



FINCA®

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Digitizing the Classroom So All Students Have a Chance to Succeed



Photo by Alison Wright

Imelda Mumbi in Kenya, a user of Eneza Education, a FINCA Ventures portfolio company.

Four years ago, Imelda Mumbi received difficult news. She came home from elementary school in the Kawangware slum of Nairobi, Kenya and her mom, Jane, told her they needed to move to the village to live with a relative. Her mother explained she could no longer afford to take care of her three children as a single parent in the city. Imelda was devastated.

“I knew that if we moved to the village I would not have many opportunities in life,” said Imelda. “Most of the good schools and jobs are in the city.”

The next day, however, changed everything. Imelda returned to school and found it bustling with activity. Crowded among the half dozen classrooms constructed from aluminum siding, wood scrap and chicken wire were students, teachers and a few special guests. Representatives from a company called Eneza Education were visiting to talk about a new learning service made possible by mobile phone technology.

Eneza Education is an African-based social enterprise offering digital educational curriculums that work on basic feature phones, smartphones and tablets for K-12 students and adults. Known as

“Shupavu 291” in Kenya, this service is available to Safaricom mobile network customers for \$0.10 per week. This makes it not only convenient but also more affordable than traditional textbooks. The word “shupavu” is Swahili for “champion,” and “291” refers to how Safaricom customers dial *291# to access the service.

Imelda went home that day and told her mom about Shupavu and how it would not only help to improve her grades, but also—and crucially—replace the need to purchase costly textbooks. Jane agreed to postpone the move to the village so Imelda could give this new service a shot. Buoyed by the chance for a fresh start, Imelda began waking at 3 am just to use the program for one hour before school. As a 12-year-old, Imelda does not have a phone of her own, so she borrows her mom’s. Despite the phone’s cracked screen, the program has done wonders for Imelda’s grades, her self-confidence, and the family’s budget.

“Shupavu is the pillar of Imelda’s education,” said Jane. “It was difficult to afford schoolbooks but Shupavu takes the place of books and is more affordable.”

Such solutions to seemingly intractable social problems, like access to quality education, are made possible by private enterprises accessing the support they need to grow and scale. Eneza Education is one of six companies that has benefitted from FINCA Ventures, an impact investing initiative that aims to accelerate the growth of companies developing goods that align with FINCA’s charitable mission.

If you are interested in learning how you may support FINCA Ventures, please contact Colleen Zakrewsky, Chief Development Officer, at (202) 971-4627 or Colleen.Zakrewsky@FINCA.org.

Letter from the President and CEO



Dear Friends,

As students return to class around the country, I am reminded of how “unfair” life may seem. One child is afforded a world of opportunity by her birthright, while another, no matter how motivated, is seemingly destined for a life of struggle. Nowhere is this more evident than in the unequal access to quality education.

Fortunately, education is one of many sectors being positively disrupted by social enterprises tackling the basic service needs of families in developing countries. Digital technologies are offering new opportunities, giving poor schoolchildren access to government-accredited lessons and assessments for the first time.

FINCA Ventures is working to accelerate the impact of these types of initiatives. We are also taking an active role in education for microfinance clients and small business owners. Financial literacy trainings help our clients borrow wisely and run their businesses more effectively, and educational loans help parents pay for school fees and empower administrators to expand school facilities.

We are proud to support innovative solutions to education and are grateful to supporters like you who make all this possible.

Sincerely,



Rupert W. Scofield
President and CEO, FINCA International

Renewing the Hope of Poor Guatemalan Women through Education

To the south of Guatemala’s capital city is Villa Canales, a municipality with a high crime rate and an economy dependent upon the production of pineapples. Houses are marked by rustic walls and tin roofs. Inside one of these homes lives Esperanza, a 24-year-old mother with two babies. Her mother, Doña Dina, is a FINCA Village Banking™ client and uses small loans to support her business and provide for her family.

Since she was a child, Esperanza loved school and dreamed of graduating from university. However, between taking time from her job to study, financing her education, and traveling the long distance to the nearest university, Esperanza figured her dream would go unfulfilled. This all changed when her mother told her about FINCA Guatemala’s EducaFINCA scholarship program.

Recognizing that enrollment in higher education in Guatemala was low at only 18 percent, FINCA set out to improve access. EducaFINCA allows Guatemalans to take diploma-level courses online from the comfort of their homes using any internet-connected device. It is particularly convenient for students who work during the day or who live in

rural areas, like Esperanza does. She quickly enrolled in a law curriculum and studies two hours every evening. Her motivation? “When I finish my studies, I will be able to choose a better job and improve my family’s quality of life.”



Photo by FINCA Staff

FINCA Guatemala client Doña Dina (left) with her daughter, Esperanza (right).

“When I finish my studies, I will be able to choose a better job and improve my family’s quality of life.”

