

Women's Microfinance Initiative



**2015
Uganda Loan Program Fact Book**

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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 factbook was collected from July 2014 through April 2015. Data was collected from 432 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 information in this factbook was derived from WMI loan hubs in the Kabale, Gulu, Bududa, and Atiak regions of Uganda. These are primarily rural locations. Gulu and Atiak are in Northern Uganda and they are still recovering from the depressed economy that resulted from the 20-year insurgency that ended earlier this decade. Kabale is in the Southwest and experiences influxes of refugees from the unrest in the nearby Democratic Republic of the Congo. The Bududa District is in far eastern part of the country, bordering Kenya, and suffers from extreme deforestation.



II. DEMOGRAPHICS

A. Borrower Background Information

Most of the women in the loan program (98%) are between the ages of 21 and 60. About 80% of the women are married, with an average of 4 to 6 children.

Age	21-30 31-40 41-50 51-60 61 and Over	31% 40% 20% 7% 2%
Marital Status	Married Single Widowed	79% 11% 10%
Number of Children in Household	0 1-3 4-6 7+	1% 36% 53% 10%
Annual Income Before Loans	66--135 136-200 201-265 266-335 336-400 401-465 466-535 536-600 601-665 666+	4% 8% 14% 25% 11% 15% 7% 1% 3% 12%
Household Savings Before Loan	0-7 8-10 11-13 14-17 18-20 21-23 24-26 27-30 31+	42% 8% 7% 6% 12% 4% 3% 2% 16%
Reading and Writing Comfort Level	Not at all Comfortable Somewhat Comfortable Average Very Comfortable Extremely Comfortable	47% 21% 15% 12% 5%



III. BUSINESS OPERATIONS

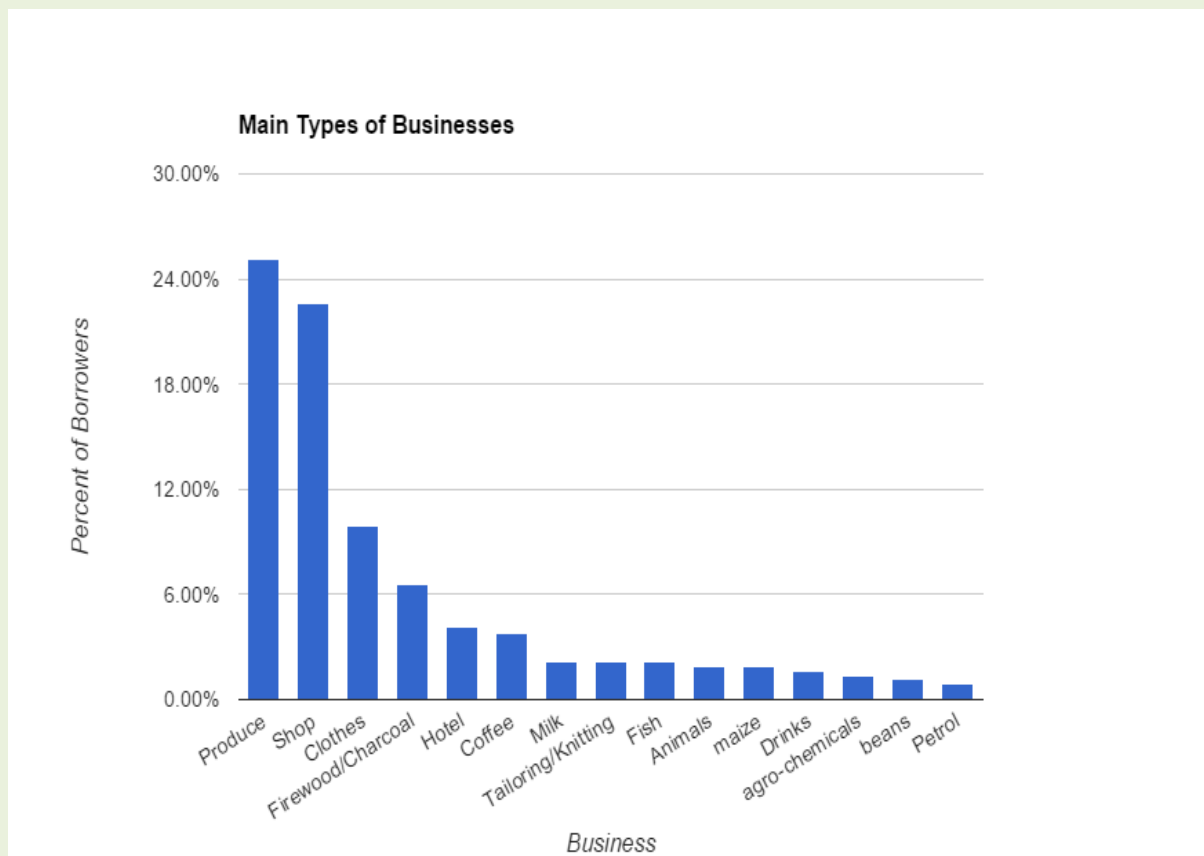
A. Loan Amount (USD)

