



# Women's Microfinance Initiative

Annual  
FactBook  
2022



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## **Introduction**

The Women's Microfinance Initiative is a microlending organization that provides loans to impoverished women in villages in Kenya, Uganda, and Tanzania. WMI has issued over 75,000 loans totaling more than \$10 million. Each year, WMI issues an estimated 10,000 loans totaling over \$1 million dollars. Additionally, WMI invests in infrastructure such as buildings to run loan program operations, as well as funding borrower training and community outreach projects, including health screenings, maternity care, financial literacy classes, and girls and boys groups that teach life skills to village children. The loans enable women to build small businesses that provide them with income to meet their family needs. The loan program benefits not just borrowers and their families; by raising local living standards, increasing economic opportunities, and conducting outreach projects, the entire community benefits. The 2022 FactBook consolidates data collected from the loan-hubs in 2021 and illustrates the loan program's impact.

### **What is microfinance and why is it needed?**

Microfinance institutions like WMI seek to address poverty by lending to marginalized populations that have traditionally been excluded from access to conventional financial services. Banks do not generally serve village women or offer them loans because these women have few assets; they cannot make a deposit, provide collateral, or pay loan placement fees. By providing small loans to impoverished populations without the barriers that banks erect, microfinance aims to enable them to start businesses that generate income to improve household living conditions and break out of the cycle of poverty. According to the UN's Capital Development Fund, microfinance has been shown to not only to enable the poor to improve their economic welfare, but it has also been shown to empower rural women.

### **Loan Program**

WMI's "Transition to Independence Program" provides impoverished women with four collateral-free loans over the course of two years. Loans range from \$80 to \$250, with the average loan being \$125. Borrowers join a 20-person solidarity group and members cross-guarantee each other's loans. Each group attends weekly meetings and is taught business and management concepts. WMI works with each borrower to create a business plan to enable the woman to achieve her economic goal. Local coordinators visit borrowers regularly and offer advice and support. Repaid loan funds are retained by each loan hub and recycled to fund loans for new borrowers. The interest on the loans is used to pay all loan hub expenses and any excess income after expenses is used to fund local community projects. This unique economic model means that the loan hubs become self-sustaining and can continue operating in perpetuity as long as the loans are repaid.



The support provided by WMI staff and the lessons provided by the program have resulted in a loan recovery rate of approximately 98% - much higher than other microfinance programs operating in East Africa.

## **What makes WMI different?**

Typically, funding for microfinance programs come from individual investors who are looking for a profit or at least a return on their capital. Thus, any income after the loans are paid is meant to be extracted from the community and returned to investors as profit. Impoverished communities are vulnerable to for-profit microfinance loan programs, including those that charge high interest and excessive fees. These can trap rural people in a debt cycle. WMI is structured differently. We are a non-profit that trains local women leaders in the loan hubs to operate the loan program on the local level. All loan income is retained by the loan hub, which becomes self-sustaining, and which invests directly in the community through various service projects aimed at improving community health and increasing access to resources. WMI's microfinance program is led on the village-level by local staff who understand the needs of borrowers and their community.





## Methodology

The data analyzed in this report was collected through 3,839 surveys, conducted by a regional team fluent in both English and local languages. The data comprising this year's Factbook was collected between July 2021 and January 2022.

Surveys are administered at three points during the loan cycle. The first survey is the baseline survey and is administered before women enter the loan program. The baseline survey provides information on the women's initial living conditions and financial situation. The second survey is the follow-up survey and is administered one year into the loan program. The follow-up survey represents the initial impact of the loan on the women and the community. The final exit survey is administered after the women repay their loan and graduate from the program. Exit data provides critical insights into the impact of the loan on borrowers and how they have utilized the benefits provided by the loans to upgrade their living conditions, improve their personal and business skills, and better their lives and their community.

Each loan group, consisting of around 20 women, is represented in only one type of survey. This methodology enables us to examine macroscopic trends over time, rather than trace the trajectory of any one individual woman over the course of two years. There are several reasons why WMI favors a broader scope of analysis.

First, several questions on the follow up and exit survey ask borrowers to compare their pre-loan conditions to their post-loan conditions, including dimensions such as meal improvement, healthcare access, and skill development, enabling us to understand the impact of the loan. Second, since the objective of the Factbook is to examine large-scale trends over time, and since many borrowers share similar experiences, following women on an individual basis does not provide extensive insights. To analyze these individual experiences, WMI conducts separate business case studies to reveal how particular businesses operate over time. We publish these studies on our web site. Third, anonymizing borrower data, which can be highly personal, respects our borrowers' privacy. Finally, large-scale trends that can be applied to groups of women across time help us form a more stable representation of our borrower base as we seek to improve our program. This report illustrates a comprehensive picture of who WMI borrowers are, how they live, and how they utilize the WMI loan program to change their lives.

This report provides a comprehensive picture of the impact of WMI's loan program on the lives of women in our loan hubs. The demographics section analyzes data from the baseline survey on living conditions, age and household size, to present a glimpse into women's lives before the loan program. The economic impact section focuses on the impact of the loans by comparing women's savings, income, and ability to pay school fees before and after the loan. The social impact section considers the effect of the loans on: women's ability to afford medical treatment; their happiness; personal skills; and, lifestyle.



