



**WOMEN'S  
MICROFINANCE INITIATIVE**

# **QUICK PROFILE**

**[wmionline.org](http://wmionline.org)**

**WMI began issuing loans and collecting demographic data on borrowers in January 2008. The college students in WMI's 2009 summer internship program compiled the data collected from 200 respondents. These 20 slides paint a quick portrait of WMI's client base and how the micro-loan program has improved their lives and the living conditions for their families.**



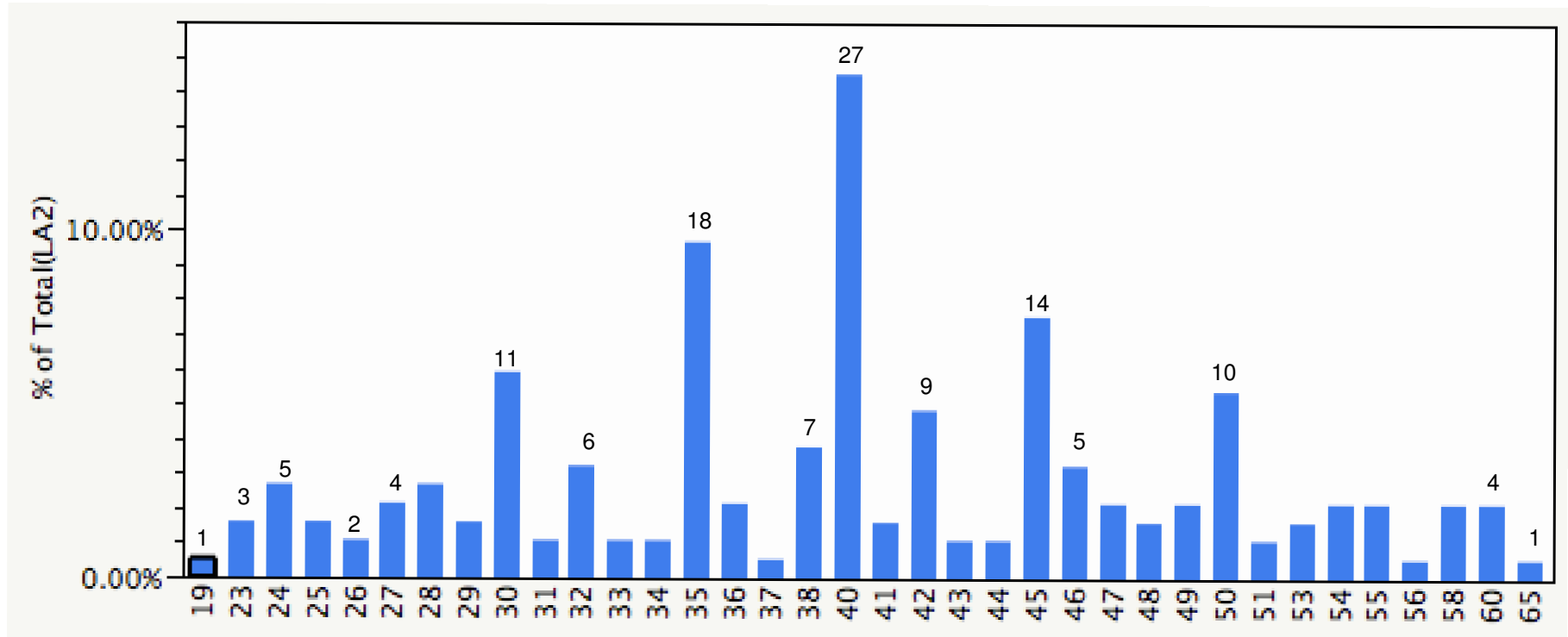
- 1. Testimonies**
- 2. Age**
- 3. Marital Status**
- 4. Number of children**
- 5. Care of other children**
- 6. Income level**
- 7. Source of light**
- 8. Source of water**
- 9. Source of cooking fuel**
- 10. Toilet facility**
- 11. Incidence of malaria**
- 12. Loan impact on family**
- 13. Types of businesses**
- 14. Upgrade in home**
- 15. Savings increase**
- 16. Reasons for saving**
- 17. Improvements in reading and writing**
- 18. Improvements in personal skills**
- 19. Family assistance with business**
- 20. Income after loan**

## **Testimony from borrowers on how the loan has improved their ability to care for their families.**

- There is good food, all the children have shoes and a school uniform. I can afford fees for the children and can buy more food. I am never worried. I can solve the problem myself, or discuss it with a friend and find a solution.
- I have a job and can touch money. Before the loan, that was just a dream. I am never worried about fees and how to get medical care; now I can buy the medicine myself.
- I don't have to ask my husband to buy everything these days.
- The loan has made me famous and more reliable. I can feed my grand-children as well as buy food.
- I am happier because it has helped me in health care, in providing food, and I am getting smarter! This loan has made my life better in a way that I can now support my family.