Women obtained loans in the following amounts. The large majority of the women (96%) took loans in the \$151-\$200 range. In discussions, 92% of the women indicated that they planned on obtaining additional loans from WMI in the future.

100-150	4%
151-200	96%

B. Types of Business

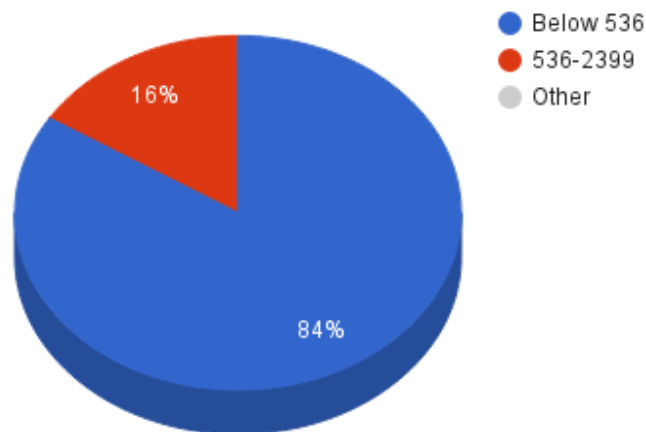
The majority of businesses relate to daily consumption, rather than services, the most popular being produce and shopkeepers. Additional data collected revealed that 99% of the women experienced significant business growth within 18 months of receiving their loans.



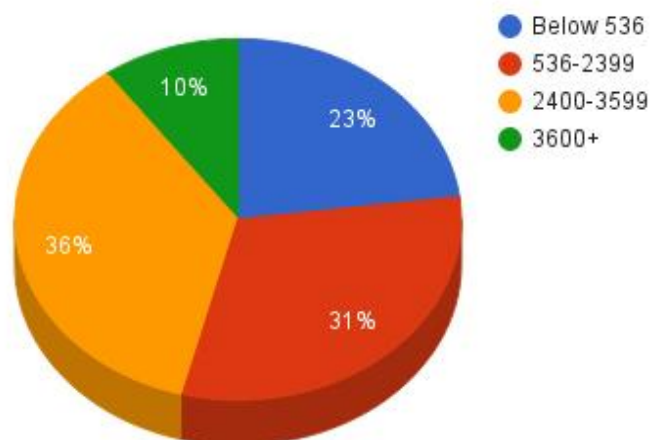
C. Annual Income

Before joining the loan program, 84% of the borrowers were earning \$535 or less every year. After joining the loan program, 77% of borrowers earned \$536 or more per year, with 10% earning more than \$3,600 per year. The median income for women after joining the loan program is between \$2,200 and \$2,400 annually.