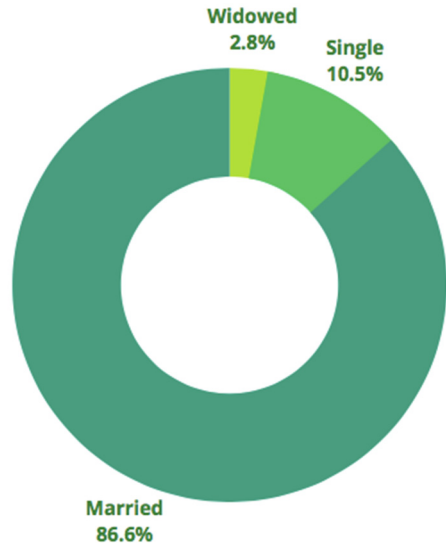


# Demographics



# Households

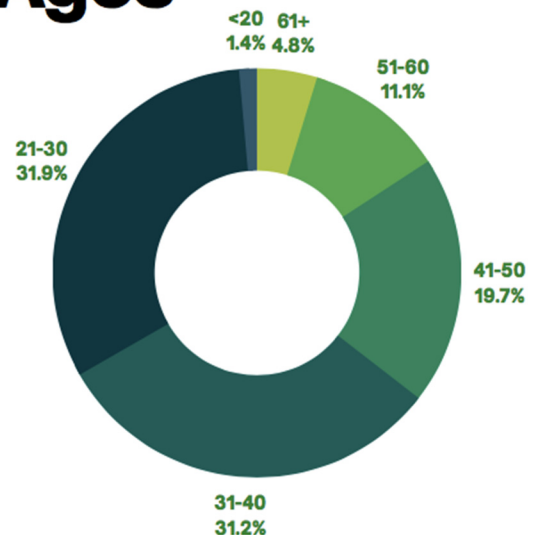
## Marital Status



A majority of WMI borrowers (86.6%) are married, with only 10.5% of borrowers reporting that they are single, and 2.8% reporting they are widowed.

Approximately one-third of WMI borrowers are between the ages of 21 and 30 (31.9%); approximately one-third are between the ages of 31 and 40 (31.2%); and, approximately one-third are between the ages of 41 and 60 (30.8%)

## Ages





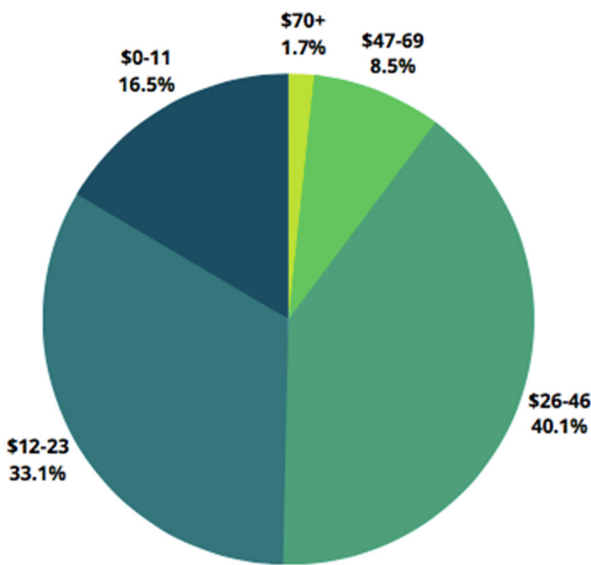
# Type of House



77% of WMI borrowers live in Semi-Permanent houses, while only 23% live in Permanent housing.

Semi-Permanent houses are typically made of sticks and clay, with an iron roof and wooden door.

Permanent houses are made from cement or bricks with a shingled roof.



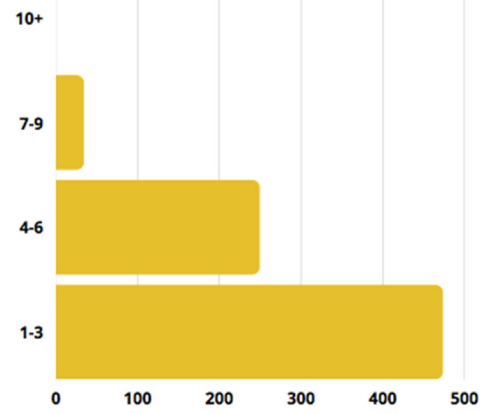
One-third of WMI borrowers have a monthly household income of \$12-23. 40% of WMI borrowers have a monthly household income of \$26-46.

Less than 2% of WMI borrowers have a monthly household income of \$70 or more.

# Monthly Household Income



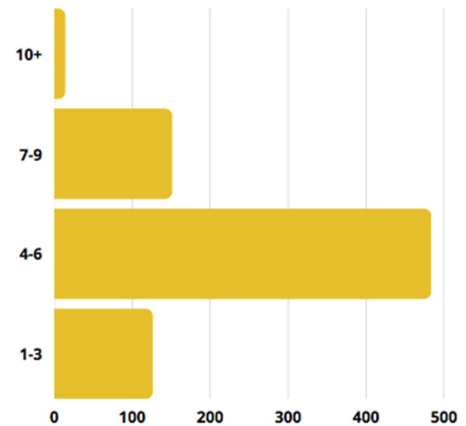




## Number of Children in Household

Nearly two-thirds of all WMI borrowers (63%) report having between 1-3 children in the household, while one-third report having at least 6, and 4% report having between 7 and 9.

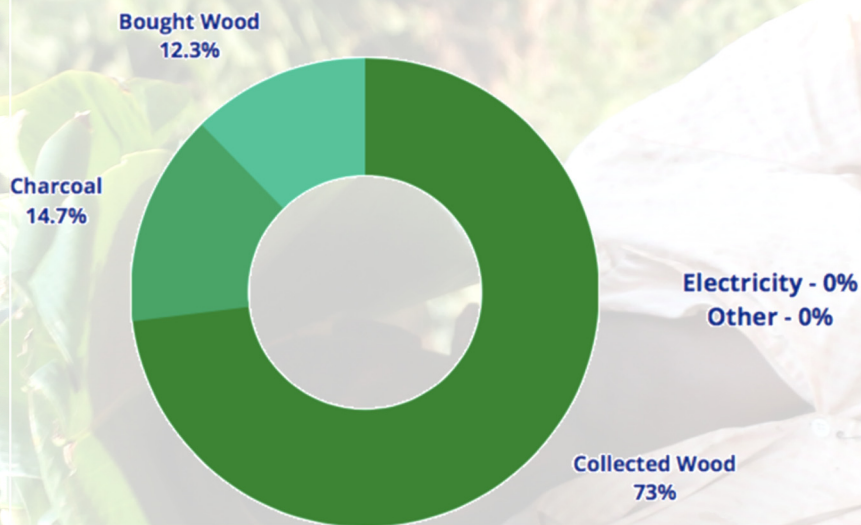
Nearly 20% of borrowers report having 1-3 people in the household. 62% report having between 4 and 6, and 18% report having between 7 and 9.