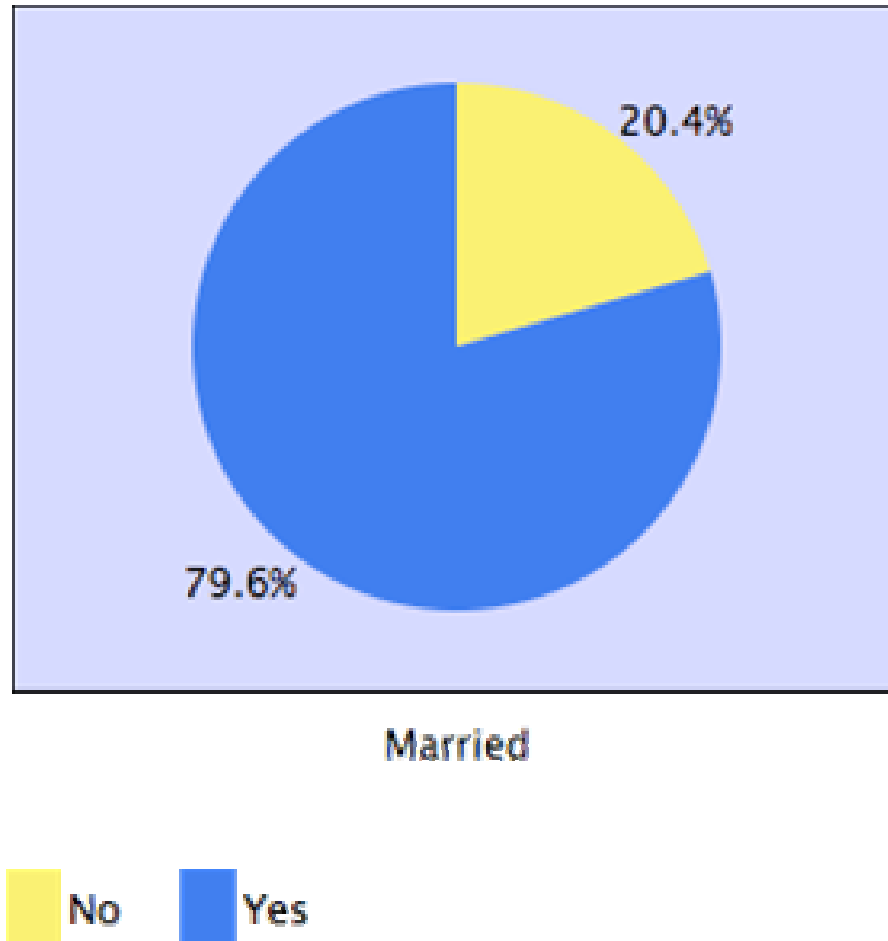


**The majority of borrowers are 40 or older.**

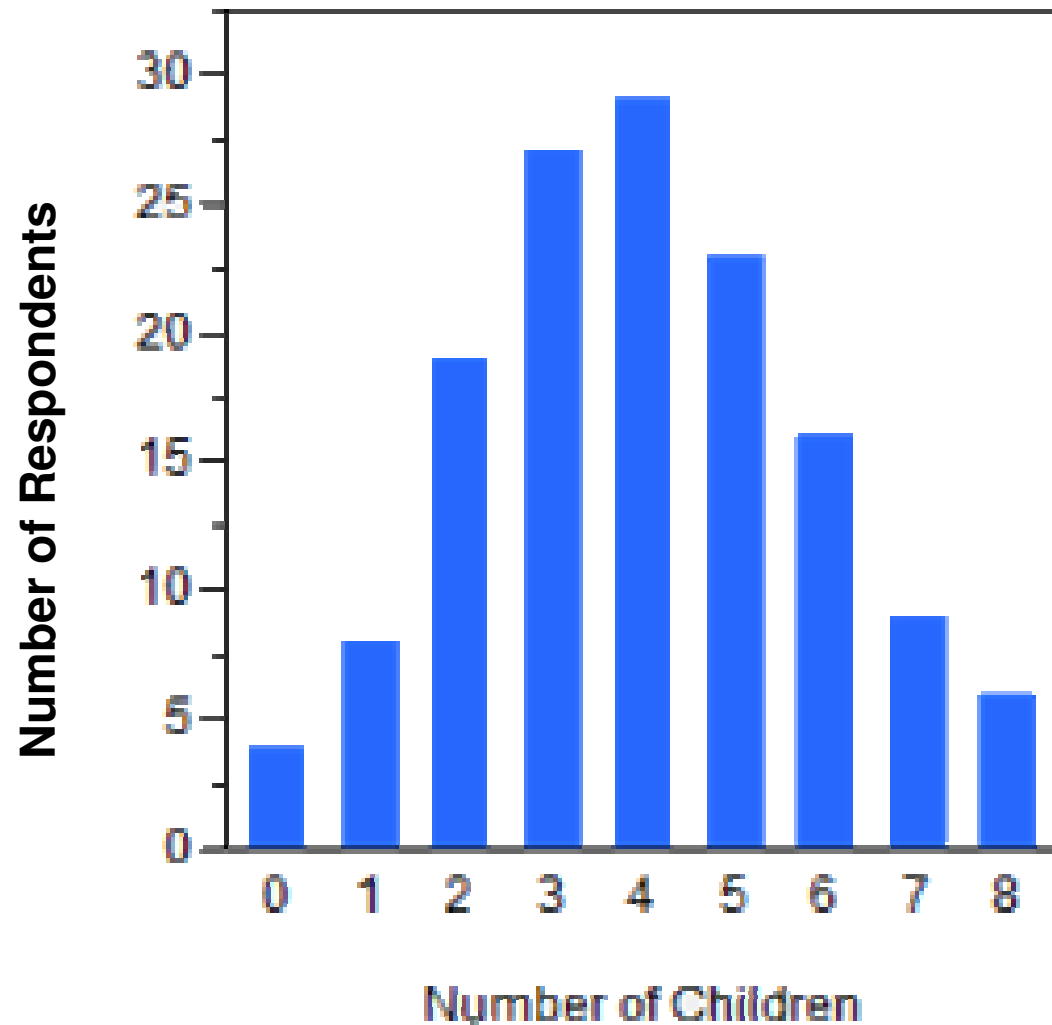


Based on 186 Respondents

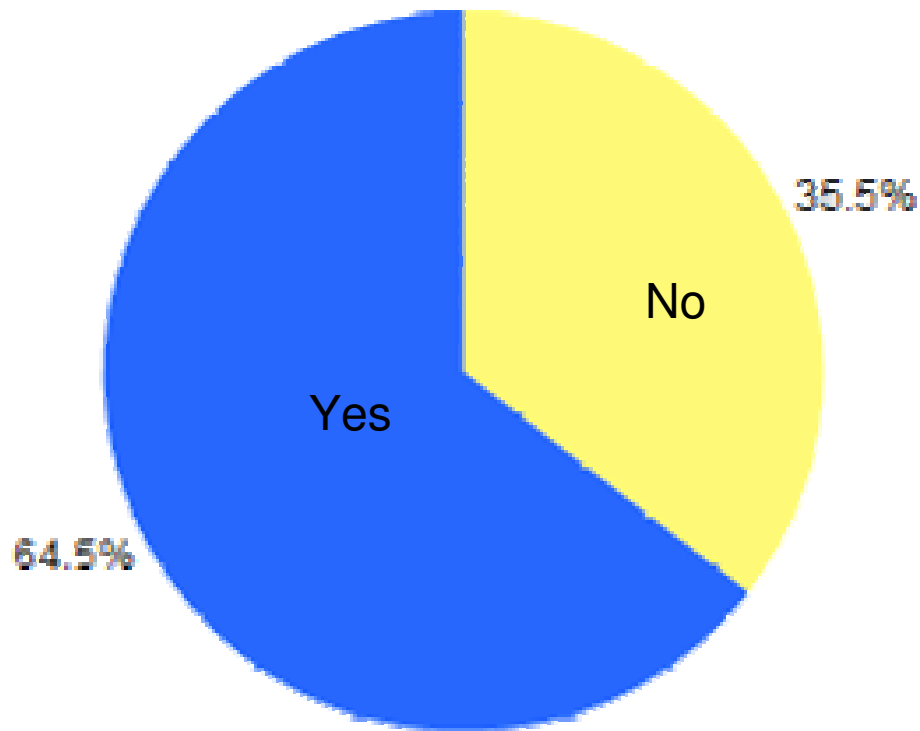
**Nearly 80% of borrowers are married.**



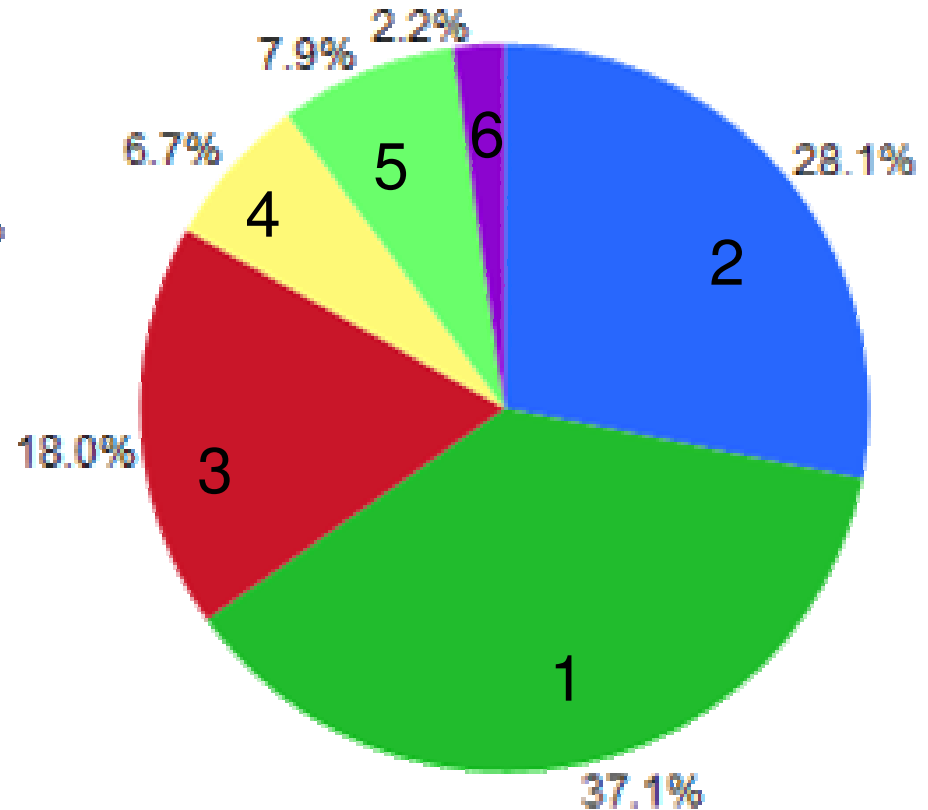
**More than half of WMI borrowers have 4 to 8 children living with them.**



## Nearly two-thirds of borrowers care for children in their home who are not their own.

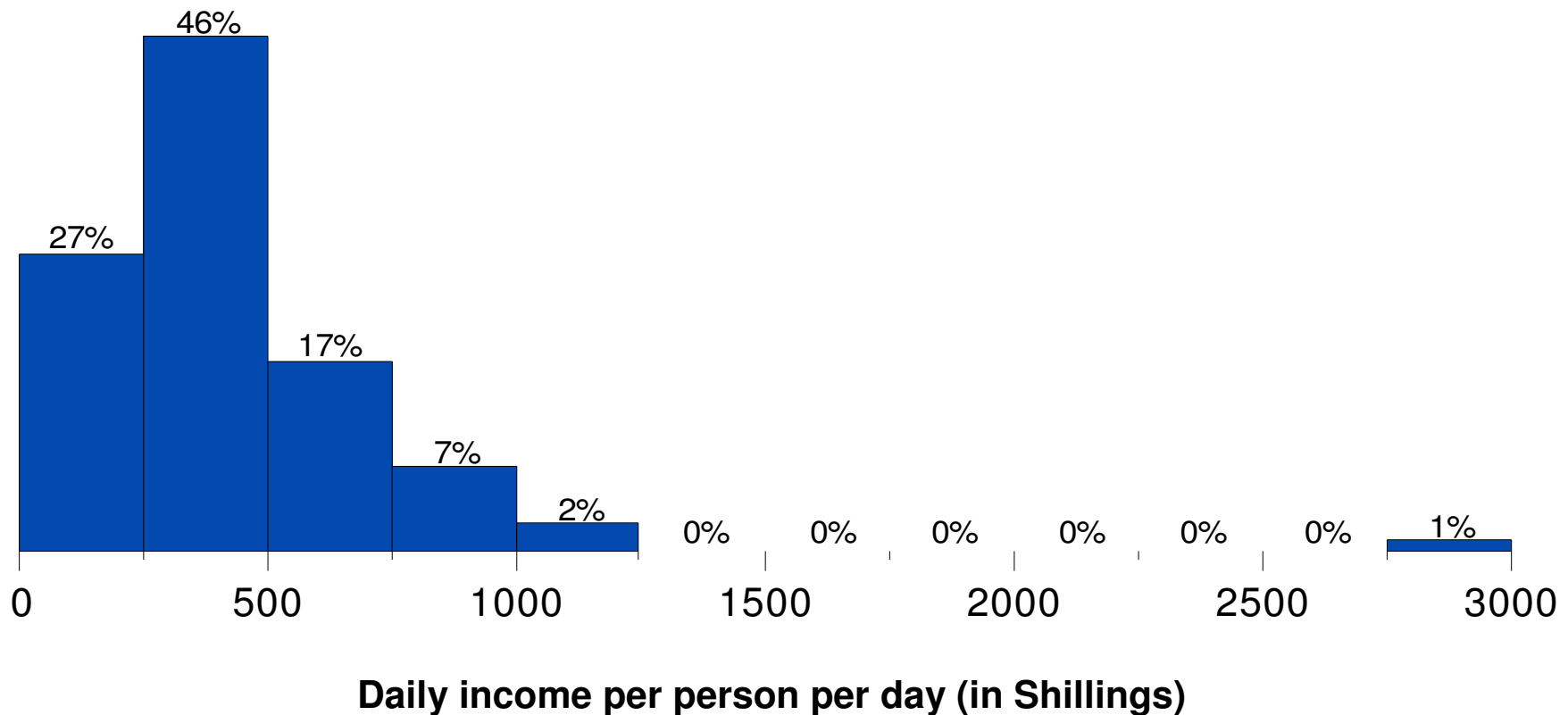


Do you care for children who are not your own?



