

WOMEN'S MICROFINANCE INITIATIVE



2023 Annual Factbook

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What is the purpose of WMI?

The Women's Microfinance Initiative (WMI) is a microlending organization that provides loans and training to impoverished women in villages across East Africa. WMI began in 2008 with 20 borrowers in Buyobo, Uganda. Since then WMI has issued over 95,000 loans (totaling just over \$12 million) to rural women across Kenya, Uganda, and Tanzania. Each of our mature loan hubs serves thousands of women annually.

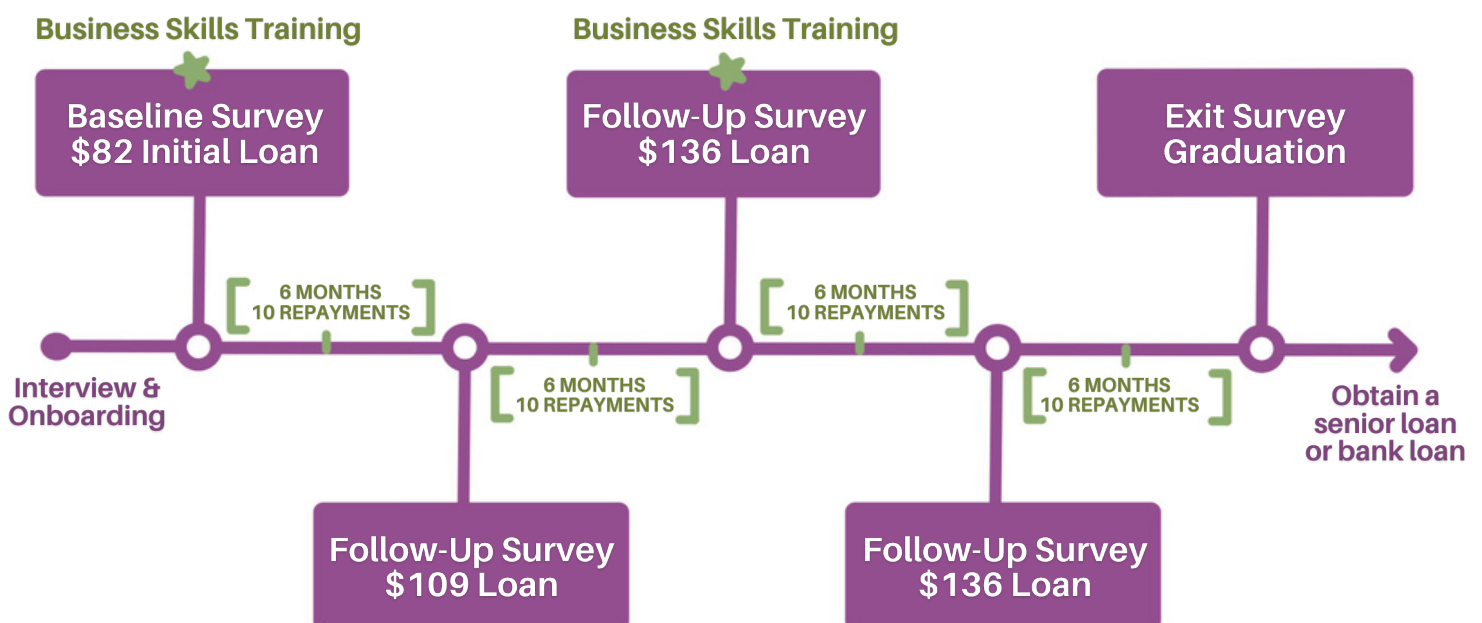
All WMI loan hubs are managed by local village women who are leaders in their communities. Our borrowers are farmers, shoemakers, chefs, tailors, hairdressers, saleswomen, and more. Each of these women have a vision for a better life for herself and her family. But each of these women also live in an area where formal financial systems either discriminate against them or do not exist at all. To combat this injustice, WMI provides the necessary training and resources for its borrowers to launch and operate successful small enterprises so that they can become self-sustaining members of their community. The loan program benefits not just borrowers and their families; the entire community benefits by raising local living standards, increasing economic opportunities, and conducting outreach projects.

WMI collected surveys from October 2022 to April 2023 that document the socio-economic impacts of the loan program on borrowers and the community. They were analyzed and compiled to develop WMI's 2023 Annual Factbook.

What does our loan program look like?

WMI loans are distributed four times throughout a two-year cycle. Borrowers receive an initial loan of \$82, a follow-up loan of \$109, and two loans of \$136. Unlike many other financial lending hubs, we do not require borrowers to provide any collateral or down payment. Over each six-month loan cycle, borrowers make ten repayments, covering their principal, plus 10% flat interest. The interest covers operational costs on the ground (salaries, supplies, transport, training, etc.) and our community outreach projects. Repaid loan funds are retained by each loan hub and recycled to fund loans for new borrowers. With this model, each loan hub generates enough income to financially sustain itself.

Borrowers are divided into solidarity groups of twenty women who provide encouragement, knowledge, and accountability to the other members during their weekly meetings. WMI works with each borrower to create a business plan to enable the woman to achieve her economic goal. Additionally, every borrower attends trainings on business management, customer service, record-keeping, and marketing before her first loan and after her third loan. Local coordinators visit borrowers regularly and offer advice and support. Because we equip our borrowers with the tools they need to bring their business ideas to life, WMI's loan recovery rate of approximately 98% is much higher than other microfinance programs operating in East Africa.



What makes WMI microloans different?