## Household Size



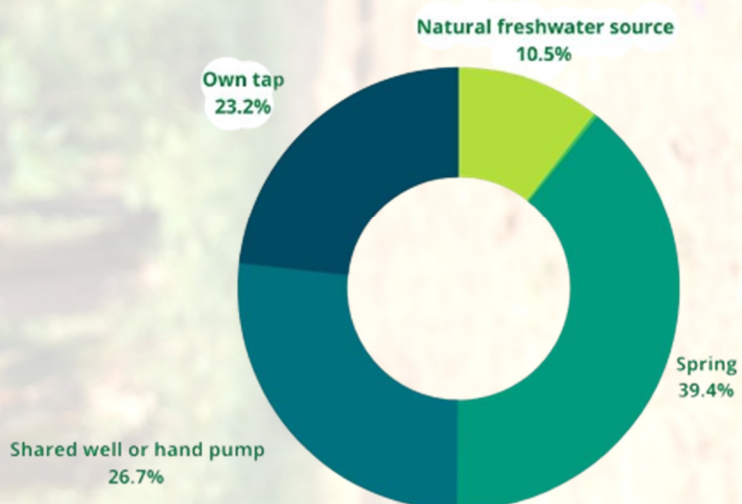
# Cooking Fuel



73% of WMI borrowers use collected wood for cooking fuel, while 14.7% use charcoal, and 12.3% buy their own wood.

None have access to electricity.

# Source of Drinking Water



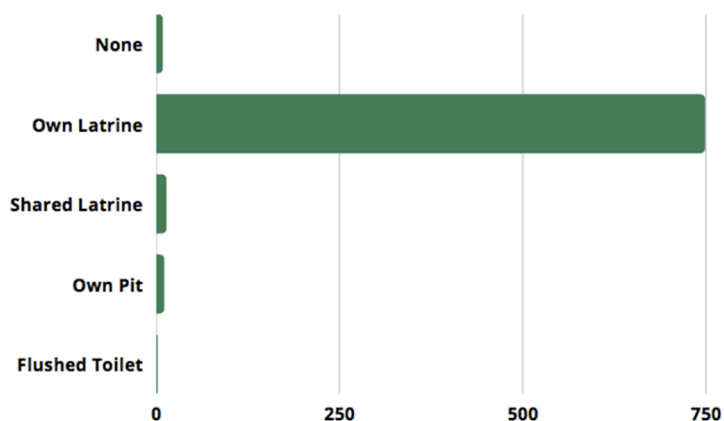
Nearly 40% of all WMI borrowers' main source of drinking water is from a spring.

26.7% of borrowers retrieve water from a shared well or hand pump, and only 23.2% have access to their own tap.





## Toilet Facility

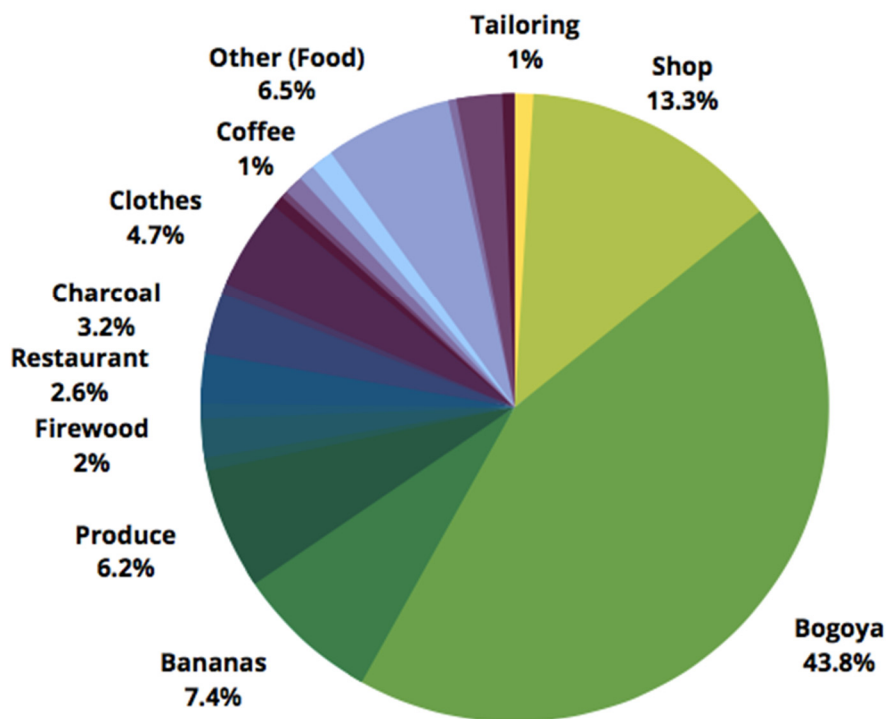


96% of WMI borrowers have use of their own latrine, while 2% have a shared latrine, 1% own their own pit, and 1% report no toilet facility at all.

None have access to flushable toilets.



# Business Types



The WMI loan program enables borrowers to build and expand businesses of their choice. Borrowers have developed over 27 different types of businesses.

The most popular business at 43.8% is Bogoya (Ugandan bananas). The second most popular at 13.3% are shops. Trailing in third at 7.4% is bananas, which are savory plantains that are the staple food in Uganda. The remaining businesses include selling firewood, restaurants, raising cows for milk, and growing coffee and vegetables (produce).