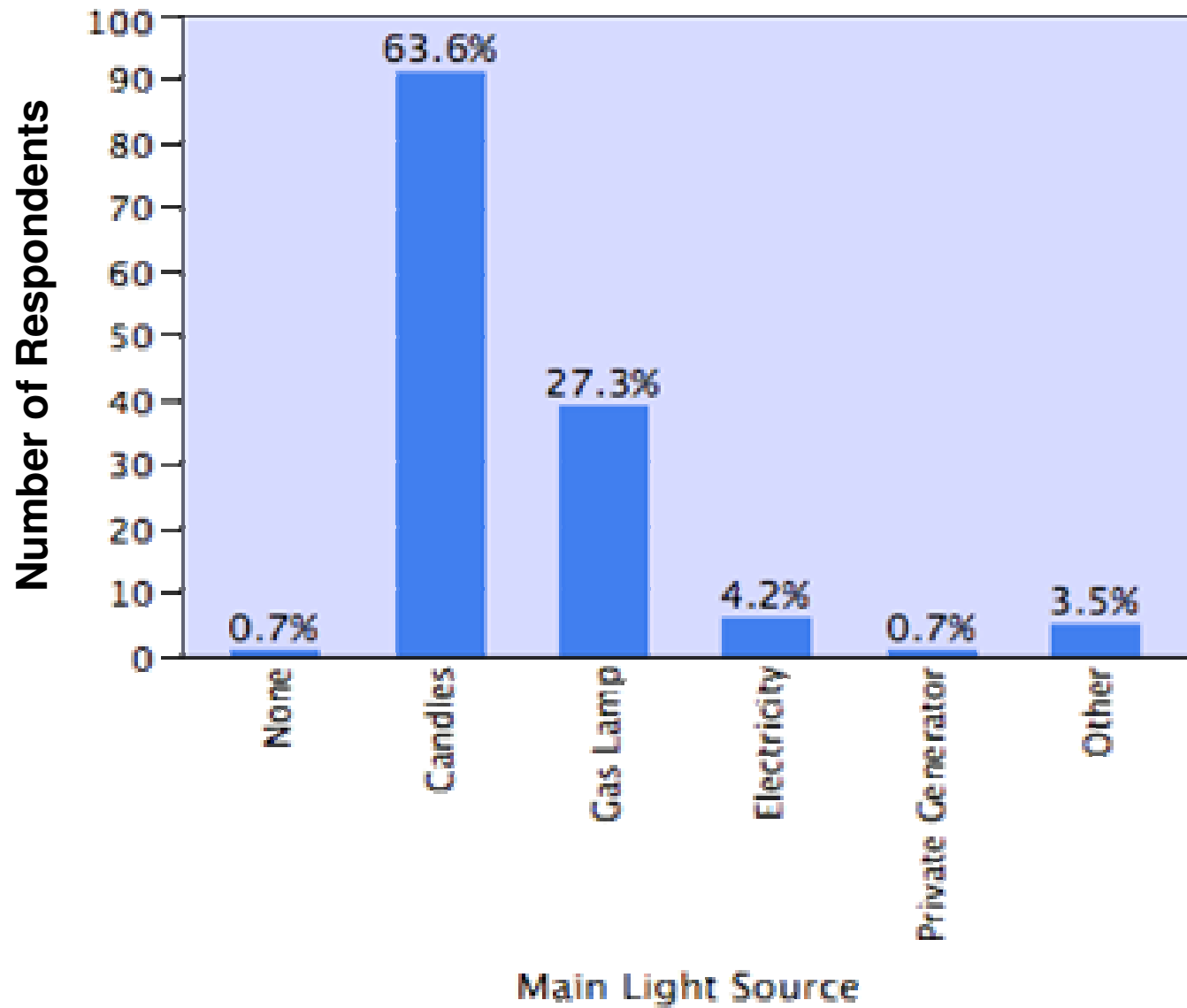
If yes, how many do you care for?

**Ninety-nine percent of borrowers live in extreme poverty\*, most subsisting on less than 50 cents per day.  
(2,000 shillings ≈ \$1)**

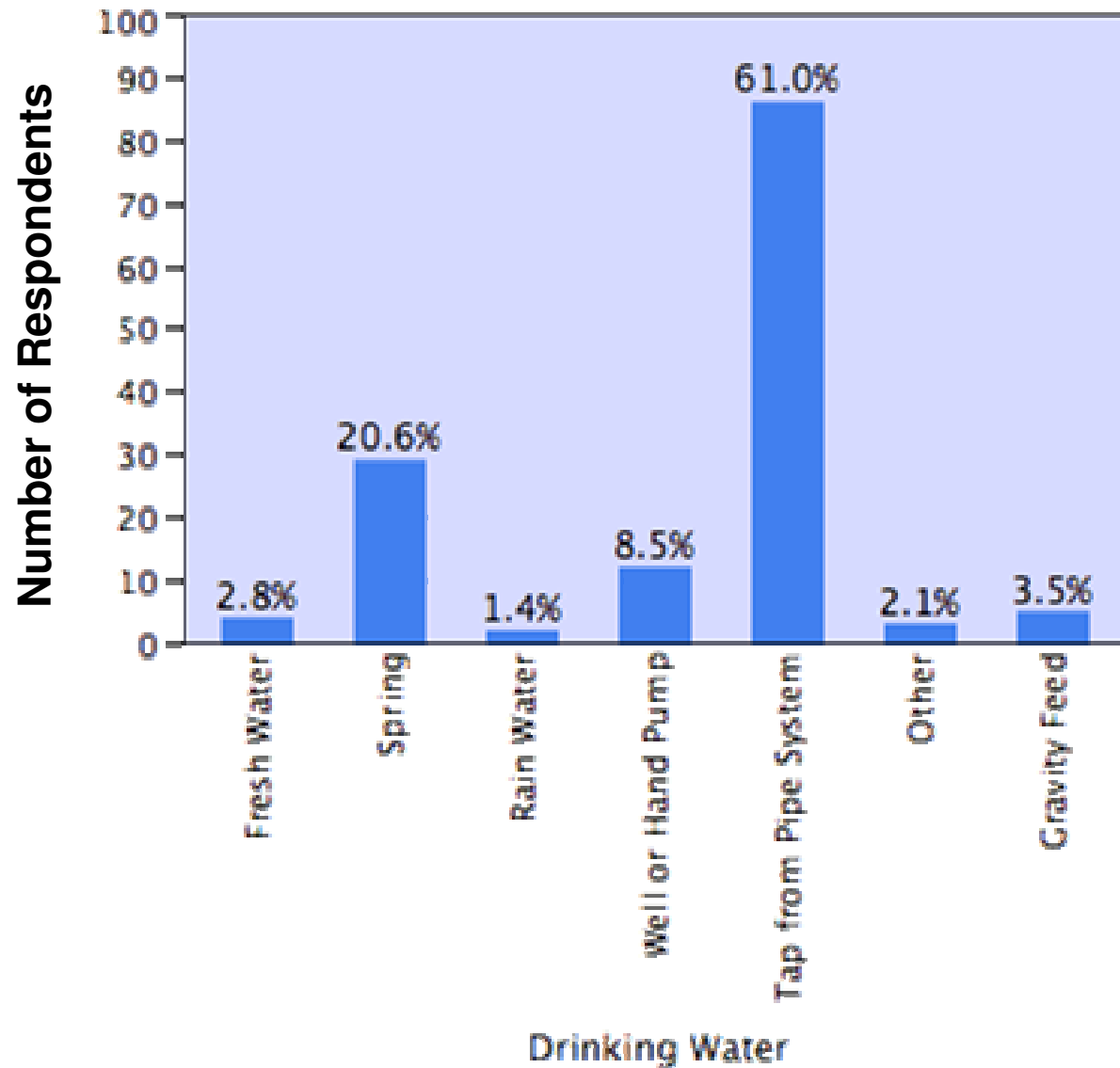


\*Using the World Bank measure for extreme poverty: subsisting on less than \$1.25 US per day.