Annual Incomes Before Loan Program (USD)



Annual Incomes After Starting the Loan Program (USD)



D. Monthly Savings

Baseline data collected from the borrowers indicates that before joining the loan program only 33% of women had savings in the bank. Additionally, baseline data indicates that before joining the loan program, 42% of women had household savings of \$7 or less. After joining the loan program, 30% of the women save essentially that amount (\$6.66) or more on a monthly basis. This is a tremendous improvement in savings rates.



E. Difficulty Repaying Loans

Of the Ugandan women in the loan program, over half found it easy to repay their loans. Another 36% found it of average difficulty, while only 3% described it hard to repay.

Hard	3%
Average	36%
Easy	52%
Very Easy	9%

F. Business Skill Improvement

Women were asked to indicate which, if any, of their business skills had improved since joining the loan program. All of the women indicated improvement in some area, with roughly half citing improved record-keeping, budgeting, and marketing skills.

Record-Keeping	47%
Budgeting	54%
Marketing	52%
Problem Solving	44%
Negotiating	25%

G. Recordkeeping

All women now keep business records on at least a monthly basis, with 98% of them either keeping records daily or weekly.

Daily	46%
Weekly	52%
Monthly	2%

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 34% percent of the borrowers. The common responses to deal with challenges include changing their business or changing their business location in order to differentiate from competitors.

Competition	34%
Seasonal Changes	15%
Creditors	17%
Transport	23%
Low Demand	8%
Change Business	16%
Change Means Of Transport	19%
Use Friendly Language	7%
Change Location	17%
Enhance Product Quality	8

I. Savings Habit

100% of the women in the loan program maintain save on a daily, weekly or monthly basis. The majority (80%) prefer to save on a weekly basis.

Daily	8%
Weekly	80%
Monthly	12%

J. Family Help

Family engagement is a positive side effect of the women's business creation. Over 65% of the women received help from family members. 66% of the women who receive help from family members receive it from their husband.

Husband	66%
Children	51%
Other	9%
No one helps me	5%

K. How Family Helps

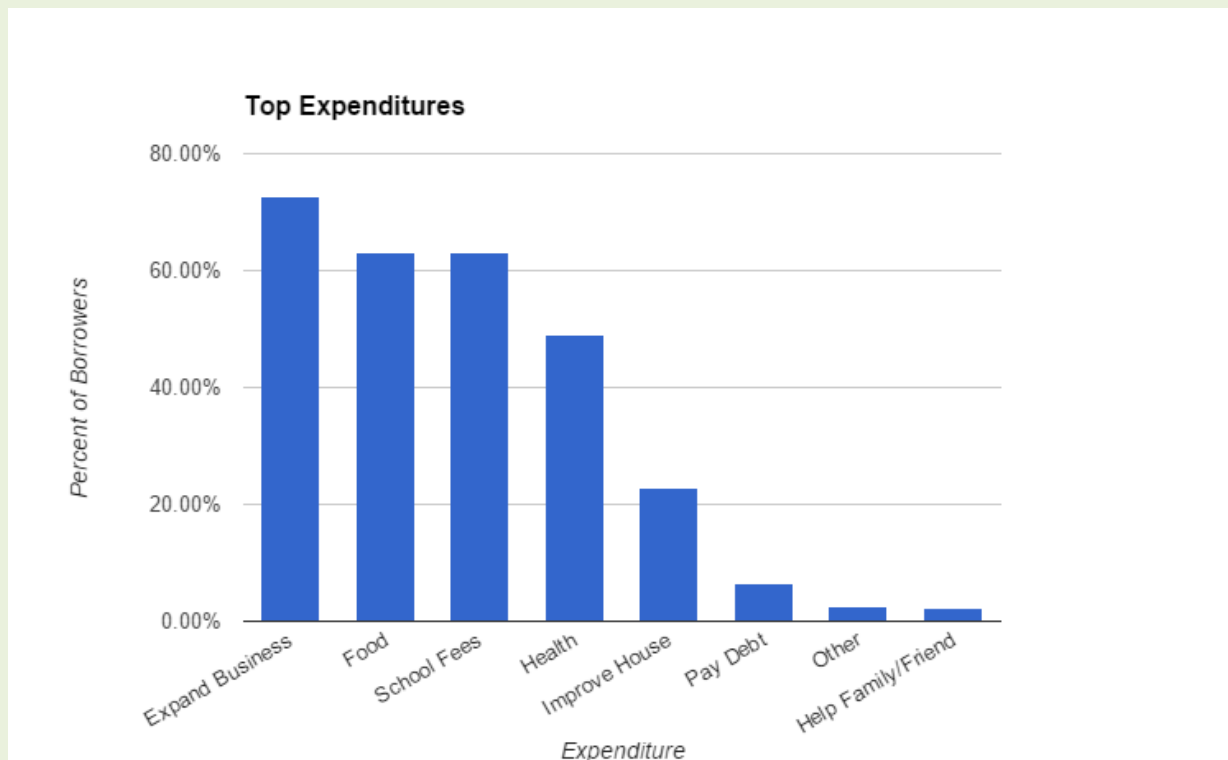
The women reported to have received the most help with labor, selling products, and encouragement. Women do not often receive financial support from their family – only 6% reported receiving family help in the form of money.