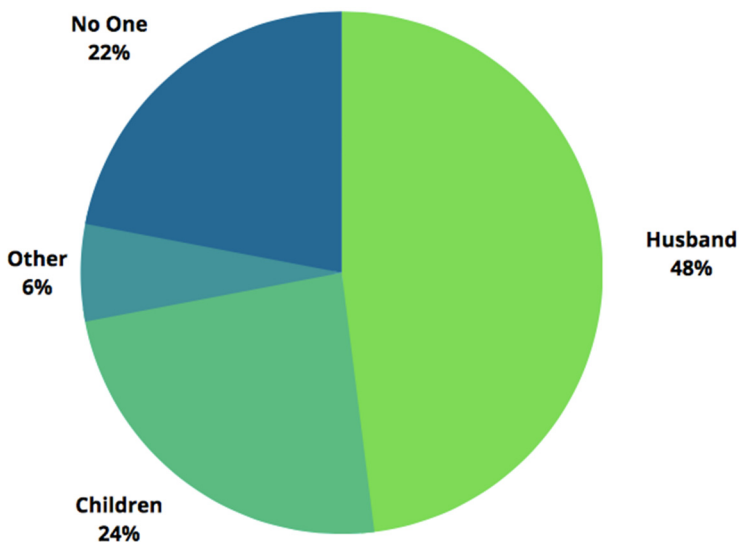






# Business and Family.

## Who Helps The Business?

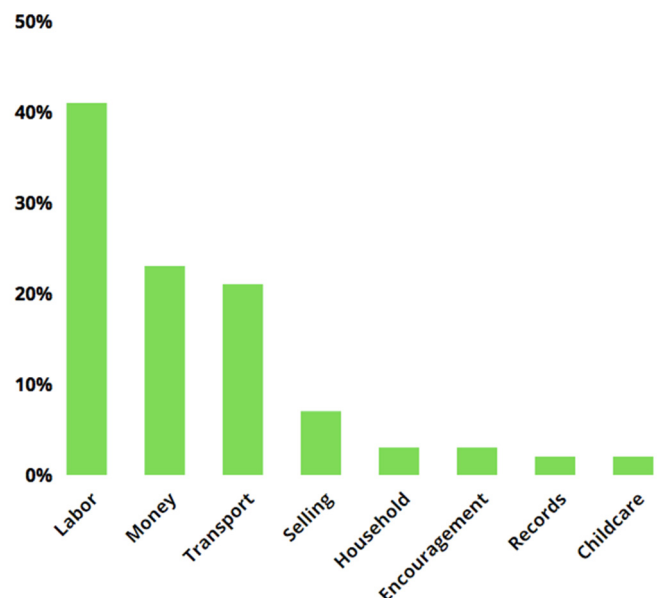


Maintaining a business on your own is not an easy feat. Many of our borrowers enlist help from their family to ensure the success of their businesses. Just under half of the borrowers (48%) receive help from their husbands. Approximately one-quarter (24%) receive help from their children. A small percentage (6%) receive help from other outside sources.

The benefits of having a family-operated business are immense. First and foremost, family members help borrowers' businesses by providing general labor (41%). Providing money and transport are the next most significant ways family members help (23% and 21% respectively). 7% help with selling products while 2% help with the record keeping.

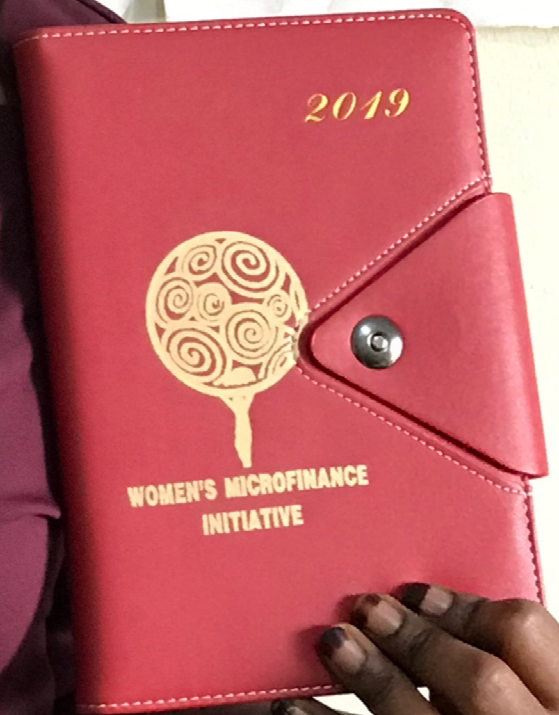
Outside of business responsibilities, family members help in other ways. 11% of family support is divided between household chores, encouragement, and childcare. This allows borrowers to dedicate more energy to their business.

## How Do They Help?





# Economic Impact

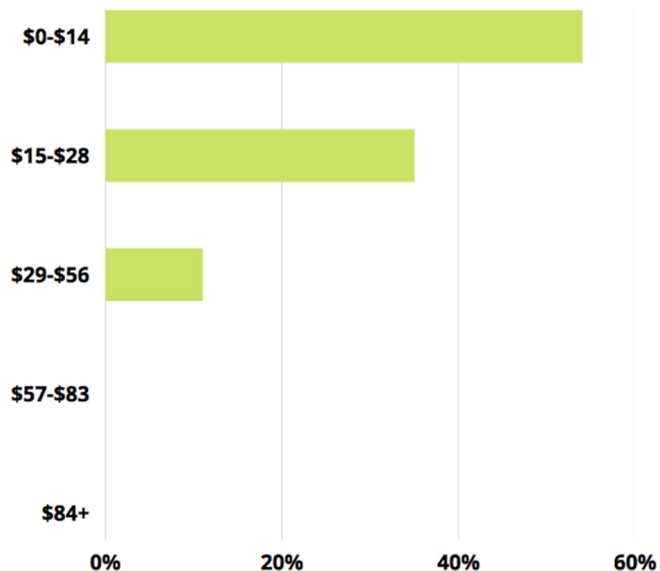




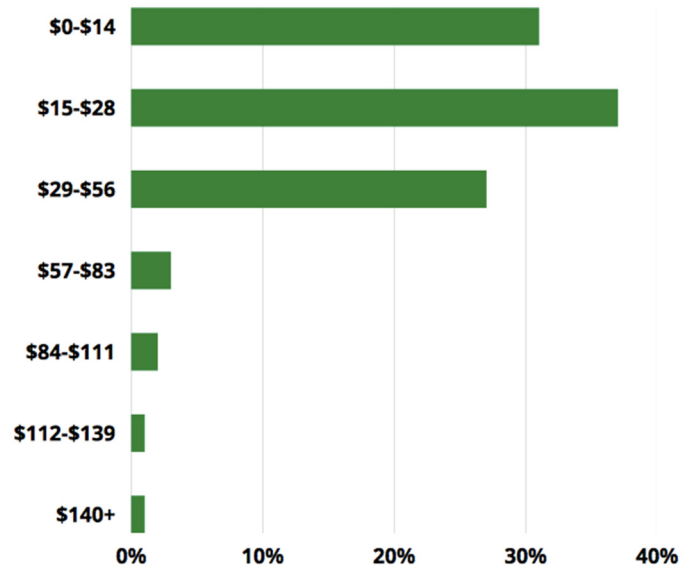
# SAVINGS

Savings is a clear economic indicator of improved household living conditions. WMI training emphasizes that savings is the backbone to sustained economic success and security. As a pre-condition to receiving the next installment in the four-cycle loan program, borrowers must save a cumulative amount of \$11 after the first loan, \$19 after the second one, and \$27 after the third loan.