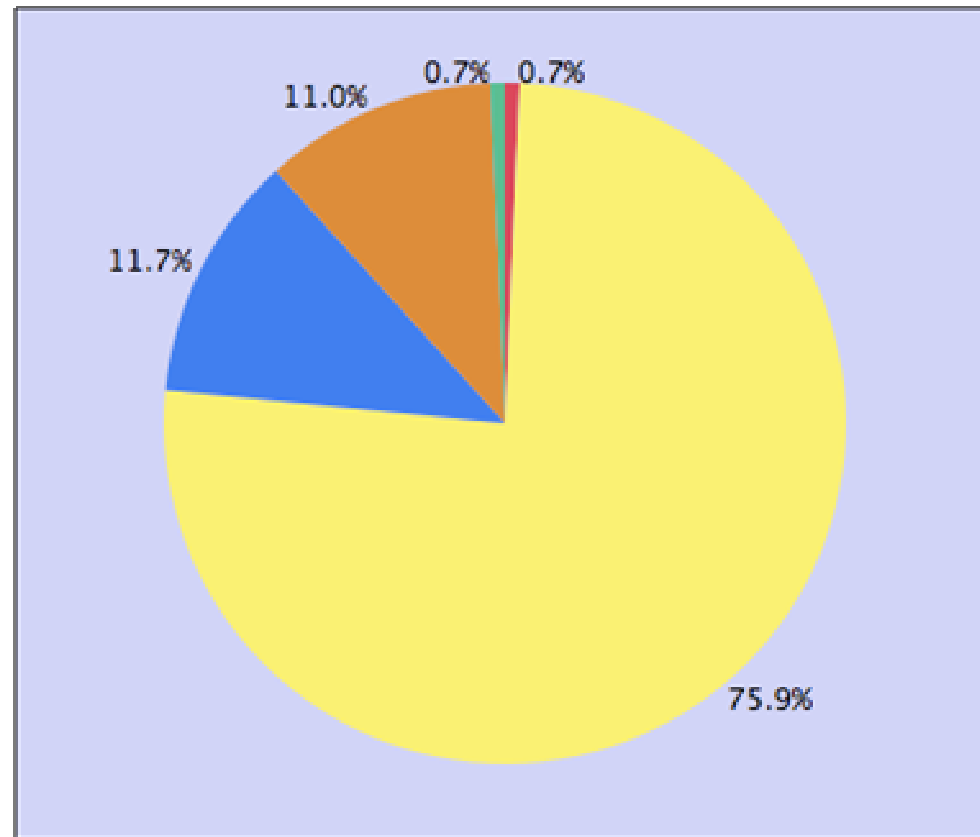
**The overwhelming majority of borrowers use candles as their light source.**



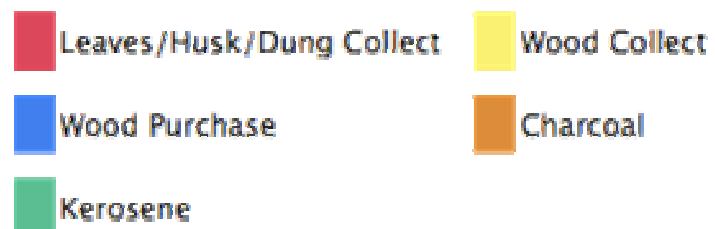
**Nearly two-thirds of borrowers' main source of water is a contaminated, open pipe.**



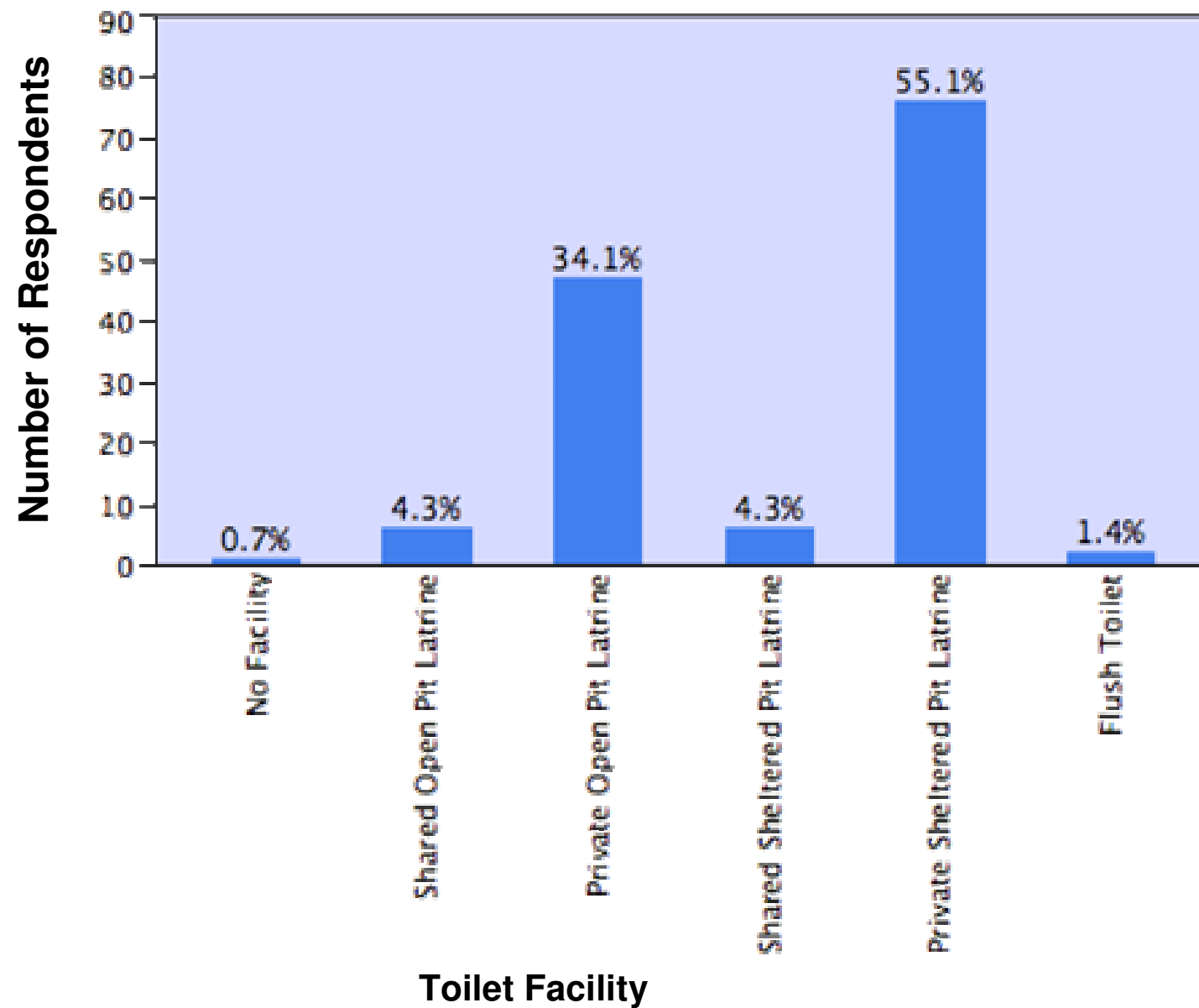
## Most borrowers collect wood for cooking fuel.