Microfinance is a financial system providing microloans primarily to those in poverty who lack access to traditional banking systems. Loans are offered at low interest rates to establish credit for people to join the formal economy. Poverty is transformed into entrepreneurship, with emerging, sustainable enterprises that uplift households and by extension, local villages.

Recent studies have indicated that numerous international microfinance organizations fall short of their commitments toward sustainable economic growth and poverty reduction; instead, they further entrench individuals in poverty through predatory lending encased within high interest rates. WMI combats this disturbing cycle by operating at the village-level, offering loans at low interest rates with an initial repayment grace period, providing essential skills training and supporting entrepreneurs at every stage of their enterprise journey.

WMI follows a group lending practice, requiring 2 guarantors for every new borrower, both responsible for covering the loan if the new borrower fails to do so. This incentivizes accountability and promotes a community-based system with the impact of the microloans realized not only among families, but throughout communities. Each borrower takes membership in her 20-member solidarity group seriously and appreciates the close monitoring of the group by a WMI loan coordinator.

One of the most unique features of WMI, skill-building and business training within these peer groups, emphasizes sustainable business practices and community development rooted in local collaboration. Peer loan groups also offer weekly support meetings for each woman to report the progress of her business and loan repayment with her peer borrowers and loan coordinator.

Methodology

The data analyzed in this report was collected through 2,423 borrower surveys, conducted by a team of regional coordinators who are fluent in both English and local languages.

Surveys are administered at five points in the two-year loan cycle. The first is the baseline survey, which is administered to women entering our loan program. Baseline data represents a woman's initial living conditions and financial situation. The second, third, and fourth are follow-up surveys, which are administered after each loan cycle is complete. These surveys reveal the inner workings of the entrepreneurial process and show the initial impact of the loan. The final is the exit survey, which is completed just after women make their final repayment and graduate from the loan program. Exit data provides critical insights into how our borrowers have developed their homes, improved their personal and business skills, and bettered their lives and communities. These surveys also offer suggestions and recommendations to WMI for how to better support women going forward.

Our methodology allows us to examine important macroscopic trends over time; it does not demonstrate the trajectory of any individual woman over the course of two years. There are several reasons why WMI favors a broader scope of analysis.

First, many of the questions on the surveys ask borrowers to compare their pre-loan conditions to their post-loan conditions, including dimensions such as meal improvement, skill-development, and healthcare access. Second, since the objective of the Factbook is to examine large-scale trends over time, and since many borrowers share similar experiences becoming entrepreneurs, following women on an individual basis does not provide extensive insights. To analyze these individual experiences, WMI conducts business case studies to follow how particular businesses operate over time. We publish these studies on our website. 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 provides a comprehensive picture of who WMI borrowers are, how they live, and how they utilize our loan program to change their lives. The Demographics section analyzes data from baseline surveys on age, household, and other characteristics to provide an overview of typical WMI borrowers.

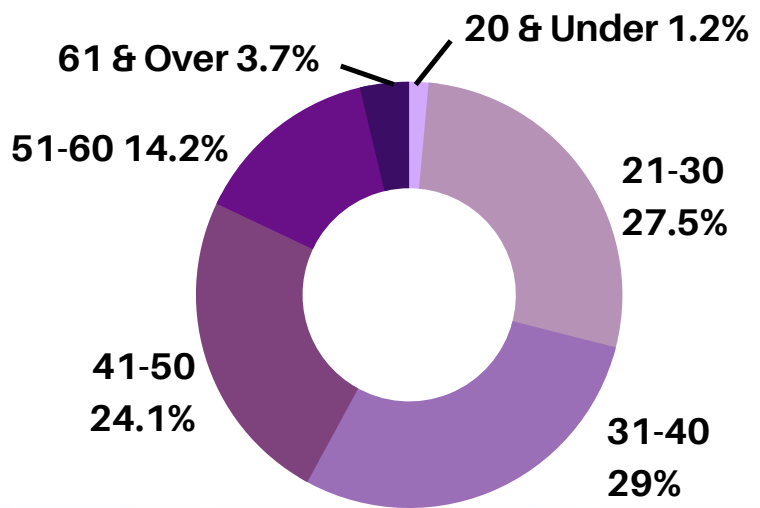
The Economic Impact section focuses on the effects that our loans have on borrowers by comparing data from baseline surveys to follow-up and exit survey results. Specifically, data on income, savings, health, and home improvement are showcased to form a picture of the financial empowerment women achieve. The Social Impact section utilizes the qualitative data collected from the follow-up and exit survey results as well as other relevant information from interviews. Looking at the changes in women's familial and communal relationships and the skills that they have gained from our program helps us understand the intangible, important impacts of our loan program on the communities we serve.

Demographics



Ages

Just over half (58%) of WMI borrowers are between the ages of 21 and 40, 38% of borrowers are between 41 and 60, with the remaining 5% being either under 20 (1.2%) or 61 and over (4%).

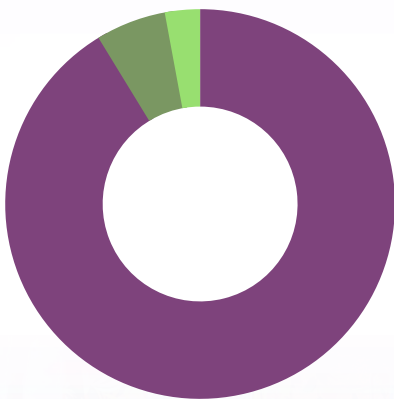


Marital Status

Unmarried

5.8%

Widowed 2.9%



The majority of WMI borrowers are married with a mere 5.8% unmarried and 2.9% of borrowers widowed. When borrowers are being interviewed to potentially receive a loan, WMI staff investigates if their spouses are supportive. This is to ensure that any domestic violence is not exacerbated and that the women have a support system during the loan program.