## Baseline Savings



## Exit Savings



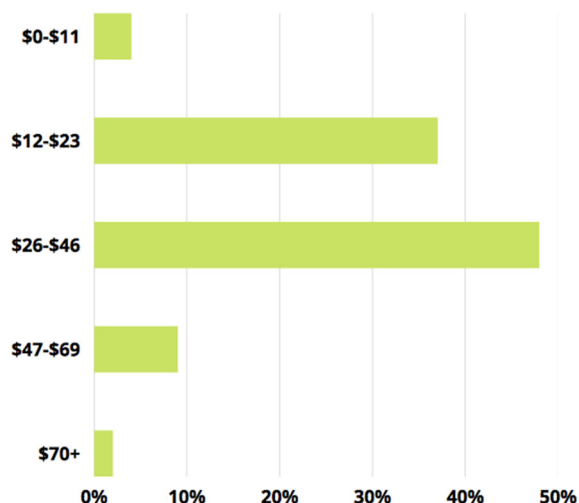
The baseline savings mean was \$16 with a median of \$13. The exit savings mean was \$26 with a median of \$27. The majority of borrowers (54%) had only saved up to \$14 at the baseline. Upon graduating from the loan program, the majority of borrowers (64%) ended the program saving between \$15 and \$56.

Savings not only ensure future loans and business survival, but also provides a cushion to cover unexpected costs. In East Africa, unexpected costs, such as a medical emergency, can tip a family over the edge into a downward spiral of poverty. By emphasizing, encouraging, and requiring saving, WMI ensures that borrowers graduate from the loan program with funds on hand and an understanding that saving regularly is crucial to financial stability.

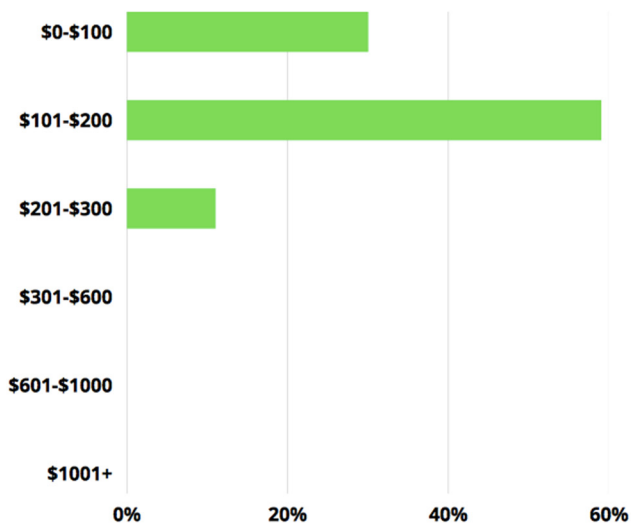


# INCOME

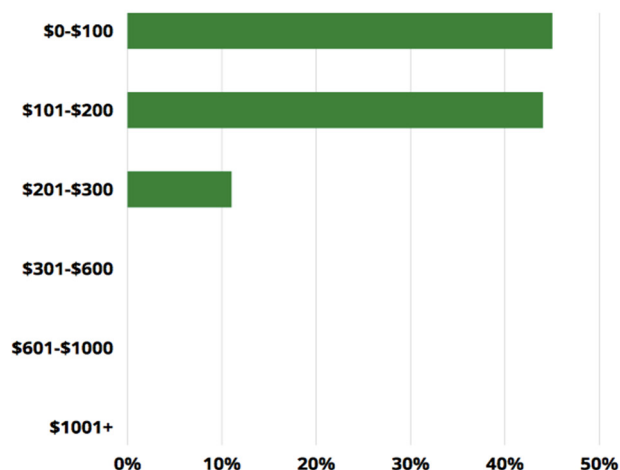
## Baseline Monthly Income



## Follow Up: After 1 Year



## Exit: After 2 Years



## Average Income

Average Baseline  
Monthly Income

**\$32**

Average Follow Up  
Monthly Income

**\$125**

Average Exit  
Monthly Income

**\$105**

**328%** Avg. Increase  
in income over two years

A significant impact of the loan program is the increase in monthly income. An increase in income is the driver for all other improvements resulting from WMI's loans. Borrowers began the loan program with a monthly average income of \$32 and ended with a monthly average of \$105. This is a 328% increase over two years!

Within just one year, monthly income levels rose dramatically: 70% of borrowers had moved beyond the \$70 top pre-loan income level, reported by 2% of the women entering the loan program. The majority of borrowers in the follow up survey (59%) reported follow up income of \$101 to \$200 a month: only 2% of borrowers were in this bracket before taking their loans.

Upon exiting the program, 11% of borrowers increased their income even further to \$200 or more a month.