Labor	49%
Selling	36%
Encouragement	28%
Transport	23%
Record Keeping	19%
Household Chores	10%
Money	6%

IV. HOUSEHOLD IMPROVEMENTS

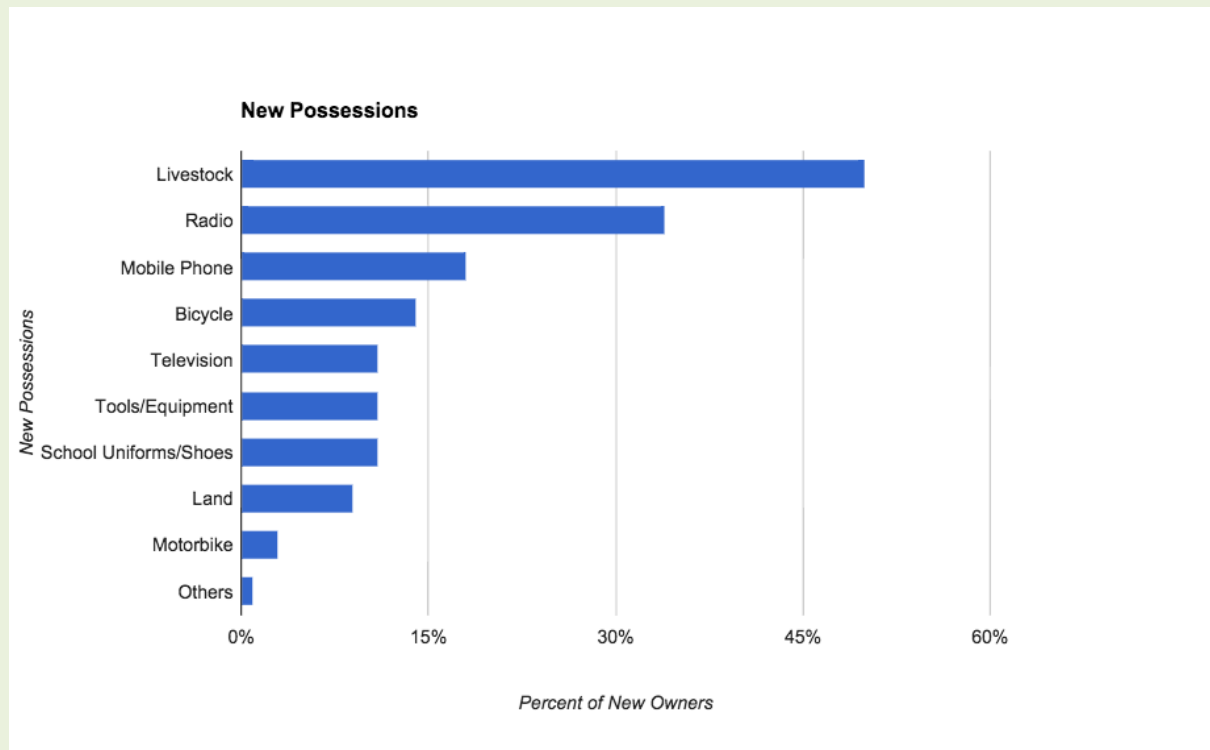
A. Top Expenditures

On average, the top two expenditures for the women are business expansion and food. This exemplifies the women's utilization of their loans for improving their livelihoods and their homes, while keeping a keen focus on the growth and expansion of their businesses. This is followed closely by expenditures on school fees, signifying the importance they put on investing in the next generation's education.



B. New Possessions

Livestock was the most acquired new possession, cited by almost 50% of the women. 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. Notably, there was also a 34% increase in ownership of radios and an 18% increase in mobile phones. It is evident that in addition to spending money on improving their family's livelihoods, the women spent their money on acquiring possessions that would allow them to increase their ability to communicate and engage with the community.



C. Improved Health and House

96% of women reported an increased ability to pay medical fees, 97% were able to provide more meals for their families, and 94% purchased mosquito nets. This widespread increase in personal and family health is hugely significant – it allows the women to allot more time and money to their businesses. Investments in their homes generally improved household living conditions for everyone in the family.

Increased Ability to Pay Medical Fees	96%
More Meals	97%
Purchased Mosquito Nets	94%
House Improvement	66%
Changed Lighting	48%
Changed Fuel	28%

D. Malaria

About 50% of the households had at least one person ill with malaria before starting the WMI loan program. 94% of the women were able purchase mosquito nets with the increased funds gained after entering the program.

Number of people in household with Malaria before first loan	0	51%