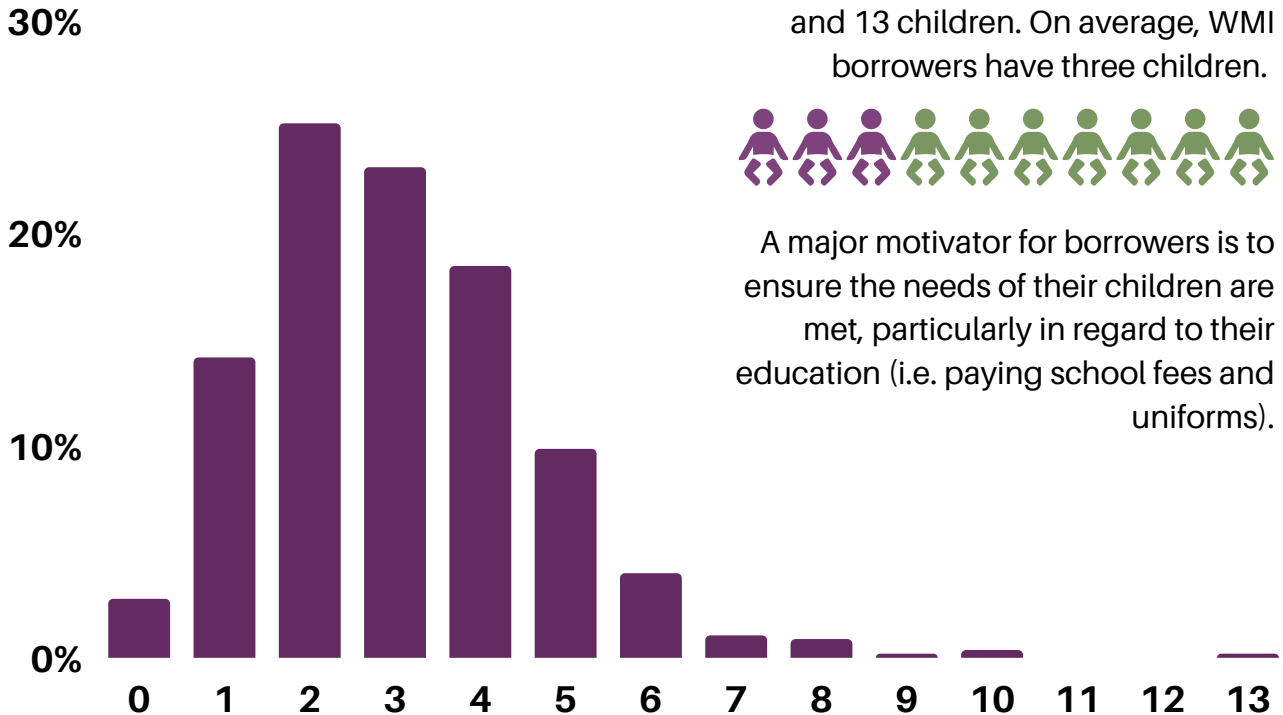
Married

91.3%



Children in Household

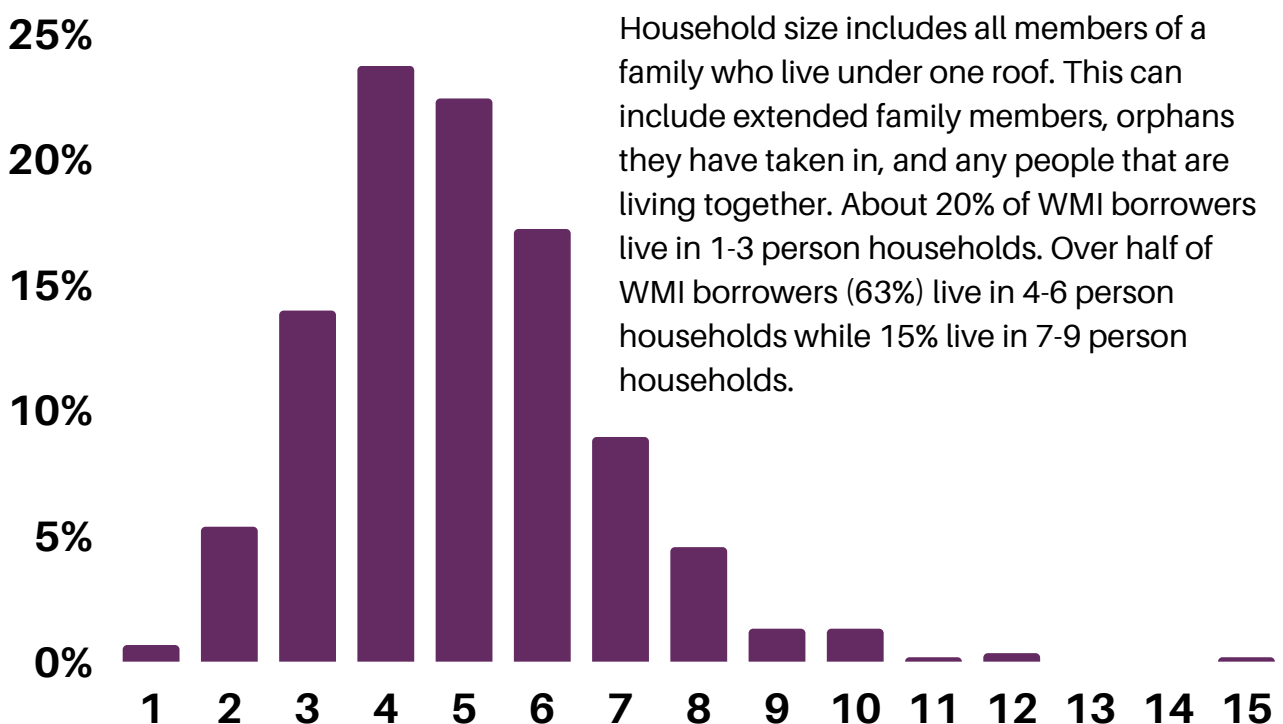
The majority of WMI borrowers (66%) have between two and four children in their household while 16% have between zero and one child with the remainder (18%) having between four and 13 children. On average, WMI borrowers have three children.