# LOAN REPAYMENT

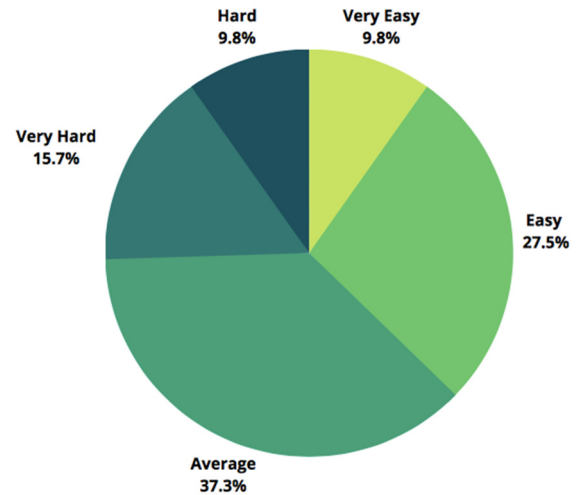
The key to WMI's loan program success and sustainability is the borrowers' repayment rate, which hovers near 98%. WMI measures the ease of repayment for borrowers annually. This is done on a scale of 1 to 5, with 1 being "very hard" to repay the loan and 5 being "very easy."

WMI's repayment cycle has an advantageous structure for our borrowers. The first month there is no loan payment due. The first repayment is not made until the second month after receiving a loan. This allows borrowers time to get their businesses up and running.

The extensive financial literacy training our borrowers receive equips them with the skills to meet repayments. Additionally, the community-based structure strengthens accountability and provides a network of resources for borrowers to seek help if they need it. As a result, most borrowers (over two-thirds) describe repayment as "easy," "very easy," or "average". WMI's program boasts a remarkably low default rate of 2%.

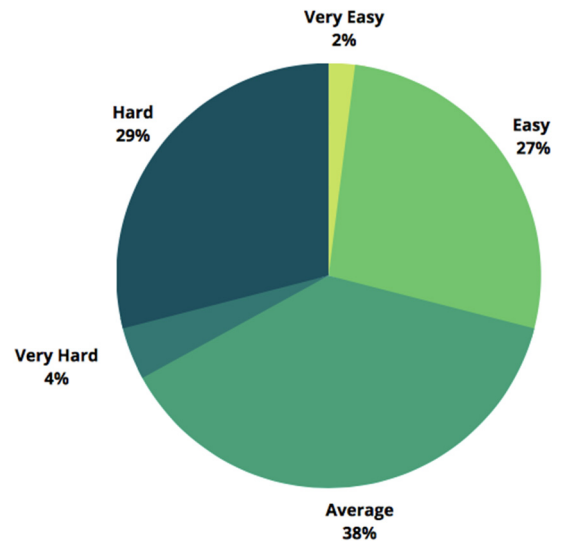
## First 2 Loans Repayment

Difficulty of Repayment



## Final Loan Repayment

Difficulty of Repayment

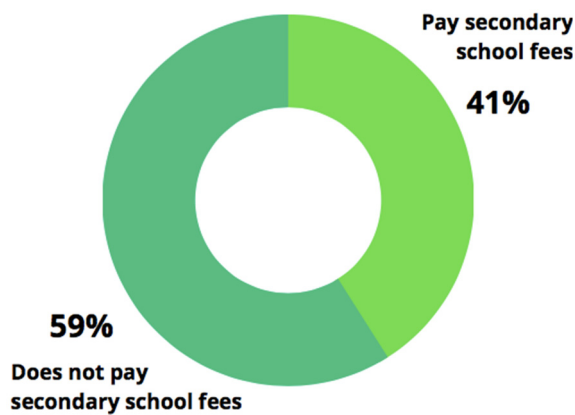




# Education Fees



## Are Your Children in Secondary School?

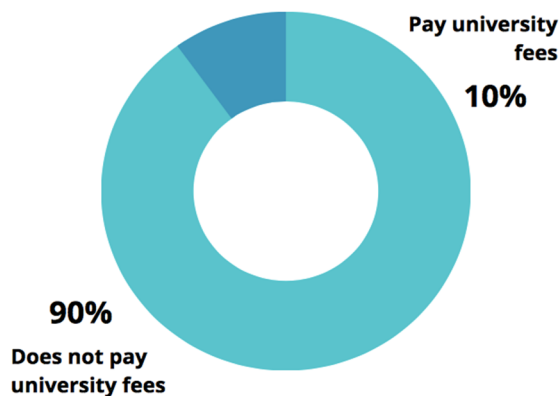


Education is one of the most important aspects to a child's growth. Not only does education increase academic knowledge, it encourages the development of social skills, creativity, and problem solving abilities.

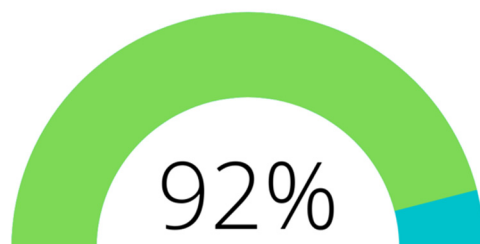
Unfortunately, education is not a given across the globe. In East Africa, most schools require fees. If parents cannot afford the fees, children may be unable to attend school and lose out on the education that could pave the way to a better life.

The loan program has major effects on borrower's ability to pay school fees. 41% of our borrowers pay secondary school fees and another 10% can afford to pay university fees. Prior to receiving loans, a mere 8% of women could afford secondary school fees. The dramatic increase in the number of children attending school because their parents can afford the fees will have long-lasting repercussions in the community.