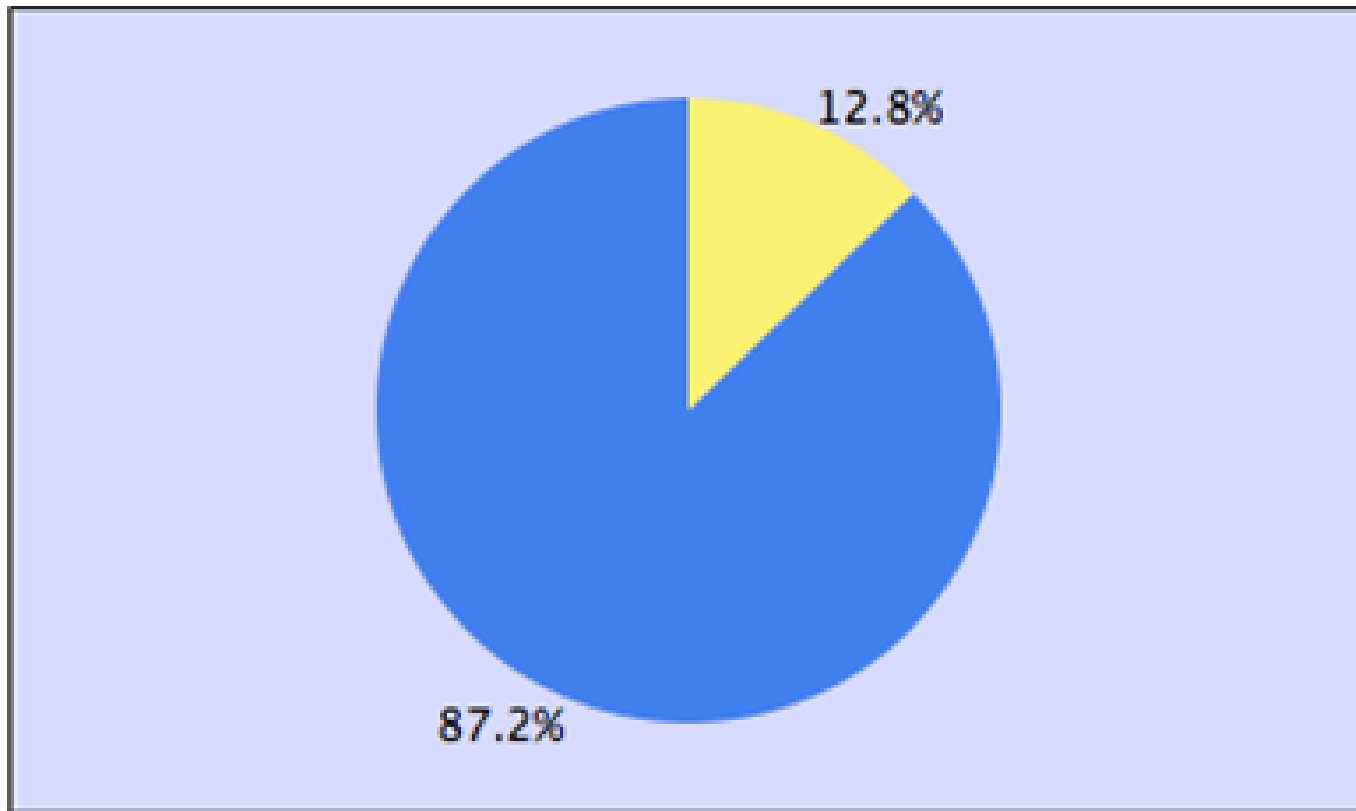
Cooking Fuel Source



**Nearly all borrowers use some type of pit latrine.**



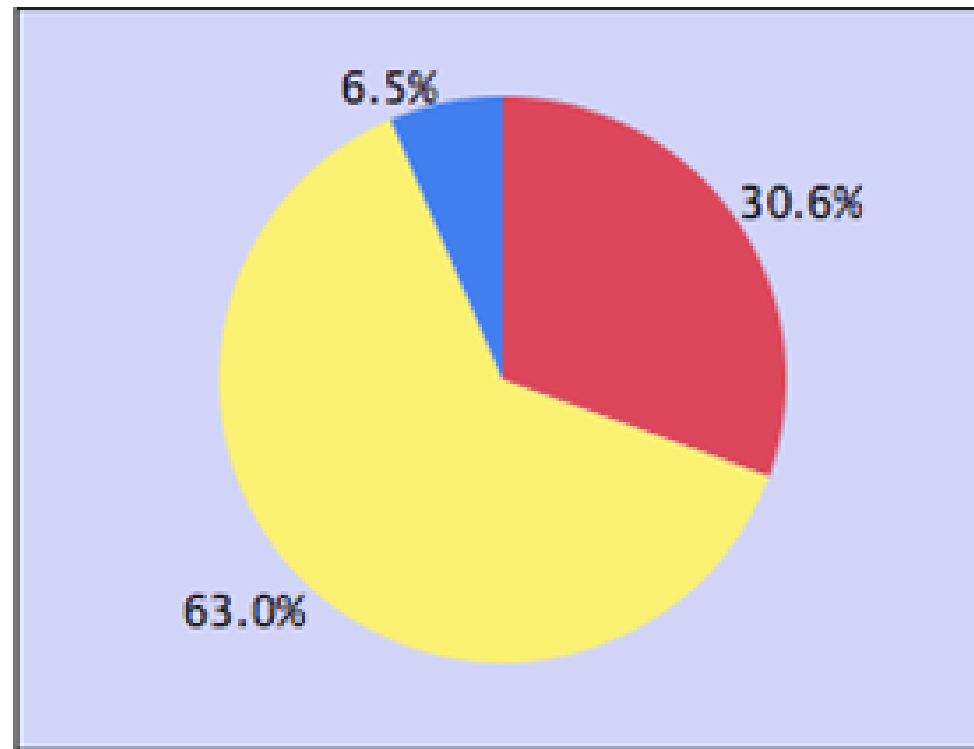
**Nearly 90% of borrowers reported someone in their family had been sick with malaria in the past year.**



Has Anyone in your Household had Malaria in the Last Year?



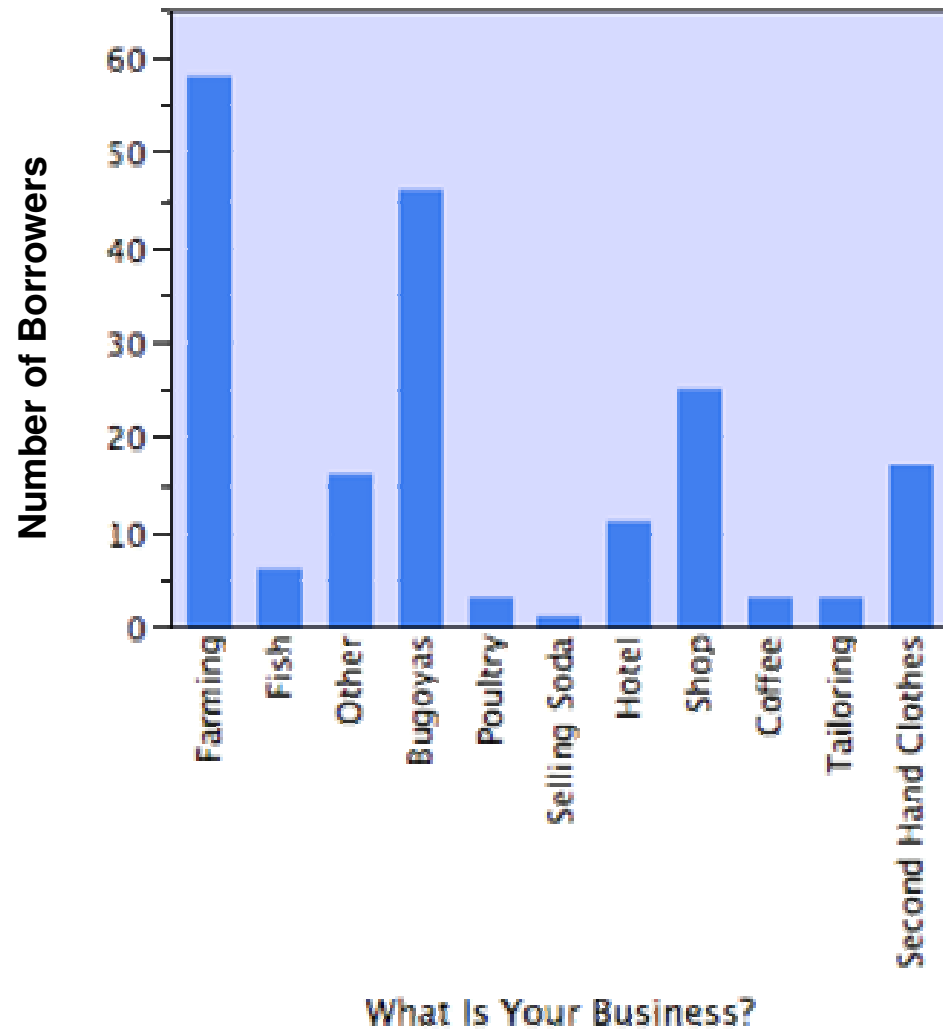
**Most borrowers report that running a business has had a positive impact on their family.**



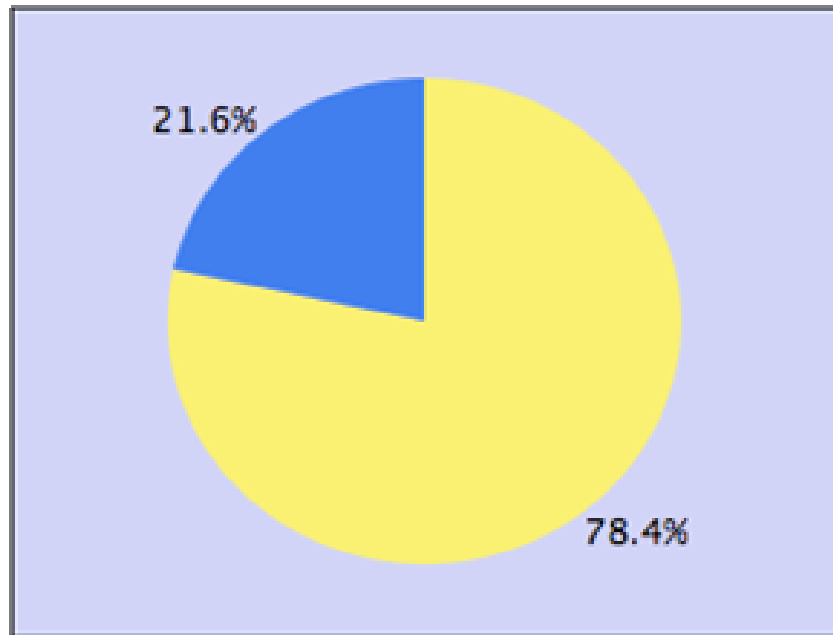
Effect of Business on Borrower's Family



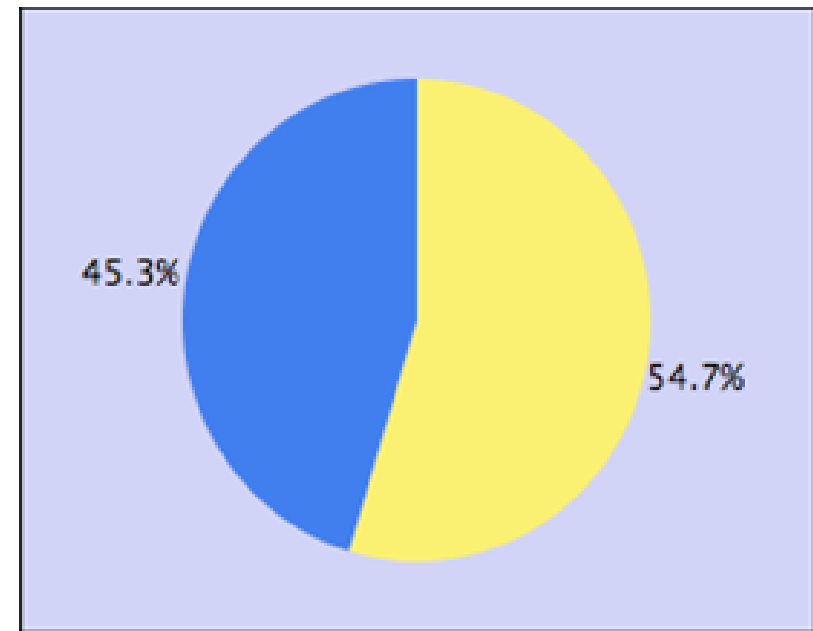
**The majority of borrowers' businesses involve food production, preparation or distribution.**