A major motivator for borrowers is to ensure the needs of their children are met, particularly in regard to their education (i.e. paying school fees and uniforms).

Household Size

Household size includes all members of a family who live under one roof. This can include extended family members, orphans they have taken in, and any people that are living together. About 20% of WMI borrowers live in 1-3 person households. Over half of WMI borrowers (63%) live in 4-6 person households while 15% live in 7-9 person households.



What Family Helps Borrowers with Their Businesses?

Husband 58.1%

Children 38.6%

Other 3.2%

No One 2.6%



Top WMI Businesses 2023



Bogoya 41.4%



Shop 9%



Bananas 6%



Clothes 4.4%



Fresh 8.7%



Charcoal 2.6%



Hotel 1.9%



Coffee 1.5%



Second-Hand Clothes 2.6%

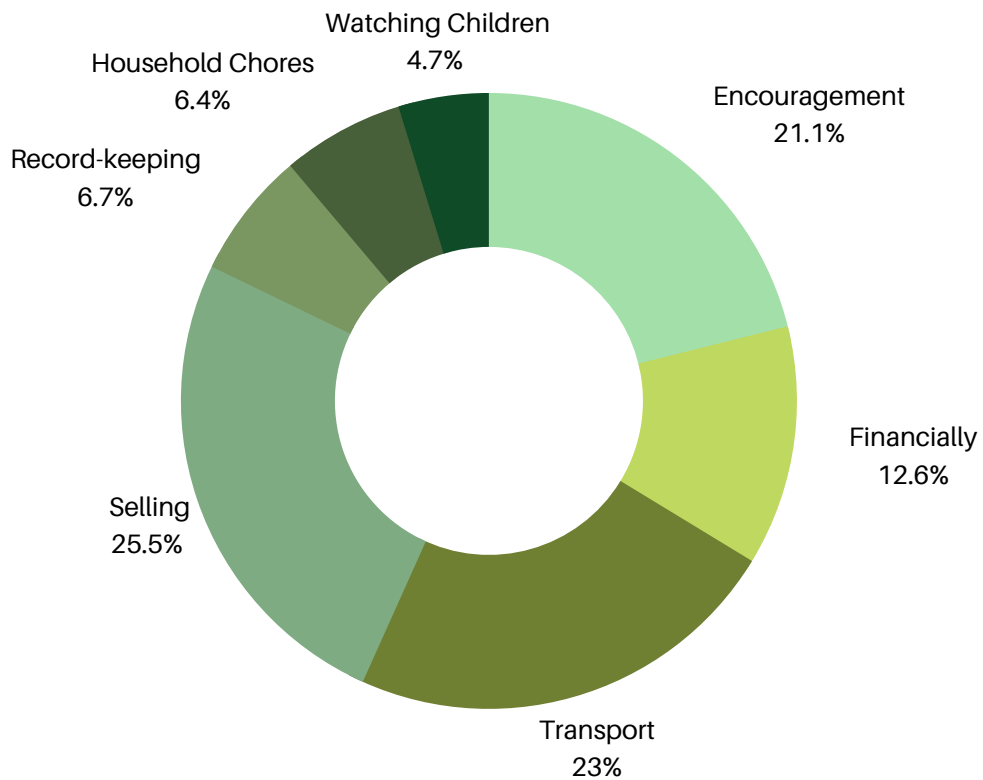


Firewood 1.4%



Onions 1.4%

How Do They Help?



Running a business can be a lot of work which is why many WMI borrowers rely on the support of their friends and family to help their businesses succeed.