## Are Your Children in University?



## Increase in Paying Secondary School Fees







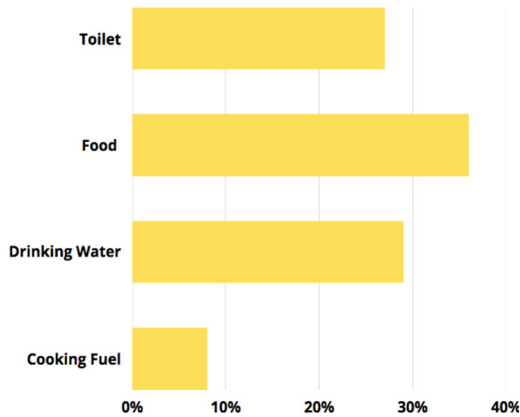
**Social  
Impact**



# Lifestyle Impact

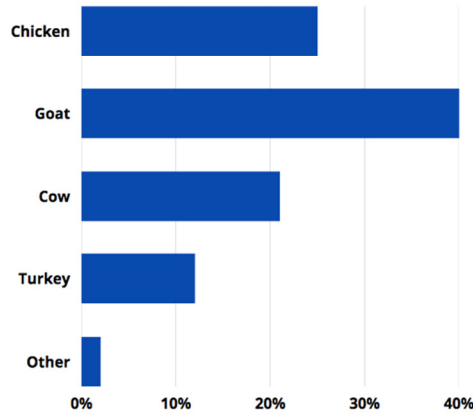
## Lifestyle

### Improvements



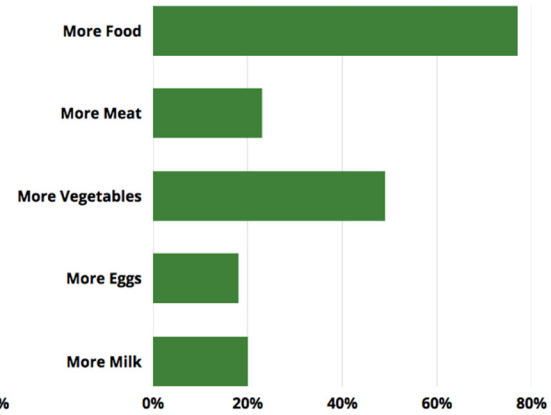
## Livestock

### Improvements



## Meal

### Improvements



The health benefits of WMI's loan program are extensive. Increased income means more money can be spent on food, livestock, home improvements, and health care. In general, there were significant lifestyle improvements. Food quality increased the most at 36%. The quality of drinking water increased for 29% of women and 27% reported an improvement in toilet facilities.

Overall, 77% of women raised their food intake, with about half (49%) eating more vegetables. The remainder raised their protein intake: more meat (23%), more milk (20%), and more eggs (18%).

The increase in livestock, with 40% of women acquiring more goats, 25% more chicken, and 21% more cows, enables women to have greater access to fresh and health food to promote overall health.

Another health improvement was the ease of paying medical fees. With diseases like Malaria and AIDs prevalent, affording treatment is crucial. 100% say it is easier to afford fees after their loans, compared with just 42% prior to entering the loan program.

# 100%

**Say it has been  
easier to pay medical  
fees since receiving loan**

# 2.3x

greater than baseline





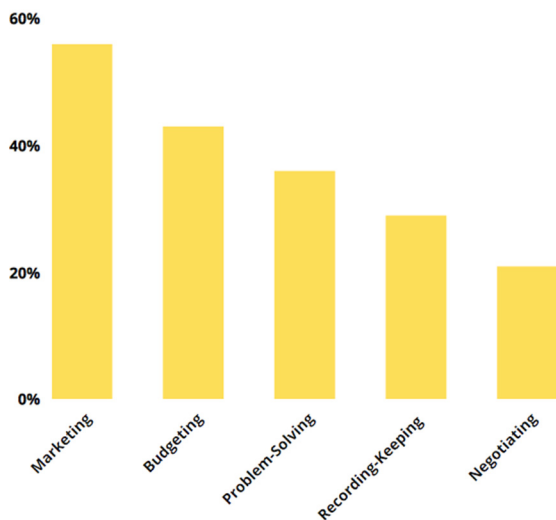
# Skill Development

Building and developing a business is not just economically beneficial, but also can grow an individual's skill set. All borrowers reported an increase in personal and professional skills. These newly acquired strengths equip borrowers for long term business success.

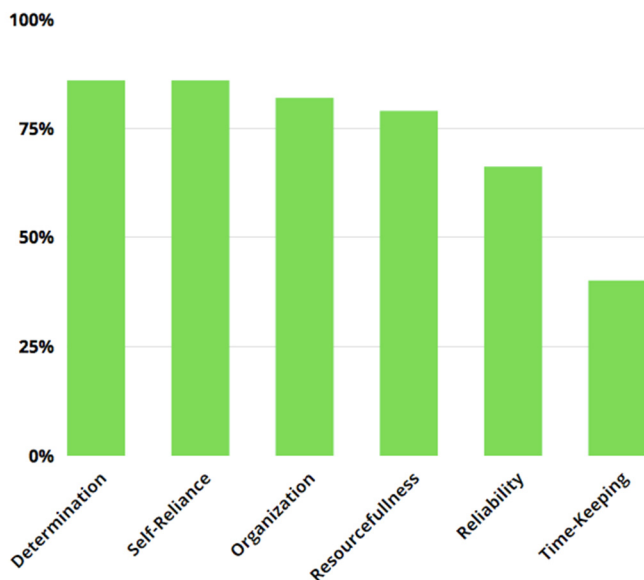
On a personal basis, 86% of borrowers had both greater determination and self-reliance. 82% felt more organized, while 79% were more resourceful. 66% were more reliable and 40% strengthened their time-keeping skills.

Professionally, more than half of our borrowers (56%) had greater marketing capabilities. 43% reported better budgeting skills, 36% were stronger with problem solving, 29% improved their record-keeping skills, and 21% reported becoming better negotiators.

## Professional Skills



## Personal Skills





# Happiness

## Are You Happy?

**100%**

of borrowers are happier  
since receiving their loan

**24%**

resulting from  
growing business

**21%**

resulting from female  
self-empowerment

The loan program's goal is to increase overall business profitability and financial literacy, but its impact goes beyond that.

Health improves, education improves, skills improve, but perhaps most importantly, women report being happier. 100% of borrowers say they are happier since receiving their loan. 24% attribute this to a growing business, which raises incomes and thus the ability to spend on themselves, their homes, and their families. 21% attribute this to female self-empowerment, which promotes mental and physical wellbeing.





# Community Engagement





## Buyobo Boys and Girls Group

Boys and Girls group is a program in Buyobo for children ages 11-17 facilitated by Sam and Teacher Susan. They lead weekly sessions on a wide range of topics including sexual health and hygiene, creative expression, and business skills. At the beginning of the school term students embarked on writing their own story books related to the culture of the Lumasaba people, who live in Buyobo. The Boys and Girls group are also taught hygiene including hand-washing and how Covid-19 is spread.



