



FINCA®

Village Bank Notes

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Women Mean Business

By *Andrée Simon*

At FINCA, we've always known that when women have the opportunity to manage their own businesses, they can run them just as profitably and efficiently as men can. And now there's evidence that women are even better than men at running businesses!

By targeting female entrepreneurs, FINCA helps not just the women themselves, but also their families, communities and local economies. Recent studies have shown that the ripple effect of investing in women and boosting their participation in the global workplace could add \$12 trillion to the world's GDP.

This idea that women are more profitable and efficient business owners was recently tested through a small IFC study of FINCA's banking agents in the Democratic Republic of Congo. In areas where FINCA doesn't have a branch, local merchants and shopkeepers act as agents to provide basic banking services, using POS machines to connect to bank accounts through biometric fingerprints.

Surveying over 140 women, the researchers found that, despite selling lower cost products and services and working in lower income areas, the female



Photo by FINCA staff.

FINCA DR Congo client Titiwa Mwanji with her daughter.

business owners make higher quantity sales and earn 16% higher net weekly profits than men.

“Women seem to be more entrepreneurial,” the report argues, “since they put more money back into their business inventory rather than keeping it on a bank account which yields little interest.”

As agents, the report says, “women do a better, more efficient job compared to men. Not only do female agents transfer higher volumes per FINCA transaction, they also, on average, report 12% more FINCA transactions per month than male agents.”

Women still face tremendous barriers around the world. In the DRC, for example, married women need spousal permission to have a job, sign a contract or open a bank account. Male-owned businesses have 29% higher credit than female-owned businesses.

But opportunity is a catalyst for change. The thousands of female FINCA agents in the DRC not only prove how well women can run businesses, but also that they can play a vital role in helping other women achieve equality in business.

Andrée Simon is the CEO of FINCA Microfinance Holding Company.



Photo by FINCA staff.

FINCA DR Congo client Titiwa Mwanji with her family in her shop.

“Borrow Wisely” Effort Helps Clients Avoid Excess Debt

FINCA Armenia, which provides financial services to nearly 45,000 people, recently engaged its clients in a one-month long financial literacy campaign dubbed “Borrow Wisely.” The key goal was to educate FINCA microfinance customers on how to take on safe and responsible levels of debt.

Many lenders are motivated solely by profit and have little regard for client welfare. FINCA is different. We focus on income-generating small businesses to alleviate poverty. We have strict internal standards and policies to ensure that clients do not become over-indebted and are treated fairly and ethically. This is part of FINCA’s heritage and mission, and “Borrow Wisely” is an outward manifestation of this philosophy.

For the “Borrow Wisely” campaign, 34 FINCA Armenia employees were trained and provided with posters, leaflets and brochures to enable them to deliver the key messages of the campaign to existing and potential FINCA clients.

They achieved their goal by means of a simple checklist of questions which all microfinance clients



Photo by FINCA staff.

FINCA Armenia client Goharik Martirosyan making her fine ceramics at her pottery wheel.

should ask themselves before taking out a loan, in order to ensure they take on safe and responsible levels of debt.

FINCA Armenia’s “Borrow Wisely” campaign was organized under the auspices of the Microfinance Center, a global organization which promotes international customer protection standards and financial education for microfinance clients.

Providing Hope and Opportunity to the Blind



Photo by FINCA staff.

FINCA DR Congo staff offer training to a savings group of blind women.

Nearly six million people suffer from blindness across Africa. Many of Africa’s blind live in poverty as well. Though daily existence poses extraordinary challenges for this population, many yearn for the same opportunities to live independently and give their children a good start in life that FINCA’s clients typically do.

In the Democratic Republic of Congo, where FINCA serves nearly 256,000 clients, a number of FINCA employees recently came together to help change the lives of some of the country’s blind, impoverished

women. They raised money for their cause and then gave the proceeds to 16 blind women who had been begging on the streets of the capital city Kinshasa.

The women used the donated funds to start their own businesses, such as setting up stalls in the markets or on the streets to sell cooking oil, charcoal, groceries or plastic goods. Over the course of a few weeks, FINCA staff trained these women on business management and on the importance of savings, and then helped them to form a savings group.

FINCA banking agents are equipped with POS machines, portable devices that connect to bank accounts through biometric fingerprints. These proved to be ideal for blind clients, enabling them to securely and conveniently manage their savings accounts.

Since the project launched last fall, 15 out of the 16 blind women have maintained successful businesses and saved money! The initiative once again demonstrates that access to financial services can be a powerful tool to create opportunity, drive prosperity and change lives, even for people in the most challenging circumstances.

One Loan Creates Jobs for up to 60 Poor People in Honduras

Ermelinda Paz Gutiérrez is a tiny but commanding woman who runs a very successful small coffee plantation in southern Honduras. She has been growing coffee for 28 years on her family’s farm and became a FINCA client a year ago.