Economic Impact

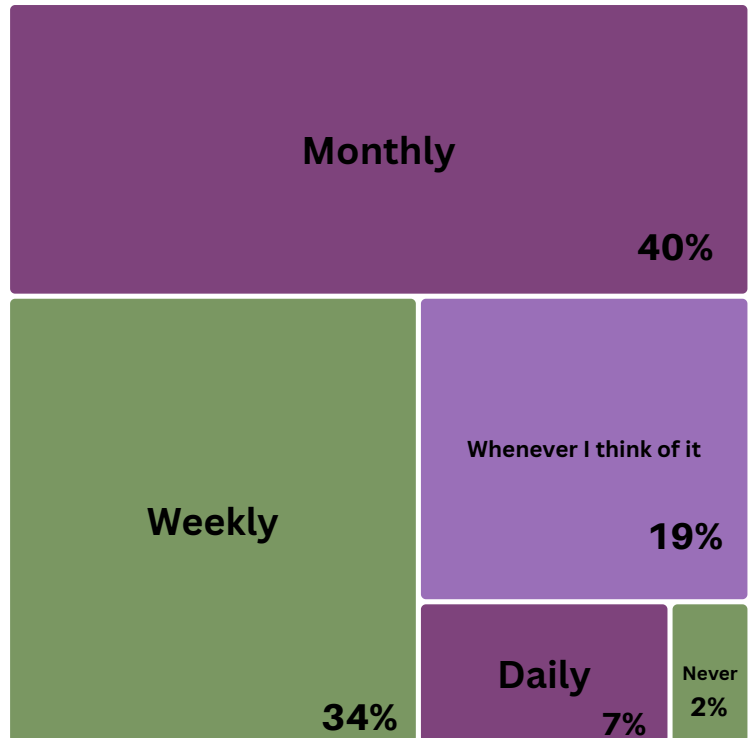


Business Growth

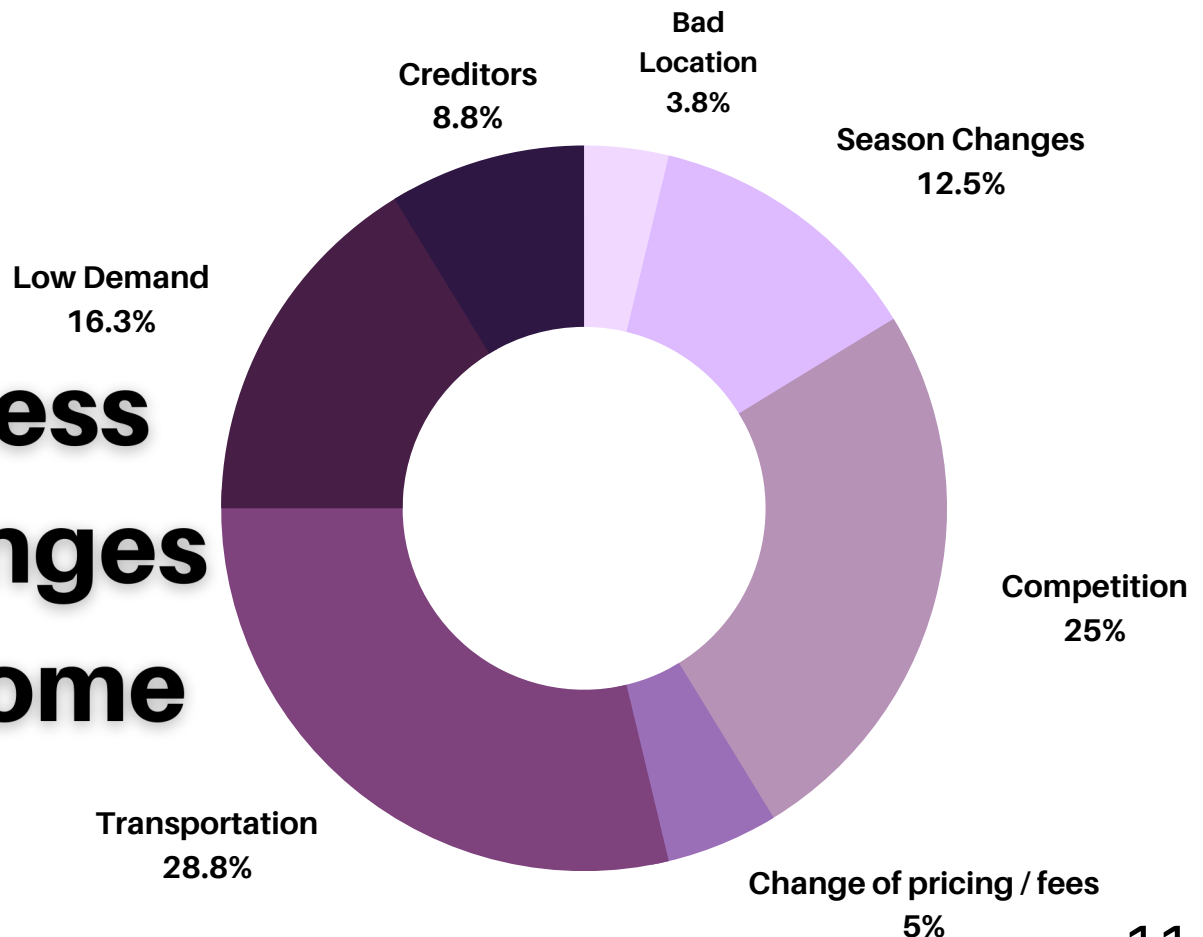
99%

of borrowers reported business growth

Business Records are maintained



Business Challenges Overcome



Income

\$168 was the average monthly business income after two years in the loan program. This is a **50%** increase in borrowers' income since starting in the loan program.

Savings

\$15 was the average household savings at the beginning of the loan program. At the end of the program, it was **\$40**.