Spreading Financial Literacy Across the Globe

Around the world, nearly two billion adults live without access to financial services. But what happens when *understanding* finance is a challenge? To empower clients to make wise financial decisions, FINCA provides financial literacy training in many of the countries across its microfinance network.

In Armenia, FINCA helps run an annual financial education campaign, which sheds light on the power of small loans and how to avoid the pitfalls of over-indebtedness. Clients who visit bank branches may take home printed materials that provide additional information on responsible borrowing, including a financial health tool that helps clients assess their abilities to cope with financial shocks. Similarly, FINCA Georgia is empowering owners of small-scale enterprises with banking, budgeting, financial management, loan and insurance education. But it is not just adult entrepreneurs who benefit. During a financial literacy camp, FINCA staff coached 120 teenagers in developing business



Photo by FINCA Staff

Bushra Rasheed, FINCA client who runs a beauty shop and clothing boutique in Pakistan.

plans. And in Pakistan, FINCA launched a financial literacy program targeting clients and the public. This video-based awareness campaign covered budgeting for small businesses, savings, investments and alternative delivery channels, like mobile phone-based e-wallets. FINCA plans to conduct these awareness sessions across its 120 branches in Pakistan.

Educational Opportunities for Students and Administrators in Africa

For Gillian Lamwaka in Uganda, each semester brought the same worry: how to pay her school tuition. Since losing her mother at the age of four and being abandoned by her father, Gillian was no stranger to hard work and perseverance. But paying her way through university? It seemed unthinkable.

Gillian is not alone. Higher education remains out of reach for millions of low-income people across Africa. Even for those who manage to enroll,

staying in college can be a constant financial struggle. School administrators also face headwinds, like financing classroom expansion for the booming youth population across the continent. FINCA is actively working to address both challenges. In Uganda, an educational fund provides scholarships for students of less-privileged FINCA clients, like Gillian, to complete their university studies. In Nigeria, School Fees Loans empower parents to finance their children's education, and School Improvement Loans help school proprietors to complete necessary facility upgrades and expansion. In all cases, the aim is to raise school enrollment, educational quality and graduation rates in low-income areas.

"I am thankful that FINCA has given me an opportunity that not everyone gets," said Gillian, a beneficiary of the FINCA Uganda education fund.

"This scholarship gives me hope that with a university degree I will be able to afford a better life in the future for my family and for myself."



Photo by FINCA Staff

FINCA Uganda scholarship winner, Gillian Lamwaka.

Creating Economic Pathways Through Monthly Giving

When Dunstan Morey, a musician from Toronto, first learned about microfinance, he knew supporting it was a no-brainer. The father of four strongly believes in the empowerment of the poor through increasing economic opportunities. “The whole economic model just makes sense,” Dunstan told us. “You are loaning money to get people started in a small business. That’s going to benefit them personally and benefit the local economy. It’s going to benefit us all globally because it will take the pressure off international communities the more self-sustaining that people become.”

Nine years ago, Dunstan decided to deepen his commitment to FINCA by becoming a monthly donor. He chooses to regularly support FINCA because he knows it is important to have “some awareness of what’s going on in the world” and to provide “stable funding” for important organizations like FINCA. Thank you, Dunstan, for your continued support to improve so many lives!



Dunstan Morey, a FINCA monthly donor

By becoming a monthly donor to FINCA, you, like Dunstan, can create a reliable source of funds that promotes and sustains economic opportunities for poor families each year. A small monthly gift can have enormous impact over time. If you are interested in becoming a monthly donor, visit FINCA.org/sustain or contact Reena Vadehra at 202-971-4632.

Help FINCA Clients Be Unstoppable and Take the Unbanked Challenge

Find out what it’s like for the nearly two billion people around the world who live “unbanked.” Commit to seeing things from their vantage point by taking the **Unbanked Challenge**. For even just one day, live as if you didn’t have access to financial services. Then, tell us about your experience on Twitter, Instagram and Facebook using **#IamUnbanked**. Here are some tips to help you survive the Unbanked Challenge:

- You can only spend the cash on hand.
- Leave credit and debit cards at home.
- No mobile payments or online banking.

Visit IamUnbanked.org to learn more.

Provide a Legacy Supporting FINCA Clients for Generations

- **Stocks, Bonds or Mutual Funds**—Support FINCA with a gift of securities.
- **Bequest**—Include FINCA in your will or living trust.
- **Retirement Plan**—Make a qualified charitable distribution from a traditional or rollover individual retirement account (IRA) to FINCA.
- **Estate**—Include FINCA as a beneficiary of your IRA, 401(k) or life insurance policy.

For more information about any of these gift opportunities, please contact Bill Lane at Bill.Lane@FINCA.org or (202) 971-4695.



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