## Budadiri Girl's School of the Deaf

Partnering with the Budadiri Girl's School, WMI supports the deaf students of the community by purchasing basic school needs for the students like soap, petroleum jelly, biscuits, sugar, and maize flour for posho. WMI contributed materials to create a reusable menstrual pad program where students learned how to make pads for their own use. Reusable menstrual pads are imperative for girls and women because disposable menstrual products are often not readily available or accessible and may be expensive. Many of the deaf students live at the school and several of them are sponsored by the school which means they do not pay school fees or boarding fees. While some deaf students have homes elsewhere, others were orphaned or they live in households where older children are the head of the household.





## Keep Buyobo Clean

The Keep Buyobo Clean program is a community sanitation initiative which places trash receptacles around the village to encourage proper waste management. It is managed by two staff members hired and paid by WMI's sister organization, the Buyobo Women's Association (BWA). The initiative has been extremely successful in decreasing littering and unsanitary conditions.



## School Lunch Program

In Uganda, schools charge students an added fee if they want to have lunch during the school day. As a result, by mid-day many children find themselves distracted from learning by hunger. Since 2014, BWA has invested \$1,000 each year to provide lunch for P6 and P7 students, whose school days are longer as they are preparing for their PLE examinations which are necessary for secondary school placement. P6 and P7 students are now better equipped to study for their critical examinations because of these meals.



## Orphan Outreach Program

In Uganda, an orphan is a child who has lost at least one parent. Most orphans live with relatives or other adults in the community because it is so difficult for a single parent to support a child. They can be susceptible to mistreatment, neglect, and hunger. The Orphan Outreach program was launched in June 2018 by WMI summer interns. It provides school supplies to orphaned children in local communities. In addition to academic support, the program provides orphans with meals and a supportive environment to celebrate on the holiday breaks. During the Covid-19 lockdown WMI provided orphans with much needed food and supplies.





## Table Tennis

The table tennis program began in 2020, spearheaded by professional player, Kevin Mafabi, after he submitted a proposal to WMI to fund the project. It originated as a holiday training camp and now continues after school and on weekends. Some goals for the program are to provide recreation and a sport for local children and to develop the skills of particularly talented students who can then apply for scholarships to secondary school and university.



## Village Health Team

WMI provides financial support to The Village Health Team, which improves health access and sanitary conditions in Buyobo and the surrounding rural communities. The VHT conducts monthly home visits to promote hygiene techniques and to provide preventative healthcare to the families. Today, VHT is comprised of 72 local volunteers that serve 71 different villages.



## Staff Support Fund

WMI's Staff Support Fund provides financial assistance for healthcare expenses for the employees of our headquarters. The fund supports staff members who are unable to work for different reasons such as illness or injury, as well as those staff who need ongoing treatment to manage chronic illnesses. It is also a much-needed safety net.



## Mental Health and Literacy Training

WMI supports our partners in Tanzania (WTWT) and Kenya (Lewa) to provide much needed health education and mental health counseling to women. We fund community health interpreters in the Ngorongoro Conservation Area who translate the local Maa language into the Swahili so that village women feel comfortable dealing with medical personnel. This has increased the number of borrowers seeking pre- and post-natal health care, as well as the number of women who now feel comfortable delivering at the health clinic instead of at home.

## Rukundo Girls' Empowerment Program

WMI supports the Rukundo Girls' Empowerment Program by funding a dedicated meeting place for the girls to receive training and work on their enterprise projects. 2021 remained difficult as schools were closed for the entire year in Uganda but the groups continued to meet for mentoring, lesson review, pad clinics, agricultural lessons, and more. Despite the difficulties, 203 students graduated from the GEP in 2021 and 0 pregnancies were reported among the participants. The girls and their families were extremely proud of their accomplishments.





# 15 Years of WMI





# 2022 Interns



**Cindy Matsiko**, our 2022 Internship Projects Manager, is a rising senior at University of Maryland Baltimore County and is returning for her third summer internship with WMI. Having traveled to WMI's headquarters in Buyobo several times, Cindy is also the liaison with WMI's field staff for gathering statistical data. Starting last summer Cindy took over creating the content for WMI's media platforms. She also works at the UMBC Residential Halls. She is majoring in Psychology and with a minor in Africana Studies and Social Welfare.



**Samhi Boppana** is a rising sophomore at Johns Hopkins University, double majoring in Molecular and Cellular Biology and Political Science. On campus, she is involved with initiatives aimed at improving voter registration on campus, advocacy for reproductive and sexual health issues, and the service fraternity Alpha Phi Omega. Through this internship, she looks forward to learning more about microfinance's impact on international development and empowering women.



**Celia Eitzel**, is a junior at Lehigh University majoring in International Relations and Economics with a Supply Chain Management Minor. She loves traveling and learning about new cultures, spending time volunteering, and has played soccer her entire life. Looking toward the future she is interested in a career focused on emerging markets and believes the work WMI does plays into that well.



**Jamie York** is graduating from the Pennsylvania State University with a degree in Economics. In her free time, she volunteers for Take Stock in Children and mentors high-school-aged girls as they navigate the college admissions process. She hopes to support the WMI team's mission and is excited to learn more about the impact of micro finance on the lives of women in East Africa. She currently resides in Atlanta,



# Conclusion

As our 2022 FactBook has shown, WMI's 15<sup>th</sup> year has been tremendously impactful on the lives of our borrowers. Our loan program has enabled women to improve their quality of life, better meet their household needs, develop personal and business skills, and create a better future for themselves and their families. The success of our borrowers' businesses has improved the quality of life and created economic development in their broader communities. Over the course of 15 years, WMI has provided women with tools in the form of loans and resources, and support through mentorship and training, that has led to rural women across East Africa having access to reliable financial services and greater participation in the business world.

## Contact Us

Stay in touch with us using any of the avenues of communication below. Email us to join our quarterly update list and learn more about our mission, our activities, and find out how you can help.



**Email:**  
wmicontact  
@gmail.com

**Phone:** +1 (301) 520-0865

**Address:**  
Robyn Nietert,  
President P.O.  
Box 485 Cabin  
John, MD 20818

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