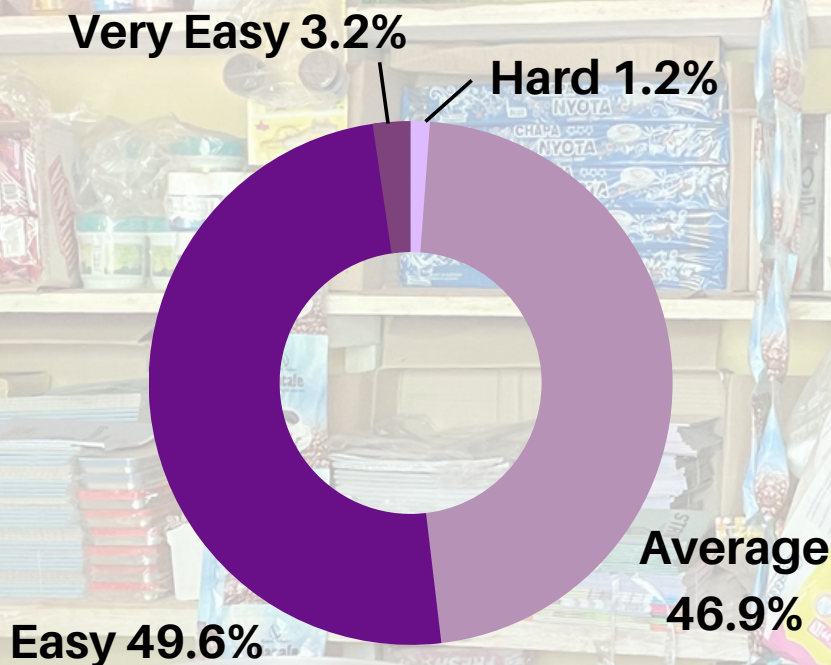


Loan Repayment

98% Loan Recovery Rate

A loan recovery rate represents the amount of loans that are paid back by the borrowers. The inverse of this is the loan default rate, the amount of loans that are never paid back by the borrowers.

Through extensive support systems and accountability mechanisms, WMI is very proud to maintain such a high loan recovery rate.



During the loan program, almost **50%** of borrowers said it was "easy" to repay their loans.

Health

100%

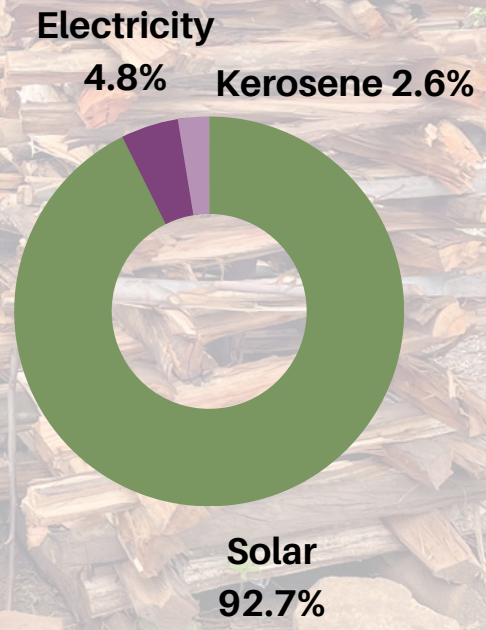
of borrowers said that their health and their families' health improved since the beginning of the loan program

99.5%

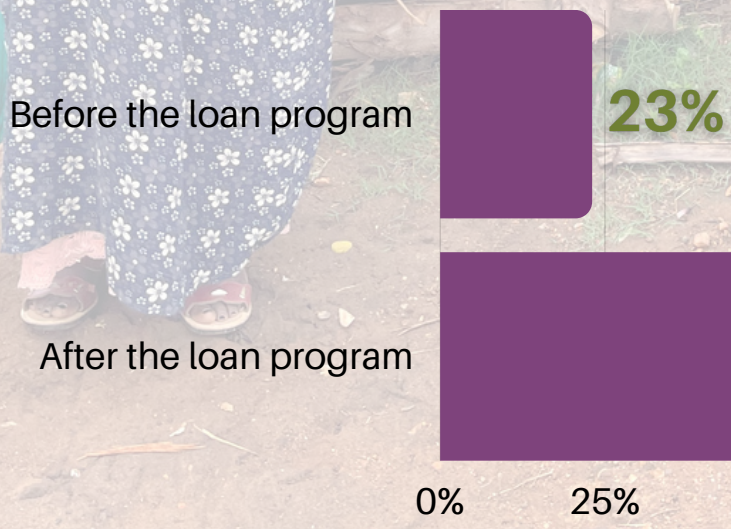
of borrowers said that their meals improved since the beginning of the loan program

Home Improvements

98% of borrowers reported buying new livestock during their final loan cycle



45% of borrowers said their lighting improved, here's how:

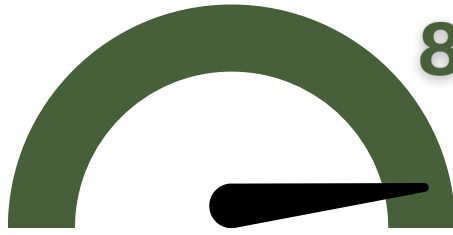


The percentage of borrowers with permanent homes increased by 48% during the loan program.