**After receiving loans, nearly a quarter of the borrowers upgraded the floor in their home from mud to cement.**



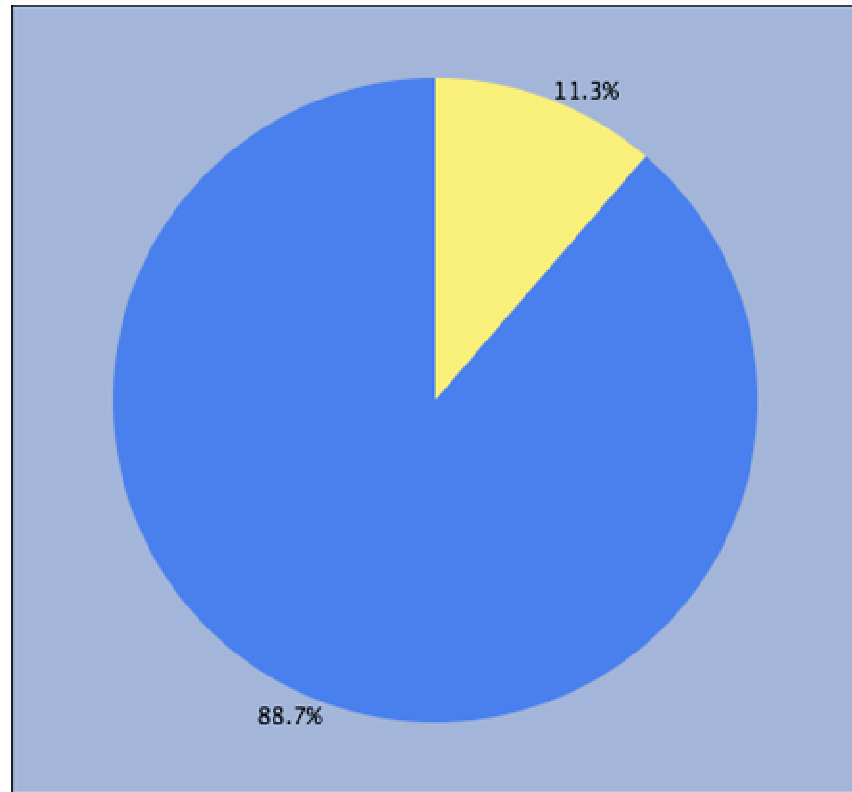
Type of Floor



Type of Floor 6 Months after Loan

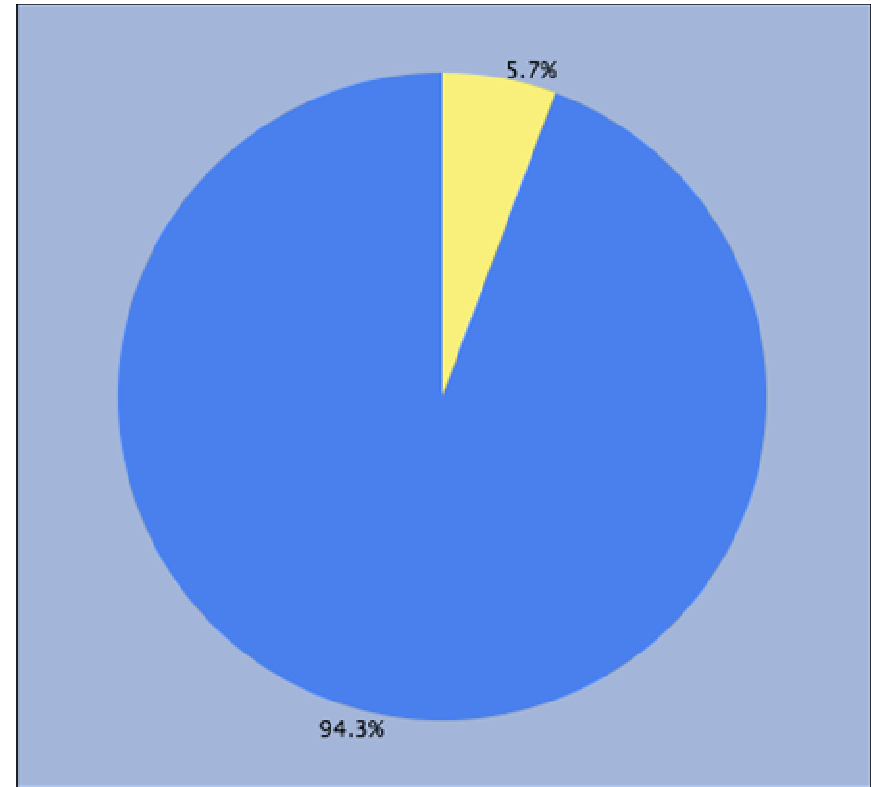


## More borrowers reported having savings after their first loan.



No Yes

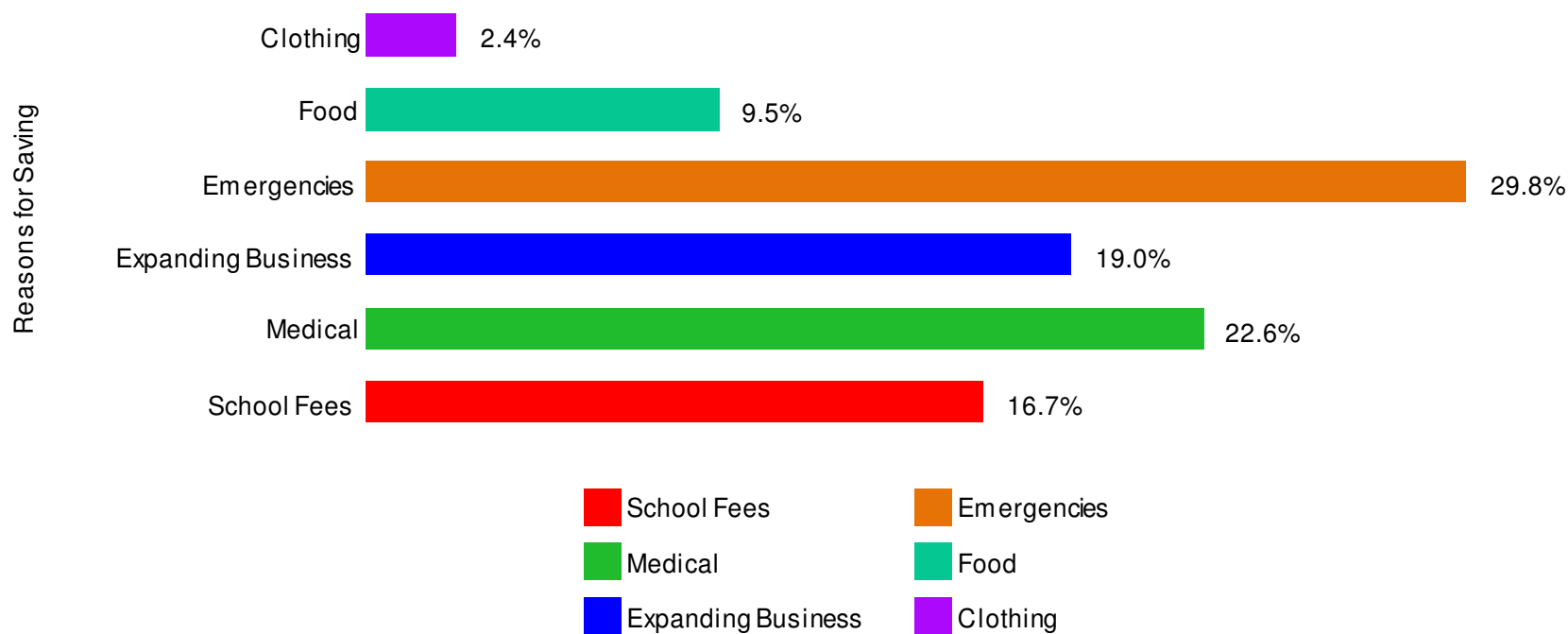
Before Loan



No Yes

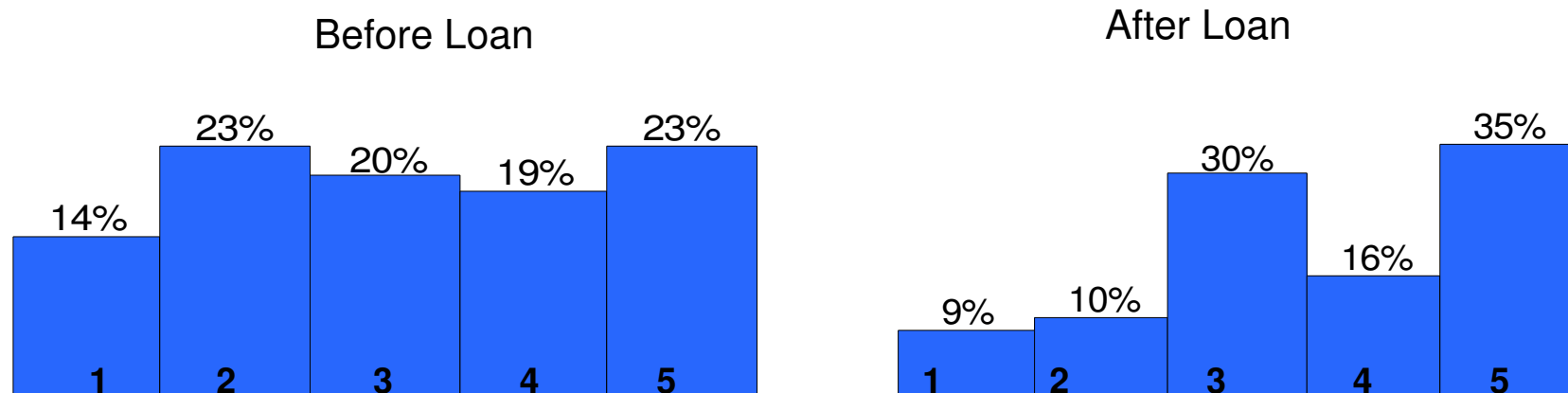
