%
More Meals	69.9%
House Improvement	63.4%
Changed Lighting	41.7%
Changed Fuel	13.2%



## D. Malaria

More than 85% of the households had at least one person with Malaria during the year before joining the WMI loan program. After joining the loan program, over half of the women were able purchase mosquito nets with their business income.

Number of people in household with Malaria before first loan	0	13.3%
	1	45.0%
	2	33.3%
	3	6.66%
	4	1.66%
	5+	0.00%
Purchased Mosquito Nets	Yes	52.4%
	No	47.6%

## E. Meal Improvement

Not only were the women able to serve their families more meals after joining the loan program but they were also able to improve the quality of the meals.

More Vegetables	25.4%
More Meat	24.7%
More Milk	7.04%
More Eggs	6.20%

## V. PERSONAL AND COMMUNITY IMPACT

### A. Personal Skills

All women surveyed indicated improvement in a range of personal skills after entering the loan program. 65% of the women indicated that they improved literacy and arithmetic skills as a result of the program training.

Improved Literacy and Arithmetic Skills	65.0%
Determined	38.3%
Self-Confident	34.6%
Organized	34.6%
Reliable	29.3%
Resourceful	27.9%

## B. Borrower Narratives

All women in the loan program indicated that the loan program has had a positive impact not only on themselves, but 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?

- “I can now take my family to the hospital”
- “It has made us resourceful and organized”
- “It has enabled us to live comfortable lives”
- “My family is able to eat rich”
- “Many families bought cattle, goats, even chicken”

Has your loan made your life better as a woman?

- “It has improved me to be a self-confident lady”
- “I am now able and out of poverty”
- “Now I do not depend on others”
- “I can teach others how to do business”
- “I am confident!”

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

- “Most women are now organized and determined”
- “Women are self confident”
- “Children attend school”
- “Children look healthy”
- “More progress in neighborhood”

Are you happier since receiving your loan?

- “Yes, life is bearable”
- “Yes, [I can] take good care of my family”
- “Yes, women are happier”
- “Yes, I work harder and happily”
- “Yes, I now don’t depend on my husband”