Social Impact



Skill-Building

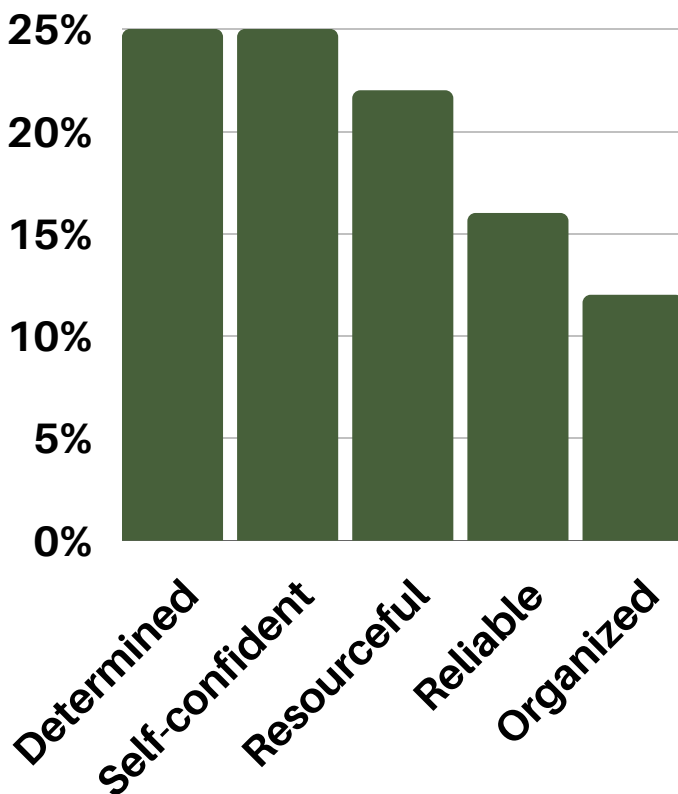


88% of borrowers felt that their reading, writing, or arithmetic skills improved throughout the loan program. WMI provides and promotes education and training to ensure borrowers feel empowered and self-confident.

What business skills have you improved on?

WMI provides business training twice during the two-year loan program: when borrowers first join the program and before the third loan is given. This ensures that borrowers continue to get support not only when they begin with WMI but also throughout the loan program.

Since the start of the loan program, 50% of borrowers say that their budgeting and marketing skills improved. The other 50% say their problem-solving, record-keeping, and negotiating skills improved.



What personal skills have you improved on?

WMI hopes that borrowers gain business skills, but we also hope that borrowers feel more confident about skills in their personal life.

A quarter of WMI borrowers feel they have become more determined and another quarter feel they have become more self-confident. 22% of borrowers feel they are more resourceful, 16% of borrowers feel they are more reliable, and 12% of borrowers feel they are more organized.

Has having a business allowed you to help other people?

- I help the needy. 29%
- I pay my family's medical fees. 23%
- I pay school fees for children and orphans. 23%
- I educate myself and others. 11%
- I provide people with jobs. 9%
- I meet basic needs & my family has an overall improved quality of life. 7%
- I guide and support friends. 4%
- My business supports the community. 3%
- I buy food for others. 3%
- I solve family problems. 2%
- My family's hygiene & dress have improved. 1%
- I have better friendships and teamwork. 1%

How has your loan had a positive impact on families?

- Families' needs can be met. 22%
- There is more cooperation. 17%
- Families' diets have improved. 12%
- Living standards have improved. 9%
- Families are appreciative and happy. 8%
- School and medical fees can be paid. 7%
- Incomes have improved. 5.5%
- Hard work is encouraged. 5%
- Families are learning time management and business skills. 4.5%
- There is more responsibility and respect. 3%
- There is more improvement and development. 2.5%
- Domestic violence has reduced. 2%
- Families acquired livestock. 1%

How has the loan program impacted your village or community?