After Six Month Loan

## Over half of borrowers save for emergencies or for medical treatment.



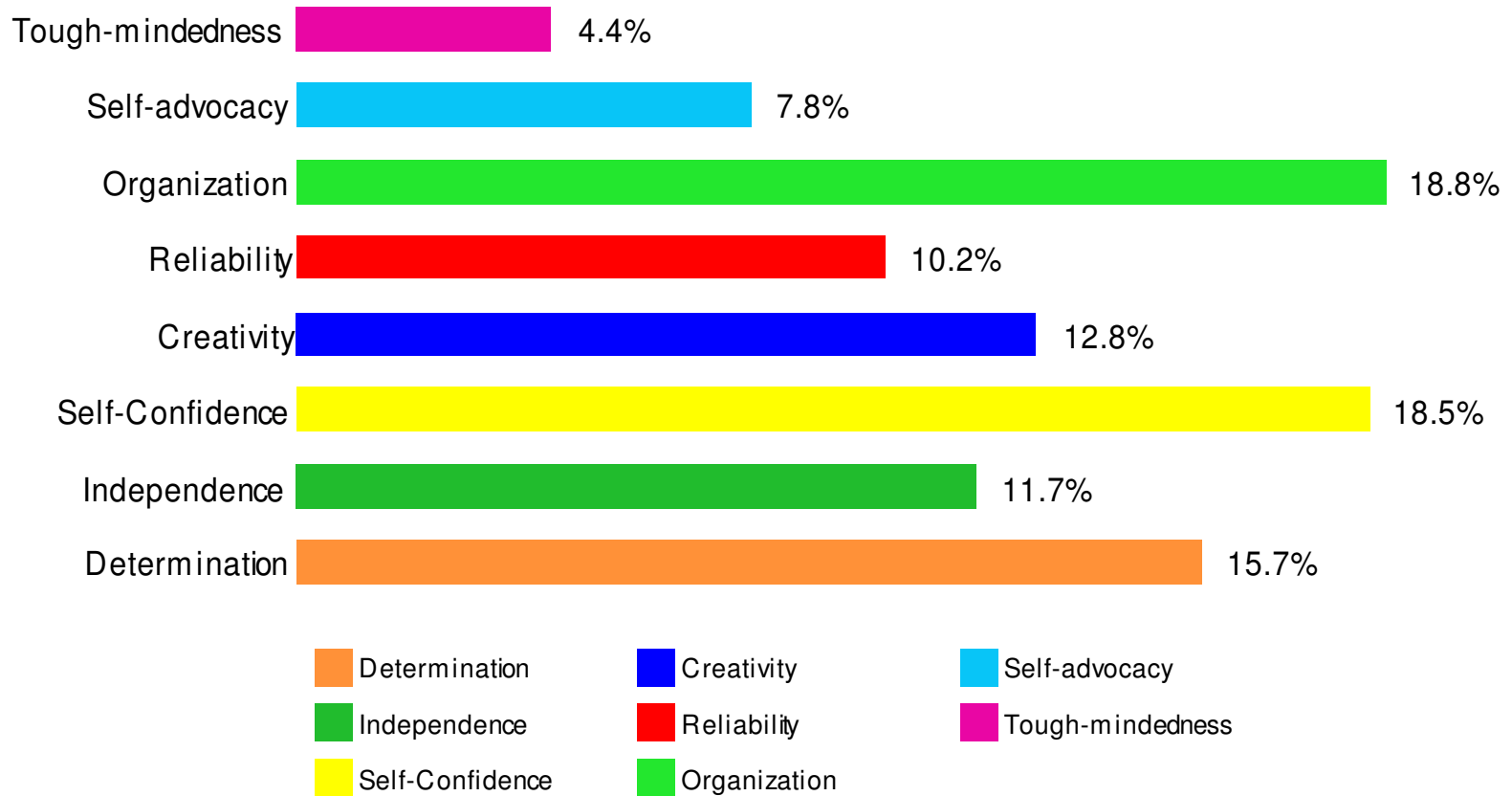
### Why Borrowers Save their Money

## Borrowers report an improvement in their reading and writing skills after joining the loan program.



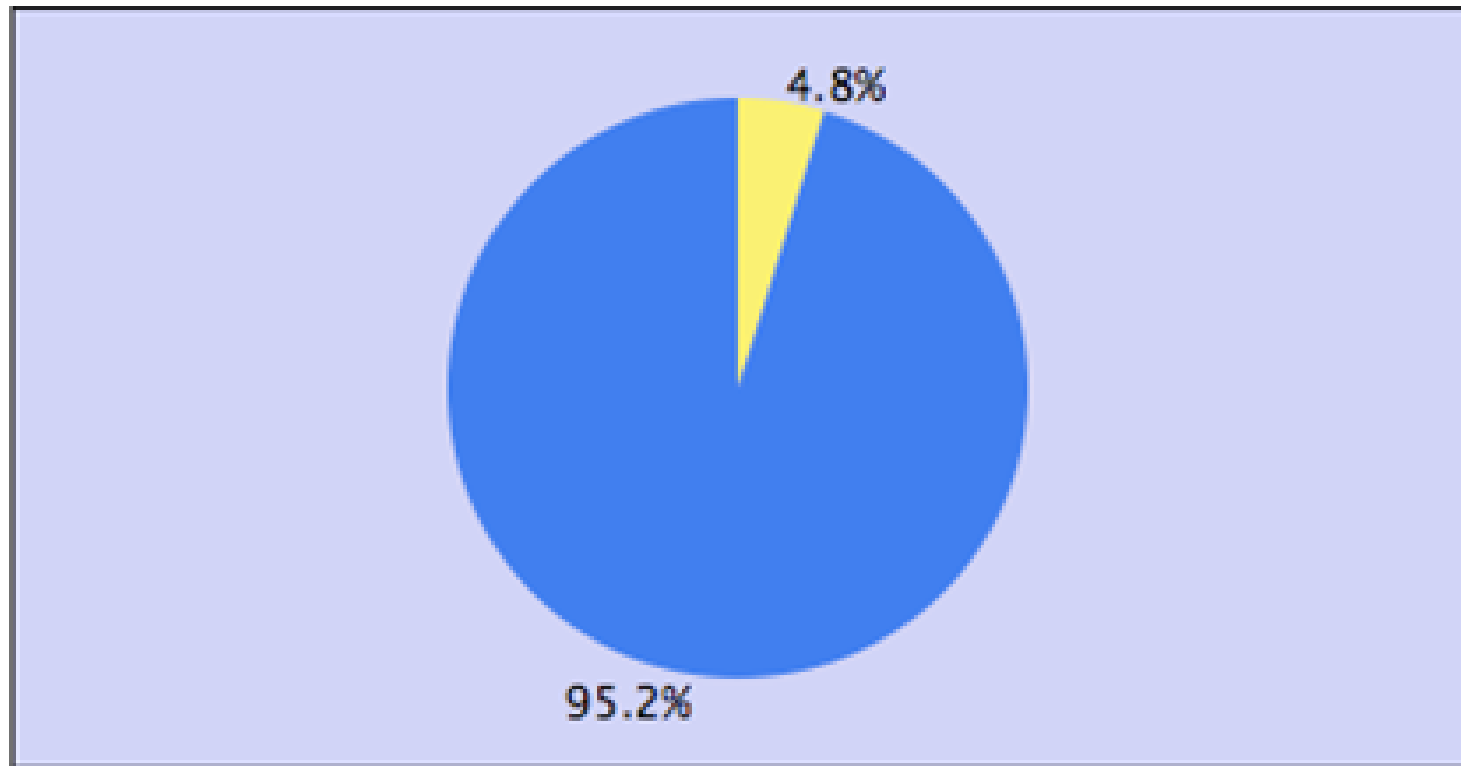
Comfort level with reading and writing, on a scale from 1 (low) – 5 (high).