Her coffee shrubs grow on hilly land, most of it tree-covered to provide shade from the hot sun. The forest-like structure of shade coffee farms like Ermelinda’s supports a high diversity of migratory and resident birds, native plants and other species.

Growing coffee is an expensive business which requires frequent investment to ensure a good harvest of high quality beans. Ermelinda said her FINCA individual loans have been very helpful for paying her employees for their work maintaining, fertilizing, and pruning her shrubs, and trimming the shade trees that tower over them.

Ermelinda’s complex operation requires ten permanent people and up to 60 seasonal employees, who come from all over Honduras and across the border in Nicaragua. They carefully pick the coffee by hand, as the cherries ripen in waves across the



Photo by Dawn Deeks.

La exigente, Ermelinda Paz Gutierrez observes as one of her workers picks her coffee beans at the peak of ripeness to make the best coffee.

hillsides, from green to yellow and then to a deep red, almost purple color, which commands the highest price and results in the best coffee.

After drying, Ermelinda sells the coffee to local buyers, who sell the best of it to exporters. It is then shipped to the U.S. and around the world, where it is roasted and eventually finds its way into your cup at home, work or your local coffee shop.

Pilates to Fight Poverty

Ineke Rush Madsen, a devoted mother of three daughters, has supported FINCA for over ten years. She is passionate about FINCA’s mission and is dedicated to helping mothers in other countries develop and cultivate their businesses in the same way that she has.

A small business owner, Ineke has thrived and grown her Pilates studio in Newark, CA over the last few years. Her dedication to dance and fitness has also led her to teach ballet, yoga, and Pilates classes at a local community college. Most recently, she opened a second location of her business in Pleasant Hill, CA. “I am truly overwhelmed with gratitude that I am now able to pay my good fortune forward,” she said. Ineke is giving 5% of her studio’s profits to FINCA each month.

With the generous support of our loyal donors like Ineke, FINCA continues to bring the life-changing power of financial inclusion to poor families on five continents. Ineke’s involvement stems from her commitment “to helping other mothers transition from the poverty state.” Having experienced financial hardships herself, Ineke understands how financial access can empower women. What truly resonates with her, she says, is the

idea that “to really help somebody, it’s important to meet them where they are.” She is passionate about helping people help themselves.

With the success of her small business, Ineke has witnessed the transformative power of access to financial services. Most importantly, she is thankful for the flexibility her business has given her to spend time with her daughters and her husband.

“I am inspired to continue to do what I can to help people (especially single parents) to bridge those gaps to better lives for themselves and their children...you can count on my continued support,” Ineke says.



FINCA supporter Ineke Rush Madsen and her daughters.

2-to-1 Matching Gift Challenge! Your Gift Today Will Go Twice as Far!

Any donation you make now through April 30th will be doubled, thanks to our special matching gift challenge, up to a total of \$100,000! We all know FINCA's continued growth and expansion is urgently needed. That's why we are so excited about this special \$100,000 Matching Gift Challenge.

We hope that you will be inspired to make a contribution, knowing it will be matched dollar-for-dollar, by mailing in your gift or visiting **FINCA.org/match**. Please make sure to take advantage of this opportunity to have your generous contribution doubled. Your gift will help ensure FINCA receives every dollar in matching funds to expand our reach to poor families around the world.



Photo by Ashiq Hussain.

FINCA Afghanistan client Nafisa.

Make a difference in a woman's life today! Donate online at FINCA.org/match.

Can FinTech Close the Gender Gap?

On March 6, FINCA hosted over 150 people for a special International Women's Day event at our Washington, DC headquarters to discuss an important question: *Is financial technology the key to closing the gender gap?*

Joined by thought leaders from CGAP, The MasterCard Foundation, McKinsey Global Institute and Savannah Bank, Andrée Simon, CEO of FINCA



Photo by FINCA staff.

Andrée Simon discusses financial technology with (L to R) Ann Miles, Greta Bull, Susan Lund and Patricia Nwobodo.

Microfinance Holding Company, led a discussion on the benefits and challenges of using mobile innovations to empower women with financial services.

Of the nearly two billion unbanked worldwide, women are 28% less likely than men to have an account at a formal financial institution. Women are also 14% less likely than men to own a mobile phone. These deficits are shrinking because, "We know that when women have cell phones, they feel safer, find jobs better and have increased access to financial services," said Andrée Simon.

"Mobile solution and fintech are a game changer," added Susan Lund of the McKinsey Global Institute. "With mobile phones, you can get a 30% increase in people accessing finance."

Ultimately, the panelists agreed that the growth of financial technology presents a tremendous opportunity for positive change for women and that, as Andrée Simon said, "Bold action is both necessary and possible." Visit FINCA.org/newsroom to learn more and watch a video of the event.



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