There is an improved quality of life. 23%

Unity, community, and culture have improved. 22%

Health, sanitization, and diet have improved. 11%

Businesses are growing. 11%

There is more financial stability & less poverty. 10%

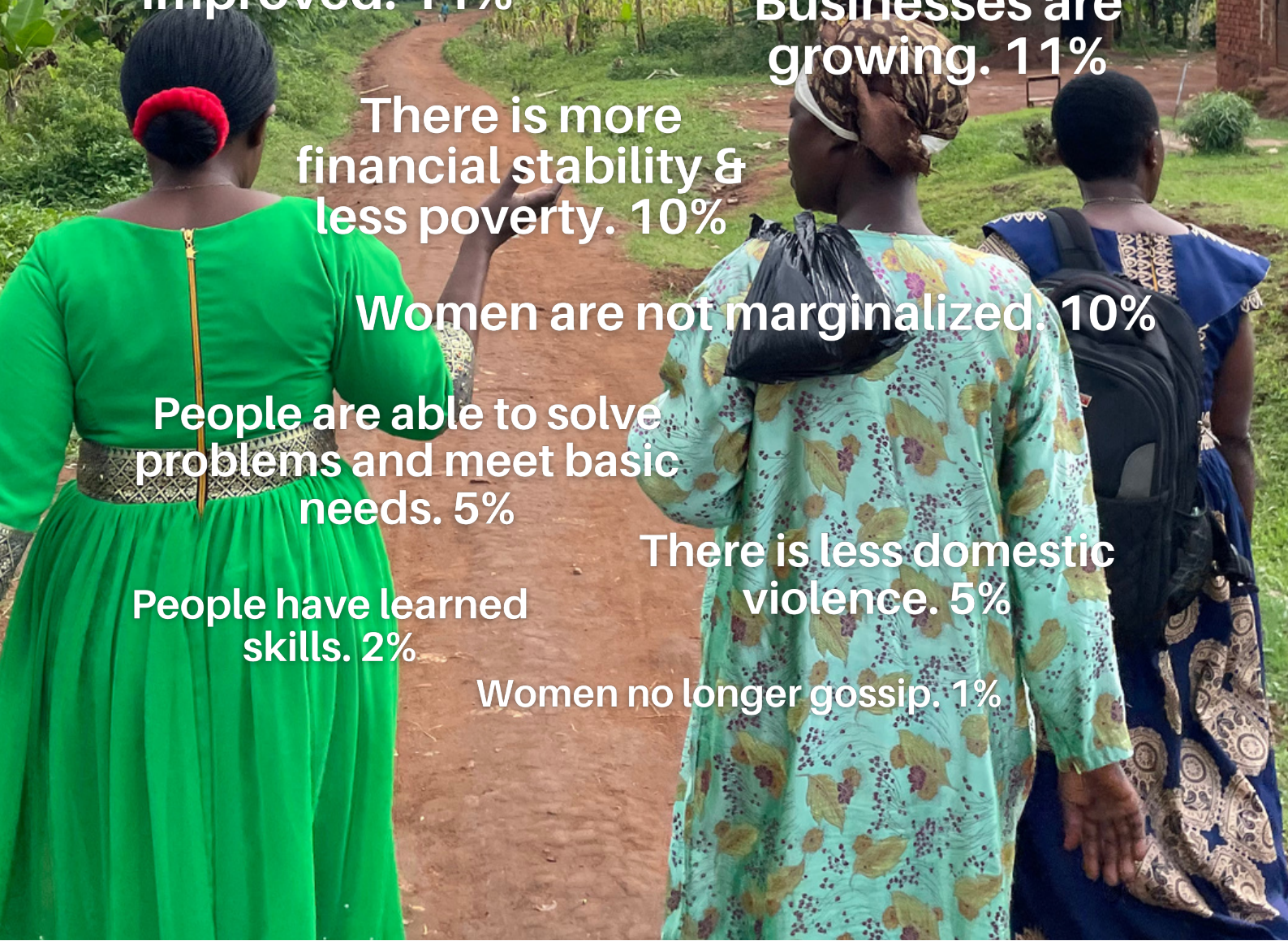
Women are not marginalized. 10%

People are able to solve problems and meet basic needs. 5%

There is less domestic violence. 5%

People have learned skills. 2%

Women no longer gossip. 1%



Community Engagement



Return of College Interns to Buyobo!

After a three-year hiatus WMI was able to welcome college interns back to Buyobo. They spent six weeks together in Buyobo visiting loan hubs, interviewing borrowers, teaching at the local school and much more!



Buyobo Boys and Girls Group

Boys and Girls group is a program in Buyobo for children ages 11-17, facilitated by Teacher Susan, a teacher at Buyobo Primary School. They hold weekly sessions on a wide range of topics including sexual health and hygiene, creative expression, and business skills. The Boys and Girls group are also taught hygiene including handwashing and how to protect themselves from getting sick.

Buyobo Table Tennis Club



The Table Tennis Club began in 2020, spearheaded by professional table tennis player and Buyobo native, Kevin Mafabi. It originated as a holiday training camp and now continues after school and on weekends as well as during school holidays. In 2021, members of the club received full scholarship offers to secondary school and in 2022 the club received scholarships to various universities. The possibility of scholarships has allowed players to be able to pursue their studies without the added financial burden of paying fees. Some other goals for the program are to provide recreation and a sport for local children and to develop the skills of particularly talented students.

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.



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.

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.

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.



Rukondo Girls' Empowerment Program



Working with the non-profit Rukondo International, WMI funds a girls empowerment program in southwest Uganda that strives to keep girls enrolled in school, prevent unwanted pregnancies, and teach critical entrepreneurial skills that can lead to future employment.

Tea and Buns for Teachers

The summer 2010 high school interns launched a Bun and Tea Program for the teachers at Buyobo Primary School, which continues to serve the teachers today. The program provides a bun and cup of tea every afternoon during lunch for the teachers to enjoy.

Many teachers walk a long way to get to the school and have no lunch during their breaks, so these snacks provide much-needed energy. Funding for the program has been continued by private supporters and WMI partner, the Buyobo Women's Association.

2023 Interns



Cindy Matsiko recently graduated from University of Maryland, Baltimore County where she majored in Psychology and minored in Africana Studies and Social Welfare. She is passionate about empowering vulnerable communities and is supervising the WMI summer internship for her third year. She was in Buyobo with her mom, board member June Kyakobye, when the loan program launched in 2008 and is delighted to be back in the village.

Sarah Kate ElHamahmy is a rising junior at Georgetown University, pursuing a major in Political Economy. She is from Charlotte, and loves hiking in North Carolina and exploring the museums in D.C. She has a passion for feminist advocacy and economic empowerment which is what brought her to WMI! She loves to journal and take lots of pictures of her dog.



Elizabeth Grace Mwebaze is 21 years old from Buyobo, Uganda. She will be joining Medicare health professionals Mengo in Kampala in July 2023 where she plans to pursue clinical medicine.

Fatima Shamim is a junior majoring in Economics at Wellesley College, where she is Co-Fundraising and Co-Outreach Chair for UNICEF. She is excited to work with WMI in hopes of assessing the role of microfinance for economic development through the advancement of women.



Conclusion

As our 2023 Factbook has shown, WMI's 16th year has been exceedingly impactful on the lives of our borrowers, their families, and the community as a whole. Our loan program has empowered women to start businesses that support themselves and their families, which has both economic and social impacts that will last for generations to come. With resources such as business skill training and an emphasis on financial literacy and community development projects, rural women across East Africa are empowered to take control of their lives.

Contact Us

Stay in touch with us. Use any of these avenues of communication to learn more about our mission, to receive updates from WMI on our programming and operations, and to find out how you can help.

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