## Borrowers reported improvements in their personal skills after receiving a loan.



### Areas of Personal Improvement After Loan

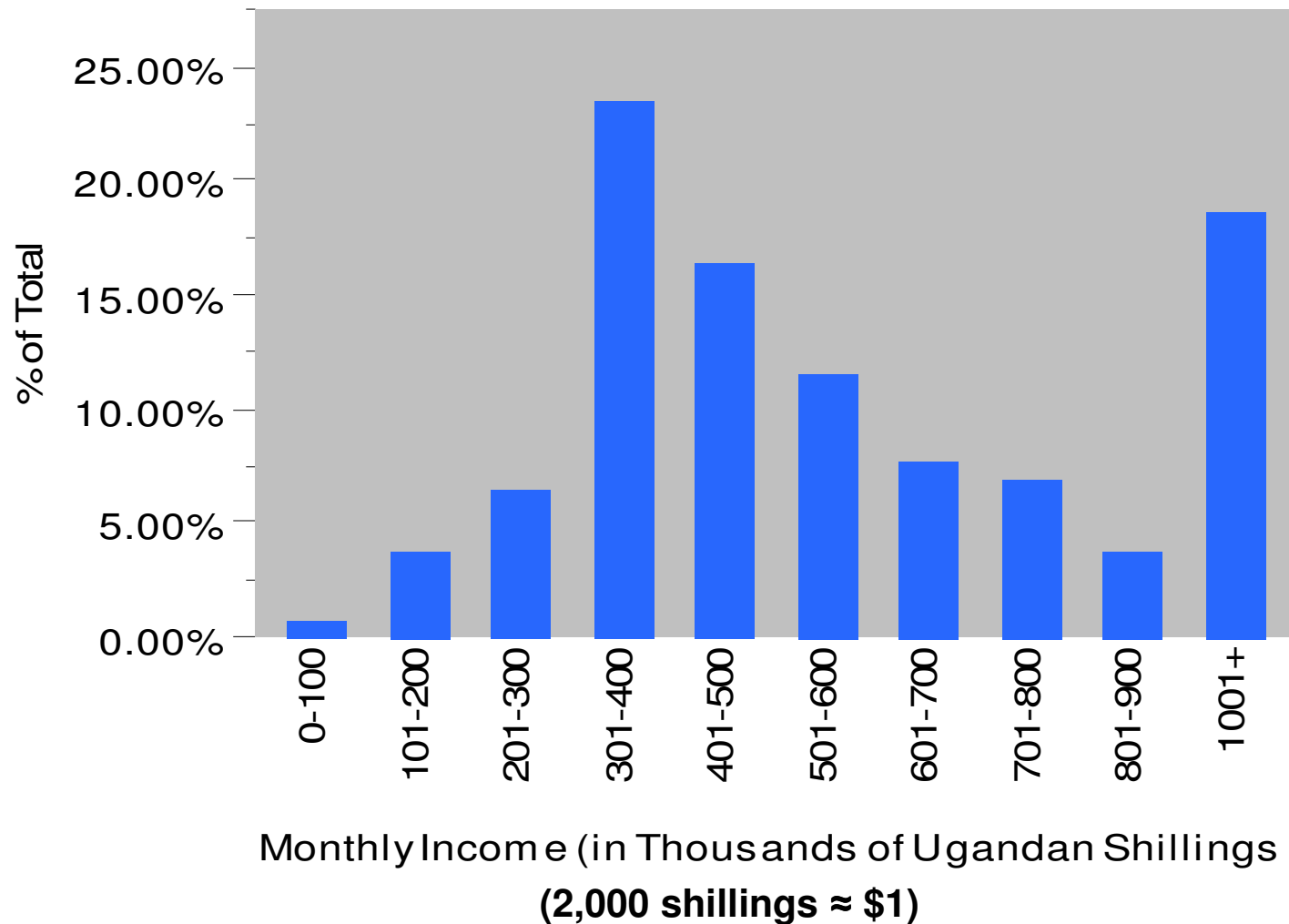
**The overwhelming majority of borrowers have families that help with their businesses.**



Percentage of Borrowers Whose Families Help with Their Businesses



**100 borrowers reported their business income 6 - 18 months after receiving loans. All borrowers experienced a significant increase in earnings. For 85% of borrowers, income increased from 50 cents per day to at least \$150 per month.**



# Quick Program Profile - Observations

## 1. Testimonies

2. **Age** – Because most borrowers are over 40, their general life experience may be a contributing factor to the 100% loan repayment rate. Also, the data showed spikes at regular intervals – 30, 35, 40, 45 and 50 – indicating that perhaps some of the women were guessing at their age.
3. **Marital Status** – The approximate 20% of borrowers who are not married, are widows.
4. **Number of children** – Borrowers tend to have very large households: 25% had 8 or more people living in their homes. Families frequently included sisters and other relatives. Uganda has one of the highest birth rates in the world – about 7 live births per woman.
5. **Care of other children** – With the majority of households caring for additional children, limited resources are stretched even further. When asked why they care for the children who are not their own, women frequently indicated, “ it is because they are orphans.” Sometimes the children are related to the borrower, sometimes they are not. Many of them are AIDS orphans.
6. **Income level** - Only one percent of WMI borrowers earn enough to be above the extreme poverty level. Borrowers and their families manage to survive through sporadic income, home-grown food, and shelter in the form of semi-permanent houses constructed on family-owned land.
7. **Source of light** - The wax candles borrowers so readily use for light are expensive, smoky, and inefficient. Smoke is often trapped in the houses due to poor ventilation. Electrical lighting is prohibitively expensive. Though electric transmission lines follow the main road through most villages, in order to obtain electricity people must purchase their own pole and wiring, hire a state approved technician, and then deal with rolling blackouts. WMI is working to establish a loan program for the purchase of low-cost solar panels.

8. **Source of water** - The open water pipe used by a majority of borrowers is buried too close to the ground's surface and is cracked in many places. This has allowed animal waste and other run-off to seep in and contaminate the water. Despite this situation, barely more than a quarter of borrowers always boil their water. It may be that they do not have the time or resources to obtain the necessary firewood to boil water on a more regular basis. With over 80% of borrowers reporting at least one member of their family as regularly sick (Ill-1), the failure to routinely boil water may be a contributing factor to the high rate of illness.
9. **Source of cooking fuel** - The pervasive use of firewood for cooking fuel has many negative consequences. The collection process takes an enormous amount of time and energy; the smoke from the burning wood causes respiratory problems; harvesting trees hastens deforestation, which can result in dangerous mudslides and the erosion of fertile soil. WMI has launched a fuel-efficient stove distribution program.
10. **Toilet facility** - The pit latrines that 97.9% of borrowers use are typically located at the edge of their home gardens. When the pits become full, after about five years, borrowers simply dig another pit, leaving the old pit untreated. This can lead to contamination of their food source and may contribute to the high rate of illness.
11. **Incidence of malaria** – Of the nearly 90% of borrowers reporting that a family member had malaria in the past year, many confirmed that malaria recurred on a regular basis. Yet with such high infection rates, only a quarter of borrowers had nets for everyone in their household. Those who sleep under nets often share the net with other family members. Insecticide treated nets are a low-cost, low-tech means of prevention, and WMI is currently seeking an affordable mosquito net supplier for the borrowers.
12. **Loan impact on families** – Most borrowers reported that the loans meant they could care for their families and this had a positive impact on their lives. The biggest strain on the family frequently had to do with the amount of time the mother spends away from home. The women often need additional hands in the household to prepare meals, care for children and perform chores.
13. **Types of businesses** - Many borrowers start out in food related businesses. This is an easy type of business to launch. Uganda is very densely populated, even in the rural areas, so there is a large customer base to draw on. Though many borrowers may be in the same general business, for example, selling bugoyas, they distinguish their marketing approach: some sell by the roadside, others at the different market places, others to truckers heading for Sudan, and still others to traders from Kenya and northern Uganda, who now come to the Buyobo area, perhaps attracted by the many new businesses the borrowers have started. As borrowers gain experience, they may diversify their products to add specialty items like eggplants or Arabica coffee. Some newer businesses are providing services, such as a hair salon and carpentry shop.

14. **Upgrade in home** – One of the first improvements women made with their business profits was cementing the mud floor in their houses. The mud floors are dusty and cause significant coughing in the dry season. They easily become uneven and must be repacked regularly, which is messy and time-consuming
15. **Savings increase** – The already high savings rate among borrowers increased even more after their first loans. The WMI training program emphasizes savings. Borrowers are taking active steps to plan for future uncertainties.
16. **Reasons for Saving** – Borrowers saved to be able to cover future medical payment and emergencies. Preventative health care could curb the dent medical costs make in borrowers' savings. Borrowers also highlighted the importance of their businesses by prioritizing savings to expand them.
17. **Improvements in Reading and Writing** – The comfort levels with reading and writing are self-determined. However, after attending WMI training sessions and operating their businesses, there was a marked increase in the women's comfort with literacy skills: the number of women who ranked themselves "1" (the lowest comfort level) decreased from 14% to 9% and the women who ranked themselves a "5" increased from 23% to 35%.
18. **Improvement in personal skills** – All women recognized personal growth in some area. Operating a successful business requires women to be negotiating, marketing and planning on a regular basis. Through these business activities they can develop proficiency in a number of important skill sets that lead them to become more confident, organized and determined. With this growth the women can become better advocates for themselves and their families
19. **Family assistance with business** – The businesses borrowers launch have truly turned into family-run operations, with over 95% of borrowers getting some kind of help from their immediate relatives. Most often, married borrowers received help from husbands and children. Microfinance research indicates that the most successful businesses are ones where the husband and wife work together in the enterprise. With cost of transport and competition cited as 2 of the greatest difficulties in running a business (V-3), it is not surprising that 2 of the areas where family members offer the most assistance are transportation and marketing.
20. **Income after loan** – All borrowers saw a leap in their monthly income after taking out their first loan. With 85% of borrowers reporting monthly revenue of \$150 or more, the loan program has significantly and immediately improved borrowers' earning capacity. With regular income, borrowers can develop budgets and learn to smooth out the consumption curve for their households.

# Quick Profile Summary

**Borrower Demographics** - The majority of borrowers are 40 or older and married. More than half have 4 to 8 children living with them. Nearly two-thirds of borrowers care for children who are not their own.

**Standard of Living** - Nearly 100% of borrowers live in extreme poverty, subsisting on less than 50 cents per day. Borrowers generally live in their own mud-floored homes, in 3 or fewer rooms. The cooking fuel is overwhelmingly wood that is gathered, most access water from a contaminated pipe, and candles most frequently provide the only light after sunset. Nearly 100% of borrowers utilize some form of pit latrine.

**Family Health and Welfare** – Nearly 90% of borrowers report that someone in their household had been sick with malaria in the past year; yet, only a little more than 25% have mosquito nets for everyone in their family.

**Loan Impact** – The loans have had an overwhelmingly positive impact on family life. The businesses have largely become family-run operations. With their increasing income, borrowers are able to cement their mud floors, purchase additional farm animals and acquire furniture. Borrowers' savings rates increased; they mainly saved for emergencies, medical care, and expanding their businesses. Borrowers reported increased confidence in reading and writing skills. Personal skills have also improved: they are more self-confident, organized and determined.

**Business Operations** – Food-related businesses are the most popular, but over time some borrowers begin to specialize in particular items. Businesses offering similar products distinguish themselves by using different sales and marketing techniques. Newer businesses are starting to offer services, like a hair salon and carpentry shop.

Traders from northern Uganda, Kenya and Sudan have started coming to Buyobo to buy goods.