	1	23%
	2	17%
	3	7%
	4	1%
	5+	1%
Purchased Mosquito Nets after Joining Loan Program	Yes	94%
	No	6%

E. Meal Improvement

After entering the loan program, 73% of the women were able to purchase more food with their improved income; 40% were able to buy more meat for their families.

More Food	73%
More Meat	40%
More Vegetables	20%
More Milk	15%
More Eggs	12%

V. PERSONAL AND COMMUNITY IMPACT

A. Personal Skills

All women surveyed indicated improvement in a range of personal skills. 91% of the women in this program indicated that they experienced improved literacy and arithmetic skills as a result of the program training, as well as over half feeling more determined and self-confident.

Improved Literacy and Arithmetic Skills	91%
Determined	51%
Self-Confident	53%
Organized	38%
Reliable	31%
Resourceful	42%



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.

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?

- “Yes, they are happy & healthy”
- “Yes, domestic violence has stopped”
- “Yes, can get fees, books, clothes, soap and paraffin”
- “Yes, my family is happy because we aren't as stressed as before”
- “Yes, I am able to feed my family and solve some problems”

Has your loan made your life better as a woman?

- “Yes, I am determined and resourceful”
- “Yes, I can now manage to pay for my family”
- “Yes, I am financially empowered”
- “Yes, my husband respects me, not as before WMI”
- “I feel respected and honored in my village”

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

- “Most families can provide the basic needs to their family members”
- “Yes, services are now nearby”
- “Yes, children respect their parents”
- “Yes, WMI is the talk of the day”
- “Yes, women are well disciplined”

Are you happier since receiving your loan?

- “Yes, other people respect me”
- “Yes, I can afford my personal needs”
- “Yes, I love my job”
- “Yes, I have acquired many skills”
- “Yes, by knowing time management”

